

Scottish Rural Development Programme

Programme type	Rural Development Programme
Country	United Kingdom
Region	Scotland
Programming period	2021-2024
Managing authority	Scottish Government, Agriculture Policy Division
Version	1
Last modification date	

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1. TITLE OF THE RURAL DEVELOPMENT PROGRAMME

Scottish Rural Development Programme

1.1. Amendment

1.1.1. Type of amendment

1.1.2. Amendment modifying information provided in the PA

-

1.1.3. Amendment related to the third sub-paragraph of Article 4(2) of R.808/2014 (not counting against the limits set in that Article):

1.1.4. Consultation of the monitoring committee (Article 49(3) of R.1303/2013)

1.1.4.1. Date

1.1.4.2. Opinion of the monitoring committee

1.1.5. Amendment description - Article 4(1) of R.808/2014

1.1.5.1.1. Reasons and/or implementation problems that justify the amendment

1.1.5.1.2. Expected effects of the amendment

1.1.5.1.3. Impact on the change on indicators

1.1.5.1.4. Relationship between the change and the PA

1.1.5.2. Financial Plan and impact on Indicators

1.1.5.2.1. Reasons and/or implementation problems that justify the amendment

1.1.5.2.2. Expected effects of the amendment

1.1.5.2.3. Impact on the change on indicators

1.1.5.2.4. Relationship between the change and the PA

1.1.5.3. JPMC (disbanded)

1.1.5.3.1. Reasons and/or implementation problems that justify the amendment

1.1.5.3.2. Expected effects of the amendment

1.1.5.3.3. Impact on the change on indicators

1.1.5.3.4. Relationship between the change and the PA

1.1.5.4. LFASS (payment rates)

1.1.5.4.1. Reasons and/or implementation problems that justify the amendment

1.1.5.4.2. Expected effects of the amendment

1.1.5.4.3. Impact on the change on indicators

1.1.5.4.4. Relationship between the change and the PA

2. RELEVANT AUTHORITY

2.1. Geographical area covered by the programme

Geographical Area:

Scotland

Description:

Scotland has a land area of around 78,000 km², approximately a third of the total UK land area. It borders England for 60 miles (95 km), and has around 18,500 km of coastline. Its population in 2012 was around 5.3 million, accounting for 8.3 per cent of the total UK population.

The Highlands and Islands are classed as a transition region eligible for funding under article 59(3)(c) of Reg (EU) No 1305/2013. All other regions in Scotland are eligible under 59(3)(d) of Reg (EU) No 1305/2013.

2.2. Classification of the region

Description:

Rural areas in Scotland (NUTS 1) are home to some 982,000 people (18.5 per cent of the total Scottish population).

95% of the total Scottish land area is classed as rural, with 85% of the agricultural land currently designated as Less Favoured Area. The definition of a rural area is settlements of less than 3,000.

With reference to decision 2014/99/EU, for the following regions:

UKM6 Highlands and Islands

UKM2 Eastern Scotland

UKM3 South Western Scotland

UKM5 North Eastern Scotland

The way we manage the budget and prioritise and target resources, different rates across the country are not required. And the needs of the country as identified in the SWOT are addressed by providing opportunities in the relevant areas and sectors through our targeted approach as set out in the programme.

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 approach for the 2021-24 transition period, delivering Stability and Simplicity, means there is no change to the development undertaken for the 2014-20 programme.

The ex-ante evaluation report on the 2014-20 Scottish Rural Development Plan (SRDP) has been produced using a number of different approaches including literature review, textual analysis of drafts of various documents directly or indirectly contributing to the SRDP, interviews with senior Scottish Government (SG) officials, including those responsible for specific areas of rural development policy, and interviews with key stakeholders.

The ex-ante evaluation began with a start-up meeting on Tuesday 11 December 2012 in Edinburgh. This meeting introduced the evaluators to the key SG officials and provided a review of the SRDP drafting process to date as well as copies of material produced to that point, such as the reports from stakeholder/SG working groups. An Inception Report setting out a revised work programme was provided to the SG following the meeting to take account of changes in the timing of the SRDP drafting process.

A preliminary review of the CSF baseline and associated SWOT was carried out immediately post-inception with written feedback provided on January 11, 2013. The CSF baseline review and SWOT were amended in line with the recommendations put forward and a second round of written feedback was provided by the evaluators on February 12, 2013. Written feedback on the proposed use of the Common Context Indicators was provided on February 25, 2013.

A series of telephone discussions were held with SG officials responsible for various elements of the SRDP in March and April 2013. These focused on the lessons to be learned from the current programming period and on the developing shape of the 2014-20 plan.

Written feedback on the draft Monitoring and Evaluation Plan, data sources, SRDP reference group proposals and intervention logic was submitted to the SG on October 3, 2013. Written feedback on the proposed second consultation was provided on February 5, 2014 and an interim statement on the Partnership Agreement on February 28, 2014. Two further rounds of written feedback on the Monitoring and Evaluation Plan (in the form of tracked changes and comments) were provided on March 14 and 21, 2014 giving many detailed recommendations for improvement.

The above was supplemented by a number of informal feedback conversations and emails at various points in the process in response to the provision of additional and amended documents and following questions put to the evaluators.

A draft of the ex-ante evaluation was constructed based on a review of available documentation, principally the Stage 2 Consultation document, the Monitoring and Evaluation plan and interviews with SG officials in February/early March, 2014. This was submitted to the SG on March 7, 2014. Written answers were provided to a number of outstanding questions and further interviews with SG officials were carried out in April 2014 to discuss elements where documentation provided to the evaluators did not provide information necessary to address evaluation questions. This additional information was used to complete the ex-ante

evaluation.

The ex-ante evaluation report was structured on all the evaluation questions contained in the guidelines document covering both those raised in the text and those listed in Annex. Throughout the process special attention was given to the requirement that the SRDP contributes to the EU 2020 Strategy and that it operates within the context of the CSF and the Scottish chapter of the Partnership Agreement. The evaluators are satisfied that, as shown in the draft SRDP, these conditions are fulfilled.

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
Evaluation Plan 1	Other	12/06/2014
Evaluation Plan 2	Other	12/06/2014
Evaluation Plan 3	Other	12/06/2014
Evaluation Plan 4	Other	12/06/2014
Evaluation Plan 5	Other	12/06/2014
Financial allocations	Establishment of targets, distribution of financial allocations	12/06/2014
Implementation	Programme implementing arrangements	12/06/2014
Recommendations related to the SEA	SEA specific recommendations	12/06/2014
Relevance and coherence of the programme	Other	12/06/2014
The SWOT and needs assessment recommendation 1	The SWOT analysis, needs assessment	12/06/2014
The SWOT and needs assessment recommendation 2	The SWOT analysis, needs assessment	12/06/2014
The SWOT and needs assessment recommendation 3	The SWOT analysis, needs assessment	12/06/2014
The SWOT and needs assessment recommendation 4	The SWOT analysis, needs assessment	12/06/2014
The SWOT and needs assessment recommendation 5	The SWOT analysis, needs assessment	12/06/2014
The SWOT and needs assessment recommendation 6	The SWOT analysis, needs assessment	12/06/2014
The choice of measures	Other	12/06/2014

3.2.1. Evaluation Plan 1

Category of recommendation: Other

Date: 12/06/2014

Topic:

Description of the recommendation

Greater clarity should be given within the description of governance to who is responsible for ensuring that monitoring and evaluation is carried out

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

SG Response: this issue was clarified.

3.2.2. Evaluation Plan 2

Category of recommendation: Other

Date: 12/06/2014

Topic:

Description of the recommendation

Consideration was given to the need to carry out bespoke survey work to gather some forms of evidence.

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

SG response: provision for additional survey work has been made.

3.2.3. Evaluation Plan 3

Category of recommendation: Other

Date: 12/06/2014

Topic:

Description of the recommendation

The provisions relating to Agri-Environment-Climate be expanded to reflect the proportion of spend

allocated to this measure.

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

SG response: further monitoring and evaluation activities were added.

3.2.4. Evaluation Plan 4

Category of recommendation: Other

Date: 12/06/2014

Topic:

Description of the recommendation

The impact of socio-economic measures is captured within the monitoring and evaluation plan.

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

SG response: the plan was expanded to also include these measures.

3.2.5. Evaluation Plan 5

Category of recommendation: Other

Date: 12/06/2014

Topic:

Description of the recommendation

Greater consideration be given to non-beneficiaries in order to establish the counterfactual position.

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

SG response: this will be mainly addressed using existing surveys. This was clarified in the final SRDP.

3.2.6. Financial allocations

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

Date: 12/06/2014

Topic:

Description of the recommendation

The SG should make more explicit the basis of their allocation of funds between measures.

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

- identifying the list of priorities for which emerged from the SWOT analysis and needs assessment.
- Scottish Government undertook an exercise to cost what interventions are required to meet these priorities.
- budget available to Scotland (which represented a decline in real terms of around 5.5% compared to Scotland's budget for rural development from the EC for the current programme).
- the building up of the programme was an iterative process balancing what ideally the Scottish Government would like to fund and what the likely overall budget (EC and domestic funding) would allow.
- this involved considering schemes which will roll over into the next programme and spend which the Scottish Government is legally obliged to undertake.
- the remainder of the programme, the process for estimating the potential budget for each scheme used a number of different approaches.
- For completely new schemes (e.g. Broadband and Support for Co-operative Action), cost estimates were provided drawing on information from a variety of sources.

3.2.7. Implementation

Category of recommendation: Programme implementing arrangements

Date: 12/06/2014

Topic:

Description of the recommendation

Appropriate contingency planning takes place to ensure that the new IT system delivers as anticipated.

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

SG Response: there is confidence that the IT system will be robust. There are plans in the IT programme to

undertake user testing to ensure that the system is intuitive.

3.2.8. Recommendations related to the SEA

Category of recommendation: SEA specific recommendations

Date: 12/06/2014

Topic:

Description of the recommendation

Less Favoured Area Support Scheme

The SEA highlighted how hill farming – as supported by LFASS – must take a balanced approach to intensive/extensive grazing management, to ensure the continued delivery of primarily beneficial environmental outcomes (recognising however that inappropriate grazing management can contribute to environmental degradation).

New Entrants Scheme and Advisory Services

The SEA identified the potential for the New Entrants Scheme to deliver a range of environmental benefits highlighting, however, that the scope of these benefits would depend on how support is targeted.

Forest Grant Scheme

The SEA identified potential gains in relation to biodiversity and contribution to carbon sequestration services.

LEADER

The SEA highlighted how small scale impacts associated with economic development (e.g. as supported through the Small Rural Business Support scheme and LEADER) should be managed at the scheme level to ensure that significant cumulative issues don't arise.

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

Less Favoured Area Support Scheme

The Scottish Government has decided not to implement this recommendations and ILMPs will remain non-compulsory.

New Entrants Scheme and Advisory Services

The Scottish Government have highlighted how it would be challenging to target New Entrants support

according to the SEA recommendations.

Forest Grant Scheme

The Scottish Government's approach to regional prioritisation of SRDP investment – including in relation to forestry and links with related delivery mechanisms – is being actively refined (June 2014) to ensure an integrated approach to land management.

LEADER

The Scottish Government are not actively taking any measures to integrate consideration of potential cumulative effects issues at the scheme level, for either LEADER or the Small Rural Business Support scheme. Instead the focus will be on management at the local level through existing mechanisms, namely the statutory planning system and input from the statutory consultation authorities where relevant.

3.2.9. Relevance and coherence of the programme

Category of recommendation: Other

Date: 12/06/2014

Topic:

Description of the recommendation

- The SRDP should include a statement that the programme makes a contribution to the EU 2020 Strategy objectives.
- The SRDP's relationship with the other operational programmes should be made as clear as is possible given the stage of development of these other programmes, and that coordination and integration is pursued.
- The SG be more explicit in its decision not to employ sub-programmes.

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

Ex-ante evaluators' view of SG response: these recommendations have been built into the SRDP.

3.2.10. The SWOT and needs assessment recommendation 1

Category of recommendation: The SWOT analysis, needs assessment

Date: 12/06/2014

Topic:

Description of the recommendation

There be a hierarchy of SWOTs, from the SWOT, the SWOT of the whole SRDP, and SWOTs related to the individual EU Rural Development Priorities, so that the way that these inter-relate is clear.

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

SG response: though only the SRDP SWOT appears in the programme document, the individual Priority SWOTs have been shown to the ex-ante evaluators and clearly have been fed into it.

3.2.11. The SWOT and needs assessment recommendation 2

Category of recommendation: The SWOT analysis, needs assessment

Date: 12/06/2014

Topic:

Description of the recommendation

Each element in the SWOT should be backed by robust evidence in the statement of the current situation in the programme area. Attention was drawn to examples where such evidence was felt to need strengthening (in particular, for support to farming in Less Favoured Areas and to assist the entry of young farmers).

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

SG response: strengthening has been provided where necessary and additional evidence was provided to, and accepted by the ex-ante evaluators for LFASS and new entrants.

3.2.12. The SWOT and needs assessment recommendation 3

Category of recommendation: The SWOT analysis, needs assessment

Date: 12/06/2014

Topic:

Description of the recommendation

Common Context Indicators (CCIs) and Programme Specific Indicators be built into the analysis of the current situation, and hence into the SWOT.

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

SG response: this has been done.

3.2.13. The SWOT and needs assessment recommendation 4

Category of recommendation: The SWOT analysis, needs assessment

Date: 12/06/2014

Topic:

Description of the recommendation

Clear demarcation is maintained when classifying features into Strengths, Weaknesses, Opportunities and Threats (while recognising that some characteristics could fall into both the Strength and Weakness categories). Opportunities need to be based on changes in external factors, or building on Strengths or combatting Weaknesses or Threats. Threats are essentially related to change in external factors and should be distinguished from current Weaknesses.

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

SG response: the programme now respects these distinctions to a greater degree.

3.2.14. The SWOT and needs assessment recommendation 5

Category of recommendation: The SWOT analysis, needs assessment

Date: 12/06/2014

Topic:

Description of the recommendation

That the needs assessment is clearly based on the SWOT of the SRDP. This implies that each need can be traced back to elements within the SRDP SWOT, which in turn is based on the current situation in the programme area. The expression of needs should take account of lessons learned from previous RDPs.

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

SG response: needs are now clearly based on the SWOT.

3.2.15. The SWOT and needs assessment recommendation 6

Category of recommendation: The SWOT analysis, needs assessment

Date: 12/06/2014

Topic:

Description of the recommendation

That specific mention is made of the National Rural Network within the SWOT and needs assessment, as no separate SWOT analysis is being provided. However, the SG had commissioned an evaluation of the 2007-13 NRN and the findings from this evaluation have informed the plans for the 2014-20 programming period. This document provided an effective substitute for a SWOT analysis.

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

Ex-ante evaluators' view of SG response: the NRN has not been added to the SWOT, although the SG clearly recognises the role that the NRN can play in maximising the effectiveness of the SRDP. The evaluators are content that the evaluation of the 2007-13 NRN has provided a sound basis for developing the NRN in the 2014-20 programming period.

3.2.16. The choice of measures

Category of recommendation: Other

Date: 12/06/2014

Topic:

Description of the recommendation

- the choice of measures should be clearly linked to the needs identified in the needs assessment;
- full recognition should be given to lessons learned from previous Programmes (or national schemes where relevant);
- intervention logic at the level of the individual measure should be made explicit within the section describing each measure;
- intervention logic at the level of the programme (combination of measures, cohesion and consistency) should be apparent;
- alternative ways of delivering the measures should be considered.

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

The main comment the evaluators made was that the consultation document represented a substantial development of the material which had previously been made available to us. Our general conclusion was that the document was comprehensive, cohesive and well-integrated with other EU and national policies.

The draft SRDP programme document demonstrates (as does the Consultation Document that preceded it) that the required direction of development has been followed, starting with the issues faced by rural areas that can be addressed by the Structural Funds, then proceeding to what can be tackled under the SRDP. There is evidence that consideration has been given to which funds should be used, for example, to support advice and training, and purposeful choices made. In general, the rationale for interventions is spelled out, together with the legal basis of interventions and, by implication, the looked-for impacts. The proposals are set within a joined-up framework, both in terms of consistency and complementarity within the SRDP.

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

The Scottish Rural Development Programme (SRDP) will operate under a broad strategic framework agreed by the European Union (EU), termed the EU 2020 Strategy. This outlines thematic objectives to help focus the strategic interventions enabled through the use of European funds. Linked to these will be Scottish National Performance Framework (NPF) outcomes, which were developed to support the delivery of the Scottish Government (SG) Purpose:- ‘to focus the SG and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth’ The Thematic objectives and NPF outcomes are set out in a table, together with a brief comment of the position in Scotland.

See figure 1

Partnership Agreement

To assist in the development of the Partnership Agreement (PA), the EC issued a position paper for the UK in November 2012. This set out three specific challenges which the EC believes the UK and Scotland should address using the ESIF, if there is to be measurable progress against the EU 2020 targets. These are:

- increasing labour market participation, promoting business competitiveness and research and development investment;
- addressing social exclusion and unemployment;
- developing an environmentally friendly and resource efficient economy.

The EC's analysis aligns well with the SG's purpose, the Government Economic Strategy (GES) and the NPF. Together, these align with the overall EU 2020 objective of creating a smart, sustainable and inclusive Europe.

EU Rural Development Priorities

Underneath the EU Thematic Objectives sit the EU Rural Development (RD) priorities, which direct funding from European Agricultural Fund for Rural Development (EAFRD) towards key priorities for rural areas. The EU priorities for RD are:

- fostering knowledge transfer, co-operation and innovation;
- enhancing competitiveness, promoting innovative technologies and sustainable management of forests;
- promoting food chain organisation & risk management;
- restoring, preserving & enhancing ecosystems;
- promoting resource efficiency & transition to low carbon economy;
- promoting social inclusion, poverty reduction and economic development.

EU RD Priorities were mapped against the SG's NPF outcomes to ensure that all six priorities were relevant

to Scotland.

See figure 2

With both the thematic objectives and RD priorities, it is clear from the NPF, and the rural Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis carried out by the SG that Scotland can make significant gains in all these areas if appropriate interventions are made.

Through the intervention logic summarised above it is clear that SG NPF outcomes can be delivered through the six RD priorities, therefore SWOTs were undertaken for all six RD priorities. The findings from these SWOTs are based on; analytical work undertaken by the SG through; the development of the Government Economic Strategy (GES); the NPF, drawing on a range of indicators (including the Common Context Indicators); and evidence from extensive consultations with stakeholders.

Sectoral Performance

Agricultural Sector

There are around 53,000 agricultural holdings in Scotland (CCI 17) covering a total area of 5.6 million hectares (CCI 18), approximately 73% of Scotland's total land area. Just over half of this area comprised rough grazing, with about a quarter taken up by grass, and about 10% used for crops or left fallow. The rest consists of woodland, ponds, yards and other uses.

Amongst the crops grown in Scotland, excluding grass, cereals accounted for 80% of the land area, with nearly three-quarters of that being barley (340,000 hectares). There were also considerable areas growing wheat (87,000 hectares), oilseed rape (34,000 hectares) and potatoes (29,000 hectares).

Livestock numbers continued to fall in 2013, with 6.57 million sheep, 1.80 million cattle and 320,000 pigs. Despite the decline, the livestock sector remains an important part of Scottish agriculture, accounting for 53% of the sector's output.

The Scottish agriculture sector generates around £1.1bn in Gross Value Added (GVA), which represents 0.7% of Scottish Gross Domestic Product (GDP). Around 1.4% of people in the Scottish economy are employed in the primary sector (CCI 13), although figures which capture seasonal and temporary workers indicates that this figure is higher, with an estimated 68,000 people employed in the Scottish agriculture sector.

Total income from farming was estimated at £829m in 2013 (CCI 26), made up of £3.1bn in outputs and £562m in support payments (including subsidies), offset by £2.87bn in costs. Since the late 1990s, total farm income has, in general, been on an upward trend in real terms, although support payments remain an important component to the sector's income.

The productivity of the Scottish agricultural sector had declined slightly in recent years in terms of the net value added per annual work unit (AWU) of all labour. This decline was particularly marked in 2012, mainly due to the poor harvest as a result of the prolonged period of adverse weather (CCI 14).

Research, Knowledge Transfer and Skills

A successful future for farming, the environment and climate depends upon access to world class research,

and Scotland is fortunate to have science institutes which are world renowned and which offer a wide range of research on food, land use and climate change. The SG will maintain its strategic programme of research to support effective policy and practice innovation in the economy; including in key growth sectors of food & drink and life sciences.

Enhanced knowledge transfer from universities has the potential to contribute to both improved economic output from existing businesses and the creation of new, high value businesses with the capacity to grow and energise Scotland's GDP performance. It also has the potential to deliver social and cultural gains for Scotland.

However, the level of business research and development lags behind that of most developed countries. Business expenditure on research and development as a proportion of GDP (0.58%) is substantially lower in Scotland than in the UK or EU 27 as a whole (1.09% and 1.22% respectively). If the SG is to realise its ambitions for delivering significantly higher and sustainable levels of economic growth, then more of the high quality knowledge being created in Scotland's universities needs to be effectively transferred into the Scottish economy.

Scotland has a highly skilled workforce drawing on Scotland's world-renowned higher education institutes. In addition, the SG's investment in the Strategic Research Programme helps the advancement of new skills, innovations and techniques in land-management and agricultural modernisation.

This resource can be used to ensure the priorities of the SRDP are addressed appropriately, utilising the rich resource of highly qualified practitioners in order to drive and sustain improvement and increased efficiencies. A recent report commissioned by the SG and undertaken by Scotland's Rural College (SRUC) set out key areas which could drive improvements across the agricultural sectors. The importance of knowledge exchange and skills training was prevalent throughout.

The Advisory Services Working Group was set up by the SG to explore the need for advice and knowledge exchange for Scotland's land based sectors. This group found that there was too little advice and it was too fragmented. There were not enough trained advisors and silo advice tended to be given on such things as nutrition and renewables. The 20% most in need of advice still do not come forward and there are not enough skills providers.

The current Monitor Farms Programme is recognised throughout the industry as successful for knowledge transfer and innovation. An independent review for Scottish Enterprise highlighted the role the project plays in nurturing the future leaders of Scottish agriculture. The research shows that 70% of monitor farmers progressed to off-farm leadership positions, the majority of individuals attributing their new roles to their experience as a monitor farmer.

An Investigation into the Role and Effectiveness of Scottish Monitor Farms estimated a benefit of £6.5:£1 of the value of improvements over the costs of the programme. It is believed this is an underestimate as it was not possible to estimate the financial benefit of the range of improvements identified on group members farms and in the wider farming population.

In 2012 a Skills Investment Plan was launched for the Food and Drink Industry in Scotland. Businesses in agriculture, fishing, production horticulture, game and wildlife sector and food and drink manufacturing are included in this plan. This included actions for a number of priorities to support skills development in the food and drink sector, including raising the attractiveness to new entrants and retaining talent.

Generational renewal in Agriculture

In 2008 the proportion of those that occupied farms who were aged 65 and over was 25%. Over the five years up to 2013 this has risen to 30%. The opposite pattern is visible for occupiers under 41 years, dropping from 12% of all occupiers to 10%, illustrating that farm occupiers are aging (CCI 23).

Discussions with stakeholders highlighted the barriers for new entrants to farming. It is extremely difficult for a young entrant to be successful against an established business when applying for a tenancy. Obtaining funding is extremely difficult in Scotland as banks are very reluctant to lend to those who are not established. Going into farming without funding hampers the ability to farm. New entrants start with less or poorer quality stock, and cannot afford the sort of husbandry conducive to producing quality produce. New entrants often take on farms that are in very poor condition, then spending the first half of their lease putting this right.

The age pattern within Scottish Agriculture provides an opportunity to intervene and support enhanced generational renewal so as to drive modernisation and uptake of innovative practices through a workforce that has accessed training more recently than many current farmers.

See figure 3

Co-operation

A SRUC report "Modernising Scottish Agriculture" recommended greater collaboration in order to secure improvements across priority areas for agriculture and the environment. Through collaboration, ecosystem or landscape scale projects can be enabled more effectively which can help more successful delivery. For example supporting a project that covers all of a priority catchment area can secure and help sustain improvements in water quality, flood-risk and biodiversity, or reduce the possible impacts of habitat fragmentation.

Co-operative projects could go ahead in the previous programme, but it needed to be made easier if there is going to be an increase in this approach. The report "A review and evaluation of collaborative landscape-scale management initiatives" sets out the challenges in this area regarding securing participation of several farmers and land managers in order to secure landscape scale improvements.

There is also the risk that different agencies involved in both development and delivery of the programme are not sufficiently joined up to ensure effective securing of outcomes sought.

Food and drink

The food and drink industry is a key sector of Scotland's economy. It generates over £13.1 billion per year in Scotland and employs over 360,000 people from farmers and fishermen to shop assistants and waiters (CCI 16). These jobs are often in fragile rural and coastal areas. The importance we attach to our food and drink reflects its significance to our health and wellbeing, its contribution to our environment and its meaning and culture in the communities which make up Scottish society.

The sector has delivered strong growth over the past seven years, exceeding targets for turnover and exports. The total value of overseas food and drink exports from has increased by 52% between 2007 and 2012, with the value of Scotch Whisky exports increasing by 87% over the last ten years from £2.3 billion in 2002 to £4.3 billion in 2012. GVA relating to the food and drink sector as a whole (i.e. Agriculture, fishing &

aquaculture, food and drink manufacturing) increased by 32% between 2007 and 2011. Significant issues remain to be overcome and there are many new opportunities to grasp. There is already considerable synergy between Scotland's key markets for food exports and international leisure tourists. Similarly, VisitScotland research on the domestic market shows when domestic visitors are on UK/Ireland holidays 54% report trying local speciality food and drink.

The SG manifesto has a Commitment to Food Production and Growing Farm Businesses. The primary purpose of agriculture in Scotland is and has to be the efficient/sustainable production of food. A strong value-added strategy for Scottish farm produce looking for increased returns and the development of new products and markets and increased co-operation, linked to successful food and drink policy, is crucial.

Tourism

The tourism sector is of vital importance to the Scottish economy - worth £4.3 billion in direct expenditure from overnight visitors (2012) and providing employment to 185,900 people within the tourism growth sector (2011). The SG and the tourism industry have high ambitions. In June 2012 the tourism industry's Leadership Group published 'Tourism Scotland 2020', a long-term strategy for tourism in Scotland setting out a vision to make Scotland a destination of first choice for a high quality, value for money and memorable customer experience, delivered by skilled and passionate people, building on Homecoming 2014, The Ryder Cup and Commonwealth Games.

Homecoming Scotland 2014 positioned Scotland on the international stage as a dynamic and creative nation. The year-long programme of events celebrated the very best of Scotland's food and drink, our assets as a country of natural beauty as well as our rich creativity and cultural and ancestral heritage. We are creating a lasting legacy for the visitor economy so that Scotland will benefit for many years to come, a lasting legacy for Scotland that is tangible, visible and carries long term benefit. To that end a second series of themed years that aim to support and drive Scotland's tourism have already been announced and include:-

- 2015 – Year of Scotland's Food and Drink;
- 2016 – Year of Innovation, Architecture and Design;
- 2017 – Year of History, Heritage and Archaeology;
- 2018 – Year of Young People.

In research by Scottish Natural Heritage (SNH), Scottish Enterprise and VisitScotland, respondents agreed that when thinking of a holiday or short break in a rural/countryside location, peace and quiet, scenery and getting to spend time together were the most essential factors in a holiday destination. While these are not necessarily uniquely associated with staying on a farm, there are clearly opportunities to ensure these important motivating factors are offered to potential visitors. Crucially that survey also shows that access to the countryside was seen to be the factor most likely to encourage respondents to stay on a farm in Scotland. 72% of respondents also said that they would consider staying on a farm which presents huge potential to farm accommodation providers. As well as new diversification opportunities, this would include greater opportunity to grow existing sectors (such as accredited caravan sites on farms) and maximising the potential for sharing infrastructure to improve customer experience within an area.

A 2012 report from SRUC provides a useful summary of the importance of tourism within Scotland's rural areas:

“In economic terms, private sector enterprises in rural areas make an important contribution to the strength,

sustainability and value-added of Scotland as a whole: overall, rural regions are estimated to account for over 25% of gross value added to the Scottish economy. This is substantial when it is considered that rural Scotland is home to only 18% of Scotland's population. Important rural sectors such as food and drink, fisheries, forestry, energy and tourism, make a particularly significant contribution to Scotland's economic success and to its global identity."

Environment & Climate Change

Farming

Hill farming has long been a key activity in Scotland, forming an important part of rural life. Livestock farming remains the dominant form of agriculture carried out in Scotland and related activities in livestock production, meat processing as well as tourism all generate significant income. Beyond contributing to sustaining the rural economy, continued farming in these areas makes important contribution to the environment, as much of it is High Nature Value (HNV), along with the beautiful landscapes that Scotland is renowned for.

Scotland's agricultural land is marginal with 85% being designated as Less Favoured Area (CCI 32) and as such the limitation of available farming system options can be a barrier to modernisation. An SNH led report on economically vulnerable farming points to evidence in hill farming systems of declining livestock numbers, issues recruiting labour, long working hours, variable and volatile incomes, and a trend towards partial or complete land abandonment in areas. The researchers also emphasise the importance of support payments for these farms. However evidence shows that some within the farming community can adapt to change quickly and adopt modern equipment such as robot milking, for example, and of new techniques (precision farming, e.g. precise application of fertiliser based on soil type and nutrient requirement). This has increased markedly in recent years as farmers look to keep costs at a minimum while others have taken opportunities to develop diversification such as tourism facilities and farm shops.

An overly complex planning system can lead to significant delays in approval of capital investments that can drive modernisation and increased economic growth. This has to be balanced with the need to ensure that any investments made do not have a detrimental impact on the environment, climate and rural communities.

Scotland enjoys a reputation for high plant health and crop quality. There are many plant pests and diseases which if became established could cause serious damage to agricultural, horticultural crops and the natural environment. Maintaining this status is important and is a focus of the SG's strategic research programme.

Equally, Scotland has a strong reputation in animal health and welfare based on strong cooperative working between SG and industry leading to proactive approaches to disease prevention and control. For example, Scotland's cattle sector is free from Bovine TB and is implementing an innovative BVD eradication program, sheep scab is a notifiable disease and the pig sector has developed the SSPCA approved welfare programme for Scotch Pork. Scotland has implemented a successful Honey Bee Health Strategy since 2010. However careful and detailed attention in this area will need to continue to ensure Scotland retains its status. Experience of Bovine Spongiform Encephalopathy (BSE) demonstrated the significant long-term detrimental impact a disease can have on a particular sector.

Scotland is developing a new 5 year Animal Health and Welfare Strategy to follow the existing GB Strategy and continues to cooperate with other UK administrations on delivery of animal health services. This is a significant focus of our strategic research programme and on-going support available to livestock producers

from advisory and diagnostic services.

Forestry

The area of woodland in Scotland is 1.41 million hectares (CCI 29) with 65% in private ownership and 35% in state ownership, managed by Scottish Forestry(SF). Overall 74% is conifer woodland and 26% is broadleaved. The average size of wood is 17 hectares with 90% of woods being less than 50 hectares.

Scotland has a narrower range of indigenous trees species than other European countries with Scots pine the only native conifer of economic significance. At the start of the 20th century, total woodland cover in Scotland was just 5% and tree planting started to increase after the First World War. With the initial woodland planting emphasis on timber production, the planting up to the 1980's was mainly with introduced conifers. Whilst Scotland's tradition of planting conifers continues, from the 1990's, planting has become more diverse with a greater amount of broadleaves and a significant expansion of native woodlands. In the SRDP 2007-2013, 70% of new woodlands created with EU support were native woodland. Woodland cover is now 18% which is half the European average of 37%.

Woodland planting levels have declined from around 30,000 hectares per annum in the 1970's to an average of 5,600 hectares per year between 2003 and 2013. Whilst there is potentially suitable land available for woodland planting a number of factors can prevent land coming forward for woodland creation such as land prices, complexities of ownership and tenure and in particular cultural barriers between farming and forestry, farming and forestry have been seen traditionally as separate land uses. A more integrated approach to land use is required. It is considered that agro-forestry systems may help to integrate farming and forestry and this should be taken up in the next RDR.

Forestry is a long term activity and the SG has set out a vision for forestry the Scottish Forestry Strategy (SFS). The SFS highlights that forests are multifunctional serving economic, environmental and social purposes and that sustainable forest management is central to deliver benefits in a balanced way.

Forests are an integral to rural development, contribute to mitigating climate change and other environmental services, and are habitats to a wide range of species and provide wide social benefits. The GVA of the forest industries in Scotland including forest related tourism is £670 million, supporting 31 000 jobs (all figures as at 2007/08), mostly in rural areas. The total GVA associated with Scottish timber is estimated to be around £460 million at 2007/08 prices, or 0.5% of the total GVA for the Scottish economy. The total employment in the Scottish forestry sector associated with the use of timber is estimated to be 13,200 full-time equivalent (FTE) jobs.

In addition, the GVA of first-round (direct) visitor spending attributable to woodland visits, where woodland was the primary reason for the visit, is estimated to be £209 million at 2007/08 prices. The total employment due to first-round (direct) spending from tourism and recreation attributable to woodland, where woodland was the primary reason for the visit, is estimated to be around 17,900 FTE jobs.

The forestry sector is defined broadly to include harvesting and planting, farm woodlands, haulage, primary wood processing, pulp and paper, and public sector, non-governmental organisation, and research and education employment that is associated with Scottish forests. However estimates exclude employment associated with the use of timber not grown in Scotland. Wood is the main source of financial revenue from forests and timber harvested in Scotland in 2013 was over 7 million green tonnes which is 65% of timber production in Great Britain. This is the largest timber harvest in Scotland's history and with production set to rise over the next 20-25 years the increasing harvest has given confidence for significant investments in

wood processing estimated at £250 million over the last 5 years. The forest industry is making efforts to 'smooth' the production profile, without further planting timber production will decline after 2040. Forestry's contribution to renewable energy and woodfuel has seen increasing growth. Total woodfuel usage in 2012 was 737k oven dry tonnes (odt) an increase of 20% from 2011. Whilst most was used in a small number of large scale plants, there was a significant increase in the number of small scale plants using less than 1000 odt. Forward estimates suggest that demand is set to steadily increase over the next few years.

As predominately conifer plantation forests planted in the 1970s and 1980s reach maturity and start to produce timber they are being redesigned and restructured through the preparation and approval of long forest plans. These plans ensure that they are being managed in accordance with the UK Forestry Standard and meet modern standards of sustainable forest management. As a result we are seeing significant changes to Scotland's forest resources, all forests are starting to increase the area of native species and introduce a wider range of conifer species to increase diversity and resilience. Priority open space habitats are being restored and forests on important peatlands are being removed, this is a priority within the SFS. This change within existing woodlands is increasing the area of native species woodland by over 3,000 hectares per year, but it also could reduce the overall productive capacity of Scotland's forests, unless we are able to compensate for this by creating new woodlands with the potential for timber production.

Farm woodlands can lack woodland management due to the small average woodland size. Supporting sustainable forest management of such woodlands can help harness timber potential and stimulate socio-economic benefits.

Access to woodland can help to improve physical and mental health. Woodlands are a naturally therapeutic environment and have a positive effect on wellbeing reducing stress and mental fatigue. However, fewer than one in five people in Scotland have easily accessible local woodlands. Forest tourism is important and contributes around £210 million to Scotland's economy and sustains 17,900 full time equivalents.

A key current issue is plant pests and disease. Scotland's trees are under threat from a range of potentially very damaging exotic plant pests and pathogens. Equally, with climate change, some existing, native pests may undergo climatic release and become far more damaging to both native and exotic tree species in Scotland. The most significant current tree health issues relate to three pathogens: i) Phytophthora ramorum on larch: By the end of 2013, approximately 5000 - 6000 ha of larch was classed as infected out of a total area of larch in Scotland of some 68,000 ha, primarily within a core area centred on south west Scotland ii Chalara dieback in ash: current action is on slowing down the spread of the disease and iii) Dothistroma needle blight on pine which is causing increasing levels of damage in our Caledonian Pinewoods.

High Nature Value (HNV) farming and forestry

HNV farmland was estimated to account for 44% of the Utilised Agricultural Area (UAA) in Scotland in 2013 (CCI 37). HNV farmland in Scotland is mainly characterised by extensive hill farming on semi-natural habitats in the north and west, where climate, soils and topography prevent more intensive land use.

HNV forestry was estimated to account for 41% of the woodland in 2013 See figure 4: HNV farmland and forestry. The conservation of biodiversity is an essential part of sustainable forest management in Scotland and international commitments through the UN Convention of Biodiversity link directly to the Scottish Biodiversity Strategy.

The area of Protected Forests in Scotland is 97,000 hectares (CCI 38). This includes all woodland in Sites of Special Scientific Interest (SSSIs) where woodland or woodland dependent species have been identified as a

qualifying feature for designation, or contribute to that interest. It also includes all woodland in National Nature Reserves (NNRs), SACs and SPAs where these have not been designated as SSIs. These are our most important woodlands for biodiversity and conservation.

There are 319,000 hectares of native woodlands in Scotland. Native woodlands are particularly important for biodiversity and host a high proportion of rare and threatened species. Overall 46% of total area is in satisfactory condition for biodiversity. Whilst much has been done over the last 25 years to protect, restore and expand our native woods they remain in a vulnerable state subject to pressures such as fragmentation, deer browsing, sheep grazing and threat of invasive non-native species such as rhododendron ponticum and lack of natural regeneration to sustain the native woodland resource in the long term. A recent survey of Scotland's native woodlands established a national baseline to monitor future changes in area and condition and will be valuable for planning work and targeting of grant support during the programme.

EU and national environmental policies

The EU and national environmental legislation, policies, strategies and action plans that are addressed through the SRDP include the 7th EU Environment Action Programme; the EU Biodiversity Strategy; Scottish Government's National Performance Framework; the 2020 Challenge for Scotland's Biodiversity; the Natura Prioritised Action Framework; the Nature Conservation (Scotland) Act 2004, UK's Air Quality Strategy for England, Scotland, Wales and Northern Ireland, Directive 2008/50/EC on Ambient Air Quality; and the Conservation (Natural Habitats &c.) Regulation 1994 (as amended) which represents the main legislation implementing the Habitats and Birds Directive.

7th EU Environment Action Programme

The 7th EU Environment Action Programme identifies three key objectives:

- 1 To protect, conserve and enhance the Union's natural capital
- 2 To turn the Union into a resource-efficient, green, and competitive low-carbon economy
- 3 To safeguard the Union's citizens from environment-related pressures and risks to health and wellbeing.

The SRDP will contribute to delivering the first and second of these objectives through measures that protect and enhance biodiversity and water quality, and contribute to natural flood risk management and climate change mitigation and adaptation.

EU Biodiversity Strategy and the 2020 Challenge for Scotland's Biodiversity

The EU Biodiversity Strategy provides the overarching policy framework for addressing biodiversity challenges through the SRDP. The SRDP responds to the headline target to halt the loss of biodiversity and the degradation of ecosystem services through addressing six targets within the Strategy:

- 1 The full implementation of the EU nature legislation: halt the deterioration in the status of all species and habitats covered by EU nature legislation and achieve a significant and measurable improvement in their status
- 2 Better protection and restoration of ecosystems and the services they provide: ecosystems and their services are maintained and enhanced by establishing green infrastructure and restoring at least 15% of

degraded ecosystems

3 More sustainable agriculture and forestry: conservation of biodiversity with a measurable improvement in the conservation status of species and habitats and in the provision of ecosystem services

4 Better management of EU fish stocks and more sustainable fisheries: Maximum Sustainable Yield (MSY) by 2015 and Good Environmental Status by 2020

5 Tighter controls on Invasive Alien Species: Invasive Alien Species (IAS) and their pathways are identified and prioritised, priority species are controlled or eradicated

6 A greater EU contribution to averting global biodiversity loss.

Natura Prioritised Action Framework

The impact of the SRDP on Natura 2000 will be monitored through SG's NPF which includes a specific indicator relating to the condition of protected areas (Natura 2000 sites and SSSIs).

Agri-environment-climate (AEC) payments, forestry measures and non-productive investments all have play a role in supporting management to improve or maintain the condition of Natura 2000. EAFRD funding in particular used towards priorities in the Natura 2000 PAF (A Prioritised Action Framework (PAF) for Natura 2000, Scotland, 2012) that are influenced by agriculture and forestry management.

Advisory Services and funding for Cooperation will directly support delivery of Natura 2000 through prioritising applications that address Natura sites. Provision also exists within LEADER for funding Natura where there is a proven demand for actions that underpin rural development.

The PAF identifies a number of features to prioritise over the first 3 years of the PAF 2014/20 with specific habitats identified including upland and cliff habitats, bog and woodland features. Specific activities that the PAF identifies would benefit Natura include grazing management, burning management, bracken control, removal of invasive non-native species such as rhododendron, management for capercaillie and chough SPA and general woodland management. All these priorities and specific activities are targeted under the SRDP either through AEC, non-productive investments or forestry measures.

River management is key for a number of PAF target habitats/species such as freshwater pearl mussel, river and sea lamprey. Action to support management of water margins (in arable and grassland fields), lowland raised bogs and wetland management is supported under the AEC Scheme.

Peatland restoration is identified as a key priority in the PAF due to its target habitats/species and the carbon sequestration value. Peatland management is supported under the AEC Scheme with non-productive investments activities available for restoring peatlands.

Many of the pressures on Natura 2000 sites identified in the PAF, such as habitat fragmentation, impacts from deer, invasive non-native species and diffuse pollution, operate at a landscape scale. Addressing these pressures requires coordinated action by a land managers and will be supported through AEC measures. Additional funds, such as for Cooperation, LEADER and LIFE will be used to support projects to facilitate and coordinate at landscape scale.

Biodiversity

Farming is the dominant land use in Scotland, with 75% of land under agricultural management. The management of farmland habitats therefore has a significant influence on the status of Scotland's biodiversity.

HNV farmland was estimated to account for 44% of the UAA in Scotland in 2013, mainly concentrated in hills and islands of the north and west, where land use is constrained by climate, soils and topography. Although these areas are typically associated with high biodiversity and delivery of a range of ecosystem services, they are subject to a range of pressures, principally related to inappropriate grazing management. Continuing reductions in the number of livestock following decoupling of CAP subsidies from production have resulted in undergrazing or land abandonment in some areas, threatening the biodiversity associated with open grazed upland habitats. High densities of red deer result in damage to condition of sensitive upland habitats with localised overgrazing and trampling. Other pressures on upland habitats include instances of poorly managed muirburn (burning of heather and vegetation on sporting estates to reinvigorate grazing for livestock) and historic drainage of peatlands – both of which resulted in negative impacts on species and habitats of conservation importance.

In productive lowland areas, there has been a trend towards increasing agricultural intensification since the end of the 2nd World War. Wheat yields, for example, increased in Scotland by 201% during the period 1967-1999 due to more effective tillage, and other things. Examples of intensification at landscape scale include specialisation and geographical polarisation of arable and grassland farms (with pastoral areas dominating in the west and arable farms in the east) and historic loss, neglect or inappropriate management of features such as hedgerows. Other examples of intensification include widespread use of pesticides and fertiliser; and agricultural improvement (e.g. drainage and reseeded) and a switch from hay to silage.

This trend towards intensification has been associated with declines in biodiversity on farmland habitats. In recent decades, the rate of loss of biodiversity has slowed, in part due to increased environmental regulation and support through AEC funding. There have been improvements in the condition of habitats within designated areas and population increases in a number of species of conservation concern. However, SRUC reported in 2010 that 'these gains have been offset by a continuing decline in the quality of much of Scotland's wider countryside, with resulting adverse impacts on habitats and species associated with Scottish farming.'

Habitats and species strongly in decline or especially vulnerable in Scotland have been identified for targeted action under the Scottish Biodiversity List and are referred to as 'priority' habitats and species. The most recent assessment by SNH, more priority farmland species were declining in population size (43%) than increasing (29%) and more priority farmland habitats were deteriorating in conservation status (63%) than improving (13%). The most recent Countryside Survey (Norton et al 2009) reported declines in plant species diversity in a range of Scottish habitats, including improved grassland, hedgerows and streamside vegetation.

The 2011 UK National Ecosystem Assessment (NEA) reported that 44% of ecosystem services delivered by Scottish habitats are in decline, with only 16.5% improving. Within enclosed farmland habitats in Scotland, wild species diversity, water supply, soil quality and regulation of climate, hazards, pests and diseases have shown some deterioration over the last 20 years, and the abundance of wild and domestic pollinators has also declined. The NEA noted an increase in provisioning services, especially from agricultural systems, over the last 70 years has had significant impact on biodiversity in Scotland with declining capacities of all ecosystems to support sustained use.'

The NPF includes two indicators of the status of biodiversity in Scotland: i) improve the condition of protected nature sites and ii) increase the abundance of terrestrial breeding birds.

i) The proportion of protected nature sites in a favourable condition has remained relatively stable since 2009, with 78.8% of protected nature sites assessed being in favourable condition in 2014. The most significant pressure on the features of these sites is overgrazing by farm livestock and/or wild herbivores such as deer, feral goats or rabbits. Insufficient grazing to maintain the balance of species in the habitat has also been frequently identified. Delivering remedial management on protected areas where over/under grazing is an issue can be complex, particularly where the issue involves the management of wild deer herds, which typically range across multiple land holdings. The second most common pressure on natural features is the presence, or expanding area, of invasive species, both native (e.g. bracken) and non-native (e.g. rhododendron) species.

See figure 6

ii) The abundance of terrestrial breeding birds is used as an indicator of wider biodiversity and is recorded by an index (based on the abundance of key terrestrial bird species in Scotland). The index increased by 22% between 1994 and 2008, but declined by around 10% between 2008 and 2012, though was followed by a modest improvement in 2013. The overall decline since 2008 has been driven by a decline in upland and farmland species. The upland bird index has declined continuously since 1994, by 18%. Although the farmland bird index increased between 1994 and 2008, it has declined by around 12% since 2008.

See figure 5

Water quality

In 2012 around 2,050 of the 3,200 water bodies in Scotland met the EC's Water Framework Directive standard of 'good status' with regards to ecology (63%) (CCI 40). This has improved from 1,970 (61%) in 2008. However, around 18% of water bodies are considered to be in less than 'good status' as a result of diffuse pollution from agriculture. The Nitrates Directive UK Article 10 four yearly report (2008-11) contains Scottish data on nitrates, with 12.9% of Ground Water bodies and no Surface Water bodies exceeding 50mg/l NO₃. In Scotland comprehensive pesticide usage and trends data is collated by SASA (Science and Advice for Scottish Agriculture) and is available on their website.

Air quality

The UK's Air Quality Strategy for England, Scotland, Wales and Northern Ireland was developed to improve air quality in the UK. It sets UK objectives for reducing pollutants. For some pollutants Scotland has adopted more stringent objectives than the rest of the UK. The strategy sets out the UK's system for local air quality management (LAQM). Scotland has set higher standards for nitrogen dioxide and particulate matter. The discussion to do so reflects the Scottish Government's priority to promoting and protecting air quality; it allowed greater alignment with the then World Health Organisation standards. Attention is focused on all sources; though in many areas transport related emissions are the main cause of air quality issues. In a Scottish context agriculture is not a significant source of air quality problems; particularly given that the extensive nature of Scottish farming systems do not lead to the concentration of key air pollutants. Indeed the priority for Scottish air quality action plans are urban areas and are principally focused on transport and a small number of industrial locations. As such we did not believe that it was appropriate to identify air quality as a significant challenge for our rural development programme.

Soils

The Scottish Soil Framework (May 2009) identified soils as one of the nation's greatest assets, valuable but vulnerable. It listed several threats to soil functions, with climate change and loss of organic matter being the most significant. The Framework was designed to promote the sustainable management and protection of soils. A Progress Report on the Scottish Soil Framework, outlining progress on the 39 identified actions, which indicate developments towards the 13 soil outcomes was published in December 2013.

Climate Change

Mitigation

The Climate Change (Scotland) Act 2009 sets a world leading target of reducing greenhouse gas emissions (GHG) by at least 42% by 2020 and 80% by 2050 (against a 1990 baseline). The SG's 2013 publication *Low Carbon Scotland: Meeting the Emission Reduction Targets 2013 – 2027* sets out the policies and proposals that can deliver our statutory annual emissions reduction targets.

Our approach to reducing emissions from agriculture and related land use sector is guided by our Land Use Strategy, which sets out objectives relating to the economy, environment and communities. These support an integrated approach to managing the competing demands we place on our land resource. They seek to balance a productive land-based sector and successful tourism and leisure industry, with the vital role our land plays in maintaining Scotland's rich biodiversity and storing carbon.

Emissions from agriculture & related land use contribute about a 5th to the Scottish total: about 11 MtCO_{2e}. Although these GHG emissions have declined by around 27% since 1990 due to a decrease in livestock and a decline in nitrogen fertiliser use, there is further potential to reduce emissions from the sector through uptake mitigation of measures that also benefit air and water quality and biodiversity.

The transition to low-emission agriculture is aided by a number of linked initiatives developed and supported by the SG. Research provides innovative and sustainable solutions improving efficiency and reducing emissions. Advisory initiatives promote sustainable farm practices focusing on resource efficiency and advice on cross-cutting benefits. Industry action to promote greater efficiency by sharing best practice is key to encouraging uptake of mitigation actions.

Climate Change Adaptation

Climate change is one of the most serious challenges to society and the natural environment. The SG has shown leadership by publishing Scotland's first statutory Climate Change Adaptation Programme in May 2014 to increase the resilience of Scotland's people, environment and economy to the impacts of a changing climate. Acknowledging the impact of climate change is important in terms of minimising the risks and economic and environmental impacts, and to ensure we maximise the opportunities arising in the transition to a low carbon economy and adapt to our changing climate.

Key risks and opportunities for woodlands from climate change are likely to be increased, windthrow and drought, wildfire, pests and diseases perhaps tempered by increases in productivity in tree species that are matched to new conditions. Woodlands can contribute to climate change mitigation and adaptation. The SG has a target of planting 10,000 ha/ yr of woodland. This was part of the SG's First Report on Proposals and Policies (RPP1) on climate change for 2010-2022, published March 2011. In June 2013 the SG published the report *Low Carbon Scotland: Meeting our Emissions Reduction Targets 2013-2027: (RPP2)*. This

confirmed the policy of increasing woodland creation rate to 10,000 ha/yr with the objective of achieving 100,000 hectares of new woodland by 2022 and assumes levels of 10,000 ha/yr is maintained between 2022 - 2027. This level of woodland creation is forecast to reduce emissions by around 4.8 MtCO₂e in the period to 2027, whilst also providing other environmental, economic and social benefits.

Over 2010-2022 the 10,000ha/yr target will contribute approximately 12% towards the total RPP2 emission reduction target for the whole economy. The emissions reduction target reduces from 53,652 KtCO₂e in 2010 to 38310 KtCO₂e in 2022. This is a reduction of 15342 KtCO₂e of which the 10,000ha/yr target will deliver 1772 KtCO₂e by 2022 or 12%. The contribution from forestry is more significant later years and this abatement potential will continue to grow substantially during following decades. For example in 2020 the target for emission reduction across the whole economy is 1259 KtCO₂e of which forestry will contribute 310 KtCO₂e or 25%. In 2022 the total emissions reduction target is 1185 KtCO₂e of which forestry delivers 435 KtCO₂e or 37 %. For climate change adaptation, sustainable forest management can help make woodlands more resilient to provide benefits to Scotland even as the climate changes. Key adaptation measures include, encouraging forest management planning through long term forest plans that create well designed and diverse forests that can better withstand change and extreme events, encouraging native woodland planting and natural regeneration where appropriate and in particular when extending existing native woodlands, encouraging low impact silvicultural systems (LISS) and supporting woodland owners with the threat of pests and diseases

Forestry's contribution to renewable energy and woodfuel is increasing and can reduce carbon emissions. Woodfuel projects were estimated to save 1,046k tonnes of CO₂ in 2012. Use of renewable energy sources for generating electricity and heat as part of its strategy for improving sustainability and reducing the impact of climate change.

Historic Environment

Scotland's historic environment helps tell the nation's story. It is at the heart of Scotland's cultural identity and has helped define its place on the world stage. Scotland is committed to building a creative and dynamic nation - a Scotland that builds on a rich heritage with confidence for what is to come. In challenging economic climate multiple benefits must be secured from investments made, delivering benefits to environment, climate and historic environment.

Socio-economic and Rural Situation

Population and Employment

Some 95% of Scotland's land area is classed as rural, however, only 18% of the population live there. Scotland's population increased by 4.7% between 2001 and 2011 (CCI 1). The population in rural areas increased faster than urban areas over this period, with the population in accessible rural areas increasing by 14.3% and in remote rural areas by 7.6% (CCI 4).

The sparsity of populations in remote areas can lead to difficulties in accessing services and facilities compared to residing in urban areas. It also leads to limited opportunities for business growth due to low numbers of potential customers and difficulties in accessing markets and suppliers.

While the overall population of Scotland has continued to rise, the financial crisis of 2008 and subsequent recession had a significant impact on the economy. While output is expected to return to pre-recession levels in the 1st half of 2014, effects of the recession will be felt for a considerable time. In particular,

unemployment remains above pre-recession levels and youth unemployment presents a serious threat to the economy (CCI 7). The lack of experience and skills being acquired by Scotland's youth has the potential to restrict growth and income in the future.

Unemployment rates are, however, lowest in rural areas (CCI 7). In 2011 unemployment was 4.9% in accessible rural areas and 5.8% in remote rural areas compared to 8.7% in the rest of Scotland. Income figures from the 2012 Scottish Index of multiple deprivation show a lower proportion of those in rural areas being income deprived or employment deprived in comparison with the rest of Scotland.

See figure 7

Nevertheless, pay remains lower in remote rural areas of Scotland. This partly reflects the nature of employment which can often be dominated by relatively low-paid and seasonal sectors such as tourism and agriculture.

See figure 8

Communities

The Scottish Index of Multiple Deprivation (SIMD), which is calculated from a number of economic indicators, shows those living in rural areas are less "deprived" than those in the rest of Scotland. However the index of multiple deprivation can mask pockets of deprivation, particularly in rural areas (CCI 9). A number of reports examined this issue in detail, recognising how the experience of relative poverty in rural Scotland is different from that in urban Scotland.

The social economy has a vital role to play in rural communities where market provision is limited. The SRDP, predominately through LEADER, will help tackle some of the factors which contribute to deprivation in rural areas.

In the Scottish Household Survey, adults who live in rural areas are less likely to say local services would be convenient to access than those in small towns and urban areas.

Drive times to services are a useful measure to illustrate the population's access to services. Information available from the SIMD shows the population in "accessible rural" and "remote rural" areas need to travel for longer periods of time to access key services than the population in the "Rest of Scotland".

For example, 85% of those living in remote rural areas are within a 15 minute drive of a General Practitioner (GP) compared to 99% of those in accessible rural areas and 100% of those living in the rest of Scotland. The difference is more stark for accessing a secondary school with only 55% of those in remote rural areas being within a 15 minute drive compared to 90% and 100% for accessible rural and the rest of Scotland respectively.

See figure 9

The proportion of the population accessing key services in 2012 via public transport was lower in all rural areas compared to the rest of Scotland. In remote rural areas the following proportion of the population could access key services using public transport within 15 minutes:

- 27% of population could get to a GP compared with 95% in rest of Scotland;

- 40% of population could get to a post office compared with 98% in rest of Scotland;
- 22% of population could get to a retail centre compared with 86% in rest of Scotland.

Going forward, there is opportunity to help rural communities improve access to vital services which not only tackle exclusion but also lead to enhanced opportunity by widening choice. This will assist in making Scotland's rural communities more resilient in the future.

Businesses

Remote rural areas showed a declining number of businesses in 2010 and presented the lowest opening rate of the three areas at 7% of total businesses.

Productivity is a key driver of the competitiveness of an economy and therefore a pick-up in productivity is vital in sustaining the recovery in Scotland. The impact of the prolonged recession raises the threat that productive potential of some firms will be adversely affected due to, for example, a reduction in capital investment (or inability to fund vital maintenance costs). This means that firms are no longer able to produce the same level of output as before the recession.

One of the unusual characteristics of the recession was unemployment did not rise to the extent which would have normally been associated with the scale of reduction in output within the economy. This was because many firms chose to hold on to staff offering reduced wages/hours. This labour market flexibility meant although more people were kept in employment than expected, it resulted in a sharp decline in productivity.

Since 2004, the registration rate of businesses (i.e. the business birth rate) in Scotland is consistently below the UK rate. The latest data reports 52 new business openings per 10,000 adults for the UK in 2012 compared to 40 per 10,000 adults in Scotland. While the latest figures for rural areas of Scotland does show that business birth rate in accessible rural areas compares favourably to rest of Scotland, the rate is still low relative to UK average.

See figure 10

In recent years there have been real cost pressures on both businesses and households as a combination of falling real wages, rising costs of many goods and services, and weaker demand within the economy. Changes to taxation have also affected both businesses and households (for example, the increase in the VAT rate from 17.5% to 20%). These higher costs will affect the spending power of consumers and the profitability of firms.

However, the world is becoming increasingly integrated and Scotland will face competition from emerging markets with increasingly skilled workforces. It is vital that Scotland builds on its strong competitive advantage, in areas such as whisky, so as to grow its export base and secure a more balanced economy.

Some 43% of small and micro enterprises (SMEs) in accessible rural areas will seek to grow their business over the next three years, and 35% in remote rural areas. There is also a greater proportion of SMEs in non-rural Scotland (25%) which aim to reduce the size of their business over the next three years in comparison to SMEs in accessible (10%) and remote (16%) rural areas. Consequently there is the opportunity to grow the business base in rural Scotland over the coming years.

While the Scottish agricultural sector was less affected by the recession compared to other sectors, there are

a number of underlying challenges facing the sector.

Beef production is at the heart of Scottish agriculture, contributing 22% of total output from Scottish agriculture in 2012 with almost 12,000 holdings drawing some income from a beef enterprise.

Measurements of enterprise profitability recorded over many years, either at enterprise level by Quality Meat Scotland (QMS) or at farm level by the SG show that, even before cuts in CAP support, very few beef enterprises are profitable at a level to reward the proprietors for their unpaid labour and risk capital invested in their business. Nevertheless, analysis of those businesses that are successful and growing identify a number of key success factors that underpin financial performance including high levels of technical performance and the appliance of science and technology.

Since 2009 the SG has recognised the strategic role of food and drink in the Scottish economy by adopting a Food and Drink Policy. Initial targets for growth in the food and drink sector set in 2009 were met early and new targets for growth were set in 2013. The beef sector has been, and will continue to be a major contributor to these ambitious targets as well as an iconic exemplar of high quality Scottish food, with 95% of Scottish consumers wanting home-grown beef. Nevertheless, the beef sector's ability to meet these targets is compromised by a number of challenges not least of which are; the steady decline in livestock numbers since the last reform of the CAP implemented in 2005, which has seen beef cow numbers fall some 50,000 head and Scottish abattoir throughput of prime cattle fall by more than 15%, and low profitability. In addition, a number of beef producers are likely to suffer a reduction in Pillar 1 support which could further impact on their sustainability.

Broadband

The SG's vision is for Scotland to be a world leading digital nation by 2020, underpinned by future-proofed mobile and fixed network infrastructure that will support connectivity on any device, anywhere, at any time. Achieving a significant improvement in Scotland's broadband infrastructure is a high priority for the SG. This is reflected in the investment through the Superfast Scotland Programme. Alongside commercial coverage, the Superfast Scotland programme will extend access to superfast broadband infrastructure to 85% of premises across Scotland by 2015/16 and we estimate that over 95% of premises will have access to superfast broadband infrastructure by the end of 2017/18.

Good broadband connectivity is an enabler of economic growth in rural areas. However, parts of rural Scotland are not able to exploit or benefit fully from digital opportunities. The combination of poor connectivity and limited ICT skills can lead to digital exclusion for many people. It can also increase the "digital divide" and lower opportunities for learning, reduce access to public services and inhibit business growth. In turn, rural areas may lose their competitive advantage and be seen as less attractive places to do business.

The proportion of households with internet access in the home in 2013 was 76% compared to, 80% in the UK as a whole. Within Scotland there is an urban rural divide for broadband accessibility with remote rural areas having the lowest levels of take up.

See figure 11

Finance

The availability of credit within the UK economy for households and businesses remains a concern six years on from the start of the financial crisis, with a number of initiatives launched by the UK and Scottish

Government to help address this market failure.

Results from the SG's 2012 Access to Finance survey show that rejection rates for applications for finance were 14% in accessible rural areas and 13% in remote rural areas. Furthermore, access to finance is seen as one of the major obstacles to success for businesses in rural parts of Scotland.

The issue of access to finance in rural areas, like access to finance in the economy more generally, is a complex one, with both supply and demand factors influencing overall lending activity. This is consistent with the findings from the SG's SME Access to Finance survey. Public sector support is often crucial in leveraging in private finance for rural businesses and community projects. With the forthcoming spending reductions in the public sector in Scotland, rural businesses may find it more challenging to access financial support from traditional sources.

The economic uncertainty over the past few years has had a significant impact on the level of investment within the Scottish economy as many firms have chosen to hold-off undertaking significant investment until there is greater confidence in the strength of the recovery. There are encouraging signs that investment levels are starting to pick-up as the economic outlook improves. However there is the threat that another tightening of finance or shock to the global economy could reverse this trend.

Figure 1 EU Thematic Objective and Scottish National Performance Framework

EU Thematic Objective and Scottish National Performance Framework (NPF) outcome:	
Research & Development & Innovation. NPF outcome: We are better educated, more skilled and more successful, renowned for our research and innovation.	Environment and Resource Efficiency NPF outcome: We value and enjoy our built and natural environment and protect it and enhance it for future generations.
Business expenditure on research and development as a proportion of GDP is substantially lower in Scotland than in the UK or EU 27 as a whole. However, evidence from Scotland's knowledge exchange index, that measures how well universities disseminate knowledge to the wider economy, has shown an overall increase since 2002/03.	The quality of Scotland's natural environment is one of its most prized features. Nevertheless, 22% of its designated nature conservation sites remain in unfavourable condition, and over the past five years the national index of farmland birds has consistently declined.
Information and Communication Technology NPF outcome: We live in a Scotland that is the most attractive place for doing business in Europe.	Sustainable Transport NPF outcome: We live in well-designed, sustainable places where we are able to access the amenities and services we need.
Over £280m of public funding has been committed to the Scottish Government's Step Change programme, which will ensure that 85% of premises in Scotland can access next generation broadband (NGB) by the end of 2015/16 and 95% by 2017/18. However, even after this substantial investment, significant parts of Scotland will remain unable to access NGB. Indeed, many of Scotland's most rural and remote communities will be amongst the most challenging and expensive areas to connect in Europe. The Scottish Government is committed to ensuring that no part of Scotland is left behind in the digital revolution and recognises that additional and sustained investment will be vital if regional inequalities within Scotland are to overcome. Additional public sector funding, including EU funding and UK Government funding, is seen as crucial. Broadband take-up in Scotland has risen from 60% in 2008 to 76% in 2013, though it remains below the UK average of 80%.	Since 2007, there has been a general decline in the percentage of driver journeys perceived to be delayed due to traffic congestion. Meanwhile, the proportion of adults in Scotland usually travelling to work by public or active transport has remained broadly stable at 30% over the past decade. There is a greater reliance on cars in rural areas, where people on average need to travel further to access key services.
Competitiveness NPF outcome: We live in a Scotland that is the most attractive place for doing business in Europe.	Employment NPF outcome: We realise our full economic potential with more and better employment opportunities for our people.
Since 2004, the registration rate of businesses (i.e. the business birth rate) in Scotland has consistently been below the UK rate. The business birth rate in rural Scotland is also slightly below the overall Scottish and UK rates.	The Scottish employment and unemployment rates have generally tracked the UK rates over the past decade. Compared to the EU 27, the Scottish employment rate has remained significantly higher and the unemployment rate significantly lower over the past decade. While employment and unemployment rates compare favourably in rural Scotland compared to the Scottish average, wages tend to be lower in remote rural areas.
Low Carbon NPF outcome: We reduce the local and global environmental impact of our consumption and production.	Social Inclusion and Poverty NPF outcome: We have tackled the significant inequalities in Scottish society. NPF outcome: We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.
Scotland has ambitious targets to reduce greenhouse gas emissions (by 42% by 2020 and by 80% by 2050 both from the base year 1990). Although good progress has been made, there is a long way to go in meeting these targets. As agriculture and related land use contributed around 20% of Scotland's emissions, the sector has a key role in achieving these targets. Practical measures, such as optimising fertiliser use, using fuels and energy efficiently and improved livestock management all contribute to emissions reduction efforts. Woodland is an important carbon sink and between 2003 and 2013 new woodland planting has averaged 5,600 hectares/annum. Progress is required to meet Scotland's target of 10,000 hectares/annum for the period 2012-2020.	The proportion of individuals living in relative poverty in Scotland has been on a downwards trend over the past decade, despite the impact of the recession. Over the past five years the proportion of individuals living in relative poverty in Scotland has broadly been in line with the UK. In the Scottish Household Survey the following findings are relevant: In 2012, around one-fifth (21%) of adults agreed that they can influence decisions affecting their local area and around a third (33%) said they would like to be more involved in the decisions their council makes. Adults who live in rural areas are less likely to say local services are convenient to access than those in small towns and urban areas.
Climate Change Adaptation NPF outcome: We reduce the local and global environmental impact of our consumption and production.	Education and Lifelong Learning NPF outcome: Our young people are successful learners, confident individuals, effective contributors and responsible citizens.
In Scotland the effects of a changing climate are already being felt, the opportunities and risks are wide ranging. Scottish Government's Climate Change Adaptation Programme was published early in 2014. The programme aims to increase the resilience of Scotland's people, environment and economy to the impacts of a changing climate. In many cases, Scotland already has in place legislation, regulation or policy to protect against those impacts likely to pose the greatest risk. The Adaptation Programme, and associated commitment to public reporting, will complement existing policy and guide an integrated response to climate change.	The proportion of 18 to 24 year olds who leave school early in Scotland is below the UK and EU 27 average. Furthermore, Scotland continues to have a significantly higher proportion of 30 to 34 year olds who have completed tertiary education than the UK and the EU 27. Further information from the National Performance Framework show that since 2001 there has been a steady decrease in the percentage of adults with Scottish Credit and Qualifications Framework Level 4 qualifications or below. The figure has fallen from 16.4% in the 2007 baseline year, to 12.6% in 2013.
	Institutional capacity building NPF outcome: Our public services are high quality, continually improving, efficient and responsive to local people's needs.
	No obvious data sources available to measure this. However, the Scottish Government has strong institutional capacity and has successfully delivered the current and previous CAP regimes. The Mid Term Evaluation of the SRDP did set out key areas for improvement which have been taken account of when developing the future SRDP, particularly regarding the complexity of design, guidance and training for staff and improved IT systems.

Figure 1

Figure 2
Scottish Government Outcomes and Rural Development Priorities

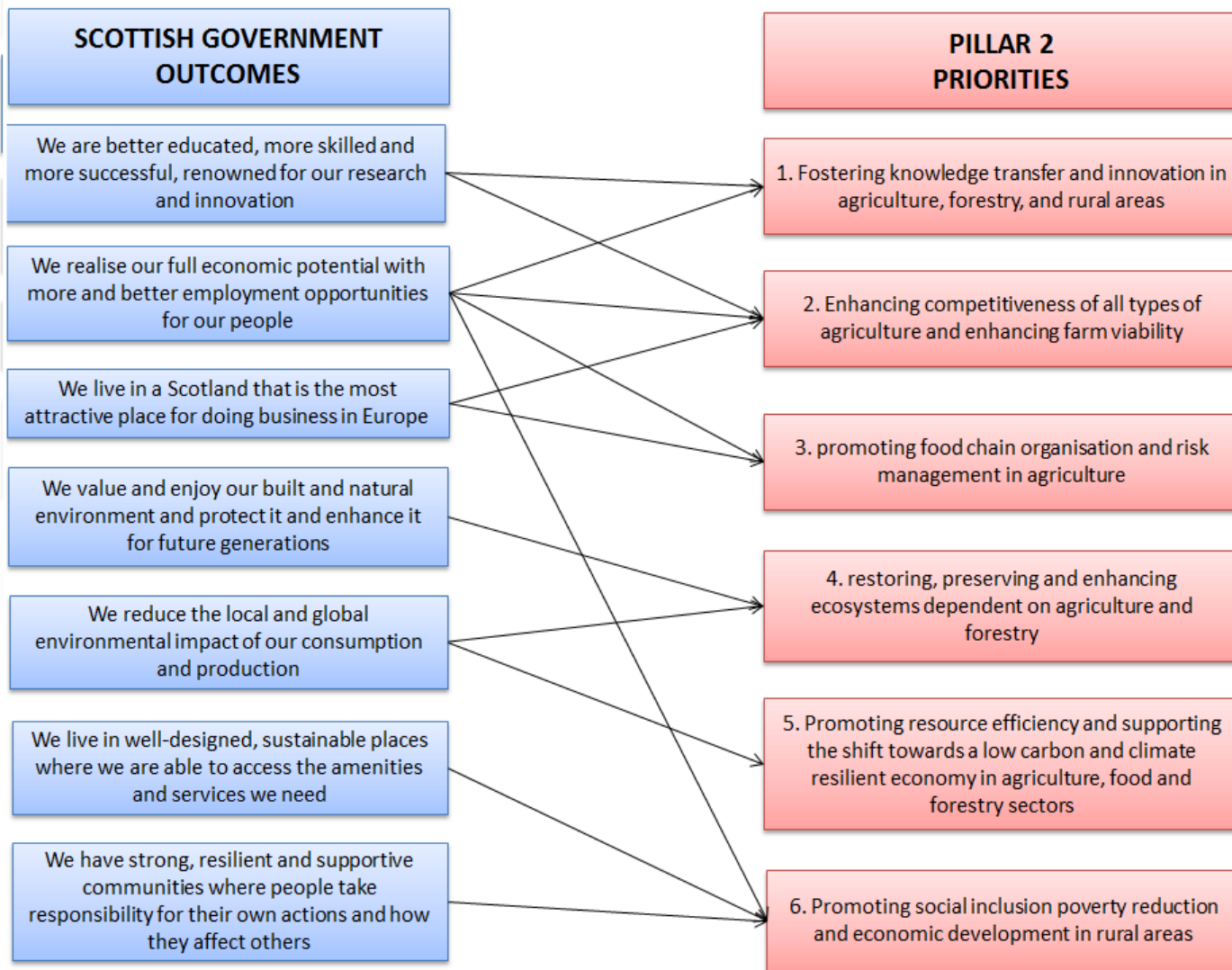


Figure 2

Figure 3

Age of the holding occupier, June Agricultural Census, 2008 and 2013

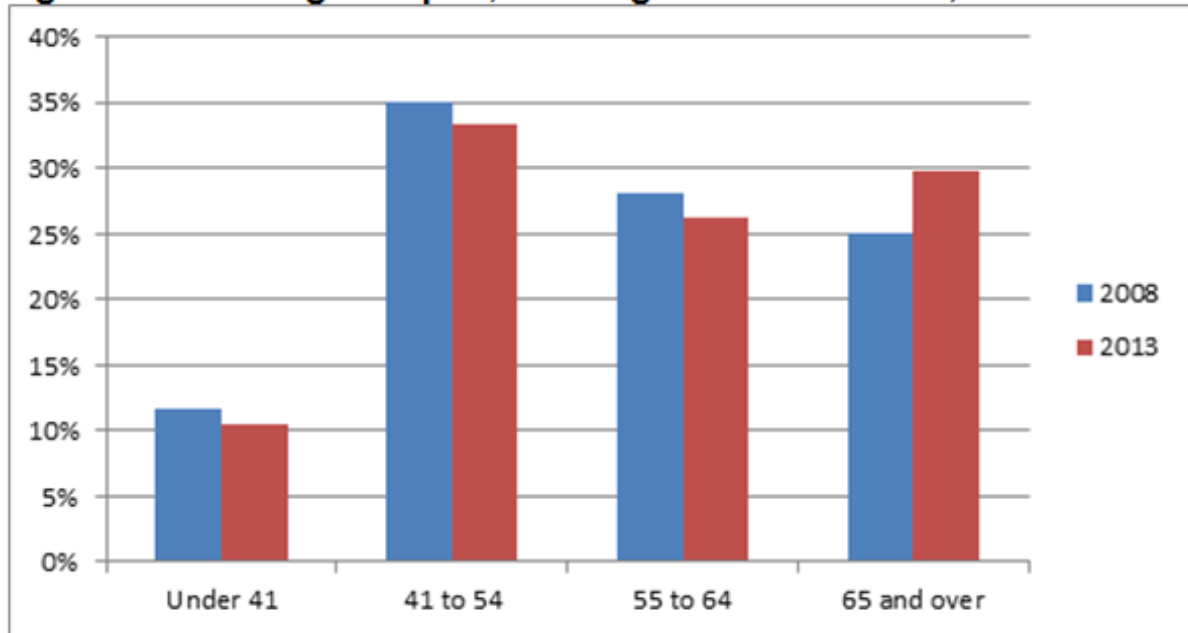


Figure 3

Figure 4**High Nature Value (HNV) farmland and forestry**

	Value	Reference year
Headline Indicators		
% of UAA ¹ estimated as HNV farming	44%	2013
<i>Total area estimated as HNV farming (ha)</i>	<i>2,432,000</i>	2013
% of woodland that is HNV forestry	41%	2013
<i>Total area of HNV forestry (ha)</i> ^{2,3}	<i>575,000</i>	2013
Supporting Indicators		
HNV Farming:		
Total UAA (ha) (including common grazings)	5,556,000	2013
Total number of holdings	52,760	2013
Total number of HNV holdings	2,089	2013
% of UAA which is Common Grazing	11%	2013
HNV Forestry:		
Total forest (ha)	1,410,000	2013
% HNV Forestry which is Type A ⁴	52%	2013
% HNV Forestry which is Type B ⁵	48%	2013

1. Utilised Agricultural Area (including common grazings)

2. HNV Forestry excludes Northern Isles area

3. HNV Forestry - Grampian and Moray - likely to be an underestimate

4. HNV Forestry Type A - semi-natural woodland features and low intensity managed woodland

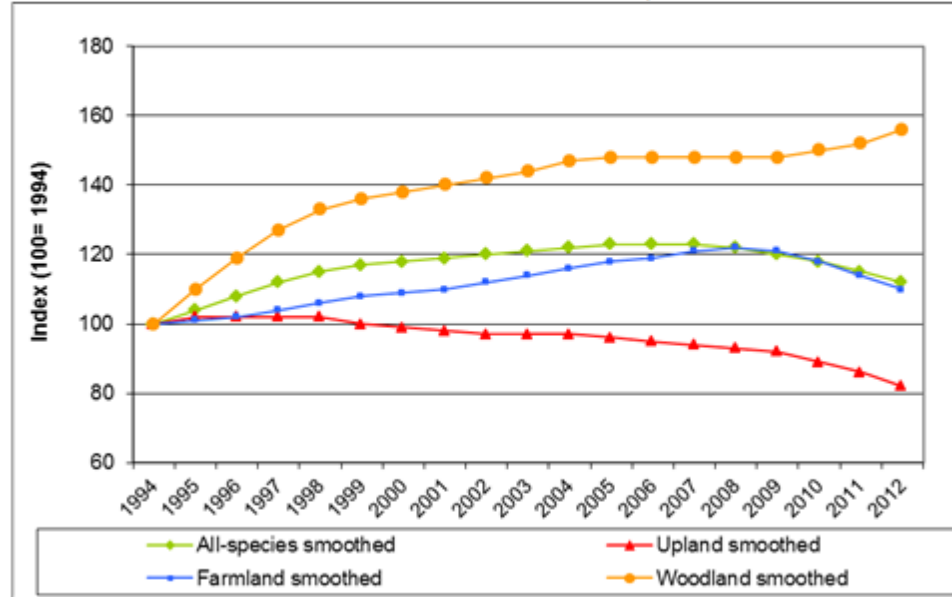
5. HNV Forestry Type B - diversity of features and low intensity managed woodland

Source: June Agricultural Census and Forestry Commission

Figure 4

Figure 5

Abundance of Terrestrial Birds Index, Scotland 1994- 2012

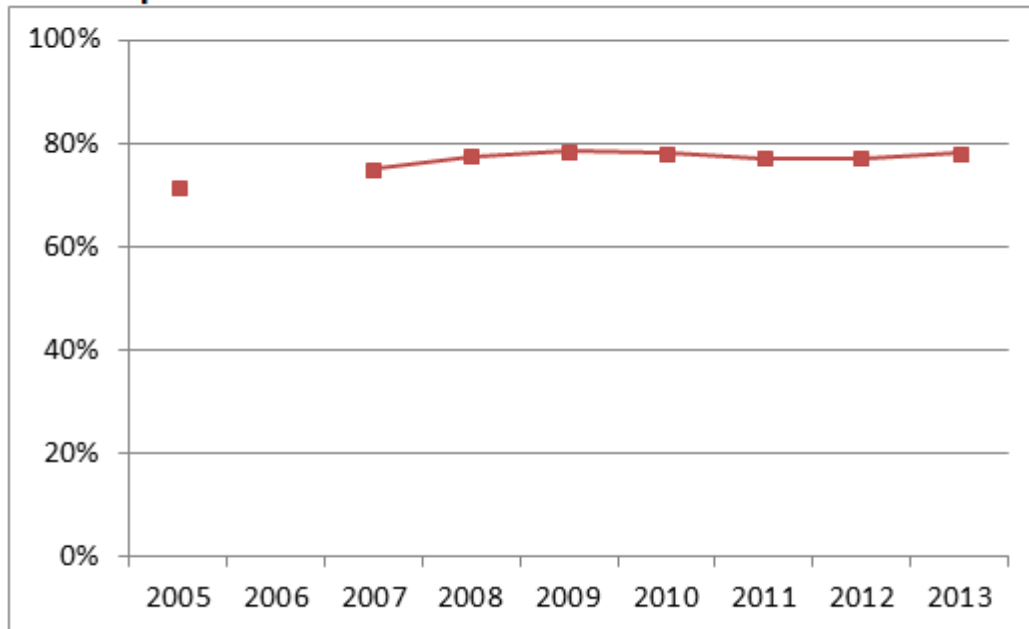


Source: Scottish National Heritage

Figure 5

Figure 6

The Proportion of Scotland's Protected Sites in Favourable Condition



(Source: Scottish Natural Heritage)

Figure 6

Figure 7

Income and Employment Deprivation by Geographic Area, 2012

	Remote Rural	Accessible Rural	Rest of Scotland
Number income deprived	30,080	51,565	618,830
Number employment deprived	16,675	31,065	375,505
Percentage of the population that are income deprived	9%	8%	15%
Percentage of the working age population that are employment deprived	5%	5%	9%

Source: Scottish Index of Multiple Deprivation 201

Figure 7

Figure 8

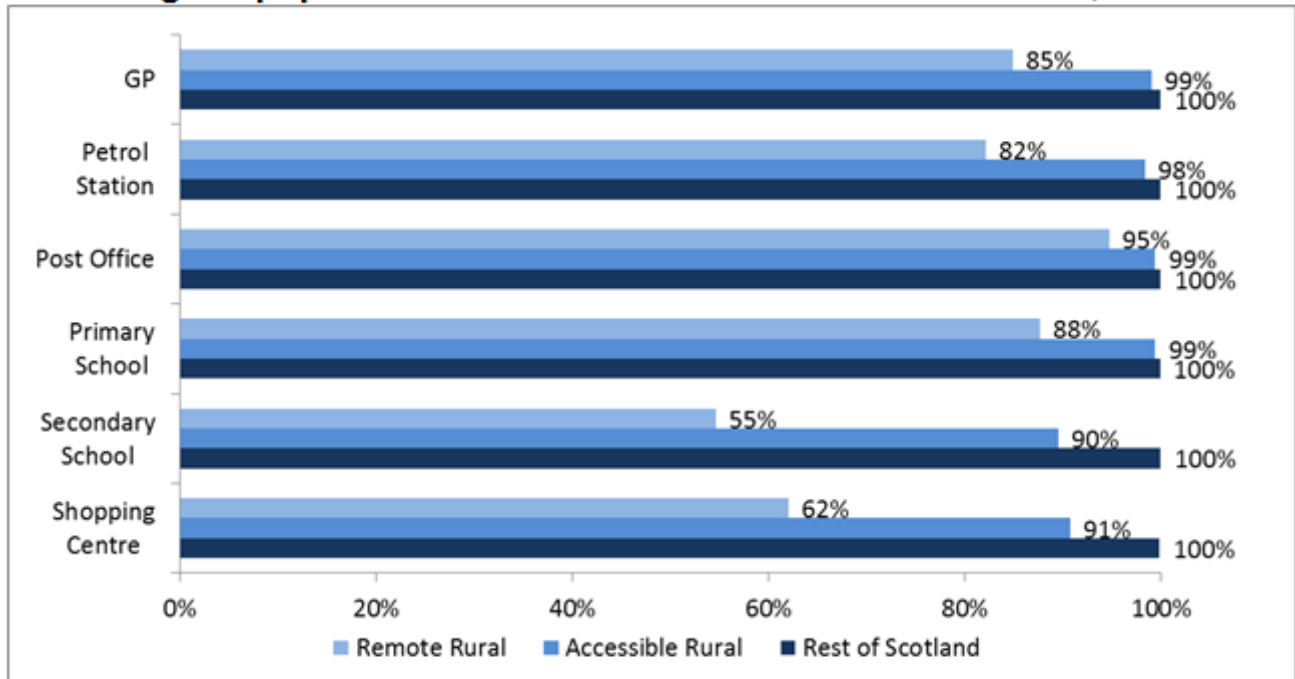
Average Gross Annual Pay for Full-time employees by Geographic area, 2011

	Remote Rural	Accessible Rural	Rest of Scotland	All of Scotland
Male	£26,720	£30,127	£27,104	£27,457
Female	£20,279	£25,669	£22,190	£22,577
All	£24,188	£28,557	£24,087	£25,538

Figure 8

Figure 9

Percentage of population within 15 minute drive time of service, 2012



*Source: Scottish Index of Multiple Deprivation, 2012
(Using Scottish Government Urban Rural Classification)*

Figure 9

Figure 10**Business Openings and Closures by Geographic Area, 2010**

	Remote Rural	Accessible Rural	Rest of Scotland
Total businesses	13,700	22,750	112,750
Business openings	1,005	1,995	12,450
Business opening rate	7%	9%	11%
Business closures	1,370	1,370	14,935
Business closure rate	10%	6%	13%
Total businesses per 10,000			
adults	488	446	320
Business openings per 10,000 adults	36	39	35

*Source: Inter Departmental Business Register (ONS), 2010
(Using Scottish Government Urban Rural Classification 2009-2010)*

Figure 10

Figure 11**Broadband availability and take up, 2013**

	Average sync speed (Mbit/s)	Percentage not receiving 2Mbit/s	Superfast broadband availability	Take-up (including superfast broadband)
>40% Remote Rural	6.7	15%	1%	67%
> 40% Any rural	9.8	12%	13%	73%
50-75% Urban	10.5	13%	37%	72%
>75% Urban	19.9	7%	77%	74%

Source: Ofcom

Figure 11

4.1.2. Strengths identified in the programming area

ii. Strengths

The analysis undertaken for the Rural Development SWOT identified the following as key strengths linked to rural Scotland:

- relatively strong economy – sustained population growth and higher levels of employment;
- key growth sectors (tourism and food & drink);
- resourceful and resilient businesses and communities;
- natural capital – extensive semi-natural and High Nature Value (HNV) areas, large quantities of good quality water, extensive carbon stores;
- cultural, historical and natural assets;
- renowned research institutes;
- good provision for training and learning;
- high health status for agricultural livestock and crop plants;
- farming for a Better Climate programme.
- Scotland’s existing forests are being transformed through active sustainable forest management, leading to a more diverse and resilient resource delivering increased benefits for the environment and society.
- Woodland planting has become more diverse with a greater amount of broadleaves and a significant expansion of native woodlands
- A thriving forest industry with rising timber harvest and the use of woodfuel is increasing rapidly.
- Growing forest based recreation and tourism providing increasing rural employment

4.1.3. Weaknesses identified in the programming area

iii. Weaknesses:

The analysis undertaken for the Rural Development SWOT identified the following as key weaknesses linked to rural Scotland:

- uneven population distribution;
- access to physical and virtual infrastructure;
- narrow economic base and lack of growth opportunities;
- access to finance for rural businesses;
- difficult to co-ordinate landscape scale action with multiple participants;
- low wage for remote rural areas;
- shortage of integrated land management skills development, innovation and research;
- 85% of Scotland’s agricultural area is designated as Less Favoured Areas with lack of viable alternative enterprises;
- lack of effective knowledge transfer;
- continuing biodiversity loss on farmed land;

- lack of awareness, support and advice for renewables, energy and waste efficiency.
- woodland planting levels have declined with cultural barriers between farming and forestry
- the average woodland is small which can make forestry uneconomic
- designated woodland and native woodlands remain in a vulnerable state

4.1.4. Opportunities identified in the programming area

iv. Opportunities:

The analysis undertaken for the Rural Development SWOT identified the following as key opportunities linked to rural Scotland:

- build on ‘Scotland’ the brand;
- strengthen the performance of Scotland’s growth sectors;
- enhance broadband coverage;
- create and maintain vibrant rural communities;
- enhance the social economy;
- utilise Scotland’s natural environment and heritage;
- opportunity to support projects to improve economic growth and increase employment opportunities;
- better integrate training/skills across land based sectors and tourism;
- target support for knowledge transfer with stronger linkages to research and technology;
- encourage generation renewal in agriculture;
- facilitate greater co-operation at a landscape scale;
- support greater collaboration across sectors for added value.
- create more new woodlands as play a major role in mitigating climate change. Agro-forestry systems can help integrate forestry and farming
- encourage local timber processing with opportunities for rural development and employment
- support the expansion of forest tourism and increase the contribution woodland access makes to quality of life and health

4.1.5. Threats identified in the programming area

v. Threats:

The analysis undertaken for the Rural Development SWOT identified the following as key threats linked to rural Scotland:

- impact of recession on population and skilled labour;
- impact of recession on production capacity and business competitiveness;
- current economic climate a barrier to investment, research and adoption of new technology;

- increased cost burdens e.g. VAT, fuel costs, air passenger duty;
 - international competition;
 - land use planning system may stifle progress;
 - varied interests not joined up;
 - plant and animal disease outbreaks and risks posed by non-native species;
 - loss of public funding can lead to further depletion of natural capital;
 - negative impacts of climate change on the environment;
 - aging population.
 - herbivore impacts and invasive non-native species in designated and native woodlands
 - increasing incidence of forestry pests and diseases
-
- potential reduction in long term productive capacity of Scotland's forests due to redesign and restoration of important habitats, such as native woodland sites and peatlands.

4.1.6. Common Context Indicators

I Socio-economic and rural situation					
1 Population					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	Inhabitants	5,320,000	2013 p		
rural	% of total	10	2013 p		
intermediate	% of total	35.5	2013 p		
urban	% of total	54.5	2013 p		
specific rural definition used for targets T21; T22 and T24 (if relevant)	% of total				
2 Age Structure					
Indicator name	Unit	Value	Year	Updated value	Updated year
total < 15 years	% of total population	16.2	2012 p		
total 15 - 64 years	% of total population	66.8	2012 p		
total > 64 years	% of total population	17	2012 p		
rural <15 years	% of total population	15.6	2012 p		
rural 15 - 64 years	% of total population	63	2012 p		
rural > 64 years	% of total population	21.4	2012 p		
Comment: CCI is not used to describe the current situation as the Scottish Government uses a different urban-rural definition.					
3 Territory					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	Km2	77,900	2012		
rural	% of total area	56.6	2012		
Comment: CCI is not used to describe the current situation as the Scottish Government uses a different urban-rural definition.					
intermediate	% of total area	34.6	2012		
urban	% of total area	8.8	2012		
4 Population Density					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	Inhab / km2	67	2010		
rural	Inhab / km2	57.3	2010		
Comment: CCI is not used to describe the current situation as the Scottish Government uses a different urban-rural definition.					
5 Employment Rate					
Indicator name	Unit	Value	Year	Updated value	Updated year
total (15-64 years)	%	69.9	2012		
male (15-64 years)	%	74.3	2012		
female (15-64 years)	%	65.6	2012		
* rural (thinly populated) (15-64 years)	%	NA			
total (20-64 years)	%	73.3	2012		
male (20-64 years)	%	78.3	2012		
female (20-64 years)	%	68.6	2012		

6 Self-employment rate					
Indicator name	Unit	Value	Year	Updated value	Updated year
total (15-64 years)	%	12.3	2012		
7 Unemployment rate					
Indicator name	Unit	Value	Year	Updated value	Updated year
total (15-74 years)	%	7.9	2012		
youth (15-24 years)	%	21.7	2012		
rural (thinly populated) (15-74 years)	%	NA			
youth (15-24 years)	%	NA			
8 GDP per capita					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	Index PPS (EU-27 = 100)	107	2010		
* rural	Index PPS (EU-27 = 100)	80.1	2010		
9 Poverty rate					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	% of total population	22.7	2011		
* rural (thinly populated)	% of total population	17.1	2011		
10 Structure of the economy (GVA)					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	EUR million	123,660.6	2010		
primary	% of total	0.7	2010		
secondary	% of total	26.3	2010		
tertiary	% of total	73	2010		
rural	% of total	7.5	2010		
intermediate	% of total	32.9	2010		
urban	% of total	59.6	2010		
11 Structure of Employment					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	1000 persons	2,462.7	2010		
primary	% of total	1.8	2010		
secondary	% of total	19	2010		
tertiary	% of total	79.2	2010		
rural	% of total	9.8	2010		
Comment: CCI is not used to describe the current situation as the Scottish Government uses a different urban-rural definition.					
intermediate	% of total	36.4	2010		
urban	% of total	53.9	2010		
12 Labour productivity by economic sector					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	EUR/person	50,213.4	2010		
primary	EUR/person	19,033.8	2010		
secondary	EUR/person	69,468.1	2010		
tertiary	EUR/person	46,294.5	2010		
rural	EUR/person	38,557.9	2010		
intermediate	EUR/person	45,439.6	2010		
urban	EUR/person	55,539.9	2010		

II Agriculture/Sectorial analysis					
13 Employment by economic activity					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	1000 persons	2,470.9	2012		
agriculture	1000 persons	68	2013		
agriculture	% of total	2.7	2012		
forestry	1000 persons	13.2	2008		
Comment: <i>please not that this value is for a range of 2007 - 2008 however a range can not be entered in the indicator year box.</i>					
forestry	% of total	0.5	2012		
food industry	1000 persons	26.8	2012		
food industry	% of total	1.1	2012		
tourism	1000 persons	139.6	2012		
tourism	% of total	5.6	2012		
14 Labour productivity in agriculture					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	EUR/AWU	18,215.6	2009 - 2011		
15 Labour productivity in forestry					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	EUR/AWU	21,613	2008		
Comment: <i>please not that this value is for a range of 2007 - 2008 however a range can not be entered in the indicator year box.</i>					
16 Labour productivity in the food industry					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	EUR/person	50,643.3	2010		
17 Agricultural holdings (farms)					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	No	52,314	2010		
farm size <2 Ha	No	9,443	2010		
farm size 2-4.9 Ha	No	11,009	2010		
farm size 5-9.9 Ha	No	6,285	2010		
farm size 10-19.9 Ha	No	5,109	2010		
farm size 20-29.9 Ha	No	2,693	2010		
farm size 30-49.9 Ha	No	3,516	2010		
farm size 50-99.9 Ha	No	5,326	2010		
farm size >100 Ha	No	8,933	2010		
farm economic size <2000 Standard Output (SO)	No	22,989	2010		
farm economic size 2.000 - 3.999 SO	No	5,817	2010		

farm economic size 4.000 - 7.999 SO	No	4,938	2010		
farm economic size 8.000 - 14.999 SO	No	3,734	2010		
farm economic size 15.000 - 24.999 SO	No	3,086	2010		
farm economic size 25.000 - 49.999 SO	No	4,014	2010		
farm economic size 50.000 - 99.999 SO	No	3,452	2010		
farm economic size 100.000 - 249.999 SO	No	2,689	2010		
farm economic size 250.000 - 499.999 SO	No	1,039	2010		
farm economic size > 500.000 SO	No	556	2010		
average physical size	ha UAA/holding	107.9	2010		
average economic size	EUR of SO/holding	37,246	2010		
average size in labour units (persons)	Persons/holding	2	2010		
average size in labour units (AWU)	AWU/holding	1.1	2010		
18 Agricultural Area					
Indicator name	Unit	Value	Year	Updated value	Updated year
total UAA	ha	5,555,900	2013		
arable	% of total UAA	10.6	2013		
permanent grassland and meadows	% of total UAA	89.4	2013		
permanent crops	% of total UAA	0	2013		
19 Agricultural area under organic Farming					
Indicator name	Unit	Value	Year	Updated value	Updated year
certified	ha UAA	53,640	2010		
in conversion	ha UAA	3,760	2010		
share of UAA (both certified and conversion)	% of total UAA	1	2010		
20 Irrigated Land					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	ha	5,350	2010		
share of UAA	% of total UAA	0.1	2010		
21 Livestock units					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	lsu	2,174,960	2010		
22 Farm labour force					
Indicator name	Unit	Value	Year	Updated value	Updated year
total regular farm labour force	Persons	68,180	2010		
total regular farm labour force	AWU	35,180	2010		
23 Age structure of farm managers					
Indicator name	Unit	Value	Year	Updated value	Updated year
total number of farm managers	No	33,660	2010		
share of < 35 y	% of total managers	4	2010		
ratio <35 / >= 55 y	No of young managers by 100 elderly managers	7.5	2010		
24 Agricultural training of farm managers					
Indicator name	Unit	Value	Year	Updated value	Updated year
share of total managers with basic and full agricultural training	% of total	14.7	2010		

share of manager < 35 y with basic and full agricultural training	% of total	23.3	2010		
25 Agricultural factor income					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	EUR/AWU	36,735.2	2009		
total (index)	Index 2005 = 100	102.4	2009		
26 Agricultural Entrepreneurial Income					
Indicator name	Unit	Value	Year	Updated value	Updated year
Standard of living of farmers	EUR/AWU	39,190.6	2009		
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	Unit	Value	Year	Updated value	Updated year
total (index)	Index 2005 = 100	102.5	2009 - 2011		
28 Gross fixed capital formation in agriculture					
Indicator name	Unit	Value	Year	Updated value	Updated year
GFCF	EUR million	335.15	2009		
share of GVA in agriculture	% of GVA in agriculture	36.5	2009		
29 Forest and other wooded land (FOWL) (000)					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	1000 ha	1,410	2013		
share of total land area	% of total land area	18	2014		
30 Tourism infrastructure					
Indicator name	Unit	Value	Year	Updated value	Updated year
bed-places in collective establishments	No of bed-places	208,240	2011		
rural	% of total	31.8	2011		
intermediate	% of total	38.7	2011		
urban	% of total	29.5	2011		

III Environment/climate					
31 Land Cover					
Indicator name	Unit	Value	Year	Updated value	Updated year
share of agricultural land	% of total area	26.3	2010		
share of natural grassland	% of total area	14.9	2010		
share of forestry land	% of total area	18	2013		
share of transitional woodland shrub	% of total area	2.6	2010		
share of natural land	% of total area	37.7	2010		
share of artificial land	% of total area	2.6	2010		
share of other area	% of total area	2.3	2010		
32 Areas with Natural Constraints					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	% of total UAA	NA			
mountain	% of total UAA	NA			
other	% of total UAA	85	2013		
specific	% of total UAA	NA			
33 Farming intensity					
Indicator name	Unit	Value	Year	Updated value	Updated year
low intensity	% of total UAA	68.2	2012		
medium intensity	% of total UAA	18.2	2012		
high intensity	% of total UAA	13.5	2012		
grazing	% of total UAA	89.9	2010		
34 Natura 2000 areas					
Indicator name	Unit	Value	Year	Updated value	Updated year
share of the territory	% of territory	15	2011		
share of UAA (incl. natural grassland)	% of UAA	7.1	2011		
share of total forestry area	% of forest area	4.8	2011		
35 Farmland Birds index (FBI)					
Indicator name	Unit	Value	Year	Updated value	Updated year
total (index)	Index 2000 = 100	96	2012		
36 Conservation status of agricultural habitats (grassland)					
Indicator name	Unit	Value	Year	Updated value	Updated year
favourable	% of assessments of habitats	0	2006		
<p>Comment: no data available for scotland therefore value taken from 2006 UK data as a proxy as was available. The Scottish Government recognises that the data supporting some of the Common Context Indicators are out-of-date and that there are a number of gaps in the data. Going forward, the Scottish Government will work to address these data issues during the programme so as to ensure a solid evidence base going forward to support future policy decisions</p>					
unfavourable - inadequate	% of assessments of habitats	0	2006		
<p>Comment: no data available for scotland therefore value taken from 2006 UK data as a proxy as was available. The Scottish Government recognises that the data supporting some of the Common Context Indicators are out-of-date and that there are a number of</p>					

<i>gaps in the data. Going forward, the Scottish Government will work to address these data issues during the programme so as to ensure a solid evidence base going forward to support future policy decisions</i>					
unfavourable - bad	% of assessments of habitats	100	2006		
<i>Comment: no data available for scotland therefore value taken from 2006 UK data as a proxy as was available. The Scottish Government recognises that the data supporting some of the Common Context Indicators are out-of-date and that there are a number of gaps in the data. Going forward, the Scottish Government will work to address these data issues during the programme so as to ensure a solid evidence base going forward to support future policy decisions</i>					
unknown	% of assessments of habitats	0	2006		
<i>Comment: no data available for scotland therefore value taken from 2006 UK data as a proxy as was available. The Scottish Government recognises that the data supporting some of the Common Context Indicators are out-of-date and that there are a number of gaps in the data. Going forward, the Scottish Government will work to address these data issues during the programme so as to ensure a solid evidence base going forward to support future policy decisions</i>					
37 HNV Farming					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	% of total UAA	44	2013		
38 Protected Forest					
Indicator name	Unit	Value	Year	Updated value	Updated year
class 1.1	% of FOWL area	0	2012		
class 1.2	% of FOWL area	1	2012		
class 1.3	% of FOWL area	6	2012		
class 2	% of FOWL area	1.4	2012		
39 Water Abstraction in Agriculture					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	1000 m3	14,133.5	2010		
40 Water Quality					
Indicator name	Unit	Value	Year	Updated value	Updated year
Potential surplus of nitrogen on agricultural land	kg N/ha/year	90.8	2009		
<i>Comment: The Scottish Government recognises that the data supporting some of the Common Context Indicators are out-of-date and that there are a number of gaps in the data. Going forward, the Scottish Government will work to address these data issues during the programme so as to ensure a solid evidence base going forward to support future policy decisions</i>					
Potential surplus of phosphorus on agricultural land	kg P/ha/year	6.2	2009		
<i>Comment: The Scottish Government recognises that the data supporting some of the Common Context Indicators are out-of-date and that there are a number of gaps in the data. Going forward, the Scottish Government will work to address these data issues during the programme so as to ensure a solid evidence base going forward to support future policy decisions</i>					
Nitrates in freshwater - Surface water: High quality	% of monitoring sites	77	2013		
Nitrates in freshwater - Surface water: Moderate quality	% of monitoring sites	15	2013		
Nitrates in freshwater - Surface water: Poor quality	% of monitoring sites	8	2013		
Nitrates in freshwater - Groundwater: High quality	% of monitoring sites	99.3	2013		
Nitrates in freshwater - Groundwater: Moderate quality	% of monitoring sites	0.7	2013		
Nitrates in freshwater - Groundwater: Poor quality	% of monitoring sites	0	2013		
41 Soil organic matter in arable land					
Indicator name	Unit	Value	Year	Updated value	Updated year
Total estimates of organic carbon content	mega tons	253.8	2009		

Comment: The Scottish Government recognises that the data supporting some of the Common Context Indicators are out-of-date and that there are a number of gaps in the data. Going forward, the Scottish Government will work to address these data issues during the programme so as to ensure a solid evidence base going forward to support future policy decisions					
Mean organic carbon content	g kg-1	29.4	2007		
Comment: The Scottish Government recognises that the data supporting some of the Common Context Indicators are out-of-date and that there are a number of gaps in the data. Going forward, the Scottish Government will work to address these data issues during the programme so as to ensure a solid evidence base going forward to support future policy decisions					
42 Soil Erosion by water					
Indicator name	Unit	Value	Year	Updated value	Updated year
rate of soil loss by water erosion	tonnes/ha/year	9.4	2006		
Comment: The Scottish Government recognises that the data supporting some of the Common Context Indicators are out-of-date and that there are a number of gaps in the data. Going forward, the Scottish Government will work to address these data issues during the programme so as to ensure a solid evidence base going forward to support future policy decisions					
agricultural area affected	1000 ha	185,400	2006 - 2007		
Comment: The Scottish Government recognises that the data supporting some of the Common Context Indicators are out-of-date and that there are a number of gaps in the data. Going forward, the Scottish Government will work to address these data issues during the programme so as to ensure a solid evidence base going forward to support future policy decisions					
agricultural area affected	% of agricultural area	5.8	2006 - 2007		
Comment: The Scottish Government recognises that the data supporting some of the Common Context Indicators are out-of-date and that there are a number of gaps in the data. Going forward, the Scottish Government will work to address these data issues during the programme so as to ensure a solid evidence base going forward to support future policy decisions					
43 Production of renewable Energy from agriculture and forestry					
Indicator name	Unit	Value	Year	Updated value	Updated year
from agriculture	kToe	23.2	2011		
from forestry	kToe	343	2012		
44 Energy use in agriculture, forestry and food industry					
Indicator name	Unit	Value	Year	Updated value	Updated year
agriculture and forestry	kToe	108.8	2012		
use per ha (agriculture and forestry)	kg of oil equivalent per ha of UAA	15.6	2012		
food industry	kToe	394	2012		
45 GHG emissions from agriculture					
Indicator name	Unit	Value	Year	Updated value	Updated year
total agriculture (CH4 and N2O and soil emissions/removals)	1000 t of CO2 equivalent	11.2	2012		
share of total GHG Emissions	% of total net emissions	21.1	2012		

4.1.7. Programme-Specific Context Indicators

Sector	Code	Indicator name	Value	Unit	Year
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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
Better integrate training and skills across land based sectors.		X	X	X	X		X	X	X	X		X		X	X				X	X	X
Continue Scotland's strong reputation for high health and animal welfare standards.	X	X	X				X							X						X	X
Continue to develop the reputation of Scotland as a land of food and drink.						X						X					X			X	X
Develop stronger linkages, up take, research, technology and best management practice, developing, expanding monitor farms.	X	X	X	X	X		X	X	X	X		X		X	X				X	X	X
Developing small agricultural holdings into economically viable businesses and improve their efficiency.				X				X			X	X		X	X				X	X	
Developing virtual and physical infrastructure.				X												X	X	X		X	X
Enhance the quality of Scotland's soils and peatlands.								X		X					X				X	X	
Improve co-operation in the food and drink sector to shorten supply chains.						X						X					X			X	X
Improve co-ordination and integration of advisory services.	X	X	X	X	X		X	X	X	X		X		X	X				X	X	X
Improve resource efficiency, recycling and waste prevention.												X							X	X	
Increase focus on entrepreneurship, innovation and business management.	X	X	X	X	X		X	X	X	X		X		X	X				X	X	X

Invest in implementation of knowledge transfer and skills development.			X	X	X				X	X	X	X							X	X	X
Protection of soil carbon sinks and woodland creation.																			X	X	
Provide advice and support for renewable energy and energy efficiency initiatives.												X								X	
Reduce greenhouse gas emissions.																			X	X	
Support new entrants and generational renewal to drive forward change and stimulate sustainable economic growth, innovation.																			X	X	X
Supporting and developing existing and new rural businesses for economic development and employment.																				X	X
Supporting community development.																			X	X	X
To address the negative environmental impacts of land abandonment and decreased management in HNV areas.																				X	
To halt the decline in biodiversity and improve the resilience of ecosystems in the face of environmental change.																				X	
To improve the condition of designated sites affected by land management activities (NATURA, SSSIs and SAMs).																				X	
To reduce the incidence of diffuse pollution in priority catchments.																				X	X

4.2.1. Better integrate training and skills across land based sectors.

Priorities/Focus 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
- 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
- 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal
- 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
- 5B) Increasing efficiency in energy use in agriculture and food processing
- 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

Scotland's ability to continue its recovery from recession, and become an increasingly successful country will partly depend on growing businesses which will create sustainable employment opportunities, and through ensuring there is a skilled and modern workforce deployed effectively to do these jobs well. This will be addressed through the approach to formal educational opportunities provided through other funds, complimented by the provision of skills and knowledge exchange activities within the SRDP Knowledge Transfer and Innovation Fund (KTIF), and any provision through LEADER Local Action Groups. The KTIF fund will seek to drive improvements in order to address the challenges we face to adapt to and mitigate the impacts of climate change, and protect and enhance ecosystems; as well as providing skills training to farmers and land managers to help drive efficiencies in working practices and risk management.

With increased knowledge and better working practices we can drive a more efficient Scotland and with improved efficiency we can help lower Greenhouse Gases and help mitigate climate change.

4.2.2. Continue Scotland's strong reputation for high health and animal welfare standards.

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
- 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors
- 3B) Supporting farm risk prevention and management
- 5D) Reducing green house gas and ammonia emissions from agriculture

Cross cutting objectives

- Climate change mitigation and adaptation
- Innovation

Description

Scotland has a strong reputation in this area, gained after fairly recent painful experiences, so the support proposed is therefore proportionate with the need i.e. to continue the strong reputation, but not for extensive capital investment. This need will be closely linked to Priority 1 and knowledge transfer, skills and advice provision can all help continue the dissemination and application of knowledge that is crucial to continued success. There is strong evidence that improving the health of animals can act to reduce Greenhouse Gas Emissions.

4.2.3. Continue to develop the reputation of Scotland as a land of food and drink.

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
- 5B) Increasing efficiency in energy use in agriculture and food processing
- 6B) Fostering local development in rural areas

Cross cutting objectives

- Climate change mitigation and adaptation
- Innovation

Description

The primary purpose of agriculture in Scotland is and has to be the efficient and sustainable production of

food. A strong value-added strategy for Scottish farm produce looking for increased returns and the development of new products and markets and increased co-operation, linked to successful food and drink policy, will be crucial.

Therefore, the food and drink sector is identified as a key growth sector in the Scottish Government Economic Strategy and Scotland has a strong reputation for quality brands on the international market, including through the PGI status for beef and lamb allied to strong traceability system. In supporting the growth of this sector the Scottish Government has a National Food and Drink Policy so that the sector continues to grow strongly and provide employment opportunities in rural areas.

Although the beef sector is a strong contributor to the Scottish rural economy, it is extremely difficult to make a profit within it. Nevertheless, analysis of those businesses that are successful and growing identify a number of key success factors that underpin financial performance including high levels of technical performance and the appliance of science and technology. Our approach in this area will seek to drive these improvements through a range of actions (advice, knowledge transfer, co-operation, efficiency actions). Action to improve efficiency in the beef sector can provide significant benefits to the area of climate change mitigation by reducing waste and increasing the health of the herd, thereby reducing overall emissions increases.

4.2.4. Develop stronger linkages, up take, research, technology and best management practice, developing, expanding monitor farms.

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
- 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
- 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal
- 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
- 5B) Increasing efficiency in energy use in agriculture and food processing
- 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

Business expenditure on research and development as a proportion of Gross Domestic Product is substantially lower in Scotland than in the UK or EU-27 as a whole. This demonstrates the continuing need for the Scottish Government to maintain its strategic programme of research to support effective policy and practice innovation in the economy and land management; including in the key growth sectors of food & drink and life sciences. The Scottish Government will continue to support and facilitate collaborative and multidisciplinary science and links with the Research Councils and with the EU to ensure Scotland is well positioned to take advantage of emerging science-based market opportunities. Our approach to Knowledge Transfer and Innovation will complement this by providing the possibility for farmer, land managers and other rural interests to address emerging needs with innovative solutions in practice, demonstrating the benefits that can accrue from these new approaches directly to those concerned. Furthermore a recent (2014) independent evaluation of the Scottish Monitor Farm Programme concluded that the Projects have together been successful in facilitating practical and effective knowledge exchange. The evaluation further found that the Programme has been to the benefit of all participants and has positively impacted on their farm practice and performance. It added that the Monitor Farm model has evolved to become a powerful tool for knowledge exchange and should be retained as a primary method for delivering knowledge exchange across the sector in Scotland. With increased knowledge and better working practices we can drive a more efficient Scotland and with improved efficiency we can help lower Greenhouse Gases and help mitigate climate change.

4.2.5. Developing small agricultural holdings into economically viable businesses and improve their efficiency.

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
- 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
- 5A) Increasing efficiency in water use by agriculture
- 5B) Increasing efficiency in energy use in agriculture and food processing
- 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

Description

Delivering growth in remote and fragile rural areas is particularly challenging and requires sustained effort over time. Rejuvenating crofting and small farms as a lifestyle choice, source of income and contributor to thriving communities will be a key component of the future programme.

Provision of advice to these types of businesses can help them to become more sustainable, and also provide benefits to the environment and climate.

85% of Scotland's agricultural land is classed as Less Favoured Areas and some 11,300 farmers and crofters are supported each year to reduce the risk of land abandonment and help maintain sustainable farms. These payments are vital in Scotland to help maintain viable farms and reduce the risk of land abandonment, therefore creating the basis for farms to improve their economic performance.

Scotland will continue to support those businesses operating in the current Less Favoured Areas (LFA).

4.2.6. Developing virtual and physical infrastructure.

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
- 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

Access to facilities and opportunities is a barrier to social inclusion in rural areas, as well as this, improving access can help to mitigate climate change by giving people the ability to access opportunities at the click of

a button without the need for travel, therefore leading to a reduction of the carbon footprint in our rural areas. The support in this area will also help to expand choice and provision in areas where need is identified through Local Development Strategies.

4.2.7. Enhance the quality of Scotland's soils and peatlands.

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
- 4C) Preventing soil erosion and improving soil management
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

Scotland's agricultural sector relies on the soil structure to ensure its continued success. In addition habitats and other ecologically important areas require existing soil structure to be maintained and protected. For peatlands there are several benefits for Scotland to be secured through protection and enhancement of these areas as not only do they deliver important habitats for species, but they also help to mitigate the impacts of climate change. Improved planning and management of forests, particularly those on peatlands will help to protect and restore areas of peatland soil.

4.2.8. Improve co-operation in the food and drink sector to shorten supply chains.

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
- 5B) Increasing efficiency in energy use in agriculture and food processing
- 6B) Fostering local development in rural areas

Cross cutting objectives

- Climate change mitigation and adaptation

- Innovation

Description

For supply chains to work at their best, it is important that they are truly market driven, meaning everyone in the chain is fully informed, engaged and able to meet increased demand, from primary production through to delivery to the consumer. Building such resilient and aligned market driven supply chains is essential for the Scottish food and drink industry to achieve success. Collaboration and co-operation are the key enablers in making this happen, ensuring market focus, better planning and investment decisions, faster decision making, greater efficiencies and increased profitability for all throughout the supply chain. This will allow for a more efficient chain from producers to consumer and with that we can drive a more efficient Scotland and with improved efficiency we can help lower Greenhouse Gases and help mitigate climate change.

4.2.9. Improve co-ordination and integration of advisory services.

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
- 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
- 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal
- 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
- 5B) Increasing efficiency in energy use in agriculture and food processing
- 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

Advice is a crucial component in order to tackle the many areas identified for action in our SWOT analysis. It is intended for the advisory service to be focussed on environment and climate in addition to agricultural efficiency. Advice will be targeted at areas of highest need (e.g. crofting, new entrants, and beef support), although we will seek to ensure access for the other farmers and land managers where appropriate (e.g. to deliver effective environmental projects).

Innovation is a cross cutting objective and a key aspect of the SRDP, along with knowledge transfer. In order to deliver the outcomes of the SRDP it is essential that innovation, cooperation and knowledge transfer effectively takes place to build on the existing knowledge base. Effective advisory capacity and provision is a significant contributor towards the successful delivery of outcomes and added value.

With better advice available giving access to increased knowledge and better working practices we can drive a more efficient Scotland and with improved efficiency we can help lower Greenhouse Gases and help mitigate climate change.

4.2.10. Improve resource efficiency, recycling and waste prevention.

Priorities/Focus Areas

- 5B) Increasing efficiency in energy use in agriculture and food processing

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

In order to address the impacts of climate change Scotland's land based sectors will have to adapt practise and improve techniques to ensure resources are used more efficiently, this is particularly important in the beef sector, but applies across all sectors using land, as well as other businesses in Scotland.

4.2.11. Increase focus on entrepreneurship, innovation and business management.

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

- 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
- 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal
- 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
- 5B) Increasing efficiency in energy use in agriculture and food processing
- 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 are many challenges facing Scottish agriculture as well as many opportunities. As with any business change is inevitable and in farming it is important to be able to manage this change by taking the time to review your own business, look at comparable enterprises and assess new opportunities. The Monitor Farm programme is widely recognised throughout the Scottish industry as being successful for knowledge transfer and innovation. An independent review of the monitor farms has highlighted the part the project plays in nurturing the future leaders of Scottish agriculture. Environmental and climate aspects will also be considered

In order to deliver the outcome for the SRDP it is proposed under the Knowledge Transfer and Innovation fund that the monitor farm programme will continue to expand and develop and also fund further projects promoting entrepreneurship, innovation and business management.

4.2.12. Invest in implementation of knowledge transfer and skills development.

Priorities/Focus 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
- 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
- 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
- 5B) Increasing efficiency in energy use in agriculture and food processing
- 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

In Scotland the changing structure of the market and the increase emphasis on delivery of public good means that farmers and land managers need to improve their skills base. Routinely farmers do not access knowledge transfer opportunities or skills training due to financial constraints and other pressures such as accessibility and time pressures.

To achieve the necessary industry wide improvement in the skills base, support and encouragement for individual farms and land managers is needed in the form of a Knowledge Transfer and Innovation fund. The fund will provide funding for vocational training, skills development, and knowledge transfer initiatives in the form of workshops, training courses, coaching, workshops, demonstration activities, information actions and farm visits. Initiatives will either need to fill a gap in existing provision or offer a new and effective way of meeting a need on the research - knowledge transfer – promotion - uptake continuum.

With increased knowledge and better working practices we can drive a more efficient Scotland and with improved efficiency we can help lower Greenhouse Gases and help mitigate climate change.

4.2.13. Protection of soil carbon sinks and woodland creation.

Priorities/Focus Areas

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

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

The Climate Change (Scotland) Act 2009 introduced ambitious legislation to reduce emissions by at least 42 per cent by 2020 and 80 per cent by 2050. The forestry sector is a carbon sink and sequestered 9.1 MtCO₂e in 2011. Climate change is identified in the SWOT as a threat to agriculture and forestry. Forests can also play an important role in carbon sequestration. The area of woodland in Scotland has increased over the last 30 years. However this is in the context of gradual decline of annual woodland planting from around 30,000 hectares per annum in the 1970's to an average of 5,600 hectares between 2003 and 2013. Our approach to forestry in the new programme will be to increase the area of woodland planting whilst ensuring an appropriate balance is struck between the expansion of native tree-planting primarily for biodiversity and the planting of mixed conifer/native species multi-purpose forests that will deliver a range of benefits including biodiversity and timber production. Agroforestry systems can also sequester carbon and increase the productivity from the land. The sustainable forest management of our existing woodland resource is also important.

4.2.14. Provide advice and support for renewable energy and energy efficiency initiatives.

Priorities/Focus Areas

- 5B) Increasing efficiency in energy use in agriculture and food processing

Cross cutting objectives

- Climate change mitigation and adaptation

Description

In order to address the impacts of climate change Scotland's land based sectors will have to adapt practise and improve techniques to ensure resources are used more efficiently with these better working practices we can drive a more efficient Scotland and with improved efficiency we can help lower Greenhouse Gases and help mitigate climate change. This is particularly important in the beef sector, but applies across all sectors using land, as well as other businesses in Scotland. Through advice and knowledge exchange relatively small contributions can make a significant difference.

4.2.15. Reduce greenhouse gas emissions.

Priorities/Focus Areas

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

Cross cutting objectives

- Climate change mitigation and adaptation

Description

Scotland has set ambitious targets to reduce emissions and the rural sector agricultural and forestry will need to play a key role in achieving this by adopting:

- SG policies such as “Farming for a Better Climate” in which farmers are encouraged to adopt efficiency measures to reduce emissions;
- SRDP measures such as manure/slurry storage, peatland restoration and management of lowland bogs;
- the cross compliance framework for sustainable management of the environment;
- Scottish Government target of extending woodland cover by an additional 100,000 hectares over the period of 2012-2022. Establishing agro-forestry systems and promoting sustainable forest management; .
- provision of an advisory service and knowledge exchange initiatives to drive resource efficiency improvements across agriculture and forestry.
- driving efficiencies in the beef sector to help deliver reduced greenhouse gas emissions through improved stock and reduced waste.

4.2.16. Support new entrants and generational renewal to drive forward change and stimulate sustainable economic growth, innovation.

Priorities/Focus Areas

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

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

As with all industries, it is crucial that there is sufficient inflow of new entrants in order to not only promote competition and encourage enhancement of productivity within the sector (e.g. through bringing new ideas

and techniques), but also to ensure that the sector remains sustainable in the long-term.

Scottish farming needs to attract a steady flow of new entrant young farmers, whether by intergenerational transfer or from outside the industry with drive, innovation and entrepreneurial skills. Without intervention, the supply of such people would be insufficient. The EU Agricultural Economic Brief on Generational Renewal in EU Agriculture (2012) and Entry to and Exit from Farming in the United Kingdom(ADAS, 2004) have outlined the importance of action in this area.

New entrants will be targeted by the Advisory Service and it is intended for advisory service to be focussed on environment and climate in addition to agricultural efficiency.

4.2.17. Supporting and developing existing and new rural businesses for economic development and employment.

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

In order to sustain rural communities it is important to provide support which will create and sustain small rural businesses. The support the programme will provide in this area will help to create employment opportunities to people residing in our rural communities, and help to create and sustain vibrant rural communities where people want to, and have the opportunity to, live, work and play.

Forestry is an integral part of rural development and support for sustainable forest management will help to harness the timber potential of woodlands and stimulate socio-economic benefits.

4.2.18. Supporting community development.

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

- Climate change mitigation and adaptation
- Innovation

Description

Through LEADER the programme will seek to address issues of vital importance to rural communities and businesses where they can, under a Local Development Strategy, address the priorities they wish to pursue in their local area such as to drive community action on climate change.

We will also complement this through the provision of broadband support, and support for small non-agricultural businesses.

4.2.19. To address the negative environmental impacts of land abandonment and decreased management in HNV areas.

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

Description

Sustainable farming practices are normal in HNV areas as the only viable form of agricultural activity. Evidence has shown that incomes derived from this activity are restricted making it important we ensure that these vulnerable businesses are supported appropriately to avoid land abandonment.

4.2.20. To halt the decline in biodiversity and improve the resilience of ecosystems in the face of environmental change.

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

Description

Scotland's response to the EU Biodiversity Strategy aims to protect and restore biodiversity on land and in our seas, and to support healthier ecosystems. Although the rate of biodiversity loss has slowed in recent decades, a range of indicators demonstrate continued loss of biodiversity and degradation of ecosystem services.

The National Performance Framework includes a performance indicator of increasing the index of abundance of terrestrial breeding birds, as a proxy for wider biodiversity. The index increased by 22% between 1994 and 2008, but then declined by around 10% between 2008 and 2012. The overall decline in the terrestrial breeding bird index since 2008 has been driven by a decline in upland and farmland bird species.

The Agri-environment-climate Scheme includes options which will help to maintain or enhance biodiversity in arable, grassland and upland habitats.

For example, a range of options are available to benefit farmland birds. On arable land, options are designed to increase the availability of winter seed food and spring insect food for arable farmland birds and their young, for example by sowing areas of wild bird seed mix or forage brassica crops, leaving stubbles overwinter and creating and managing hedgerows, grass strips, beetlebanks and unharvested conservation headlands.

Invasive non-native species (INNS) are one of the key causes of biodiversity loss in Scotland, support for the control of INNS plant species, including rhododendron, giant hogweed, Himalayan balsam and Japanese knotweed.

Options and capital items are also available for the creation, restoration or appropriate management of priority habitats, some of which Scotland has an obligation to protect as habitats of European importance. These include species-rich grassland, heaths, wetland, lowland bog, fens, scrub, tall herb communities, wood pasture and machair. In the uplands, a suite of options are available to support appropriate grazing management of sensitive habitats by livestock, in addition to capital items to support deer management and peatland re-wetting.

Needs 19 and 21 will contribute to delivering this need, by maintaining or enhancing biodiversity in specific areas i.e. on HNV farmland and in protected nature sites.

This includes woodlands, in particular our native woodland resource through sustainable forest management

4.2.21. To improve the condition of designated sites affected by land management activities (NATURA, SSSIs and SAMs).

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

Description

Progress in the area of designated sites needs to be maintained in the new programme to ensure on-going improvements on these important sites.

The National Performance Framework includes a performance indicator of improving the condition of protected nature sites (including Natura sites and Sites of Special Scientific Interest (SSSI)). The proportion of protected nature sites in a favourable condition has remained relatively stable since 2009, with 78.8% of protected nature sites assessed as being in favourable condition in 2014. The most significant pressure on the features of these sites is overgrazing by farm livestock and/or wild herbivores including deer. The second most common pressure on natural features is the presence, or expanding area, of invasive species, both native (e.g. bracken) and non-native (e.g. rhododendron) species. The Agri-environment-climate Scheme includes options and capital items to remedy inappropriate grazing management and control invasive species, in addition to a range of other activities necessary to improve the condition of Natura sites and SSSIs.

Over 10% of failing designated sites are woodlands, the main issues being overgrazing and the presence of invasive non-native species, and will be addressed through use of the forestry measures.

4.2.22. To reduce the incidence of diffuse pollution in priority catchments.

Priorities/Focus Areas

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

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

The Water Framework Directive (WFD) has set ambitious objectives for good water quality across Europe. Currently adverse impacts from agricultural activities such as diffuse pollution and river channel realignment are the most significant pressures on the water environment in Scotland.

Scotland's rivers, lochs, estuaries and seas are key to the country's welfare, providing resources for water

supply and hydropower generation. The water quality improvement options within the SRDP can contribute to biodiversity and climate change mitigation. They are also very important for the economy, supporting successful industries such as salmon farming, shellfish farming, tourism and distilleries. Forestry measures will be used to encourage improved forest planning and operational practice and opportunities will be taken to establish woodlands in areas where they can contribute to reducing diffuse pollution and achieving WFD targets.

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

The next programme aims to address the specific needs facing Scotland (identified in SWOT analysis and needs assessment).

Funding pressures means focus on key priorities facing Scotland; targeted support to areas where it will have the biggest impact. It will not be possible to meet every need identified. However it does address key challenges, and aligns with analysis of Scotland's needs.

The intervention logic that informed the SWOT, along with stakeholder consultation, allowed four key SRDP priorities to be identified.

- protecting and enhancing our natural assets (links to RDR priorities 1 & 4)
- adapting to, and mitigating, climate change (links to RDR priorities 1 & 5)
- sustainable economic growth (links to RDR priorities 1, 2 & 3)
- vibrant and sustainable rural communities (links to RDR priorities 1 & 6)

Proposals factor in vital and substantial support that Pillar 1 of the CAP provides. The requirement that 30% of Pillar 1 budget is targeted on Greening, means significant investment in Scotland's agri- environment through Pillar 1 and the SRDP.

Funding across the programme reflects what can be achieved from each part of the SRDP. For example, experience from the last programme highlight areas where substantial improvements can be made from relatively modest investments, e.g. priority 1 and associated focus areas (FA) towards advice, knowledge transfer and innovation where allocations may be small in comparison, significant improvements can be secured.

Targets have been set considering past performance of similar measures in 2007-13 RDP as well as evidence on how new measures will be delivered. The 2007 – 2013 RDP was a valuable source on lessons learned.

1 A number of reports commissioned during this period, including for example the Mid Term Evaluation (MTE), Land Use Review and the Pack Report, were kept under consideration when preparing new programme. Anecdotal evidence, heard during consultations, proved a valuable source of information.

2 The MTE highlighted need for robust management approach in the new programme and, from the outset, a formal internal reporting procedure was established, to scrutinise and recommend proposals. This has continued through preparation for delivery of the programme. The role of case officers and their training needs is also being reviewed to ensure guidance is clear.

3 SRDP 2007 -2013 was considered ambitious in objectives and design, leading to it being, in part, complex and confusing. Despite this, many of its aims and objectives are still valid.

This section shall identify measures to be delivered in the SRDP 2021-2024, having identified the FA's and articles for the measures.

Budgets were allocated to each sub-measure (and hence each FA).

What money will buy in each sub-measure, the unit costs, based on actual spend from previous programme, were used to establish targets. There have been a number of changes for the 2014-2020 programme, such as standard payment rates for options and the focus of spend, using historic unit costs as a basis has not been appropriate for some measures. In these cases, new standard payment rates or guidance from policy colleagues/other bodies on the size of support provided has been used to gauge what the target should be.

Where more than one measure or sub-measure contributes to a single FA target, totals for each have been aggregated to give overall totals for the whole programme.

Multiple effects and synergies

There are a range of measures and sub-measures contained in the SRDP that deliver multiple benefits across a range of priorities and FA's. Particularly in the area of agri-environment-climate (AEC), but also through other actions under the SRDP.

A key aim is ensuring farmers and land managers have the tools available to deliver the projects Scotland requires and deliver multiple benefits, particularly for AEC. Development of the programme has this aim at the forefront, with greater support for co-operation in M16. The public sector will drive delivery of these multiple benefits by working together to identify priorities for areas and promote these. The Scottish Rural Network (SRN) will aid this agenda providing opportunities for groups and individuals to come together to discuss actions that may lead to operations delivering across a wide range of priorities.

Agri-environment-climate

The previous programme, shows that action to prevent flooding through natural flood management, benefits biodiversity through creation of woodlands, buffer strips along water courses and flood plains. Improving the management of soil will help improve water quality by preventing soil erosion and run-off. Carbon storage through tree-planting and peatland restoration creates habitats crucial to species survival.

Many AEC options support reduced fertiliser and pesticide use, with additional capital support for interventions like pesticide handling facilities and rural SuDS. These will improve air quality by reducing ammonia emissions, and help to deliver obligations under the Water Framework, Nitrates and Sustainable Use Directives. Financial support for reconstruction of drainage channels will be provided only if compliance with the WFD, in particular Article 4(7), (8) and (9) is demonstrated taking duly into account cumulative impacts, *and* the appropriate mitigation measures at river basin management level are foreseen. In addition to this Scotland will also be making available advice to farmers and land managers which will address emissions, manure and fertiliser use and other steps they can take to mitigate any harmful impacts on air quality.

These steps will help us to address EU legislation on air pollution:

- The directive on ambient air quality and cleaner air for Europe, which sets EU air-quality standards for ground-level ozone, particulate matter, nitrogen oxides, heavy metals and a number of other pollutants.
- The National Emission Ceilings Directive (NECD) which sets emission limits for sulphur dioxide,

nitrogen oxides, ammonia and volatile organic compounds (VOCs), reducing national emissions to meet international agreements, revised 2013 as part of EU clean air package.

- The EU clean air package which was adopted December 2013.

Co-operation in land management delivering environmental and climate related improvements, allied to advice and knowledge transfer, will play a key role in the SRDP. Support under LEADER in the 2007-2013 SRDP provided several examples where multiple benefits were delivered through a single operation. M16 has been developed as a result of the success of LEADER funding facilitation of projects across a landscape scale.

Rural economy

Funding under M4 to drive forward improvements in Scotland's food and drink sector. This will directly aid the primary agricultural sector, improving market provision and aid local communities through enabling the retention/extension of employment.

Rural communities

LEADER continues to operate in ways allowing local communities to come together and develop innovative and important projects delivering benefits to local areas. Support for rural businesses also funded through LEADER, providing retention/extension of employment.

The SRN will aid this providing opportunities for groups and individuals to come together to discuss actions that can lead to operations which deliver across the priorities.

Budgetary allocation

Support for the agricultural sector is a prominent part of the SRDP, underlining our commitment to this vital sector for the rural economy. The future SRDP will continue to invest a significant proportion of its budget (35%) to M13 (LFASS). We will also ensure that crofters, small farmers and new entrants have opportunities to access improved support.

We must ensure that our environment is protected and enhanced, and that we mitigate and adapt to climate change. The Regulations set a minimum spend for environment and climate change as 30% of the total budget. This is made up from spend on measures 13, 10, 08, 15, 11, and Natura measures. Scotland meets this with our M13 budget alone, we will spend an additional 19% on measures 08 and 15. However this would not meet the range of obligations we face and support for M10 is essential.

Scotland's performance against indicators for environmental progress, although strong in a European context, has suffered in recent years. For example, the Index of Abundance for Scottish Terrestrial Breeding Birds is a good indicator of general biodiversity and has been in decline for the last three years. Therefore, we will be allocating around 25% of the total programme budget directly to Focus Area 4A. Spend under other focus areas (such as 4B, 4C, 5D and 5E) will also have a positive impact on biodiversity in Scotland.

Due to the wide range of environmental and agricultural obligations and needs, land based elements continue to be significant in the SRDP in terms of budgets. However, broader economic and social development play an important role in the programme, targeted support to key sectors, and community-led local development supported through M19.

Targeted support for the food and drink sectors and small rural enterprises (with the support for small non-

agricultural rural businesses and farm diversification in M19). Food and Drink is a key growth sector for Scotland and the last SRDP funded a wide range of projects that helped create/sustain thousands of jobs. The contribution that small businesses make towards rural communities, justifies the support available, complementing that provided by other public funds, enterprise agencies and local government. M16 encourages growth and value in the food and drink industry by increasing co-operation and developing integrated supply chains, assisting the Scottish food industry and partners to promote/develop co-operation to exploit local markets, increase productivity and efficiencies.

M19 allows communities, public, private and third sector interests to come together. These priorities will cover a range of issues, as long as they are agreed by the Local Action Groups (LAG's) and fit the framework under which LEADER will operate.

Support for the historic environment, quality assurance programmes and animal welfare will be embedded into other measures such as M10 and 01 or in the case of relevant quality assurance schemes given recognition through the assessment process.

Financial instrument (FI) not in use at this time. Agree with idea in principle but decision taken to scope this out ensuring an effective and targeted tool may be developed in the future - modification possible later if robust instrument is developed. For RDP FIs may be used for food and drink and local community projects sector has strong growth or where securing funding can be difficult.

Consistency and coherence

A co-ordinated approach is essential ensuring the SRDP plays an integral, appropriately focused, role delivering outcomes for Scotland. This requires complementarity with other funding streams to ensure we secure maximum value from funding sources.

Areas identified as being of strong interest in Scotland, and which a joint approach is beneficial, are: business support; skills training; and social inclusion/local development and advice. These approaches have been developed to ensure that appropriate expertise is provided.

Business support is provided through the SRDP. These funds will be directed towards businesses with growth potential, particularly in key sectors, supporting innovation performance, internationalisation, leadership and digital exploitation as well as for small rural non-agricultural business (including farm diversification).

Formal skills training will be provided through other funding sources and delivered using targeted approaches. This approach allows includes traditionally rural and maritime sectors, assisting in development of key skills in land and environmental management and diversification out of primary sectors and into growth sectors. Modern apprenticeships in the agricultural and forestry will be delivered as part of this with the exact nature to be designed in consultation with professionals. Non-formal skills such as basic IT training will be delivered under M19 if Local Development Strategies (LDS) identify it as a priority. Non-formal vocational skills and training courses will be provided for through M01, ensuring a comprehensive package of skills support is provided.

M19 continues under the SRDP. LAG's will agree priorities through engagement with local people and businesses, the resulting LDS's will be informed by the local and national strategic environment as set out in the PA. Guidance sets out the objectives to be achieved. To ensure complementarity, those preparing LDS's will work with Local Authorities and Community Planning Partnership. Both parties will develop

mechanisms for joint working on shared priorities.

M02, an area of strong interest to all funds, where joint solutions can be provided. The SRDP will broaden and deepen current provision of advice and support for farmers and land managers. To address resource efficiency advice, we are working to explore potential for funding Green Audits for every farm and rural business in Scotland. The SRDP will focus on provision of resource efficiency advice to farmers. Advice under SRDP is under development and will be provided via the Farm Advisory Service.

A Strategy for Scotland, published March 2011, is our national digital strategy, focused around four interlinked themes – digital connectivity, digital economy, digital participation and digital public services. All four are equally important and mutually reinforcing – economy, participation and government services all help to drive demand; but can only be effectively delivered and exploited if infrastructure is in place.

In recognition of the importance of infrastructure, the SG and partners are investing over £410 million in the Digital Scotland Superfast Broadband (DSSB) programme to extend superfast broadband (download access speed of 30Mbps or above and in no cases less than 24Mbps) infrastructure into non-commercial areas. As a result of this, at least 95% of premises in Scotland will have access to fibre broadband by 2017/18. The contribution of the ESI funds will target the final 5% which will not be served even after existing public intervention through the DSSB programme. With funding being limited to Scotland's transition region (Highlands and Islands) only.

Consistency and coherence with Pillar 1 of CAP is essential to ensure that Scotland's proposals for support to the farming industry, and wider rural community, will provide a package to meet Scotland's unique needs, along with SG and EU priorities. To ensure coherence we developed our proposals for both pillars in tandem, consultations on proposals for both Pillars were carried out in late 2013/early 2014 so stakeholders could consider the full CAP package. Specific areas where there is complementarity between the two Pillars is highlighted in section 14.

Spatial targeting

New spatial targeting is introduced under the AEC Scheme. Each option will be available within a target area. For some options, this target area will remain all of Scotland, for example where data is not available to underpin spatial targeting, or where it is important for the option to be widely available. For other options, availability has been spatially restricted to where evidence suggests the option will deliver it most effectively.

When defining target areas, we considered potential for the option to benefit biodiversity, water quality, flood risk management and climate change. We determined which of these objectives should be taken into account when producing target maps, based on whether the option contributed to that objective and whether the impact varied spatially.

For biodiversity, a target map was produced based principally on distribution information for species and/or habitats from the Scottish Biodiversity List, also taking into account other information such as the range of 'upland' areas.

For water quality, a target map was produced using information on location of priority catchments (the following have been identified in River Basin Management Plans: The Scotland River Basin District and the Solway Tweed River Basin District) that are expected to benefit from an option, taking into account specific pollutant pressures affecting each catchment. The Water Framework Directive (WFD) has set ambitious objectives for good water quality across Europe. Currently adverse impacts from agricultural activities such

as diffuse pollution and river channel realignment are the most significant pressures in Scotland.

For flood risk management, a map was produced based on the location of Potentially Vulnerable Areas defined under the Flood Risk Management (Scotland) Act 2009.

For climate change mitigation, target maps were produced based on soil carbon maps, taking into account potential for options to preserve or increase soil carbon stocks.

A single targeting map was produced for each option by combining, where necessary, maps produced for individual objectives.

When deciding on methodology for targeting, we considered the potential to use an ecosystems based approach using maps of ecosystem service provision being developed by the James Hutton Institute. These maps are not yet at a stage that would allow them to be used.

Targeting maps do, however, draw on information at the scale of water catchments and species or habitat ranges. Within these areas, support will be available for farmers and land managers to cooperate together to deliver environmental management at an ecosystem scale.

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

Innovation is a cross cutting objective and a key aspect of the SRDP, along with knowledge transfer. In order to deliver the outcomes of the SRDP it is essential that innovation, cooperation and knowledge transfer effectively takes place to build on the existing knowledge base. Effective advisory capacity and provision is a significant contributor towards the successful delivery of outcomes and added value.

The needs identified through the SWOT for focus area 1A are:

- improve co-ordination and integration of advisory services;
- increase focus on entrepreneurship, innovation and business management.

These needs will be addressed by training, skills development and knowledge transfer under measure 1; measure 2 will be complementary by promoting uptake of best practice. Measure 16 will support the operation of operational groups deliver projects that aim to develop and implement new practices, processes and technologies.

The financial allocation of the measures has been determined by assessment of the needs and monitoring of uptake of similar actions under the SRDP 2007 – 2013 and the previous advisory service. Experience from the current programme has shown that in some areas substantial improvements can be made by modest investments, therefore the comparatively small allocations for measures 1, 2 and 16.

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

The Scottish Government has invested in scientific research which provides a foundation for the sustainable use of our natural resources and supports innovation and economic growth across a broad base of rural, environmental and related areas, allowing our businesses to be more competitive, to improve the quality of the goods and services they deliver and to increase the efficiency with which they use resources. Knowledge transfer is essential to ensure that businesses can use this and in turn deliver the outcomes we are seeking.

Research and innovation needs to be translated into agricultural and land management practices to promote the outcomes being sought – knowledge transfer and innovation; enhanced competitiveness, restoring, preserving and enhancing ecosystems; resource efficiency.

Scotland's Monitor Farms Programme is widely recognised throughout the industry as being successful for knowledge transfer and innovation. Research shows that 70% of monitor farmers progressed to undertake off-farm leadership positions, with the majority of these individuals attributing their new roles to their experience as a monitor farmer.

The need identified through the SWOT for focus area 1B are:

- develop stronger linkages to, and take up of, research, technology and best management practice, including through development and expansion of monitor farms.

Measure 16 will help address these needs through the continuation, development and expansion of the Monitor Farm Programme which allows for this translation into agricultural and land management practices to take place. Measures 1 and 2 will also address this focus area.

The financial allocation of the measures has been determined by assessment of the needs and monitoring of uptake of similar actions under the SRDP 2007 – 2013 and the previous advisory service. Experience from the current programme has shown that in some areas substantial improvements can be made by modest investments, therefore the comparatively small allocations for measures 1, 2 and 16.

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

Scotland's ability to recover from recession and become a more successful country depends on growing businesses which will create sustainable employment opportunities and ensuring that there is a skilled workforce deployed effectively to do these jobs well. The refreshed strategy Skills for Scotland (2007) and the Government Economic Strategy (2011) make clear the Scottish Government's commitment to training, learning and skills to support individuals into sustainable, productive employment and to enhance well-being.

The need identified through the SWOT for focus area 1C is:

- better integrate training and skills across land based sectors.

Measure 1 will provide funding for vocational training, skills development, and knowledge transfer initiatives for all farmers, crofters and people involved in the food sector.

The financial allocation of the measures has been determined by assessment of the needs and monitoring of uptake of similar actions under the SRDP 2007 – 2013. Experience from the current programme has shown that in some areas substantial improvements can be made by modest investments, therefore the comparatively small allocations for measure 1.

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)
- M13 - Payments to areas facing natural or other specific constraints (art 31)
- M16 - Co-operation (art 35)

5.2.2.1.2. Combination and justification of rural development measures

Sustainable economic growth is Scottish Government's overarching purpose. The primary purpose of agriculture in Scotland is the efficient and sustainable production of food. The SRDP provides an

opportunity to improve the economic performance of Scotland's farms and crofts.

The needs identified through the SWOT for focus area 2A are:

- invest in implementation, knowledge transfer and skills development;
- developing small agricultural holdings into economically viable businesses and improve their efficiency with respect to mitigating climate change and enhancing the environment.
- developing virtual and physical infrastructure.

Measures 1, 2 and 16 will allow advice, training, skills development and knowledge transfer to farmers and groups of farmers. Measure 4 will provide capital support for agriculture, focussed on crofting and small farms.

Measure 6 also has the potential to address this focus area as it can support business start-up for young farmers, and measure 19 can support diversification into non-agricultural activities.

Measure 13 provides vital support to help maintain viable farms in Scotland's extensive LFA and reduce the risk of land abandonment, therefore creating the basis for farms to improve their economic performance. While support is designed to ensure that farms in these constrained areas remain viable and sustainable, the natural and climatic constraints faced by the farms means that large scale intensification is not possible, and modernisation will also be limited by the capability of the land, so farming based on traditional sustainable practise dominates.

The financial allocation of the measures has been determined by assessment of the needs and monitoring of uptake of similar actions under the SRDP 2007 – 2013 and the previous advisory service. Experience from the current programme has shown that in some areas substantial improvements can be made by modest investments, therefore the comparatively small allocations for measures 1, 2 and 16. The majority of sub-measure 4.1 delivers towards this focus area. Levels of support under measure 13 have been maintained which is necessary to reduce the risk of land abandonment and sustain viable businesses.

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

The average age of farmers is increasing and a key priority is to support generational renewal in agriculture across Scotland.

The need identified through the SWOT for focus area 2B is:

- support new entrants and generational renewal to drive forward change and stimulate sustainable economic growth through innovation.

Measure 2 will provide advice to help give new entrant young farmers the skills and knowledge required. Measure 6 will allow for business start-up grants.

The financial allocation of the measures has been determined by assessment of the needs and monitoring of uptake of similar actions under the SRDP 2007 – 2013 and the previous advisory service. All of the budget for sub-measure 6.1 falls under this focus area. Measures 1 and 16 will complement this by providing opportunities for training, skills development and knowledge transfer.

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

- M03 - Quality schemes for agricultural products and foodstuffs (art 16)
- M04 - Investments in physical assets (art 17)
- M14 - Animal welfare (art 33)
- M16 - Co-operation (art 35)

5.2.3.1.2. Combination and justification of rural development measures

The food and drink sector is identified as a key growth sector in the Scottish Government Economic Strategy. Scotland has a strong reputation for quality brands on the international market including a number of EU Protected Food Names.

The needs identified through the SWOT for focus area 3A are:

- continue to develop the reputation of Scotland as a land of food and drink;
- improve co-operation in the food and drink sector to shorten supply chains.

Measure 4 will allow support to be provided for businesses which contribute to Scotland's sustainable economic growth.

Measure 16 will complement this by increasing co-operation and developing integrated supply chains.

Measures 1 and 2 will complement this to allow advice, training, skills development and knowledge transfer to farmers and those involved in the supply chain.

Measures 3 and 14 the spend for these measures will fund commitments signed under the previous Rural Development Programme for Scotland for the funding period 2007 – 2013. These measures shall not be used in the future as we have prioritised the use of our low budget to focus on key needs as identified in the SWOT and explained in the programme. Capital investments that deliver benefits to animal welfare may be purchased under measure 4 (such as handling facilities), and under measures 1, 2 and 16 advice and information on animal welfare issues as well as elements of innovative projects, can be progressed. For Quality Assurance we are considering giving recognition to these in the scoring criteria where this would be appropriate to the operations concerned.

The financial allocation of the measures has been determined by assessment of the needs and monitoring of uptake of similar actions under the SRDP 2007 – 2013 and the previous advisory service. In addition all of the budget for sub-measure 4.4, and a proportion of measure 16, is for support to the food and drink sector which falls solely under focus area 3A. This is a significant budget as food and drink is a key growth sector for Scotland.

5.2.3.2. 3B) Supporting farm risk prevention and management

5.2.3.2.1. Choice of rural development measures

- M02 - Advisory services, farm management and farm relief services (art 15)

5.2.3.2.2. Combination and justification of rural development measures

As identified through the SWOT Scotland has a high health status for animals and plants. The **PGI** status for Scotch Beef and Scotch Lamb is allied to strong traceability system.

The need identified through the SWOT for focus are 3B is:

- continue Scotland's strong reputation for high health and animal welfare standards.

This need will be addressed though advice measure 2. Measure 14 Animal Welfare has not been selected for use in the SRDP 2021-2024. Due to the budgetary restraints placed on the Scottish Government it has had to target funding to the key areas where the greatest benefit will be gained. Benefits for maintaining Scotland's high health status can be gained through other measure such as measure 02 through access to a better advice network and through measure 01 and the use of knowledge transfer and innovation ensuring a higher standard of practices with in agriculture. Measure 04 allows for potential funding for capital investments there by giving a higher standard of physical environment with Scottish agriculture.

Measures 1, 4 and 6 also have the potential to deliver towards this focus area through the use of knowledge transfer and innovation ensuring a higher standard of practices with in agriculture and improvements to working practices and processes enabled through the support offered to young farmers, crofters and small

farms.

The financial allocation of the measures has been determined by assessment of the needs and monitoring of uptake of similar actions under the SRDP 2007 – 2013 and the previous advisory service. Experience from the current programme has shown that in some areas substantial improvements can be made by modest investments, therefore the comparatively small allocations for measures 1, 2 and 16.

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

- 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)
- M10 - Agri-environment-climate (art 28)
- M11 - Organic farming (art 29)
- M13 - Payments to areas facing natural or other specific constraints (art 31)
- 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

The needs identified through the SWOT for focus 4A are:

- to halt the decline in biodiversity and improve the resilience of ecosystems in the face of environmental change;
- to improve the condition of designated sites affected by land management activities (NATURA, Sites of Special Scientific Interest (SSSIs) and Scheduled Ancient Monuments (SAMs));
- to address the negative environmental impacts of land abandonment and decreased management in

HNV areas.

Needs will be addressed through the wide combination of measures listed by support for advice, skills and knowledge transfer under measures 1 and 2; support for management actions and physical investments under measures 4, 10 and 11. As well as and measures 8 and 15 for forestry land, forests play a key role in climate change adaption and mitigation. The aim is therefore to support a range of forestry management operations to improve and enhance the environmental and public amenity values of woodlands. In particular, improvements that will benefit woodland habitats and species and that are priorities in the UK Biodiversity Action Plan. Measure 13 is vital to maintain farming in on Scotland's extensive LFA area and HNV land (around half of the LFA is HNV). Finally, measure 16 will allow for support for ecosystem or landscape scale projects to deliver environmental benefits.

The financial allocation of the measures has been determined by assessment of the needs and monitoring of uptake of similar actions under the SRDP 2007 – 2013 and the previous advisory service. The budget allocated through measures 4, 10, 11 and 16 for environmental actions is necessary to ensure Scotland's environment is protected and enhanced. A significant proportion of the budget for measure 8 falls under this focus area and the allocation to measure 13 to support constrained areas, where support levels have been maintained which is critical for the viability of farms in the LFA in Scotland, therefore the delivery of environmental benefits through continued land management. Finally, experience from the current programme has shown that in some areas substantial improvements can be made by modest investments, therefore the comparatively small allocations for measures 1, 2 and 16.

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

5.2.4.2.1. Measures for agricultural land

- 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)
- M10 - Agri-environment-climate (art 28)
- M11 - Organic farming (art 29)
- M13 - Payments to areas facing natural or other specific constraints (art 31)
- 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 Water Framework Directive (WFD) has set ambitious objectives for good water quality across Europe. Currently adverse impacts from agricultural activities such as diffuse pollution and river channel realignment are the most significant pressures on the water environment in Scotland. The River Basin Management Plans, describe how required improvements will be achieved with an overall aim of 98% of our waters to be in 'good condition' by 2027. The Scotland Rural Development Programme is one of the key measures identified in these plans.

The need identified through the SWOT for focus area 4B is:

- to reduce the incidence of diffuse pollution in priority catchments.

As with focus area 4A this need will be addressed through the wide combination of measures listed which will provide support for advice, skills and knowledge transfer; support for management actions and physical investments under measures. Finally, measure 16 will allow for support for landscape scale or water catchment area projects.

The financial allocation of the measures has been determined by assessment of the needs and monitoring of uptake of similar actions under the SRDP 2007 – 2013 and the previous advisory service. The budget allocated through measures 4, 10, 11 and 16 for environmental actions is necessary to ensure objectives on water management can be met. In particular the majority of the budget for measure 4.3 falls under this focus area.

Experience from the current programme has shown that in some areas substantial improvements can be made by modest investments, therefore the comparatively small allocations for measures 1, 2 and 16.

Please note that although measures 13, 08 and 15 appear in this focus area (FA), this is due to the fact that the system does not allow the relevant authority to select measures at FA level under priority 4. They have to select them all at a priority 4 level and it automatically places them under all the FA available under priority 4. We have no justification for these measures being present as we do not wish to programme these measures under FA 4B and 4C but are unable to withdraw them.

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

5.2.4.3.1. Measures for agricultural land

- 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)
- M10 - Agri-environment-climate (art 28)

- M11 - Organic farming (art 29)
- M13 - Payments to areas facing natural or other specific constraints (art 31)
- 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

Scotland's soils are a vital natural resource that should be preserved.

The need identified through the SWOT for focus area 4C is:

- enhance the quality of Scotland's soils and peatlands.

As with focus area 4A and 4b the combination of measures will allow for advice, skills and knowledge transfer to support this need, along with support for land management actions and physical investments, including on a landscape or ecosystem scale, to protect and enhance Scotland's soils and peatlands.

The financial allocation of the measures has been determined by assessment of the needs and monitoring of uptake of similar actions under the SRDP 2007 – 2013 and the previous advisory service. The budget allocated through measures 4, 10, 11 and 16 for environmental actions is necessary to ensure Scotland's soils are preserved. Experience from the current programme has shown that in some areas substantial improvements can be made by modest investments, therefore the comparatively small allocations for measures 1, 2 and 16.

Please note that although measures 13, 08 and 15 appear in this focus area (FA), this is due to the fact that the system does not allow the relevant authority to select measures at FA level under priority 4. They have to select them all at a priority 4 level and it automatically places them under all the FA available under priority 4. We have no justification for these measures being present as we do not wish to programme these measures under FA 4B and 4C but are unable to withdraw them.

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

5.2.5.1.2. Combination and justification of rural development measures

This focus area is not being programmed against, however, measure 4 has the potential to address this through improvements to drainage and water supply infrastructure.

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)
- M16 - Co-operation (art 35)

5.2.5.2.2. Combination and justification of rural development measures

The Climate Change (Scotland) Act 2009 introduced ambitious legislation to reduce emissions by at least 42 per cent by 2020 and 80 per cent by 2050 and increasing efficiency in energy use is a contributor to this target.

The need identified through the SWOT for focus area 5A is:

- improve resource efficiency, recycling and waste prevention.

The combination of measures will address this need through advice, training, skills and knowledge transfer under measures 1 and 2.

Measures 4, 6 and 16 also have the potential to address this focus area; through wider capital support for agricultural investment (targeted at crofters, small farms and new entrants) through measures 4 and 6. Measure 16 can support food and drink processing companies, examples include improvements in equipment and processes, product development or shorter supply chains that could result in increased energy efficiency.

The financial allocation of the measures has been determined by assessment of the needs and monitoring of uptake of similar actions under the SRDP 2007 – 2013 and the previous advisory service. Experience from the current programme has shown that in some areas substantial improvements can be made by modest investments, therefore the comparatively small allocations for measures 1 and 2.

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

5.2.5.3.2. Combination and justification of rural development measures

Renewable energy sources is a contributor to the targets under the Climate Change (Scotland) Act.

The need identified through the SWOT for focus area 5C is:

- provide advice and support for renewable energy and energy efficiency initiatives.

While no measures have been programmes against this need, measures 1, 2 and 16 have the potential to address this focus area through training, knowledge transfer, innovation and pilot projects.

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

5.2.5.4.1. Choice of rural development measures

- M02 - Advisory services, farm management and farm relief services (art 15)
- M04 - Investments in physical assets (art 17)
- M10 - Agri-environment-climate (art 28)

5.2.5.4.2. Combination and justification of rural development measures

Reducing emissions from agriculture is a contributor to the targets under the Climate Change (Scotland) Act.

The need identified through the SWOT for focus area 5D is:

- reduce greenhouse gas emissions.

This need can be addressed through advice on climate change mitigation and adaption under measure 2. including specific advice on efficiency in the beef sector, to support the efficiency support available under measure 10. In addition it can be addressed through measure 4 for the support for non-productive investments in agricultural holdings for the achievement of agri-environment-climate. Measure 4 can fund investments that lead to improved efficiencies in the areas of waste reduction and/or improved management

of soils and fertilisers for example through the funding for slurry storage to be brought above the minimum standards. Measure 4 will also promote reduction in emissions through for example the availability of funding for the purchase of more modern efficient equipment. Measure 10 will also support carbon efficiency in the livestock sector.

Measures 1 and 16 also have the potential to address this focus area through training, knowledge transfer, innovation and pilot projects.

The financial allocation of the measures has been determined by assessment of the needs and monitoring of uptake of similar actions under the SRDP 2007 – 2013 and the previous advisory service. Experience from the current programme has shown that in some areas substantial improvements can be made by modest investments, therefore the comparatively small allocations for measures 1, 2 and 16.

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)
- M16 - Co-operation (art 35)

5.2.5.5.2. Combination and justification of rural development measures

Carbon sequestration through the creation of new woodland is a foundation stone of the action plan for the achievement of the targets under the Climate Change (Scotland) Act.

The need identified through the SWOT for focus area 5E is:

- protection of soil carbon sinks and woodland creation.

Measure 8 is clearly a key element to deliver towards this need and it can be addressed through advice on under measure 2. In addition measure 16 can support facilitation of landscape scale forestry

Measures 4 and 10 also have the potential to address this focus area through non-productive investments for achievement of agri-environment objectives which could contribute to the retention of carbon sinks.

The financial allocation of the measures has been determined by assessment of the needs and monitoring of uptake of similar actions under the SRDP 2007 – 2013 and the previous advisory service. The majority of the budget for measure 8 falls under focus area 5E in order to meet targets for the creation of new woodland. Experience from the current programme has shown that in some areas substantial improvements can be made by modest investments, therefore the comparatively small allocations for measures 1, 2 and 16.

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

- M04 - Investments in physical assets (art 17)
- M06 - Farm and business development (art 19)
- M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

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

Sustainable economic growth is Scottish Government's overarching purpose and delivering growth in remote and fragile rural areas is particularly challenging.

The need identified through the SWOT for focus area 6A is:

- Supporting and developing existing and new rural businesses for economic development and employment
- developing virtual and physical infrastructure.

This need will be addressed through measure 8 which provides support to projects that promote economic and sustainable production of woodlands and add value to local economies. Measure 4 will also provide support to for developing existing and new forestry businesses for economic development and employment specifically for equipment for forest nurseries and equipment for afforestation projects.

Measure 6 The spend for this measure will fund commitments signed under the previous Rural Development Programme for Scotland for the funding period 2007 – 2013.

There is also the potential for measure 4 and 6 under the SRDP 2021-2024 to further help address this focus area through support for agricultural holdings targeted at crofters and small farms; support for food and drink processing and marketing; and support for business start-up aid for young farmers. In addition measure 19, LEADER, will also deliver towards this need, however LEADER is programmed under focus area 6B.

The financial allocation of the measures has been determined by assessment of the needs and monitoring of uptake of similar actions under the SRDP 2007 – 2013. Allocation is sufficient to meet needs given other areas of funding in Scotland. SRDP is mostly focussed on land management objectives as it is the largest source of funding for this vital area. Without it Scotland could not achieve its objectives in relation to climate and the environment.

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

5.2.6.2.1. **Choice of rural development measures**

- M07 - Basic services and village renewal in rural areas (art 20)
- M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)

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

The LEADER approach can help build stronger rural communities, who will contribute to the delivery of the Scottish Government Economic Strategy priorities. In particular, rural communities have a key role to play in three of the strategic priorities: 1) transition to a low carbon economy; 2) creating a fairer society (equality); and 3) creating a skilled, educated and healthy workforce (learning, skills and well-being).

The needs identified through the SWOT for focus area 6B is:

- supporting community development.
- developing virtual and physical infrastructure.

This need will mostly be addressed through measure 19, LEADER, and support delivered in line with Local Development Strategies. In addition, measure 7 will provide support for the creation and development of local access footpaths and access networks.

Measure 6 also has the potential to address this focus area through the support for young new entrant farmers.

The financial allocation of the measures has been determined by assessment of the needs and monitoring of uptake of similar actions under the SRDP 2007 – 2013, and the requirement of LEADER to account for at least 5% of the core contribution. The budgets for sub-measure 7.5 and measure 19 for LEADER, fall solely under focus area 6B. Allocation is above the minimum percentage amount and is sufficient to meet needs given other sources of funding across Scotland. SRDP is mostly focussed on land management objectives as it is the largest source of funding for this vital area. Without it Scotland could not achieve its objectives in relation to climate and the environment.

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

Broadening the economic base through capitalising on provision of superfast Broadband and investing in growth sectors, all of which offer opportunities in rural Scotland, remains a top priority for economic development agencies.

The needs identified through the SWOT for this focus area is:

- developing virtual and physical infrastructure.

This need will be addressed through measure 7 which will provide support for broadband infrastructure.

There is also the potential for measure 19 to deliver towards this focus area, dependent upon the priorities identified in Local Development Strategies.

The financial allocation of the measures has been determined by assessment of the needs and monitoring of uptake of similar actions under the SRDP 2007 – 2013. All of the budget from sub-measure 7.3 falls under this focus area.

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

The promotion of innovative approaches in order to achieve the objectives of the Union priorities for rural development, including links with the European Innovation Partnership (EIP) for agricultural productivity and sustainability, is a key element of the new programme. It is being addressed in a variety of ways, tailored to suit the specific circumstances of each priority and client group.

Addressing the challenges of a changing climate and the need to ensure sustainable use of our resources in order to protect and enhance the environment (water, soil and biodiversity), as well as the drive to improve the efficiency and competitiveness of the land based sector are key priorities for the new programme. To ensure this sector can respond effectively to these challenges a distinct approach through KTIF a funding scheme which supports Knowledge transfer and Innovation has been developed, based on the previous successful Skills Development Scheme and Monitor Farm Programme measure 111 in the 2007 – 2013 programme.

Within the 2021-2024 SRDP measure 01 knowledge transfer and information services will continue to provide funding for non-formal vocational training and skills development in the form of workshops, training courses, coaching, information actions and farm visits.

It will also through sub-measure 16.1 continue to fund monitor farms and similar types of projects in order to translate innovative approaches into agricultural and land management practice in order to promote:

- knowledge transfer and innovation;
- enhanced competitiveness;
- restoring, preserving and enhancing ecosystems;
- resource efficiency and shift to low carbon climate resistant economy;

In the SRDP 2021-2024 sub-measure 16.1 will be aligned with the EIP for agriculture productivity and sustainability. The EIP aims to promote a faster and wider transposition of innovative solutions into practice, and create added value by enhancing the uptake and effectiveness of innovation-related instruments. It will also help fill gaps by better linking research and practical farming. This will ensure learning from across Europe can be potentially translated into innovative projects in Scotland, and learning from Scotland will be available to farmers and land managers in Europe.

Operational groups within the relevant authority will form networks and clusters to address identified issues and issue calls for proposals around key themes. The Scottish Rural Network (SRN) will provide the Innovation Brokerage Service, so that individuals can come together to discuss potential projects. These can then be developed further once agreement has been reached on taking a project forward to the animation stage. This brokerage service will potentially cut across all rural development priorities and focus areas, with individuals and/or groups then being transferred on to the relevant area once a project had been adequately identified. Outcomes (successful or otherwise) will be publicised, promoted through measure 02 advisory Services farm management and farm relief services (advisory service), SRN and delivery partners with a view to informing policy, decision making and the work of rural practitioners.

The Innovation support service under the SRN will also work closely with measure 19 support for LEADER

(LEADER) Local Action Groups to foster innovation.

Supporting innovation in the Scottish food and drink processing sectors will be an important objective in the new Programming period. Research and development spend by Scottish food and drink companies has more than doubled since 2007 to £15.5 million supported in many areas by programmes supported by the public sector to help translate world-class research into innovation and policies to further develop this aspect. Innovation in new products and processes allows businesses to widen product-ranges, add-value and enter new markets – often with an export-focus. The Food Processing, Marketing and Co-operation grant scheme, measure 132 in the 2007-13 programme helped many beneficiaries to successfully bring to the market new products, often packaged innovatively. New ways of doing things – often through the use of technologically-advanced processing plant and equipment can help deliver savings in energy use and contribute towards waste minimisation. Such efficiency gains deliver improved profitability, environmental benefits and result in more vibrant, flexible and resilient processing sectors. Using Articles 17 and 35 the new food processing measure will, through the use of enhanced selection criteria, aim to better target support to projects which can demonstrate strong innovatory elements.

Environment and Climate Change Mitigation and Adaption

As stated above the restoration, preservation and enhancement of our natural ecosystems, including the specific needs of Natura 2000 areas, and climate change mitigation and adaptation are key goals of the next programme and are being addressed through a range of approaches. The main aspect which will ensure we adequately meet this goal is the creation under measure 10 agri-environment and climate of a single Agri Environment and Climate Scheme which will directly fund farmers and land managers to undertake appropriate projects based on sound evidence. Supporting the uptake of climate friendly farming methods has additional benefits in improving water and air quality as well as biodiversity

To ensure a collaborative ecosystem approach can be taken a co-operative action fund has been developed under measure 16 Co-operation (co-operative action fund) that will fund the facilitation and development of co-operative approaches in order to tackle issues that require broad action across a wide area and involving several different actors (e.g – natural flood management, removal of invasive non-native species).

Measure 13 payments to areas facing natural or other specific constraints (LFASS) will play a significant role in the sustainability of our High Nature Value Areas (HNV), with much of this land being within the current designated area and based on mapping work to date this will be retained in the ANC delimitation. In 2013 the total area of Utilised Agricultural Area (UAA) estimated to be under High Nature Value farming systems in Scotland was estimated at 2.4 million hectares. This accounts for 44 per cent of the total UAA, including common grazing. Geographically, the Highlands made up the largest area of HNV farming in Scotland (43 per cent of HNV area), followed by Argyll (11 per cent) and Tayside (10 per cent).

In terms of Natura 2000 areas these have been marked as a top priority within the new programme. The Scottish Government has set itself an indicator, as part of its overall National Performance Framework (NPF) in order to measure progress towards protection and enhancement of these important environmental and ecological sites. This indicator states that Scotland will “Improve the condition of protected nature sites”. The assessment process for the Agri-Environment and Climate scheme will specifically recognise these areas as a key national priority.

Allied to this is under measures 08 and sub measures 4.3, 15.1 and 16.5 a Forestry Grant Scheme will

promote the creation of woodland in order to benefit biodiversity and address the impacts of climate change, as well as the implementation of environmentally friendly forests and sustainable forest management. The area of woodland determined to be of HNV status in Scotland was estimated to be 575,000 hectares as of 2013. This accounts for 41 per cent of the total woodland in Scotland (1,410,000 hectares).

The EC position statement states that “in the Scottish Highlands, conifer plantation forestry dominates, which causes problems for biodiversity, water and landscape. Diversification is needed to improve biodiversity”,

Whilst conifer woodland is the dominant forest type in the Highlands, the national inventory on Native Woodlands in Scotland shows that about 40% of the woodland in the Highland area is native, much higher than the national average of 22.6% and that 23% of the conifer woodland is Native Scots pine which has high biodiversity benefits. It is also estimated that 51% of woodland in the Highland area is of HNV status.

Native woodlands are an important element of forestry in Highlands and the Scottish Forestry Strategy highlights the importance of protecting, restoring and expanding our remaining native woodland resource. Support from the EC is critical in achieving these objectives, for example, through the 2007-2013 SRDP programme, 90% of the woodland creation in the Highland area was native woodland. The aim is to continue the support of creating new native woodlands in the SRDP 2021-2024 Programme.

Woodland management in Scotland and the Highlands must meet the UK Forestry Standard (UKFS) – this lays out the minimum environmental standards for forestry and encourages the sustainable management of woodlands and ensures that the aspects of landscape, biodiversity and water quality are all properly considered. However it is estimated that a relatively small percentage of conifer woodland, less than 10%, does not currently meet the UKFS. Opportunities are being taken as such conifer forests mature and are felled to ensure that the restructuring of forests are UKFS compliant and that the environmental, economic and social benefits of forests are managed in a balanced way through Long term Forest Plans. Support to improve the environmental value of forests is an important aspect of SRDP 2021-2024 Programme.

Lastly measure 02 advisory services, farm management and farm relief services (advisory service) will play a key role, along with the SRN, in disseminating knowledge to farmers and land managers, ensuring those who directly manage the land have the skills and tools available to respond to the challenges we face.

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
Priority 2				
Focus Area	Target indicator name	Target value 2023	Planned expenditure	Combination of measures
Priority 3				
Focus Area	Target indicator name	Target value 2023	Planned expenditure	Combination of measures
Priority 4				
Focus Area	Target indicator name	Target value 2023	Planned expenditure	Combination of measures
Priority 5				
Focus Area	Target indicator name	Target value 2023	Planned expenditure	Combination of measures
Priority 6				
Focus Area	Target indicator name	Target value 2023	Planned expenditure	Combination of measures

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

Effective advisory capacity and provision has been consistently raised as a significant contributor towards the successful delivery of outcomes and added value. The SRDP Advisory Service will provide targeted advice in order to achieve improvements in our agricultural sector, enhance and maintain our environment and respond to the impact of climate change. This will build on the advice already available to all businesses in Scotland via the Business Gateway, and other land management advice available to farmers and land managers across Scotland.

This co-ordinated Advisory Service under measure 02 will be designed to help farmers, and improve their economic and environmental performance.

Building a robust Advisory Service will have dual key overriding benefits. Rural farmers and land managers will have access to local targeted advice from professional advisers that will ensure delivery of both public and business benefits. Additionally, it will assist the Scottish Government's core purpose of creating a more successful country through increasing sustainable economic growth.

A criticism of the current advisory provision is that it is too fragmented. The new service will, therefore, aim to have a strong interface with other elements of the programme, including delivery partners (Scottish Government Paying Agency and Managing Authority) as well as key agencies such as Nature Scot (NS), Scottish Environmental Protection Agency (SEPA), Scottish Forestry(SF), National Parks and the Scottish Rural Network (SRN). It will also aim to work with the key stakeholder organisations, ensuring their knowledge and expertise feeds into the work in order to achieve shared outcome.

The delivery of the SRN will be implemented within the Scottish Government. Links between the Advisory Service and the SRN will be assured through working arrangements between these interdependent areas. The linkages between the work undertaken by SRN and delivery of measure 1 (knowledge transfer and information actions); measure 2 (farm advisory services); and measure 16.1 (support provided EIP operational group projects) will be particularly strong. The SRN will facilitate the creation of Operational Groups who could go onto access funding for land based initiatives under measure 16.1, as well as other funding opportunities within the programme. The learning from these initiatives will be disseminated via the SRN, the-one-to-many element of the advisory service and directly to farmers through the provision of one-to-one advice.

The advisory service will help farmers benefit from improved economic and environmental performance and improved resilience. It will also help farmers better understand regulatory and other mandatory requirements; and help farmers to be better equipped to mitigate against climate change impacts..

Delivery of the advisory service will be contracted out to an external service provider using the public procurement process. It will be the responsibility of the contracted service provider to deliver advice and assistance to farmers and crofters via a dedicated advice helpline, web guidance, publications and links to case officers and operational customer service.

The advisory service provider will also oversee the necessary accreditation infrastructure for the Advisory Service, and this will aim to ensure that advice provided by consultants is fit for purpose and consistent with a greater emphasis on training and continued professional development to ensure that the requirements of the new advisory system are met. The staff delivering the SRN will have appropriate expertise to undertake

the wide range of actions to be delivered (e.g. facilitation skills, communications, web development, social media) and training in these skills will be provided to staff, as necessary.

The advisory service provider will be responsible for administration and funding for the production of Integrated Land Management Plans. These would in essence be a health check/audit focusing on environmental considerations, climate change mitigation and impacts, water pollution, habitats etc. These will be undertaken by the generalist advisors. This would lead on to more specialist advice on a range of issues undertaken by advisors fully equipped and trained in the relevant specialism.

The advisory service will, in particular, contribute towards the undernoted priorities for rural development:

1. Fostering knowledge transfer and innovation;
2. Enhancing competitiveness;
3. Restoring, preserving and enhancing ecosystems dependant on agriculture; and
4. Promoting resource efficiency and supporting a shift towards a low carbon and climate resilient economy in agriculture.

The one to one and one to many advice provision to farmers will cover a number of different elements including:

1. statutory management requirements and standards for good agricultural and environmental performance;
2. climate change adaptation and mitigation;
3. farm modernisation, innovation and competitiveness;
4. pollution prevention and control including compliance with Water Framework Directive requirements;
5. pest management and control; and
6. advice for farmers setting up for the first time.

In addition to the above working arrangements will be created to ensure that projects funded through measure 1 (knowledge transfer and information); and measure 16.1 (EIP Operational Group projects) are suitably advertised across services and networks. This will help ensure that best practice and new found knowledge arising from successful delivery of innovative actions are disseminated and uptake of learning outcomes is encouraged.

The new advisory service will not be in place in the early stages of the programme, due to the need to procure delivery of the service in line with public procurement legislative requirements. Full implementation is not likely before 2016 but suitable arrangements will be put in place to manage the transition and continue with current domestically funded farm advisory services in the meantime.

6. ASSESSMENT OF THE EX-ANTE CONDITIONALITIES

6.1. Additional information

Not applicable.

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>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>yes</p>	<p>In Scotland we use the UK's National Risk Assessment (classified as SECRET) and the National Risk Register (publicly available) to inform which risks we need to prepare for. The UK Cabinet Office coordinate the process of compiling these documents. We feed into this process along with UK Government Departments and other Devolved Administrations.</p> <p>Category 1 responders have a statutory obligation to assess the risks that might affect them and use these to prepare to respond should they occur. In Scotland, we have recently published draft guidance on this for our Regional Resilience Partnerships, the three multi-agency partnerships set up across Scotland.</p> <p>We take account of climate change within the wider context in which we are working. When assessing emergencies that might affect us, we look at what reasonably might occur within the next five years. We use evidence and information from experts to advise us of these risks. Their advice to us will take account of issues such as changing climate in the likelihood and the relative impact of the scenarios they suggest.</p>	<p>3B, 3A</p>	<p>M02, M01, M16, M04</p>
<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</p>	<p>yes</p>	<p>Scottish GAEC from 1 January 2015</p> <p>Water</p> <p>GAEC 1 – Establishment of buffer strips along watercourses</p> <p>1. You must not apply organic manure to any land which is situated within -</p> <ul style="list-style-type: none"> • 10 metres of any surface water • 50 metres of any well, borehole, etc <p>2. You must not locate field heaps within –</p> <ul style="list-style-type: none"> • 10 metres of any surface water • 50 metres of any well, borehole, etc <p>3. You must not apply chemical fertiliser to any land in a way that makes it likely the fertiliser will directly enter any surface water.</p> <p>4. You must not apply nitrogen fertiliser to land if there is significant risk of nitrogen entering surface water, taking into account</p> <ul style="list-style-type: none"> • the slope of the land, particularly if greater than 12 degrees • any ground cover • proximity to any surface water • weather conditions • the type of fertiliser being applied. <p>5. You must not cultivate or apply pesticides to land within 2 metres of the top of the bank of a surface water (pesticides can be applied to control scheduled weeds).</p>	<p>P4</p>	<p>M16, M10, M15, M11, M08, M02, M13, M01, M04</p>

		<p>GAEC 2 - Abstraction of Water for Irrigation</p> <p>You must comply with the authorisation procedures for abstracting water for irrigation. The procedures differ depending on the quantity of water involved:</p> <p>1. If you abstract < 10 m³ of water each day you have to follow General Binding Rule 2 (GBR 2). Complying with GBR 2 means there is no requirement to contact the Scottish Environmental Protection Agency (SEPA) to register or apply for a licence.</p> <p>GBR 2 rules:</p> <ul style="list-style-type: none"> You must be able to demonstrate that the abstraction is always less than 10m³ in any one day (e.g. by measuring the rate of abstraction) or a means of demonstrating that the maximum volume that could be abstracted cannot exceed 10m³ in any one day. Water leakage must be kept to a minimum by ensuring that all pipework, storage tanks and other equipment associated with the abstraction and the use of the water are maintained in a state of good repair. <p>2. If you abstract ≥10 and ≤50m³ of water each day you have to be registered with SEPA.</p> <p>3. If you abstract >50 and ≤2000m³ of water each day you have to hold a Simple Licence.</p> <p>4. If you abstract >2000m³ of water each day you have to hold a Complex Licence.</p> <p>If you hold a licence it is important that you comply with all the conditions of the licence.</p> <p>If you are not registered or do not hold the relevant licence you need to contact SEPA before you start abstracting water for irrigating crops.</p> <p>GAEC 3 – Protection of Groundwater against pollution</p> <p>You must –</p> <ul style="list-style-type: none"> ensure that an authorisation is in place to allow or carry out a disposal of List I and List II substances, such as waste sheep dip and/or pesticide washings to land. You must comply with the conditions of any authorisation granted to allow or carry out a disposal of list I and list II substances, such as waste sheep dip and/or pesticide washings to land. You must not carry out or permit an activity which is likely to cause pollution of groundwater by an indirect or direct discharge of List I or List II substances from any non-disposal activity. <p>Soil and carbon stock</p> <p>GAEC 4 – Minimum soil cover</p> <p>After harvest until the end of winter you must either retain the stubble of the previous crop or sow grass or sow another crop, unless –</p> <ul style="list-style-type: none"> agronomic or weather conditions are such that cultivating land would be detrimental to the use for the land for agricultural production. the land is being prepared for sowing the subsequent crop. Secondary cultivations and final seed beds must only be created very close to sowing. <p>GAEC 5 - Minimum land management reflecting site specific</p>		
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		<p>conditions to limit erosion</p> <p>You must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.</p> <p>In the case of late harvested crops where agronomic or weather conditions prevent the subsequent crop or a cover from being sown you must put in place (or have put in place) appropriate measures to limit soil erosion.</p> <p>GAEC 6 – Maintenance of soil organic matter level through appropriate practices, including a ban on burning arable stubble except for plant health reasons.</p> <p>After harvest you must not burn arable stubble except for plant health reasons.</p> <p>You must comply with the requirements of the Muirburn code.</p> <p>You must not plough rough grazing or semi natural land unless approved under EIA</p> <p>Landscape, minimum level of maintenance</p> <p>GAEC 7 – Retention of landscape features</p> <p>You must not remove or destroy the following landscape features without prior written consent:</p> <ul style="list-style-type: none"> • hedges • dykes • ditches • watercourses • ponds • trees inline, isolated or in groups (exemption for trees that are dead, diseased, damaged or insecurely rooted and are likely to cause a danger by falling over) • scheduled ancient monuments <p>You must not cut/trim/lay hedges or lop branches off trees during the bird nesting and rearing season starting 1 March and ending 31 August (exemption for road safety reasons).</p> <p>You must not cultivate or apply fertilisers or pesticides to land within 2 metres of the centre line of a hedgerow (pesticides can be applied to control scheduled weeds).</p>		
<p>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</p>	yes	<p>Minimum Requirement for Pesticides</p> <ul style="list-style-type: none"> • 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, however for the purposes of the 	P4	M04, M10, M15, M02, M13, M01, M08, M11, M16

		<p>SRDP baseline, and payments to farmers for undertaking actions, there are 2 mandatory elements. Record keeping of pesticide use (general principle 8) is a regulatory requirement, and monitoring of pests (general principle 2) is part of the SRDP baseline. 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.</p> <p>In the SRDP, for measures where the minimum requirements for pesticides is part of the baseline the farmer will need to implement the monitoring of pests.</p> <p>In the UK professional pesticide users must:</p> <ul style="list-style-type: none"> > have a recognised certificate, including from 26 November 2015, those operating under grandfather rights; > take reasonable precautions to protect human health or the environment; > confine pesticide application to the target area; > ensure the amount used and frequency of application are as low as reasonably practicable in specific areas; > give preference to products which protect water supplies; > adhere to rules under a new aerial spraying permit system; > take reasonable precautions in relation to storage, handling and disposal of pesticide products to protect human health or the environment; > ensure pesticides are stored in areas that are constructed in a way as to prevent unwanted releases; > by 26 November 2016 and at regular intervals owners of pesticide application equipment in use (except knapsack and handheld sprayers) must ensure it is inspected to certain timetables (the UK has designated a competent body to implement and administer the inspection scheme as required by the Directive); > after 26 November 2015, anyone purchasing a pesticide for professional use must ensure the product will be used by someone who holds an appropriate training certificate or who will be working under the direct supervision of someone who holds one; 	
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		<p>The UK also has a National Action Plan for the Sustainable Use of Pesticides (Plant Protection Products) as required by the Directive. There are further obligations in the UK Regulations on those who Store and Sell Pesticides.</p> <p>Record Keeping</p> <p>Record keeping of pesticide treatments has been a legal requirement in Scottish law since 2006 for those who produce food and animal feed under The Food Hygiene (Scotland) Regulations 2006 and The Feed (Hygiene and Enforcement) (Scotland) Regulations 2005.</p> <p>EC Regulation No 1107/2009, directly applicable in MS, requires professional users of pesticides to keep records for at least 3 years.</p> <p>Producers, suppliers, distributors, importers and exporters of pesticides must keep records for at least 5 years.</p> <p>The Plant Protection Products Regulations 2011, which apply to Scotland, England and Wales, include a provision for the enforcement of record keeping by identifying who is responsible for complying with the requirements and prohibitions in Regulation 1107/2009.</p> <p>The type of record keeping referred to in relation to IPM goes beyond this as it uses this information along with information on chemical monitoring to check the success of the applied plant protection practices.</p>		
<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>Domestic legislation (relevant for the baseline)</p> <p>Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001</p> <p>Require persons with custody or control of a crop being made into silage, of livestock slurry or of certain fuel oil to carry out works and take precautions and other steps for preventing pollution of inland or coastal waters.</p> <p>The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended</p> <p>The Diffuse Pollution General Binding Rules (GBRs) within Controlled Activity Regulations (CAR) based on widely accepted standards of good practice. These rules are aimed at controlling rural activities which pose a potential risk to the water environment. Such activities include the storage and application of fertilisers, storage and application of pesticides, keeping of livestock and cultivation of land.</p> <p>The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005</p> <p>Enacts the Code of Good Practice for the Prevention of Environmental Pollution from Agricultural Activity(PEPFAA)Code. The PEPFAA code includes chapters covering topics such as diffuse agricultural pollution, soil protection, slurry management, sheep dips, pesticides and waste management. Each chapter states the minimum regulatory standards and then goes onto describe relevant good practice which land managers are encouraged to adopt.</p>		<p>M15, M08, M02, M11, M16, M10, M13, M01, M04</p>

		<p>The Plant Protection Products (Sustainable Use) Regulations 2012</p> <p>Enacts Directive 2009/128/EC on the Sustainable Use of Pesticides. These regulations are aimed at achieving the sustainable use of pesticides by reducing potential risks and impacts on human health and the environment. Key requirements of regulations include compulsory testing of application equipment, provision of training and certification of operators and advisors and controls on aerial spraying.</p> <p>Action Programme for Nitrate Vulnerable Zones</p> <p>Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.</p> <p>The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006</p> <p>Prevents the agricultural improvement of semi-natural habitats without an environmental impact assessment and the associated consent. Therefore farmers must not plough or fertiliser semi-natural habitats such as rough grazings, moorland or species rich grassland without consent from the relevant agricultural and environmental authority.</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>Scotland has transposed the requirements of 2010/31/EU into respective regulatory regimes.</p> <p>Broadly, The Scottish Government published Conserve and Save Energy Efficiency Action Plan in October 2010 — includes ambitious headline target to reduce final energy end-use consumption by 12% by 2020.</p> <p>Regarding Article 3 (Adoption of a methodology for calculating the energy performance of buildings), Scotland, like the rest of the UK, apply a National Calculation Methodology for assessment of the energy performance of buildings – SAP for dwellings and SBEM for non-dwellings.</p> <p>For Article 4 (Setting of minimum energy performance requirements), Scotland, like the rest of the UK, apply minimum standards for energy efficiency of buildings at the time construction takes place (new-build or alteration, extension, conversion or replacement/repair), implemented via the Building (Scotland) Regulations 2004, as amended, with comprehensive information on the building standard system available at www.scotland.gov.uk/bsd - energy performance is addressed under section 6 (energy).</p> <p>For Article 5 (Calculation of cost-optimal levels of minimum energy performance requirements), under Article 5(2), the UK as a member state has submitted its report on cost optimal performance to the Commission – published online at: http://ec.europa.eu/energy/efficiency/buildings/implementation_en.htm</p> <p>For the remainder Scotland, like the rest of the UK has in place a system for the certification of the energy performance of buildings, implemented in accordance with the requirements of Articles 12 (Issue</p>	<p>5C, 5D, 5E, 5B</p>	<p>M16, M04, M01, M02, M10</p>

		of energy performance certificates) and 13 (Display of energy performance certificates). This is delivered via standard 6.9 of building regulations (on construction) and via the Energy Performance of Buildings (Scotland) Regulations for buildings offered for sale, rent and for display of certificates in buildings frequently visited by the public. Supporting guidance on implementation is available at www.scotland.gov.uk/epc		
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.	yes	Scotland is fully compliant with article 9 via Regulation 15 of The Water Environment (River Basin Management Planning: Further Provision) (Scotland) Regulations 2013.	5A	
P5.3) Renewable energy: actions have been carried out to promote the production and distribution of renewable energy sources	yes	<p>Scotland fulfils this criteria. The electricity grid is governed by industry codes within a regulatory framework overseen by the Office of Gas and Electricity Markets (Ofgem). The Connection and Use of System Code (CUSC) is the contractual framework for connection to, and use of, the National Electricity Transmission System (NETS). National Grid plc is the Code Administrator for the CUSC and maintains the Code. All changes are subject to Industry Consultation and approval by either Ofgem or the CUSC Modifications Panel.</p> <p>The Distribution Connection and Use of System Agreement (DCUSA) is a multi-party contract between the licensed electricity distributors, suppliers and generators of Great Britain. It is concerned with the use of the electricity distribution systems to transport electricity to or from connections to them. It is a requirement that all licensed electricity distributors and suppliers become parties to the DCUSA.</p> <p>The UK Government has legislative responsibility for this framework and as such is satisfied that it is consistent with Article 14(1) and Article 16(2) and (3) of Directive 2009/28/EC.</p> <p>The UK Government's Renewable Energy Roadmap is an action plan for governments across the UK to accelerate the growth of renewable energy, and is consistent with Article 4 of Directive 2009/28/EC. The Scottish Government was consulted on the Roadmap, which was published in 2011, with the Scottish Energy Minister being a co-signatory of the Ministerial Foreword. Under Article 22 of the Renewable Energy Directive 2009/28/EC, the UK Government provides progress reports to the EC on the promotion of renewable energy, and again the Scottish Government is consulted, and contributes to the progress reports.</p> <p>Separately, the Scottish Government's 2020 Routemap for Renewable Energy in Scotland sets out the collective actions needed to achieve the target to meet the equivalent of 100% of Scotland's electricity demand from renewable energy by 2020, together with equally important targets for renewable heat and an increase in the community and local ownership of renewable projects. The focus is on overcoming the barriers to the continued growth of the renewables sector, such as attracting the necessary levels of investment in infrastructure and technology. The Routemap is updated annually to highlight developments and reflect emerging challenges. The December 2013 update reported good progress towards targets, as well as details of significant investment in electricity grid networks and export capacity, and investment in port and harbour infrastructure to enable the manufacturing and deployment of offshore renewables.</p>	5B, 5C, 5D	M04, M01, M10, M02, M16
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	yes	<p>Scotland's Digital Future, the digital infrastructure action plan, fulfils the criteria</p> <p>All public investment in broadband needs to be underpinned by an</p>	6C	M07, M19

<p>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>analysis of what the market would deliver commercially.</p>		
<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>The legislative framework for all equalities (anti-discrimination, gender and disability) are contained in the UK Equality Act 2010 which is applicable in Great Britain (England, Scotland and Wales).</p> <p>The Equality & Human Rights Commission (EHRC) was formed in 2007 and fully complies with Article 13 of Directive 2000/43/EC.</p> <p>The Government Equalities Office (GEO) is responsible for equality strategy and legislation across government. They take action on the government's commitment to remove barriers to equality and help to build a fairer society, leading on issues relating to women, sexual orientation and transgender equality.</p> <p>ECHR has been a key partner in preparing the PA and OP's.</p> <p>Anti-discrimination and equality law and practice forms a core part of induction and training for all UK civil servants in accordance with the civil service code. This includes training on the specific Equalities duties to be carried out by public sector bodies such as the Managing Authorities.</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>yes</p>	<p>The legislative framework for all equalities (anti-discrimination, gender and disability) are contained in the UK Equality Act 2010 which is applicable in Great Britain.</p> <p>The Equality & Human Rights Commission (EHRC) was formed in 2007 and fully complies with Article 13 of Directive 2000/43/EC.</p> <p>The Government Equalities Office (GEO) is responsible for equality strategy and legislation across government. They take action on the government's commitment to remove barriers to equality and help to build a fairer society, leading on issues relating to women, sexual orientation and transgender equality.</p> <p>ECHR has been a key partner in preparing the PA and OP's.</p> <p>SG Equalities Unit has in addition provided specialist advice on improving the mainstreaming of horizontal</p> <p>Anti-discrimination and equality law and practice forms a core part of induction and training for all UK civil servants in accordance with the civil service code. This includes training on the specific Equalities duties to be carried out by public sector bodies such as the Managing Authorities.</p> <p>Further training is provided to MA staff in Scotland on gender equality law and policy as well as on gender mainstreaming as part of the horizontal themes . This is supported by the SG Equalities Unit.</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 (UNCPRD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC</p>	<p>yes</p>	<p>The legislative framework for all equalities (anti-discrimination, gender and disability) are contained in the UK Equality Act 2010 which is applicable in Great Britain.</p> <p>The Equality & Human Rights Commission (EHRC) was formed in 2007 and fully complies with Article 13 of Directive 2000/43/EC.</p> <p>The Government Equalities Office (GEO) is responsible for equality strategy and legislation across government. They take action on the</p>		

		<p>government's commitment to remove barriers to equality and help to build a fairer society, leading on issues relating to women, sexual orientation and transgender equality.</p> <p>ECHR has been a key partner in preparing the PA and OP's, and has provided specialist advice on improving the mainstreaming of horizontal themes and on undertaking an equalities impact assessment.</p> <p>Anti-discrimination and equality law and practice forms a core part of induction and training for all UK civil servants in accordance with the civil service code. This includes training on the specific Equalities duties to be carried out by public sector bodies such as the Managing Authorities.</p> <p>All staff also have access to comprehensive on-line learning through Civil Service Learning.</p> <p>Training is provided to MA staff in Scotland on disability and equality law and policy.</p> <p>The Office for Disability website (part of Department for Work and Pensions) details the UN Convention of Rights of Persons with Disabilities and other Office for Disabilities Issues (ODI) guidance. DWP 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 UK has committed to early transposition of the new public procurement rules agreed by the European parliament in January 2014. This process should be completed early next year.</p> <p>A specialist unit in the Scottish government, The Scottish Procurement Directorate, advises all parts of Scottish government on procurement compliance, and acts as contract manager on all contracts which require procurement under EU law. Scotland will implement the new EU rules on public procurement with its own separate statutory instruments.</p> <p>Training programme developed for 2014 ESI Funds include specific sections on procurement and checking the proper and transparent awarding of contracts by lead partners and operations, with assistance from procurement unit within Scottish Government</p>		
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>Business, Innovation and Skills ("BIS") is responsible for setting UK State aid policy and coordinating notifications to the Commission- https://www.gov.uk/state-aid.</p> <p>BIS verifies every UK notification prior to its submission to the European Commission for approval. General advice and support is provided, such as online guidance which explains the application of De Minimis and the cumulation rules.</p> <p>In addition, a specialist State Aid Unit exists within the Scottish government with the specific purpose of providing advice to all Scottish public bodies on their State Aid duties. This includes a programme of training and seminars, as well as advice on specific cases and issues.. State Aid Unit will deliver training directly to all MA staff in advance of programme commencement.</p>		
G6) Environmental legislation relating to Environmental Impact	yes	In the UK, developers, competent authorities and statutory		

<p>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>consultation bodies are responsible for ensuring their processes are compliant with EIA and SEA regulations and that decisions are made taking into account a full assessment of the significant environmental effects. EIA guidance is also provided on an individual basis either centrally by government or by bodies involved in the process e.g. consultation bodies.</p> <p>Specialist units provide advice within Scottish government on how to undertake EIA's and SEA's.</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>yes</p>	<p>Scotland Performs, a nation-wide system of setting and tracking performance targets, was established in 2007. Scottish Government collects and publishes statistics on a wide range of indicators linked to an overall set of targets and a single purpose. The work is carried out by analytical specialists working for the Government, and draws on specialist contractors as required.</p> <p>All public bodies in Scotland report against these indicators (as relevant to their duties) on a regular basis, and performance is constantly tracked and updated.</p> <p>Indicators in Scottish programmes are either aligned with European Commission core indicators or, where possible, with Scotland Performs. This ensures relevance, statistical validity and stable definition of the selected indicators.</p> <p>Further information on the specific development of targets for this programme are provided in the accompanying paper on indicators and target setting available as an annex.</p> <p>This is a requirement in national rules. All public bodies regularly report on key indicators, and are tied into the Scotland Performs approach. The new IT system will allow better transmission of outcome and results data, including detailed participant and final beneficiary information.</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
P3.1) Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation	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;	Yes	National Risk Register https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/211867/NationalRiskRegister2013_amended.pdf Draft guidance on risk and preparedness assessment: http://www.readyscotland.org/media/72743/risk_and_preparedness_assessment_-_guidance.pdf	
	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;	Yes	National Risk Register https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/211867/NationalRiskRegister2013_amended.pdf Draft guidance on risk and preparedness assessment: http://www.readyscotland.org/media/72743/risk_and_preparedness_assessment_-_guidance.pdf	
	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.	Yes	National Risk Register https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/211867/NationalRiskRegister2013_amended.pdf Draft guidance on risk and preparedness assessment: http://www.readyscotland.org/media/72743/risk_and_preparedness_assessment_-_guidance.pdf	
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	Scottish Statutory Instrument 2011/415 The Common Agricultural Policy Schemes (Cross-compliance) (Scotland) Regulations 2011 as amended	
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	Scotland's Rural Development Programme	
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	Scotland's Rural Development Programme	

<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>	<p>Energy Efficiency Action Plan: http://www.scotland.gov.uk/Publications/2010/10/07142301/0 STANDARD ASSESSMENT PROCEDURE (SAP 2009): http://www.bre.co.uk/sap2009/page.jsp?id=1642 National Calculation Method: http://www.ncm.bre.co.uk/ Building (Scotland) Regulations 2004, as amended: http://www.scotland.gov.uk/Topics/Built-Environment/Building/Building-standards/publications/publeg Building standard system: www.scotland.gov.uk/bsd Calculation of cost-optimal levels of minimum energy performance requirements: http://ec.europa.eu/energy/efficiency/buildings/implementation_en.htm Building regulations (on construction): http://www.scotland.gov.uk/resource/buildingstandards/2013Domestic/chunks/ch07s10.html The Energy Performance of Buildings (Scotland) Regulations: http://www.legislation.gov.uk/all?title=Energy%20Performance%20of%20Buildings%20%28Scotland%29%20Regulations%20 Supporting guidance on implementation : http://www.scotland.gov.uk/Topics/Built-Environment/Building/Building-standards/enerperfor</p>	
	<p>P5.1.b) Measures necessary to establish a system of certification of the energy performance of buildings consistent with Article 11 of Directive 2010/31/EU;</p>	<p>Yes</p>		
	<p>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;</p>	<p>Yes</p>		
	<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.</p>	<p>Yes</p>		
<p>P5.2) Water sector: the existence of a) a water pricing policy which provides adequate incentives for users to use water</p>	<p>P5.2.a) In sectors supported by the EAFRD, a Member State has ensured a contribution of the different water uses to</p>	<p>Yes</p>	<p>The Water Environment (River Basin Management Planning: Further Provision) (Scotland) Regulations 2013:</p>	

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.	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.		http://faolex.fao.org/docs/pdf/uk128912.pdf		
P5.3) Renewable energy: actions have been carried out to promote the production and distribution of renewable energy sources	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;	Yes	<p>The Connection and Use of System Code (CUSC):</p> <p>http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Connection-and-Use-of-System-Code/</p> <p>The Distribution Connection and Use of System Agreement (DCUSA):</p> <p>http://www.dcusa.co.uk/Public/DCUSADocuments.aspx?s=c</p> <p>The UK Government's Renewable Energy Roadmap:</p> <p>https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48128/2167-uk-renewable-energy-roadmap.pdf</p> <p>Scottish Government's 2020 Routemap for Renewable Energy in Scotland :</p> <p>http://www.scotland.gov.uk/Publications/2011/08/04110353/0</p>		
	P5.3.b) A Member State has adopted a national renewable energy action plan consistent with Article 4 of Directive 2009/28/EC	Yes			
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	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;	Yes	<p>Scotland's Digital Future:</p> <p>http://www.scotland.gov.uk/Publications/2012/01/1487 .</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;	Yes			
	P6.1.c) A national or regional NGN Plan is in place that contains: measures to stimulate private investment.	Yes			
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.	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.	Yes	<p>Details for the UK Equality Act 2010 can be found here : http://www.legislation.gov.uk/ukpga/2010/15/contents</p> <p>Scotland specific duties</p> <p>http://www.legislation.gov.uk/ssi/2012/162/contents/made</p> <p>www.equalityhumanrights.com</p> <p>explains the work of the EHRC</p> <p>https://www.gov.uk/government/organisations/government-equalities-office explains the work of the Government Equalities</p>		

			Office.	
	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.	Yes	Link to civil service code: https://www.gov.uk/government/publications/civil-service-code	
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.	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, including the provision of advice on gender equality in ESI Fund related activities.	Yes	Details for the UK Equality Act 2010 can be found here : http://www.legislation.gov.uk/ukpga/2010/15/contents Scotland specific duties http://www.legislation.gov.uk/ssi/2012/162/contents/made www.equalityhumanrights.com explains the work of the EHRC https://www.gov.uk/government/organisations/government-equalities-office explains the work of the Government Equalities Office. http://www.scotland.gov.uk/Topics/People/Equality	
	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.	Yes	Link to civil service code: https://www.gov.uk/government/publications/civil-service-code http://www.scotland.gov.uk/Topics/People/Equality	
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	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.	Yes	Details for the UK Equality Act 2010 can be found here : http://www.legislation.gov.uk/ukpga/2010/15/contents www.equalityhumanrights.com explains the work of the EHRC https://www.gov.uk/government/organisations/government-equalities-office explains the work of the Government Equalities Office. Scotland specific duties http://www.legislation.gov.uk/ssi/2012/162/contents/made	
	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, including accessibility and the practical application of the UNCPRD as reflected in Union and national legislation, as appropriate.	Yes	Civil service code: https://www.gov.uk/government/publications/civil-service-code https://civilservicelearning.civilservice.gov.uk/ link to Civil Service learning	
	G3.c) Arrangements to ensure monitoring of the implementation of Article 9 of the UNCPRD in relation to the ESI Funds throughout the preparation and the implementation of the programmes.	Yes	http://odi.dwp.gov.uk/disabled-people-and-legislation/un-convention-on-the-rights-of-disabled-people.php details the UN Convention of Rights of Persons with Disabilities and other Office for Disabilities Issues (ODI) guidance.	

G4) Public Procurement: the existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	G4.a) Arrangements for the effective application of Union public procurement rules through appropriate mechanisms.	Yes	Public tendering arrangements are governed by the Public Procurement Directive (2004/18/EC) implemented in Scotland by the current Public Contracts (Scotland) Regulations 2012 (SSI 2012 No. 88). http://www.scotland.gov.uk/Topics/Government/Procurement	
	G4.b) Arrangements which ensure transparent contract award procedures.	Yes	Public tendering arrangements are governed by the Public Procurement Directive (2004/18/EC) implemented in Scotland by the current Public Contracts (Scotland) Regulations 2012 (SSI 2012 No. 88). http://www.scotland.gov.uk/Topics/Government/Procurement	
	G4.c) Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.	Yes	http://www.scotland.gov.uk/Topics/Government/Procurement	
	G4.d) Arrangements to ensure administrative capacity for implementation and application of Union public procurement rules.	Yes	Public tendering arrangements are governed by the Public Procurement Directive (2004/18/EC) implemented in Scotland by the current Public Contracts (Scotland) Regulations 2012 (SSI 2012 No. 88). http://www.scotland.gov.uk/Topics/Government/Procurement	
G5) State Aid: the existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	G5.a) Arrangements for the effective application of Union State aid rules.	Yes	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/261384/bis_13-1330_state_aid_the_basics.pdf https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31705/12-747-state-aid-frequently-asked-questions.pdf http://www.scotland.gov.uk/Topics/Government/State-Aid/SAU	
	G5.b) Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.	Yes	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/261384/bis_13-1330_state_aid_the_basics.pdf https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31705/12-747-state-aid-frequently-asked-questions.pdf http://www.scotland.gov.uk/Topics/Government/State-Aid/SAU	
	G5.c) Arrangements to ensure administrative capacity for implementation and application of Union State aid rules.	Yes	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/261384/bis_13-1330_state_aid_the_basics.pdf https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31705/12-747-state-aid-frequently-asked-questions.pdf http://www.scotland.gov.uk/Topics/Government/State-Aid/SAU	
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	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);	Yes	The Environmental Assessment (Scotland) Act 2005 http://www.scotland.gov.uk/Topics/Environment/environmental-assessment/sea	

and SEA.	G6.b) Arrangements for training and dissemination of information for staff involved in the implementation of the EIA and SEA Directives.	Yes	The Environmental Assessment (Scotland) Act 2005 http://www.scotland.gov.uk/Topics/Environment/environmental-assessment/sea	
	G6.c) Arrangements to ensure sufficient administrative capacity.	Yes	The Environmental Assessment (Scotland) Act 2005 http://www.scotland.gov.uk/Topics/Environment/environmental-assessment/sea	
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.	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	Yes	http://www.scotland.gov.uk/About/Performance/scotPerforms	
	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	Yes	http://www.scotland.gov.uk/About/Performance/scotPerforms	
	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	Yes	http://www.scotland.gov.uk/About/Performance/scotPerforms	
	G7.d) An effective system of result indicators including: the establishment of targets for these indicators	Yes	http://www.scotland.gov.uk/About/Performance/scotPerforms	
	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	Yes	http://www.scotland.gov.uk/About/Performance/scotPerforms	
	G7.f) Procedures in place to ensure that all operations financed by the programme adopt an effective system of indicators	Yes	http://www.scotland.gov.uk/Topics/Business-Industry/support/17404/EuropeanStructuralFunds/NewITSsystem	

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
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7. DESCRIPTION OF THE PERFORMANCE FRAMEWORK

7.1. Indicators

Priority	Applicable	Indicator and measurement unit, where appropriate	Target 2023 (a)	Adjustment top ups (b)	Target absolute value (a-b)
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				
	X				
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	X				
	X				
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry	X				
	X				
P5: Promoting resource	X				

efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors	X				
P6: Promoting social inclusion, poverty reduction and economic development in rural areas	X				
	X				
	X				

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:

Target 2023 (a):

Adjustment top ups (b):

Target absolute value (a-b):

7.1.1.2. Total Public Expenditure P2 (EUR)

Applicable:

Target 2023 (a):

Adjustment top ups (b):

Target absolute value (a-b):

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. Total Public Expenditure P3 (EUR)

Applicable:

Target 2023 (a):

Adjustment top ups (b):

Target absolute value (a-b):

7.1.2.2. Number of supported agricultural holdings receiving support for participating in quality schemes, local markets/short supply circuits, and producer groups (focus area 3A)

Applicable:

Target 2023 (a):

Adjustment top ups (b):

Target absolute value (a-b):

7.1.2.3. Number of agricultural holdings participating in risk management schemes (focus area 3B)

Applicable:

Target 2023 (a):

Adjustment top ups (b):

Target absolute value (a-b):

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

7.1.3.1. Total Public Expenditure P4 (EUR)

Applicable:

Target 2023 (a):

Adjustment top ups (b):

Target absolute value (a-b):

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:

Target 2023 (a):

Adjustment top ups (b):

Target absolute value (a-b):

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. Total Public Expenditure P5 (EUR)

Applicable:

Target 2023 (a):

Adjustment top ups (b):

Target absolute value (a-b):

7.1.4.2. 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:

Target 2023 (a):

Adjustment top ups (b):

Target absolute value (a-b):

7.1.4.3. Number of investment operations in energy savings and efficiency (focus area 5B) + in renewable energy production (focus area 5C)

Applicable:

Target 2023 (a):

Adjustment top ups (b):

Target absolute value (a-b):

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

7.1.5.1. Total Public Expenditure P6 (EUR)

Applicable:

Target 2023 (a):

Adjustment top ups (b):

Target absolute value (a-b):

7.1.5.2. Number of operations supported to improve basic services and infrastructures in rural areas (focus areas 6B and 6C)

Applicable: Yes

Target 2023 (a):

Adjustment top ups (b):

Target absolute value (a-b):

7.1.5.3. Population covered by LAG (focus area 6B)

Applicable:

Target 2023 (a):

Adjustment top ups (b):

Target absolute value (a-b):

7.2. Alternative indicators

Priority	Applicable	Indicator and measurement unit, where appropriate	Target 2023 (a)	Adjustment top ups (b)	Target absolute value (a-b)
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	Area supported (ha)	1,200,000.00		1,200,000.00
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	X	Cumulative number of holdings supported	7,683.00		7,683.00
	X	Number of operations supported for investment	122.00		122.00
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry	X	Area supported (ha)	1,200,000.00		1,200,000.00

7.2.1. 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

7.2.1.1. Area supported

7.2.1.2. (ha)

Applicable: Yes

Target 2023 (a): 1,200,000.00

Adjustment top ups (b):

Target absolute value (a-b): 1,200,000.00

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

7.2.2.1. Cumulative number of holdings supported

Applicable: Yes

Target 2023 (a): 7,683.00

Adjustment top ups (b):

Target absolute value (a-b): 7,683.00

7.2.2.2. Number of operations supported for investment

Applicable: Yes

Target 2023 (a): 122.00

Adjustment top ups (b):

Target absolute value (a-b): 122.00

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

7.2.3.1. *Area supported (ha)*

Applicable: Yes

Target 2023 (a): 1,200,000.00

Adjustment top ups (b):

Target absolute value (a-b): 1,200,000.00

7.3. Reserve

Priority	Performance reserve (€)
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	4,031,368.00
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	2,238,240.00
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry	13,997,111.00
P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors	5,870,559.00
P6: Promoting social inclusion, poverty reduction and economic development in rural areas	2,530,337.04
Total	28,667,615.04

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

Definitions of rural area are as given in section 2.2 unless a different definition is given in individual measure description. See specific measure descriptions for the remaining detail above.

Any procurement of goods or services using Rural Development Programme (RDP) funds will respect the Public Contracts (Scotland) Regulations 2012 and the EU public procurement rules, in particular (i) Directives 2004/18/EC and 2004/17/EC, (ii) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU once transposed into national legislation, (iii) Directive 2007/66/EC [amending 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.

Only expenditure which has been incurred after the application for support has been approved by the competent authority shall be eligible; in line with Article 60 of 1305/2013.

8.2. Description by measure

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

8.2.1.1. *Legal basis*

EU Regulation 1305 / 2013, Article 14.

Regulation (EU) No. 1303/2013 – Article 65 (Eligibility)

8.2.1.2. *General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives*

Under the previous Rural Development Programme (2007-2013), under Axis 1 – Measure 111, the Skills Development Scheme (SDS guidance) was responsible for funding 53 innovative projects (SDS projects) totalling some €6M of investment. The SDS supported group skills initiatives proposed by the industry. However, support did not extend to training and skills development covered by the normal established educational networks and/or training that involved formal qualifications/certification.

Support for skills development took the form of workshops, demonstration days and training sessions. The scheme delivered skills development and knowledge transfer targeting predominantly farmers, crofters and land managers. One very successful area funded under the previous SDS was the monitor farm programme (monitor farm evaluation).

In relation to Fostering Knowledge Transfer and Innovation, the SWOT analysis identified the following needs and priorities

- Focus area 1A: an increased focus on entrepreneurship, innovation and business management.
- Focus area 1B: develop stronger linkages to, and take up of, research, technology and best management practice.
- Focus area 1C: Better integrate training and skills across land based sectors.
- Focus area 2B: Invest in implementation, knowledge transfer and skills development.

There was therefore a need to continue skills development and develop stronger linkages to, and take up of, research, technology and best management practice. Measure 1, Article 14 will therefore fill this gap by providing funding for vocational training, skills development, and knowledge transfer activities under the 2021-2024 RDP.

Initiatives will either need to fill a gap in existing provision or offer a new and effective way of meeting a need in training, skills and knowledge transfer. The scheme will be aimed at farmers, crofters and land managers. The aim will be to infuse scientific knowledge and best practices in all of these sectors. Like its predecessor this will particularly support Priority 1, focus areas 1A and C. It will also underpin priorities 2, 4 and 5. Like the last programme there will be strong support for projects relating to climate change, adaptation and mitigation and may benefit among other aspects, Scotland's air quality through ammonia and secondary particulate matter reductions for example through training on better manure handling and more efficient use of fertilizers.

The skills development, knowledge transfer and information actions delivered under this measure will both complement and underpin projects taken forward by Operational Groups under cooperative action measures 16 through the use of sub-measure 16.1.

Using **Measure 1** the Knowledge Transfer and Innovation Scheme will provide opportunities for projects to come forward that will aim to deliver;

- Specific training courses, workshops and coaching.
- Demonstration activities that can take place on a farm or in other places such as a research centre, exhibition centre etc.
- Information action activities to disseminate information concerning agriculture. These actions can take the form of exhibitions, meetings, presentations or can be information in printed and electronic media.
- Farm visits to a farm in order to learn about specific ways of doing things that may be of benefit to others.
- Measures that aim to introduce innovative approaches and result in improvements to efficiency, effectiveness and/or environmental performance.

Project proposals put forward for consideration of support will need to demonstrate that they will aim to improve the competitiveness, resource efficiency, environmental performance and/or sustainability of agricultural holdings.

In addition, proposals will need to demonstrate that delivery agents have the appropriate capacity in terms of knowledge, skills, experience and, where appropriate, qualifications.

As successful delivery of the actions/measures will depend upon, and be driven by, grant funded industry

led proposals covering a range of topics and spanning different priorities and/or focus areas for rural development, it is not practicable to identify capacity requirements up front covering all circumstances.

For instance, an action involving a farmer demonstrating a particular farming method to other farmers during a pre-arranged farm visit might not need any formal qualifications at all. Instead they might be expected to provide evidence that they have the appropriate knowledge, skills and length of experience to demonstrate the methodology to others.

On the other hand a delivery agent providing tuition, in a classroom setting, to recipients of the actions on the environmental impact and adverse effect on habitats resulting from the improper use of herbicides or pesticides may require formal qualifications and be required to demonstrate an appropriate level of continued professional development through a professional body and/or training.

Instead of specifying capacity requirements up front, covering all circumstances, potential beneficiaries will be required to demonstrate that they have the appropriate capacity to deliver as part of the application and subsequent assessment processes. These potential beneficiaries will have to detail their track record of relevant skills and experience during the last 2 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 beneficiaries to provide details of the number of days training to be followed per year to support their continuous professional development, where appropriate.

It is anticipated that project proposals may utilise all 3 sub-measures, as was the case under the 2007-2013 RDP.

- 1.1 Support for vocational training and skill acquisition actions
- 1.2 Support for demonstration and information actions
- 1.3 Support for farm visits

Formal skills training will be provided and delivered using a broad range of targeted approaches. The more targeted approach to skills development includes traditionally rural and maritime sectors, assisting in the development of key skills in land and environmental management and in diversification out of primary sectors such as fishing and into growth sectors such as off-shore energy and marine management. Rural skills such as modern apprenticeships in the agricultural and forestry sectors will be delivered as part of a package of support with the exact nature of this to be designed in consultation with professional bodies. In addition to this support for higher-level skills, non-formal skills such as basic IT training will continue to be delivered under measure 19 support for LEADER if Local Development Strategies identify this as a priority. We will also ensure that non-formal vocational skills and training courses will be provided for through measure 01 knowledge transfer and information action (KTIF). This ensures a comprehensive package of skills support is provided through funds, complementing what is traditionally provided through the domestic education system.

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. 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

Specific training courses, workshops and coaching. This is very similar to what was funded under the previous Skills Development scheme. The aim is to support skills, training, workshop and coaching events proposed by the industry as opposed to established training and education networks. The scheme will be properly focused on SRDP priorities but the scheme initially will be intentionally non-prescriptive to encompass novel initiatives.

For example

- Courses, demonstration and other knowledge transfer actions to help farm businesses prepare for climate change
- Courses, demonstration and other knowledge transfer actions to help equip new entrants to farming with the right business skills and assistance with succession planning
- Initiatives to provide farmers with the knowledge and skills to adopt precision farming technology
- Knowledge exchange through business improvement groups for various livestock sectors
- Courses and tuition to enhance crofting skills

Support would extend to agreed expenditure including:

- Set-up and development costs
- Fees, travel and subsistence
- Cost of training providers
- Event hosting costs (including venue and refreshments)
- Management costs
- Essential course material
- Production of reports and publicity

8.2.1.3.1.2. Type of support

Type of support: Grants

This will support project-based initiatives that fit within the priority areas in the form of grants. The initiatives may be one-off events, a series of longer events or a longer programme lasting up to three years promoting skills and knowledge transfer

8.2.1.3.1.3. Links to other legislation

Not applicable

8.2.1.3.1.4. Beneficiaries

The direct beneficiaries are the organisations or agents responsible for delivery of grant funded vocational training and skills acquisition actions.

The recipients of the vocational training and skills acquisition actions are persons who are engaged in agriculture, crofting or other land management activities and attend the events.

8.2.1.3.1.5. Eligible costs

Eligible costs will include the cost of organising, delivering and implementing the activities as per the description of the operation.

- Project Development costs
- Fees, travel and subsistence cost for training providers
- Event hosting costs (including venue and refreshments)
- Project management costs
- Essential course material
- Publicity

In relation to **participants** at these events costs shall **not** include:

- travel;
- accommodation;
- daily expenses;
- cost of replacing farmer when participant attending a training course

8.2.1.3.1.6. Eligibility conditions

In order to be eligible for support applicants will be required to submit a project proposal providing details of the vocational training and skills acquisition actions together with an itemised breakdown of expenditure and, where appropriate, evidence of reasonableness of costs.

Applicants will also be required, as part of the application process, to demonstrate that they have the appropriate capacity in terms of skills, experience and/or qualifications to deliver the authorised actions in an effective manner.

Project proposals will be scrutinised by both the team responsible for administering the scheme and the assessment panel responsible for making funding decisions. Where appropriate, additional evidence will be sought from prospective beneficiaries to satisfy value-for-money considerations.

8.2.1.3.1.7. Principles with regards to the setting of selection criteria

A Project Assessment Committee (PAC) will be set up to review and consider eligible applications submitted under the programme. The PAC will meet 4 times per year. Targeting will occur through the assessment of individual applications which will be scored according to assessment criteria. The Scottish Government will focus the scheme on key priorities to be addressed which will centre around the priority areas and Scottish Government outcomes. The outcomes from projects developed and delivered with support under this measure will promote the introduction of improved practices elsewhere and result in benefits to the environment, agriculture and overall sustainability.

Priorities will be reviewed by the PAC on an annual basis given that priorities change. The PAC will be responsible for ensuring that the direct beneficiary organisations has the capacity to deliver projects promoting skills, knowledge transfer and information actions.

8.2.1.3.1.8. (Applicable) amounts and support rates

The aid intensity will be 75% of eligible costs.

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

R7: Selection of Beneficiaries

R8: IT Systems

R9: Payment claims

8.2.1.3.1.9.2. Mitigating actions

Direct beneficiaries of funding will be providers of training, knowledge transfer, skills and information actions. These organisations will need to be able to demonstrate that they have a proven track record of delivery in promoting or supporting the development of skills and knowledge transfer.

An IT database is being developed presently to record all beneficiary, application and claim related data.

Payments will be made on the basis of authorised expenditure only. Submission of receipted invoices will be required together with supporting evidence that expenditure has been defrayed. All claims are checked and signed off by various team members to ensure separation of duties. Once all supporting documentation has been received and claims are checked claims are paid via Worthy Causes on the Scottish Executive Accounting System (SEAS) and therefore bound by the rules, regulations and procedures required by SEAS. All payments are recorded on a Matrix. In addition to the necessary 5% on spot checks, a representative sample of beneficiaries and/or claims will be selected for checking purposes and visits to beneficiaries premises to check records will be undertaken as necessary.

8.2.1.3.1.9.3. Overall assessment of the measure

Green.

Public procurement not now seen as a risk for this measure and sub-measures

Green.

Beneficiaries requirement to provide evidence to demonstrate their ability to deliver these sub-measures will be recorded and auditable.

Green.

Improved IT system will benefit verifiability

Green.

Payments will be fully reportable and auditable – mitigating against risk

8.2.1.3.1.10. Methodology for calculation of the amount or support rate, where relevant

n/a claims will be paid upon submission of receipted costs.

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

Please see overall measure description.

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

Please see overall measure description.

8.2.1.3.2. 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

Specific demonstration activities and information actions. This again is very similar to projects that were funded under previous Skills Development scheme. Projects will promote demonstration activities that illustrate a new technology. This can take place on farm, research centres or exhibition buildings. Projects funded will also disseminate information concerning agriculture. This can be in the form of exhibitions, meetings, presentations as well as printed and electronic media such as guidance notes, workbooks, websites etc. The scheme will be properly focused on SRDP priorities but the scheme initially will be intentionally non-prescriptive so that I can encompass truly novel initiatives.

Eligibility will extend to support towards salaries, travel costs, printing material and venue hire as well as relevant investment costs for demonstration projects, including lease costs.

Support would extend to agreed project costs for

- Project Development costs
- Fees, travel and subsistence cost for training providers
- Event hosting costs (including venue hire and refreshments)
- Project management costs
- Essential course material
- Publicity
- Equipment lease costs for demonstration projects

For example

- Projects to improve farmers IT and web skills
- Demonstration days and associated activity to equip land managers with the skills required to identify and progress business opportunities available to them

8.2.1.3.2.2. Type of support

Type of support: Grants

This will support project-based initiatives that fit within the priority areas in the form of grants. The initiatives may be one-off events, a series of longer events or a longer programme lasting up to three years promoting demonstration and information actions.

8.2.1.3.2.3. Links to other legislation

Not applicable.

8.2.1.3.2.4. Beneficiaries

The direct beneficiaries are the organisations or agents responsible for delivery of grant funded vocational training and skills acquisition actions. The recipients of the vocational training and skills acquisition actions are persons who are engaged in agriculture, crofting or other land management activities and attend the events.

8.2.1.3.2.5. Eligible costs

Eligible costs will include the cost of organising, delivering and implementing the activities as per the description of the operation.

as per the approved project cost to include

- Project Development costs
- Free, travel and subsistence cost for training providers
- Event hosting costs (including venue and refreshments)
- Project management costs
- Essential course material
- Publicity
- Equipment lease costs

In relation to **participants** at these events costs shall **not** include:

- travel;
- accommodation;
- daily expenses;
- cost of replacing farmer when participant attending a training course

8.2.1.3.2.6. Eligibility conditions

In order to be eligible for support applicants will be required to submit a project proposal providing details of the vocational training and skills acquisition actions together with an itemised breakdown of expenditure and, where appropriate, evidence of reasonableness of costs.

Applicants will also be required, as part of the application process, to demonstrate that they have the appropriate capacity in terms of skills, experience and/or qualifications to deliver the authorised actions in an effective manner.

Project proposals will be scrutinised by both the team responsible for administering the scheme and the assessment panel responsible for making funding decisions. Where appropriate, additional evidence will be

sought from prospective beneficiaries to satisfy value-for-money considerations.

8.2.1.3.2.7. Principles with regards to the setting of selection criteria

A Project Assessment Committee (PAC) will be set up to review and consider eligible applications submitted under the programme. The PAC will meet 4 times per year. Targeting will occur through the assessment of individual applications which will be scored according to assessment criteria. The Scottish Government will focus the scheme on key priorities to be addressed which will centre around the priority areas and Scottish Government outcomes. The outcomes from projects developed and delivered with support under this measure will promote the introduction of improved practices elsewhere and result in benefits to the environment, agriculture and overall sustainability.

Priorities will be reviewed by the PAC on an annual basis given that priorities change. The PAC will be responsible for ensuring that the direct beneficiary organisations has the capacity to deliver projects promoting skills, knowledge transfer and information actions.

8.2.1.3.2.8. (Applicable) amounts and support rates

The aid intensity will be 75%

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*

R7: Selection of Beneficiaries

R8: IT Systems

R9: Payment claims

8.2.1.3.2.9.2. *Mitigating actions*

Direct beneficiaries of funding will be providers of training, knowledge transfer, skills and information actions. These organisations will need to be able to demonstrate that they have a proven track record of delivery in promoting or supporting the development of skills and knowledge transfer.

An IT database is being developed presently to record all beneficiary, application and claim related data.

Payments will be made on the basis of authorised expenditure only. Submission of receipted invoices will be required together with supporting evidence that expenditure has been defrayed. All claims are checked and signed off by various team members to ensure separation of duties. Once all supporting documentation has been received and claims are checked claims are paid via Worthy Causes on the Scottish Executive Accounting System (SEAS) and therefore bound by the rules, regulations and procedures required by SEAS.

All payments are recorded on aMatrix. In addition to the necessary 5% on spot checks, a representative sample of beneficiaries and/or claims will be selected for checking purposes and visits to beneficiaries premises to check records will be undertaken as necessary.

8.2.1.3.2.9.3. Overall assessment of the measure

Green.

Public procurement not now seen as a risk for this measure and sub-measures

Green.

Beneficiaries requirement to provide evidence to demonstrate their ability to deliver these sub-measures will be recorded and auditable.

Green.

Improved IT system will benefit verifiability

Green.

Payments will be fully reportable and auditable – mitigating against risk

8.2.1.3.2.10. Methodology for calculation of the amount or support rate, where relevant

n/a claims will be paid upon submission of receipted costs.

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

Please see overall measure description.

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

Please see overall measure description.

8.2.1.3.3. 1.3 - support for short-term farm and forest management exchange as well as farm and forest visits

Sub-measure:

- 1.3 - support for short-term farm and forest management exchange as well as farm and forest visits

8.2.1.3.3.1. Description of the type of operation

Farm visits were funded under previous Skills Development scheme. Farm visits under this programme will be around specific issues or ways of doing things and will follow the approach of teaching-learning. The scheme will be properly focused on SRDP priorities but the scheme initially will be intentionally non-prescriptive so that it can encompass truly novel initiatives. Farm and Forest exchanges are **not** being funded under this programme

For example

- Farm visits for farmers and land managers to deliver improvements in habitats for priority bird species
- Demonstration actions and other knowledge transfer initiatives aimed at land managers, farmers and crofters across Scotland suggesting practical ideas on farm to demonstrate the reduction of greenhouse gas emissions and adaptation to climate change as well as benefiting the farm business
- On farm demonstration actions and other knowledge transfer initiatives looking to explore grassland management issues
- Knowledge transfer initiatives aimed at tackling pollution and improving water quality.

8.2.1.3.3.2. Type of support

Type of support: Grants

This will support project-based initiatives that fit within the priority areas in the form of grants . The initiatives may be one-off events, a series of longer events or a longer programme lasting up to three years promoting farm visits

8.2.1.3.3.3. Links to other legislation

Not applicable

8.2.1.3.3.4. Beneficiaries

The direct beneficiaries are the organisations or agents responsible for delivery of grant funded vocational training and skills acquisition actions. The recipients of the vocational training and skills acquisition actions are persons who are engaged in agriculture, crofting or other land management activities and attend the

events.

8.2.1.3.3.5. Eligible costs

Eligible costs will include the cost of organising, delivering and implementing the activities as per the description of the operation.

- Project Development costs
- Free, travel and subsistence cost for training providers
- Event hosting costs (including venue and refreshments)
- Project management costs
- Essential course material
- Publicity

In relation to **participants** at these events costs shall **not** include:

- travel
- accommodation
- daily expenses
- cost of replacing farmer when participant attending a training course

8.2.1.3.3.6. Eligibility conditions

In order to be eligible for support applicants will be required to submit a project proposal providing details of the vocational training and skills acquisition actions together with an itemised breakdown of expenditure and, where appropriate, evidence of reasonableness of costs.

Applicants will also be required, as part of the application process, to demonstrate that they have the appropriate capacity in terms of skills, experience and/or qualifications to deliver the authorised actions in an effective manner.

Project proposals will be scrutinised by both the team responsible for administering the scheme and the assessment panel responsible for making funding decisions. Where appropriate, additional evidence will be sought from prospective beneficiaries to satisfy value-for-money considerations.

8.2.1.3.3.7. Principles with regards to the setting of selection criteria

A Project Assessment Committee (PAC) will be set up to review and consider eligible applications submitted under the programme. The PAC will meet 4 times per year. Targeting will occur through the assessment of individual applications which will be scored according to assessment criteria. The Scottish Government will focus the scheme on key priorities to be addressed which will centre around the priority areas and Scottish Government outcomes. The outcomes from projects developed and delivered with support under this measure will promote the introduction of improved practices elsewhere and result in

benefits to the environment, agriculture and overall sustainability.

Priorities will be reviewed by the PAC on an annual basis given that priorities change. The PAC will be responsible for ensuring that the direct beneficiary organisations has the capacity to deliver projects promoting skills, knowledge transfer and information actions.

8.2.1.3.3.8. (Applicable) amounts and support rates

aid intensity will be 75%

8.2.1.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.1.3.3.9.1. Risk(s) in the implementation of the measures

R7: Selection of Beneficiaries

R8: IT Systems

R9: Payment claims

8.2.1.3.3.9.2. Mitigating actions

Direct beneficiaries of funding will be providers of training, knowledge transfer, skills and information actions. These organisations will need to be able to demonstrate that they have a proven track record of delivery in promoting or supporting the development of skills and knowledge transfer.

An IT database is being developed presently to record all beneficiary, application and claim related data.

Payments will be made on the basis of authorised expenditure only. Submission of receipted invoices will be required together with supporting evidence that expenditure has been defrayed. All claims are checked and signed off by various team members to ensure separation of duties. Once all supporting documentation has been received and claims are checked claims are paid via Worthy Causes on the Scottish Executive Accounting System (SEAS) and therefore bound by the rules, regulations and procedures required by SEAS. All payments are recorded on a Matrix. In addition to the necessary 5% on spot checks, a representative sample of beneficiaries and/or claims will be selected for checking purposes and visits to beneficiaries premises to check records will be undertaken as necessary.

8.2.1.3.3.9.3. Overall assessment of the measure

Green.

Public procurement not now seen as a risk for this measure and sub-measures

Green.

Beneficiaries requirement to provide evidence to demonstrate their ability to deliver these sub-measures will be recorded and auditable.

Green.

Improved IT system will benefit verifiability

Green.

Payments will be fully reportable and auditable – mitigating against risk

8.2.1.3.3.10. Methodology for calculation of the amount or support rate, where relevant

n/a claims will be paid upon submission of receipted costs.

8.2.1.3.3.11. 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

Please see overall measure description.

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 undertaking farm and forest exchanges. Visits will last no longer than a day.

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

Please see individual sub-measure description.

8.2.1.4.2. Mitigating actions

Please see individual sub-measure description.

8.2.1.4.3. Overall assessment of the measure

Please see individual sub-measure description.

8.2.1.5. Methodology for calculation of the amount or support rate, where relevant

Please see individual sub-measure description.

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

Providers of training, knowledge transfer, skills and information should be organisations already involved in promoting or supporting the development of land or business management, these could include the rural networks and public bodies, examples of organisations that could gain support from this are: Quality Meat Scotland, the Soil Association, LANTRA and Scottish Enterprise. In relation to the EIP, network application for funding under this measure would be defined as operational groups.

In addition, proposals will need to demonstrate that delivery agents have the appropriate capacity in terms of knowledge, skills, experience and, where appropriate, qualifications.

As successful delivery of the actions/measures will depend upon, and be driven by, grant funded industry led proposals covering a range of topics and spanning different priorities and/or focus areas for rural development, it is not practicable to identify capacity requirements up front covering all circumstances.

For instance, an action involving a farmer demonstrating a particular farming method to other farmers during a pre-arranged farm visit might not need any formal qualifications at all. Instead they might be expected to provide evidence that they have the appropriate knowledge, skills and length of experience to demonstrate the methodology to others.

On the other hand a delivery agent providing tuition, in a classroom setting, to recipients of the actions on the environmental impact and adverse effect on habitats resulting from the improper use of herbicides or pesticides may require formal qualifications and be required to demonstrate an appropriate level of continued professional development through a professional body and/or training.

Instead of specifying capacity requirements up front, covering all circumstances, potential beneficiaries will be required to demonstrate that they have the appropriate capacity to deliver as part of the application and subsequent assessment processes. These potential beneficiaries will have to detail their track record of relevant skills and experience during the last 2 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 beneficiaries to provide details of the number of days training to be followed per year to support their continuous professional development, where appropriate.

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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 being used for exchange visits.

8.2.1.7. Other important remarks relevant to understand and implement the measure

Not applicable.

8.2.2. M02 - Advisory services, farm management and farm relief services (art 15)

8.2.2.1. Legal basis

Regulation (EU) No 1305/2013, Article 15.

Regulation (EU) No. 1303/2013 – Article 65 (Eligibility)

8.2.2.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

At present, the Scottish Government provides advice primarily through two mechanisms.

First, through its Veterinary and Advisory Services Programme (VAS). These are delivered by the Scottish Agricultural College on a generic free basis. This service has been in place since the 1990s and has developed over the years to meet changing priorities and satisfy EC Regulation.

The generic advice covers a wide range of public good issues such as diversification, new entrants, food marketing, organics, farm woodland, conservation and biodiversity, crop health, pollution control and climate change. The service also currently delivers the Farm Advisory Service with advice on cross compliance.

Secondly, the Scottish Government provides subsidised access to professional farm business advice Whole Farm Review Scheme (WFRS), which includes the prospect of additional grant to enable access to more specialised advice to carry out identified actions.

Good advice is essential to any business, and while the current provision has many qualities, the Scottish Government wants to build on this to make the best and most up-to-date advice easily accessible to land-based businesses across Scotland. A new Scottish Agricultural and Rural Advisory Service will, therefore, be launched in 2016 – following approval of the programme and the subsequent public procurement process.

The Advisory Services measure will be capable of contributing to all 6 of the European Union priorities for rural development and all three cross cutting objectives. It also links to the SWOT and the respective needs identified against these priorities and objectives.

Provision of advice will be aimed at farmers, crofters and other land managers of primary agricultural land. The Advisory Service provision will align closely with Measure 1 (also 4, 10, and 16) with an overall objective of promoting uptake of best practice and improving environmental, climate change and economic performance. The service will also align very closely with the European Innovation Partnerships network to promote innovation and entrepreneurship.

The new integrated advisory service will make access to advice both faster and less complicated and will feature:

- a national helpdesk/hub and a **one-to-many** scheme offering generic advice covering a range of

sustainability and resource efficiency issues;

- access to **one-to-one** general consultancy advice focusing on agricultural efficiency and environmental performance of individual businesses and opening up the potential for specialist advice on a wide-ranging selection of topics such as environmental considerations, climate change mitigation and mentoring for new entrant young farmers;
- management of the necessary accreditation infrastructure for the advisory service;
- responsibility for delivering key messages to the land-based industries through a co-ordinated knowledge transfer approach.

Scotland's advisory service provision will be extensive and will include:

- Biodiversity & conservation (e.g. to provide advice and information to land managers to enable them to respond to policy drivers such as the new CAP, including greening, within their agricultural activity while delivering environmental public goods that contribute to meeting national targets in achieving a greener Scotland);
- pollution prevention (e.g. to provide farmers with information and advice on how to comply with: the Diffuse Pollution General Binding Rules and other WFD requirements; Cross compliance including GAEC; NVZ Action Programme Rules; and effective measures for control/minimisation of agricultural diffuse pollution from all sources);
- climate change adaption and mitigation (e.g. to promote action by land managers to reduce greenhouse gas emissions) and business efficiency;
- carbon audits;
- new entrants will be supported through direct advice as well as through mentoring;
- advice on farm modernisation, competitiveness building, sectorial integration, innovation, market orientation, as well as the promotion of entrepreneurship;
- a wide range of advice covering topics such as animal welfare (e.g. to promote advice on all aspects of animal welfare and the legislative requirements);
- crop care (e.g. to help maintain Scotland's high crop health status through advice on the sustainable use of pesticides and the use of integrated control measures);
- organics (e.g. to deliver certification and technical advice that will encourage sustainable economic growth of the Scottish organic food and drink sector);
- woodlands (e.g. to ensure that Scotland's rural land managers are well informed about the part that woodlands can play in maintaining and enhancing sustainable rural businesses);
- the advisory service provision will complement advice delivered through such bodies as Scottish Environment Protection Agency, Nature Scot, Soil Association and the Scottish Agricultural Organisation Society.

Training and Development of Advisory Staff

In progressing the design, procurement and implementation of the new advisory service, arrangements will be put in place to ensure that advisory capacity meets service requirements; that advisory staff are appropriately experienced and qualified; and that a suitable programme of training and continuous professional development is put in place.

Around €24 million has been allocated to this measure, which we believe is sufficient to meet both the need and demand. Estimates have demonstrated that sufficient plans can be funded to meet needs under advisory service (cost per plan around €1200 - around 20,000 plans). This is an example of an area where relatively small amounts can make a significant difference. Experience from previous programme demonstrated the need to ensure funding of plans was focussed to ensure good value for money and plans deliver outcomes not access to grants.

Training and Development of Advisory Staff

The advisory service for the Beef Efficiency scheme is very specific in what we are expecting from the advisers and this will be reflected in the procurement that will take place.

The appointed contractors will be required to put in place appropriate arrangements to ensure that advisory capacity meets service requirements, taking into account limitations on the scale of the group events. The advisory service staff will need to be appropriately experienced and qualified, to a minimum level of Higher National Diploma or equivalent. Contractors will need to evidence that a suitable programme of training and continuous professional development exists and will be maintained.

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 to help benefiting from the use of 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

The new integrated advisory service will make access to advice both faster and less complicated and will feature:

- a national helpdesk/hub and a **one-to-many** scheme offering generic advice covering a range of sustainability and resource efficiency issues;
- access to **one-to-one** general consultancy advice focusing on agricultural efficiency and environmental performance of individual businesses and opening up the potential for specialist advice on a wide-ranging selection of topics such as environmental considerations, climate change

mitigation and mentoring for new entrant young farmers;

8.2.2.3.1.2. Type of support

Type of support: Grants

Grant.

8.2.2.3.1.3. Links to other legislation

European Legislation

Regulation (EU) No 1305/2013 – Final Rural Development Regulation

Regulation (EU) No 807/2014 - Delegated regulation.

Regulation (EU) No 808/2014 - Implementing regulation

Regulation (EU) No 1306 / 2013 - Horizontal

Includes various general and specific provisions on double funding, on-the-spot-checks, Land Parcel Identification System (LPIS), Cross Compliance (XC), and Monitoring & Evaluation. It also includes the regulatory baseline, in terms of Cross Compliance, including all of the SMR's & GAEC requirements

Regulation (EU) No 1307 / 2013 (Direct Payments)

Includes references to active farmer, crop diversification, permanent grassland, ecological focus areas.

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.

Domestic legislation (relevant for the baseline)

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

Require persons with custody or control of a crop being made into silage, of livestock slurry or of certain fuel oil to carry out works and take precautions and other steps for preventing pollution of inland or coastal waters.

The Water Environment (Controlled Activities) (Scotland) Regulations 2013

The Diffuse Pollution General Binding Rules (GBRs) within Controlled Activity Regulations (CAR) based on widely accepted standards of good practice.

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

Enacts the Code of Good Practice for the Prevention of Environmental Pollution from Agricultural

Activity(PEPFAA)Code.

The Plant Protection Products (Sustainable Use) Regulations 2012

Enacts Directive 2009/128/EC on the Sustainable Use of Pesticides.

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

Prevents the agricultural improvement of semi-natural habitats without an environmental impact assessment and the associated consent.

Crofters (Scotland) Act 1993, as amended.

8.2.2.3.1.4. Beneficiaries

Beneficiaries eligible for financial support under this measure are:

- the authorities or bodies selected to provide advice

These bodies will be selected via a procurement process to provide advice that benefits farmers, crofters and other land managers of primary agricultural land.

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.

8.2.2.3.1.5. Eligible costs

Eligible costs will include:

This cost of advice delivered through a number of mediums: face to face (including specialist advice); generically through seminars etc; technical notes; case studies; factsheets; website; workshops; clinics, e-mail briefings, text alerts etc.

Direct cost will include:

- Salaries of employees/advisors
- Travel and subsistence
- Essential Materials
- Venue hire and catering

- Publicity

8.2.2.3.1.6. Eligibility conditions

The beneficiaries 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 tenders will specify the appropriate resources necessary for delivery of advice and the advisory experience and reliability of the providers. 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 criteria.

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.

8.2.2.3.1.8. (Applicable) amounts and support rates

A maximum rate of of £1,250 per advice to individuals receiving support from the authority or body providing the advice.

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 main risks identified are the advisory service

R4: Public Procurement

R7: Selection of Beneficiaries

R8: IT Systems

R9: Payment Claims

8.2.2.3.1.9.2. Mitigating actions

R4: Public Procurement

The Advisory Services function will be subject to the full panoply of public procurement processes and procedures and this will encompass value for money considerations. Appropriate records will be maintained providing an audit trail of procedures followed and SG Procurement experts will be engaged in the process.

R7: Selection of Beneficiaries

The direct beneficiaries of the funding will be the service providers who win the contracts. This will be controlled by public procurement. The final beneficiaries will be all farmers, crofters and land managers in Scotland.

R8: IT Systems

A control plan(s) will be produced and implemented as part of the contract arrangements entered into with the successful contractor(s). This will include provision for physical independent control checks to ensure that contract provisions are being adhered to and that appropriate documents and records are being maintained.

R9: Payment Claims

Payment will be controlled within the public procurement framework. The regularly audited PA payment systems will be used for the execution and accounting for the payments.

8.2.2.3.1.9.3. Overall assessment of the measure

Green.

Public procurement will be recordable and auditable mitigating against risk.

Green .

Beneficiaries requirement to provide eligibility evidence will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.2.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

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

Please see overall measure description.

8.2.2.3.2. Sub-measure: 2.3 - support for training of advisors

Sub-measure:

- 2.3 - support for training of advisors

8.2.2.3.2.1. Description of the type of operation

Management of the training of advisors.

8.2.2.3.2.2. Type of support

Type of support: Grants

Grant.

8.2.2.3.2.3. Links to other legislation

Regulation (EU) No 1306 / 2013 - Horizontal

8.2.2.3.2.4. Beneficiaries

Bodies providing training for advisors.

8.2.2.3.2.5. Eligible costs

Cost of training advisors, including costs incurred in organising and delivering training to the advisors (e.g. salaries of employees, travel costs, material prepared for the training, costs related with the place where the training is delivered).

8.2.2.3.2.6. Eligibility conditions

The beneficiaries shall provide evidence of qualifications to provide training of advisors.

8.2.2.3.2.7. Principles with regards to the setting of selection criteria

The Advisory Services function will be subject to the full panoply of public procurement processes and procedures and this will encompass value for money considerations. Appropriate records will be

maintained providing an audit trail of procedures followed.

8.2.2.3.2.8. (Applicable) amounts and support rates

A maximum of £167,000 per three years for training the staff of the advisory 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 main risks identified for the advisory service

R4: Public Procurement

R7: Selection of Beneficiaries

R8: IT Systems

8.2.2.3.2.9.2. Mitigating actions

R4: Public Procurement

The Advisory Services function will be subject to the full panoply of public procurement processes and procedures and this will encompass value for money considerations. Appropriate records will be maintained providing an audit trail of procedures followed and SG Procurement experts will be engaged in the process.

R7: Selection of Beneficiaries

The direct beneficiaries of the funding will be the service providers who win the contracts. This will be controlled by public procurement. The final beneficiaries will be all farmers, crofters and other land managers of primary agricultural land in Scotland.

R8: IT Systems

A control plan(s) will be produced and implemented as part of the contract arrangements entered into with the successful contractor(s). This will include provision for physical independent control checks to ensure that contract provisions are being adhered to and that appropriate documents and records are being maintained.

8.2.2.3.2.9.3. Overall assessment of the measure

Green.

Public procurement will be recordable and auditable mitigating against risk.

Green .

Beneficiaries requirement to provide eligibility evidence will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

8.2.2.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

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

See overall measure description.

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

Please see individual sub-measure description.

8.2.2.4.2. Mitigating actions

Please see individual sub-measure description.

8.2.2.4.3. Overall assessment of the measure

Please see individual sub-measure description.

8.2.2.5. *Methodology for calculation of the amount or support rate, where relevant*

Not applicable, payments will be based upon the contract with the body set up to deliver the Advisory Service.

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

Those accredited to provide one to one advice need to meet criteria e.g.

Qualifications

- Educated to a minimum standard (e.g.) Higher National Diploma level or equivalent

Experience

- A proven track record of delivering advice;
- Proven ability to establish, appraise and understand the relative strengths of a business;
- Experience of developing potential strategies and plan to enhance performance; and
- Current knowledge and experience of the agricultural industry including the key regulatory and environmental regimes in Scotland.

Training and Development

A commitment to Continued Professional Development to keep skill levels up to date.

8.2.2.7. *Other important remarks relevant to understand and implement the measure*

None.

8.2.3. M03 - Quality schemes for agricultural products and foodstuffs (art 16)

8.2.3.1. *Legal basis*

This measure has been included in the SRDP 2021 – 2024 to fund commitments signed under the 2007 – 2013 SRDP. These commitments were made under measure 132 membership of food quality assurance schemes.

8.2.3.2. *General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives*

This measure has been included in the SRDP 2021 – 2024 to fund commitments signed under the 2007 – 2013 SRDP. These commitments were made under measure 132 membership of food quality assurance schemes.

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*

There are no type of operations defined

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

This measure has been included in the SRDP 2021 – 2024 to fund commitments signed under the 2007 – 2013 SRDP. These commitments were made under measure 132 membership of food quality assurance schemes.

8.2.3.4.2. Mitigating actions

This measure funds commitments signed under the 2007 – 2013 SRDP. Recipients are therefore well aware of all requirements relating to the measure and have been implementing them successfully for some time – there has been no change to the baseline, so there are no new requirements.

8.2.3.4.3. Overall assessment of the measure

Green.

Continuing commitments from the 2007-2013 SRDP, which have been successfully implemented for some time.

8.2.3.5. Methodology for calculation of the amount or support rate, where relevant

This measure has been included in the SRDP 2021 – 2024 to fund commitments signed under the 2007 – 2013 SRDP. These commitments were made under measure 132 membership of food quality assurance schemes. This equates to around €100 per participant.

8.2.3.6. Information specific to the measure

Indication of eligible quality schemes, including farm certification schemes, for agricultural products, cotton or foodstuffs recognized at national level and confirmation that these quality schemes are fulfilling the 4 specific criteria of Article 16(1)(b) of Regulation (EU) No 1305/2013

This measure has been included in the SRDP 2021 – 2024 to fund commitments signed under the 2007 – 2013 SRDP. These commitments were made under measure 132 membership of food quality assurance schemes.

Indication of eligible voluntary agricultural product certification schemes recognized by the Relevant Authority as meeting the Union best practice guidelines

This measure has been included in the SRDP 2021 – 2024 to fund commitments signed under the 2007 – 2013 SRDP. These commitments were made under measure 132 membership of food quality assurance schemes.

8.2.3.7. Other important remarks relevant to understand and implement the measure

This measure has been included in the SRDP 2021 – 2024 to fund commitments signed under the 2007 – 2013 SRDP. These commitments were made under measure 132 membership of food quality assurance schemes.

8.2.4. M04 - Investments in physical assets (art 17)

8.2.4.1. *Legal basis*

Assistance for capital items is to be provided under Article 17 of Regulation (EU) No 1305/2013.

Eligible investments detailed in article 45 of Regulation (EU) No 1305/2013

Article 67 and 69 of Regulation No 1303/2013 [Common Provisions Regulations] for forms of grant and repayable assistance, and specific eligibility rules for these

For crofting support, the legal definitions of beneficiaries (who are farmers) are contained within the Crofters (Scotland) Act 1993, as amended.

Regulation (EU) No. 1303/2013 – Article 65 (Eligibility)

Commission Delegated Regulation (EU) No. 807/2014 – article 13 re investments

Commission Implementing Regulation (EU) No. 808/2014 – article 8 re business plans

Regarding irrigation Art 46 of Regulation (EU) No 1305/2013

Regarding drainage Art 4 (7), (8), (9) of the Water Framework Directive

Assistance for capital items for forest nurseries and forest businesses under Article 17 of Regulation (EU) 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 is a key element of the RDP, contributing towards the following needs:

- Continue Scotland's strong reputation for high health and animal welfare standards (sub-measure 4.1 can fund livestock weighing and handling facilities for small operators and new entrants).
- Continue to develop the reputation of Scotland as a land of food and drink (4.2 can fund improvements to food processing facilities).
- Developing small agricultural holdings into economically viable businesses and improve their efficiency (4.1 support is targeted towards small farms, crofts (which are economically fragile farms operating in remote areas of Scotland, and new entrants to agriculture).
- Developing virtual and physical infrastructure (physical infrastructure developed through 4.1, 4.2 and 4.3).
- Enhance the quality of Scotland's soils and peatlands (through investments under 4.1 and 4.4 to improve slurry management and protect and enhance peatlands). Protection of soil carbon sinks (and (investments under 4.4) can lead to protection and enhancement of peatlands, a significant carbon sink in Scotland).
- Improve resource efficiency, recycling and waste prevention (investments under 4.1 and 4.2 can lead

to improved management of resources, and reductions in energy use through improved technologies).

- Support new entrants and generational renewal to drive forward change and stimulate sustainable economic growth, innovation (investments under 4.1 will in part be targeted towards new entrants to agriculture).
- Supporting and developing existing and new rural businesses for economic development and employment (investments under 4.1 and 4.2 will help develop existing and new rural businesses in agriculture and food processing).
- Supporting and developing existing and new forestry businesses for economic development and employment specifically for equipment for forest nurseries and equipment for afforestation projects.
- To halt the decline in biodiversity and improve the resilience of ecosystems in the face of environmental change (investments under 4.4 will help towards the achievement of European and national obligations for biodiversity and will improve the resilience of our ecosystems going forward, as detailed under the description of relevant 4.4 operations).
- To reduce the incidence of diffuse pollution in priority catchments (investments under 4.3 (slurry storage) and 4.4 will help towards improved management of Scottish priority catchments).
- To improve the condition of designated sites affected by land management activities (NATURA, SSSIs and SAMs) (investments under 4.4 will help improve the condition of these important areas, which will be a priority under the RDP).

These contributions are made through the individual sub-measures as set out below, and will involve investments to: develop small and economically vulnerable agricultural holdings; aid the creation and sustainability of new entrants into agriculture; improve technology within the food processing sector in order to achieve efficiencies; provide infrastructure for forestry to aid development and access; and fund non-productive investments to achieve a wide range of environmental and climate related objectives.

The largest element of this support is directed towards achievement of environmental and climate objectives given the importance attached to this area in the RDP. All sub-measures can help towards the achievement of these objectives to varying degrees. Sub-measure 4.1 can fund investments that lead to improved efficiencies that lead to waste reduction. Sub-measure 4.2 can lead to improved technologies and processes that result in energy efficiencies. For forestry sector, this will improve the economic and environmental performance of forest nurseries and businesses that provide afforestation equipment. Sub-measure 4.3 can improve the management of soils and fertilisers (e.g. through slurry stores) and increase the area of woodland in Scotland that is sustainably managed thus improving the environmental and social benefits of woodland. Agricultural investments in items such as slurry stores or irrigation lagoons can help modernise the infrastructure on the farm, reduce pollution risks and contribute to climate change mitigation and adaptation. They can also support improvements in air quality by helping to reduce ammonia emissions from agriculture.

Sub-measure 4.4 has highest impact in this area through a wide range of investments as detailed in the sub-measure.

There are various processes in place to ensure there are no adverse environmental impacts of investments undertaken by applicants. For forestry, applicants would need to be assessed in relation to an Environmental Impact Assessment. They will also need to follow the UK Forestry Standard which lays out minimum

environmental guidelines for forestry operations & practice. And we will also require applicants to liaise with the Scottish Environment Protection Agency, where appropriate.

For capital investments in agriculture there is unlikely to be any significant adverse impacts under this programme given that investments will be small scale. For example the maximum awards **for new entrants, crofters and small farmers** permitted under 4.1 and 4.3 will be restricted to small grants of around €30,000 maximum due to the targeted approach we are taking. This will enable important yet relatively minor improvements to be made to the holding. However, even with small scale investments we will require applicants to undertake relevant assessments. For example for slurry stores (**where exceptions to the maximum limit may be made if duly justified**) they will need to develop a waste management plan to calculate the amount of storage required. If an investment, beyond slurry storage, is of a nature that requires planning permission the planning process the applicant must undertake will ensure that environmental issues are taken into consideration. In addition, for any investment where planning permission was not required, applicants will be asked to explain the assessment they have undertaken to ensure there is no significant negative environmental effects of the investment. The information supplied by the applicant will be used by the case officer to determine whether sufficient care has been taken to avoid an adverse environmental impact. Where necessary the case officer will consult with relevant advisory organisations in Scotland, such as Nature Scot and the Scottish Environmental Protection Agency. If sufficient care has not been taken, or other issues arise through the assessment process, the application will be rejected.

In addition to the environmental impacts we will also ensure we assess the value for money aspect of applications. All applications under 4.1, 4.3 and 4.4 must be accompanied by a minimum of 3 competitive quotes from different contractors. Area Office (AO) administrative and technical staff assess the submitted paperwork to ensure the required detail has been provided and that a fully informed decision can be made.

AO staff will consider all details provided with a new application and compare with industry standards to ensure value to the public purse is maintained. Where applications are received from remote areas, the AO will conduct research to establish if the quote presents value for money. Specifically by seeking advice from industry experts on the validity of the detail and costs of the proposal's quotation. Any doubt results in the application being rejected.

Sub-Measure 4.1

Sub-measure 4.1 provides, in line with the SWOT and needs assessment, support for: the improvement of small farms; new entrants to agriculture in order to further develop their holding; and support for improving crofting infrastructure.

This support can help address focus areas 2A, 2B, 4A, 5A, B, C and D, and 6A and B. Support will be spent under this sub-measure under the following areas:

Crofting (farms in fragile and remote areas of Scotland)

New entrants

Small farms

Sub-Measure 4.2

To complement Scotland's national policy for food and drink, assistance will be directed at businesses

which contribute to the Government's objectives for sustainable economic growth

We will seek to drive improvements through mitigation and adaptation within the food and drink sector to be resilient to the impacts and effects of climate change. This includes building on existing, and adoption of new working practices, such as greater energy efficiencies, resource conservation, waste reduction, and risk management.

For food and drink, investment in physical assets will address focus area 3A, and the associated needs identified by the SWOT:

- continue to develop the reputation of Scotland as a land of food and drink;
- improve co-operation in the food and drink sector to shorten supply chains.

It can also contribute to focus areas 1A, 1B, 5B, 6A, and 6B.

Support for tree nurseries and afforestation equipment :

The Scottish Government has an ambitious annual tree planting target of 10,000 hectares of which 4-5,000 hectares aims to be native woodland. A key challenge is scaling up and creating the forestry technology resource and capacity to deliver this ambitious woodland creation target. Support will provide for investments in tree nursery machinery and equipment and investments in afforestation equipment to facilitate and encourage resource capacity. This will help improve the economic and environmental performance of nurseries and forestry businesses and promote economic development in rural areas to deliver the SRDP woodland creation target.

This will contribute to focus area 6A.

Sub-Measure 4.3

Support is available towards various operations broadly defined as assistance towards the establishment or improvement of infrastructure required for agricultural and forestry activities. Specifically this will help to fund access to forestry land investments, drainage for crofts, small farmers and new entrants, as well as other water improvement operations aimed at reducing diffuse pollution risks, protecting soil and improving water use efficiency (such as creating irrigation lagoons) This sub-measure is based on the water environment outcomes (as identified as a pressure in the SWOT) however air quality is one of a number of potential secondary benefits.

This support can help address focus areas 2A, 4B, 4C, 5A, and 6A and B.

Sub-Measure 4.4

As set out in Regulation (EU) No 1305/2013, the Scottish Rural Development Programme (SRDP) shall make support under sub measure 10.1 available in rural Scotland.

All of the operations set out in this sub-measure 4.4 are the non-productive investments linked to the achievement of the agri-environment-climate objectives set out in sub-measure 10.1 in accordance with the national, regional or locally identified specific needs and priorities, established via the SWOT analysis and

the subsequent identification of needs through the design of the SRDP, as detailed in those sections.

Therefore the aim of this sub-measure is to preserve and promote the necessary changes to agricultural practices that make a positive contribution to the environment and climate. It will support positive environmental actions which go beyond minimum national standards to maintain and enhance Scotland's rich and varied natural environment.

Contribution to Focus Areas

In particular the AEC scheme shall contribute to focus areas 4 a, b, c; and 5 d & e.

It will also contribute to the cross-cutting objectives of Environment and Climate Change.

The SWOT, the associated identification of needs and the description of the strategy sections of this document set out many of the expected outcomes and benefits of this sub-measure and the National and European legislation and targets that the sub-measure will contribute to.

The national environmental legislation, policies, strategies and action plans that are addressed through the SRDP include the 7th EU Environment Action Programme; the EU Biodiversity Strategy; Scottish Government's National Performance Framework; the 2020 Challenge for Scotland's Biodiversity; the NATURA Prioritised Action Framework; the Nature Conservation (Scotland) Act 2004; and the Conservation (Natural Habitats &c.) Regulation 1994 (as amended) which represents the main legislation implementing the Habitats and Birds Directive.

The outcomes to be delivered under the SRDP which are required to deliver these EU and national policies and targets include:

- an increase in the abundance of terrestrial breeding birds, pollinators and other priority species in agricultural and woodland habitats, including species protected under the Birds and Habitats Directives
- an increase in the area and improvement in the condition of priority habitats of conservation interest, including habitats protected under the Habitats Directive
- strengthened ecological networks
- an increased proportion of features of NATURA sites and Sites of Special Scientific Interest in favourable condition
- continued beneficial management of high nature value farmland and forestry.

The needs identified through the SWOT for focus area 4 are:

- to halt the decline in biodiversity and improve the resilience of ecosystems in the face of environmental change;
- to improve the condition of designated sites affected by land management activities (NATURA, SSSIs and SAMs);
- to address the negative environmental impacts of land abandonment and decreased management in HNV areas.

The Scottish Governments National Performance Framework includes two indicators of the status of biodiversity in Scotland:

- i) improve the condition of protected nature sites
- ii) increase the abundance of terrestrial breeding birds.

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. 4.1 - support for investments in agricultural holdings

Sub-measure:

- 4.1 - support for investments in agricultural holdings

8.2.4.3.1.1. Description of the type of operation

Operations assisted under this sub-measure relate to the establishment or improvement of agricultural holdings. Any capital investment, permitted by the regulatory framework as set out in article 45 of Regulation (EU) No 1305/2013, that provides for this is permitted under these sub-measures.

8.2.4.3.1.2. Type of support

Type of support: Grants

Single payment of the support approved for the eligible operations will be made after conclusion of the improvements, and on receipt of relevant documentation (e.g. invoices), through a grant payment.

8.2.4.3.1.3. Links to other legislation

For crofting support, relevant terms from the Crofters (Scotland) Act 1993 will apply.

Regulation (EU) No. 1303/2013 – Article 65 (Eligibility)

Nitrates legislation

Air quality legislation

Water legislation and in particular Art 4 (7, 8, 9) of the WFD

8.2.4.3.1.4. Beneficiaries

- croft tenants/owner occupiers/sub-tenants as specified in national regulations;
- new entrants to agriculture, as defined in associated guidance documents;
- those operating as head of holding of a small farm as defined under eligibility conditions;
- “young farmers” are as defined by Article 2(1)(n) of EU Regulation 1305/2013 .

Groups within this context are groups of crofters working in concert to provide a shared asset or undertake an improvement on common grazings.

8.2.4.3.1.5. Eligible costs

All costs related to the completion of an operation eligible for support will be supported, in accordance with article 45 of Regulation (EU) No 1305/2013. This includes the cost of materials, transportation of materials, costs of contractors and/or own labour.

Assistance is provided for:

- the construction or improvement of agricultural buildings, and works associated with such;
- investment in land management such as restoration (e.g. reseeded) of marginal agricultural land and provision of hedges, fences, walls, gates or cattle grids;
- provision or improvement of equipment or facilities for the handling and treatment of livestock;
- provision or improvement of amenities and services for agricultural purposes; and
- provision or improvement of access, egress and movement around the holding.

Second-hand equipment will be eligible for granted financial assistance provided that:

- it has not itself been paid for from National or Community funding;
- it meets value-for-money considerations; and
- it meets an appropriate specification for its use.

8.2.4.3.1.6. Eligibility conditions

For applications for crofting support, the land or infrastructure to be improved must be on a properly constituted croft operated in accordance with the statutory duties contained in national legislation.

For new entrants, the applicant must have set up as head of holding for the first time no more than five years before the application for support (this period may be reduced as we move through the programme period).

“Small Farmers” will be eligible for assistance if they are the head of a holding of between 3 and 30 hectares in size. Other more detailed criteria regarding this element will be set out in national guidance.

The provisions of Article 17 (6) Reg. (EU) No. 1305/2013 will be respected.

8.2.4.3.1.7. Principles with regards to the setting of selection criteria

The principles regarding selection criteria are as follows:

- long-term benefits i.e. will the project deliver outcomes beyond the period of funding;
- feasibility - e.g. an assessment of whether the project can be successfully completed within the specified timescales, to the agreed standards, and that payment will be realistically claimed within the defined timescale;
- value for money – does the project require public funding to proceed as is set out in plan, either wholly or partially or quicker or better than possible without funding.
- Environmental and climate value of investment

Applications will be assessed on the basis of the business plans received, regarding investments under 4.1, 4.2 and 4.3. A points system will be used to identify the most suitable applications to support. For 4.4 a points system will be used that will be linked to the overall project applied for using sub-measure 10.1.

8.2.4.3.1.8. (Applicable) amounts and support rates

Intervention for operations will be based on the following percentages:

For individuals: a maximum of £25,000 in any 2-year period.

- 80% in Less Favoured Areas/Areas of Natural Constraint and 60% in non-Less Favoured Areas/Areas of Natural Constraint for young farmers;
- 60% in Less Favoured Areas/Areas of Natural Constraint and 40% in non-Less Favoured Areas/Areas of Natural Constraint for other farmers.

For groups of crofters, small farmers or new entrants working together to provide a shared asset: a maximum of £125,000 in any 2-year period.

- 90% in Less Favoured Areas/Areas of Natural Constraint and 80% in non-Less Favoured Areas/Areas of Natural Constraint for groups comprised entirely of young farmers;
- 80% in Less Favoured Areas/Areas of Natural Constraint and 60% in non-Less Favoured Areas/Areas of Natural Constraint for groups not comprised entirely of young farmers.

For applications delivering integrated projects an additional 20% can be awarded; and for applications related to organic farming practices an additional 20% can be awarded.

For all applicants the maximum aid intensity rate is 90%.

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

R1: Tendering procedures for private beneficiaries.

R2: Reasonability of costs

R3: Adequate check and control systems.

R7: Selection of beneficiaries

R8: IT systems

R9: Payment claims

8.2.4.3.1.9.2. *Mitigating actions*

All applications must be accompanied by:

- Minimum of **two** competitive quotations if the cost of the work you are applying for grant aid on is £10,000 or less.
- Minimum of **three** competitive quotations if the cost of the work you are applying for grant aid on is over £10,000.00.

Area Office (AO) administrative and technical staff assess the submitted paperwork to ensure the required detail has been provided and that a fully informed decision can be made. Guidance will be made available to applicants to ensure they know exactly what is required from them in advance of submitting an application.

AO staff will consider all details provided with a new application and compare with industry standards to ensure value to the public purse is maintained. Where applications are received from remote areas, the AO will conduct research to establish if the quote presents value for money. Specifically by seeking advice from industry experts on the validity of the detail and costs of the proposal's quotation. Any doubt results in the application being rejected.

HQ select by risk analysis 5% (3.75% by risk and 1.25% randomly of all competent claims for an on-the-spot inspection check and note such on the CAGS Statistics Spreadsheet. All claims for £4000 or more will be subject to an additional on-site admin visit. This manual process exactly mirrors the IT system process. Extensive procedural instructions for staff and guidance (both on-line and hard copy) for applicants exists. Generic instructions also exists for processing recovery of grant aid paid to beneficiaries that is subsequently found to be subject to errors caused administratively or by irregularity.

The schemes will operate a selection criteria, in addition to the already stringent eligibility criteria and defined range of options available. No application will be accepted where the potential beneficiary does not achieve the appropriate score or the proposed works do not satisfy the scheme's aims and objectives.

An IT database is being developed presently to record all beneficiary, application and claim related data.

All claims are checked by both admin and technical officers in Area offices (AOs) to confirm the costs claimed are eligible and the correct rate of grant is applied and that the expenditure has been defrayed by the beneficiary. Separation of duties exists as while claims are processed in AO's, payment processing is carried out at HQ. Additional check are completed by HQ to ensure the amount payable has been calculated correctly and the appropriate grant rate used. All payment information (restrictions, penalties, payments) are

recorded on a Matrix. Separate arrangements are in place to record and process recoveries.

8.2.4.3.1.9.3. Overall assessment of the measure

Green.

Tendering procedures will be recorded and auditable – mitigating risk.

Green.

Costs will be assessed consistently and the process will be auditable – mitigating against the risk

Green.

Checks and control systems will be recordable and auditable – mitigating against the risk

Green .

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk

8.2.4.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Please see overall measure description.

8.2.4.3.1.11. Information specific to the operation

Definition of non productive investments

Not relevant to this sub-measure

Definition of collective investments

Collective investments are permitted where groups of crofters, small farmer and new entrants (under their respective individual schemes) undertake to invest in physical assets in a joint venture.

Definition of integrated projects

An integrated project consists of the combination of at least two operations falling under at least two different measures or sub-measures. This will help to more effectively achieve environmental objectives as separate sub-measures and operations often have to be used to deliver the intended environmental benefit. Operations funded through measure 10 can be integrated with operations funded under this sub-measure in order to deliver environmental or climate related projects. This is particularly relevant for operations such as slurry storage.

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

Please see overall measure description.

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

As identified under the SWOT undertaken for Scotland, support under this sub-measure is targeted towards economically vulnerable farms and new entrants to agriculture where small amounts of support can deliver significant improvements to sustainability.

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

Please see overall measure description.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Please see overall measure description.

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

Please see overall measure description.

8.2.4.3.2. 4.2 - support for 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

8.2.4.3.2.1. Description of the type of operation

Food Processing, Marketing & Co-operation Grant Scheme

Support under this sub-measure will: encourage production in line with identifiable market trends and encourage the development of new products or outlets for primary products; boost local supply chains through support for processing and marketing of locally produced food; improve or rationalise marketing channels or processing procedures; and apply new technologies and/or innovation.

Type of operations to be supported will be investment in tangible and intangible assets, for example:

- Construction and acquisition of property/land;
- Refurbishment of property;
- Purchase of new (and second-hand, where permissible) machinery and equipment, including computer hardware and software, telecommunication systems etc;
- Directly related general costs such as fees relating design (architects, engineers, consultants etc), planning and building warrant etc;
- Feasibility studies, product development, development of websites (but not operational costs) and consumer education.

Forestry Grant Scheme

Support under this sub-measure will:

- Provide investments in tree nursery machinery and equipment to facilitate tree production and supply of locally grown native tree species. Only small scale tree nurseries are eligible. The Scottish Government has an ambitious annual tree planting target of 10,000 hectares of which 4-5,000 hectares aims to be native woodland. This investment support will facilitate the tree production capacity to achieve this annual target, help improve the economic value of forests (by growing suitably adapted native species) and promote economic development in rural areas.
- Provide investments in afforestation equipment to facilitate and encourage resource capacity. The Scottish Government has an ambitious annual tree planting target of 10,000 hectares of which 4-5,000 hectares aims to be native woodland. A key

8.2.4.3.2.2. Type of support

Type of support: Grants

Support will be based on actual costs and be delivered as a grant, either calculated as a percentage of the

eligible cost or a set amount deemed the minimum award necessary to enable the investment to take place.

Staged payment of the support approved for the eligible operations will be made after costs have been incurred and on receipt of relevant documentation (e.g. invoices and evidence of payment etc).

Forestry Grant Scheme

Support will be based on actual costs and be delivered as a grant, calculated as a percentage of the eligible cost.

8.2.4.3.2.3. Links to other legislation

Annex 1 of the European Treaty - the sectors of basic agricultural production eligible for assistance, except fishery products.

- Inputs in relation to the processing, marketing and co-operation of agricultural products or cotton will be covered by Annex I to the European Treaty, except fishery products. Non-annex 1 products which constitute a minor component of the outputs, and necessary for processing reason and will be accepted.

Commission Recommendation 2003/361/EC - concerning the definition of micro, small and medium-sized enterprises

Regulation (EU) No. 1303/2013 – Article 65 (Eligibility)

8.2.4.3.2.4. Beneficiaries

Businesses involved in food and drink manufacture / processing will be supported throughout Scotland. Businesses located in all parts of the country, including urban areas, will be eligible to apply for assistance.

Small and Micro Enterprises (SME's), as defined by Commission Recommendation 2003/361/EC will be targeted along with large enterprises (those businesses which fall outwith the scope of 2003/361/EC).

Forestry Grant Scheme

Forest nurseries, forestry businesses and forestry contractors located in all parts of the country will be eligible.

Support will be for small and micro enterprises as defined by Commission Recommendation 2003/361/EC will be targeted along with large enterprises (those businesses which fall outwith the scope of 2003/361/EC).

8.2.4.3.2.5. Eligible costs

All costs related to the completion of an operation eligible for support will be supported, in accordance with article 45 of Regulation (EU) No 1305/2013. This includes the cost of materials, transportation of materials, costs of contractors and/or own labour.

For example:

- the construction, acquisition, including through leasing, or improvement of immovable property; (typically new, expanded or upgraded food and drink processing buildings, factories, industrial units, abattoirs)
- the purchase or lease-purchase of new machinery and equipment, including computer software up to the market value of the asset. Other costs connected with the leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges, shall not be eligible expenditure; (typically food and drink manufacturing equipment e.g. vegetable / fruit washing, grading, labelling, weighing, cereal drying and storage, delivery / despatch halls / racking and other storage, cold stores)
- general costs linked to expenditure referred to in the previous two points, such as architects, engineers and consultation fees, feasibility studies, the acquisition of patent rights and licences;
- the following intangible investments: acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks;

Second-hand equipment will be eligible for granted financial assistance provided that:

- it has not itself been paid for from National or Community funding;
- it meets value-for-money considerations; and
- it meets an appropriate specification for its use.

Forestry Grant Scheme

- Specialised tree nursery equipment - modern machinery and equipment can increase efficiency and productivity in all phases of nursery operations to improve quality and safety. Eligible equipment includes ,seed storage and handling, seed processing, seed bed preparation equipment, cultivators, rotavators, mechanical weed control, irrigation, root pruning and transplanting equipment, poly tunnels and cold stores.

Specialised tree establishment equipment – specialist forestry equipment to prepare sites for planting new woodlands. This will help to create and increase the forestry contractor resource to ensure quality of tree planting by using customised and modern environmentally sensitive and low impact equipment. Eligible equipment includes ground cultivation machinery, continuous mowers, scarifiers and planting machines.

8.2.4.3.2.6. Eligibility conditions

Applications for support will undergo initial eligibility assessment to ensure projects meet minimum scheme requirements, including:

- Investment must take place in Scotland
- Project involves the processing of food and/or drink from primary agricultural inputs

- Inputs / outputs meet relevant Annex 1/ non Annex 1 criteria
- Applicant meets published criteria relating to size of enterprise
- Match-funding in place or likely to be available (e.g. from within business or via commercial lender)

Applications which pass initial eligibility check will progress to next stage involving , for capital applications, a Value for Money (VFM) / technical assessment undertaken by suitably-qualified personnel. In the case of non-capital projects VFM assessment will be carried out by an qualified, external, Food Industry Adviser.

Eligibility conditions will be a clear yes/no, relevant and objective, and will be applied in a transparent and consistent way throughout the whole programming period. Failure to meet the criteria will result in an application for support being rejected.

Forestry Grant Scheme

Support will be conditional on providing a business plan that includes details of the initial state of the business; the scope and aims of the business development project, with milestones for development; the investments involved; and any training, advice and other actions required.

All such equipment must be built to a forestry specification and comply with all relevant Health and Safety legislation. In addition, training on the safe working of all equipment purchased is mandatory

8.2.4.3.2.7. Principles with regards to the setting of selection criteria

Project assessment (selection) criteria will be developed (and published in advance) to take into account key Scottish Government policy objectives for Food and Drink, including:

- Provenance – customer focused, consumption
- Co-operation – collaboration, resilience
- Sustainability – successful, growing businesses
- Impact on environment and climate
- Accessibility / Opportunities – new markets, innovation, readiness
- Nutrition – encouragement of healthy eating / drinking

We expect the criteria, in broad terms, to be as follows:

Essential

- Application supports Scottish primary producers i.e. utilisation of domestic produce, or assists in developing market readiness;
- Significant benefits derived from grant support - in terms of sales, productivity, costs reduced (or avoided), new markets or improved skills;
- Displacement –project will not significantly impact on other similar businesses or the wider supply-chain;
- Deliverability - project likely to deliver its objectives successfully and cost effectively (evidence of

VFM.)

Desirable

- Environmental sustainability - less energy/water consumption; less packaging; reduced waste; reduced emissions;
- Health and Education –project contributes to wider social policy agendas;
- Additional economic benefits – in particular on supply chain coherence;
- Innovative products or approaches.

Contribute to Scotland’s journey towards becoming a “*Good Food Nation*”

Forestry Grant Scheme

Eligibility conditions and selection criteria will consider the European Commission’s document on ‘Guidelines on Eligibility Conditions and Selection Criteria’. As a first step, projects will be required to meet all the ‘eligibility criteria’ and as a second step projects will be ranked using selection criteria. The selection process will be competitive and applications will be appraised against one another to ensure those with highest value added will be selected for support.

8.2.4.3.2.8. (Applicable) amounts and support rates

For rate of grant please see figure 31.

Forestry Grant Scheme

40% support of eligible investments will be provided.

Figure 31 rate of grant

Sub-measure 4.2	
Operation	Rate of grant
<ul style="list-style-type: none"> • <p><i>Guidance will be published to allow companies to determine in advance of formal submission, the rate of grant for which they would be eligible within the constraints set out below.</i></p> <p>Cover provided by <u>RDR 1305/2013</u> as follows: <i>Investment in Physical assets</i></p> <ul style="list-style-type: none"> • <i>SMEs & Large enterprises - 40% (Increased by 20% for operations supported in the framework of the EIP or those linked to a merger of producer organisations)</i> <p><u>651/2014 Article 17</u> <i>Investment Aid to SMEs</i></p> <ul style="list-style-type: none"> • <i>Micro & Small enterprises – 20%</i> • <i>Medium enterprises – 10%</i> <p><u>651/2014 Article 18</u> <i>Aid for the consultancy in favour of SMEs</i></p> <ul style="list-style-type: none"> • <i>SMEs: 50%</i> <p>Note: <i>There will be a maximum cap on level of grant available, this cap will be determined by reference to the above criteria. It is necessary to protect the overall of scheme budget and expected to be several million pounds.</i></p>	

figure 31

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

R1 – Tendering procedures for private beneficiaries

R2 – Reasonability of costs

R3 – Adequate check and control systems

R7 – Selection of beneficiaries

R8 – IT System

R9 – Payment claims

8.2.4.3.2.9.2. Mitigating actions

R1: All applications must be submitted with 3 comparable quotations. Where it is not possible to obtain 3

quotations applicants should provide justification (for example: less than 3 manufactures worldwide, specialist/bespoke etc).

R2: In addition to tendering procedures, Technical staff (RPID clerk of works) will carry out a value for money assessment using the quotations. Technical staff will determine if the costs represent value for money, and where required if justification is acceptable (if justification is not acceptable, the costs can be removed (where less than 3 quotes have been provided), or restricted to the lowest quote (where the lowest was not the preferred).

R3: Pre and post payment inspections are carried out in accordance with 809/2014 (Article 48 – Administrative checks, Article 49- On-the-spot checks and Article 51– Ex-post checks) and an inspection strategy is developed to replicate that of RPID’s IT system. All claims are subject to a desk based administrative check of all documentation supporting the claim and the various stages are carried out by different members of staff. All final claims are subject to inspection (capital projects are onsite, non-capital projects are desk based with consideration of documentation provided in respect of the project – feasibility study etc.).

R7: Projects will be assessed and selected on an agreed selection criteria which includes SG & industry priorities. Specific selection criteria will also be developed to encourage application making a particular contribution to SG wider policy. In addition to the value for money assessment, application are also assessed by an industry specialist and economist. These assessments consider elements such as policy relevance, evidence of market, financial information – which also includes consideration things such as need for funding , displacement etc. The industry specialist and economist report are used by the assessment committee to consider projects should be supported and the level of funding.

R8 –An IT database is being developed presently to record all beneficiary, application and claim related data.

R9 – All claims are checked and signed off by various team members to ensure separation of duties. Once all supporting documentation has been received and claims are check claims are paid via Worthy Causes on the Scottish Executive Accounting System (SEAS) and therefore bound by the rules, regulations and procedures required by SEAS. All payments are recorded on a Matrix. Penalties and recorded on payment calculation sheets and recoveries are recorded on a separate recoveries matrix. Forestry technical staff to scrutinise submitted costs for forestry applications

8.2.4.3.2.9.3. Overall assessment of the measure

Green.

Tendering procedures will be recorded and auditable – mitigating risk.

Green.

Costs will be assessed consistently and the process will be auditable – mitigating against the risk

Green.

Checks and control systems will be recordable and auditable – mitigating against the risk

Green .

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.4.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Please see overall measure description.

8.2.4.3.2.11. Information specific to the operation

Definition of non productive investments

Please see overall measure description.

Definition of collective investments

Please see overall measure description.

Definition of integrated projects

An integrated project consists of the combination of at least two operations falling under at least two different measures or sub-measures. This will help to more effectively achieve improvements in efficiency as separate sub-measures and operations often have to be used to deliver the intended benefit. Operations funded through sub-measure 16.3 can be integrated with operations funded under this sub-measure.

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

Please see overall measure description.

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

Please see overall measure description.

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

Please see overall measure description.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Please see overall measure description.

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

Please see overall measure description.

8.2.4.3.3. 4.3 support for investments in infrastructure 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

8.2.4.3.3.1. Description of the type of operation

Operations assisted under this sub-measure relate to the development, modernisation or adaptation of agricultural holdings. For forestry, investments in infrastructure relate to access to forest land and will include construction or improvement of access roads and bridges to support the sustainable management of forests.

For agriculture, funding via this sub-measure is available to increase slurry storage, improve pesticide handling facilities, upgrade livestock tracks for dairy cattle and create irrigation lagoons. Increased slurry storage will help make the best use of slurry by allowing farmers to store slurry for and apply at the most appropriate time to meet crop requirement as well as potentially benefiting Scotland's air quality through improved slurry management. It will also help reduce GHG emissions through making better use of the available plant nutrients thereby reducing the need to apply manufactured fertiliser and avoid the associated GHG emissions. Improved pesticide handling facilities and livestock tracks will help reduce diffuse pollution risks through better management of run-off from such areas. Irrigation lagoons will help improve water use efficiency by allowing land managers to collect and store water over the autumn and winter months for use in the summer. This will reduce the pressure on watercourses at times of low flow and so help protect aquatic ecology and habitats.

In relation to crofting, new entrants and small farms grant assistance is available for drainage works; the excavation of new ditches; and the re-grading of existing ditches to help prevent soil degradation and thus improve agricultural output. This is used to remove excess water from the holding to allow maximum potential for crop growing, livestock numbers and high nature value use.

For more supporting information please see **Annex - Agri-Environment-Climate Scheme Supporting Information**

8.2.4.3.3.2. Type of support

Type of support: Grants

Single payment of the support approved for the eligible operations will be made after conclusion of the improvements, and on receipt of relevant documentation (receipted invoices), through a grant payment. Standard Costs will be used for forestry investments in infrastructure.

8.2.4.3.3.3. Links to other legislation

For crofting support re drainage relevant terms from the Crofters (Scotland) Act 1993 will apply.

Art. 4 (7), (8) and (9) of the Water Framework Directive

Art 46 Rural Development Regulation 1305/2014

Environmental Impact Assessment (EIA) Regulations.

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended.

The Diffuse Pollution General Binding Rules (GBRs) within the Controlled Activity Regulations (CAR) are based on widely accepted standards of good practice. These rules are aimed at controlling rural activities which pose a potential risk to the water environment. Such activities include the storage and application of fertilisers and pesticides, keeping of livestock, sheep dipping and the cultivation of land. In practice they mean that land managers can carry out these activities providing they follow the stated rules. For example when cultivating land farmers must leave a 2 metre uncultivated strip next to watercourses and they must not spread slurry or manure within 10 meters of a watercourse, or locate mobile sheep dippers within 50 meters of the water environment.

The Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2003, as amended

Require persons with custody or control of a crop being made into silage, of livestock slurry to carry out works and take precautions and other steps for preventing pollution of inland or coastal waters. The regulations state that all silos and slurry storage facilities built or substantially enlarged or reconstructed after 1991 (when the regulations originally came into force) must be built to a defined minimum standard and appropriately sited. For example all facilities must be built with a minimum design life of 20 years with maintenance, must have a minimum storage capacity and not be located within 10 meters of surface waters.

Plant Protection Products (Sustainable Use) Regulations 2012

Enacts Directive 2009/128/EC on the Sustainable Use of Pesticides. These regulations are aimed at achieving the sustainable use of pesticides by reducing potential risks and impacts on human health and the environment. Key requirements of regulations include the establishment of National Action Plans, compulsory testing of application equipment, provision of training and certification of operators and advisors and controls on aerial spraying. For example, the regulations mean spray operators must be trained and hold a certificate of competence to demonstrate they are qualified to use pesticides safely. The regulations also mean that owners of pesticide application equipment must have their equipment independently tested at stated minimum intervals (eg boom sprayers wider than 3m must be inspected at least once by November 2016 and at least every 3 years after 2020).

Reservoirs Act 1975

The Reservoirs Act requires reservoir owners and operators to maintain the structural stability of reservoirs capable of holding 25,000m³ or more of water above the natural water level of the land. This means that reservoirs above the threshold must be registered with the appropriate Local Authority. The operator must also employ an appropriate engineer to carry out monitoring and inspections as per the legislation.

8.2.4.3.3.4. Beneficiaries

- croft tenants/owner occupiers/sub-tenants as specified in national regulations;
- new entrants to agriculture, as defined in associated guidance documents;
- those operating as head of holding of a small farm as defined under eligibility conditions;
- “young farmers” are as defined by Article 2(1)(n) of EU Regulation 1305/2013;
- for forestry, beneficiaries will include private forest holders, occupiers of forested land, public forest holders and public bodies;
- Farmers and other land managers for water improvement operations.

Groups within this context are groups of crofters working in concert to provide a shared asset or undertake an improvement on common grazings.

8.2.4.3.3.5. Eligible costs

All costs related to the completion of an operation eligible for support will be supported. This includes the cost of materials, transportation of materials, costs of contractors (including specialists in design, specification and construction) and/or own labour.

Eligible items are the installation of new under-drainage systems, excavation works and other ancillary works for drainage; drainage piping; and drain protection. The installation of suitable granular backfill material to improve the permeability of the drain trench is also eligible.

Arterial drainage and river works are also eligible for new drainage channels or where widening, deepening or regarding or realignment of existing drainage channels and rivers is required for areas greater than 100 hectares.

Eligible items in relation to slurry storage include design and specification, excavation, proprietary liner, pipework, valves and other related works related to the construction and commissioning of a slurry store such as concrete, gravel and fencing. Other ancillary equipment may include:

- Associated fittings and assemblies, galvanised ladders and platforms,
- fixed over-rim riser pipe with jetting nozzle and terminal connection,
- tractor driven slurry pump and associated pipework, assemblies and connections with shaft and mountings
- below ground reception tank with lid

Eligible costs in respect of pesticide handling facilities include:

- concrete, gravel, kerbs, collection tanks, sumps, drainage channels
- proprietary liners, pipework, pumps and associated electrical works and connections
- fencing and access gate
- metal support framework for a biofilter

- drip irrigation system
- intermediate bulk containers (1m3)
- drip trays, spill sumps and spill kits.
- Closed transfer pesticide filling system (BS6356:9)

In addition to excavation and labour costs, other eligible costs associated with irrigation lagoons and livestock tracks include, gravel and hardcore. Proprietary liners, associated pipework and specialist design and specification (irrigation lagoon).

Ineligible works include maintenance, replacement and most repair works.

8.2.4.3.3.6. Eligibility conditions

For applications for crofting support, the land or infrastructure to be improved must be on a properly constituted croft operated in accordance with the statutory duties contained in national legislation.

For new entrants, the applicant must have set up as head of holding for the first time no later than five years prior to the application for support (this period may be reduced as we move through the programme period).

“Small Farmers” will be eligible for assistance if they are the head of a holding of between 3 and 30 hectares in size. Other more detailed criteria regarding this element will be set out in national guidance.

For forestry, all proposals must be supported by a forest management plan and the forest road density (length/metre) must be appropriate and proportionate to size of woodland and investment. All operations meet the minimum requirements of the UK Forestry Standard.

Demonstration that the project underwent the assessment in accordance with Article 4.7 of the water framework directive taking duly into account cumulative impacts, and the appropriate mitigating measures are proposed.

The provisions of Article 17 (6) Reg. (EU) No. 1305/2013 will be respected.

Specific eligibility criteria applies to the individual water improvement options. These include:

Slurry Storage

- The land and / or steading must be within a diffuse pollution priority area which is not currently in an NVZ, or any new NVZ area designated after 1 Sept 2014.

Where the land and/or steading is in a newly designated NVZ area the support must be granted no later than 12 months following designation, as required by article 17(6) of regulation 1305/2013

- Where the land and/or steading is in a newly designated NVZ area completion must be by 31ST December of the 2nd year following designation.
- This option must not be used to increase slurry storage capacity to accommodate an increase in livestock numbers.
- New or enlarged slurry storage facilities must meet the building design requirements of schedule 2 of the Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2003, as

amended and be approved by Scottish Environment Protection Agency (SEPA).

- The capacity of the new or enlarged store must go beyond minimum regulatory compliance.
- Any slurry lagoons must be fenced to protect people and livestock.
- An engineer's certificate must be obtained from a qualified structural engineer.
- Building warrants should be obtained where applicable.

Pesticide Handling Facilities

- Any land is eligible, provided that it meets all of the requirements set out below.
- Pesticide sprayer loading and washdown area must be impermeable and a collection facility must be provided to collect run-off
- The width of the sprayer loading and washdown area must be at least 2m wider than the transport width of the sprayer and at least 1.5m longer.
- Pesticide handling facilities must not be located within 10 metres of the water environment or a surface water drain or 50m of any spring or uncapped well or borehole that supplies water for human consumption.
- A waste exemption must be registered with SEPA for the use of a biobed or biofilter.

Livestock Tracks

- This will apply to existing dairy livestock tracks which are currently on grassed or bare soil at risk of poaching and where run-off from the area can pose a pollution risk to surface water. This option can also be used to create new routes within a field to minimise the movements of dairy cattle along public roads
- Applicants must prepare a plan identifying the location of the proposed tracks which are to be entered under this option.

Irrigation Lagoon

- The land must be within a catchment which drains to waterbodies which are significantly impacted because of abstraction for agriculture.
- If an abstraction from the water environment is required to fill the lagoon then an authorisation will be required from SEPA.
- The lagoon must be off-line. I.e. there should be no impounding works which hold back flows in wetlands, rivers, lochs and estuaries.
- You must obtain planning permission, or have confirmation that planning permission is not required for your proposed lagoon
- Where a proprietary lining is used, a receipt for the liner will be required

8.2.4.3.3.7. Principles with regards to the setting of selection criteria

The principles regarding selection criteria are as follows:

- long-term benefits i.e. will the project deliver outcomes beyond the period of funding;
- feasibility - e.g. an assessment of whether the project can be successfully completed within the specified timescales, to the agreed standards, and that payment will be realistically claimed within the defined timescale;

- value for money – does the project require public funding to proceed as is set out in plan, either wholly or partially or quicker or better than possible without funding.
- Information which can be used to assess the above will be set out in the application form submitted by the applicant, as with other sub measures.

8.2.4.3.3.8. (Applicable) amounts and support rates

Intervention for operations will be based on the following percentages:

For individuals: a maximum of £25,000 in any 2-year period.

For groups of crofters, small farmers or new entrants working together to provide a shared asset: a maximum of £125,000 in any 2-year period.

For forestry, investments in infrastructure the minimum aid intensity rate will be 60% and maximum aid intensity rate 100%.

For all operations other than Forestry 100% of the total cost of operation can be funded under this sub-measure.

For water improvement operations (slurry storage, livestock tracks, pesticide handling facilities and irrigation lagoons) higher awards than the above financial thresholds can be made.

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

4.3 Crofters, Small Farms, New Entrants

R1: Tendering procedures for private beneficiaries.

R2: Reasonability of costs

R3: Adequate check and control systems.

R7: Selection of beneficiaries

R8: IT systems

R9: Payment claims

4.3 Forestry

R2 Reasonability of costs

R3 Adequate check and control systems

R7 Selection of beneficiaries

R8 IT systems

R9 Payment of claims

8.2.4.3.3.9.2. Mitigating actions

4.3 Crofters, Small Farms, New Entrants

All applications must be accompanied by a minimum of 3 competitive quotes from different contractors. Area Office (AO) administrative and technical staff assess the submitted paperwork to ensure the required detail has been provided and that a fully informed decision can be made.

AO staff will consider all details provided with a new application and compare with industry standards to ensure value to the public purse is maintained. Where applications are received from remote areas, the AO will conduct research to establish if the quote presents value for money. Specifically by seeking advice from industry experts on the validity of the detail and costs of the proposal's quotation. Any doubt results in the application being rejected.

HQ select by risk analysis 5% (3.75% by risk and 1.25% randomly of all competent claims for an on-the-spot inspection check and note such on the CAGS Statistics Spreadsheet. All claims for £4000 or more will be subject to an additional on-site admin visit. This manual process exactly mirrors the IT system process. Extensive procedural instructions for staff and guidance (both on-line and hard copy) for applicants exists. Generic instructions also exists for processing recovery of grant aid paid to beneficiaries that is subsequently found to be subject to errors caused administratively or by irregularity.

The schemes will operate a selection criteria, in addition to the already stringent eligibility criteria and defined range of options available. No application will be accepted where the potential beneficiary does not achieve the appropriate score or the proposed works do not satisfy the scheme's aims and objectives.

An IT database is being developed presently to record all beneficiary, application and claim related data.

All claims are checked by both admin and technical officers in Area offices (AOs) to confirm the costs claimed are eligible and the correct rate of grant is applied and that the expenditure has been defrayed by the beneficiary. Separation of duties exists as while claims are processed in AO's, payment processing is carried out at HQ. Additional check are completed by HQ to ensure the amount payable has been calculated correctly and the appropriate grant rate used. All payment information (restrictions, penalties, payments) are recorded on a Matrix. Separate arrangements are in place to record and process recoveries.

4.3 Forestry

Reasonability of costs

- Restricted list of operations

- Costs set at verified ‘standard costs’ and checked against market rates

Adequate check and control systems

- Increased validation rules built into IT
- Beneficiary cannot submit proposal until IT system validates against holding information
- Line manager supervisory checks

Selection of beneficiaries

- Additional information on all business members requested at registration
- Financial eligibility checks carried out on all application assessments
- Competitive approval process

IT Systems

- Increased validation rules built into IT system from start of programme
- It system checks beneficiary against holding
- Line manager administrative checks

Payment of claims

- Payment claim checklist
- On the spot checks/inspections
- Specialist forestry staff undertaking inspections on forestry measures with delegated authority from paying agency

Other Mitigating Actions

- Staff training
- Clear guidance for staff and beneficiaries

8.2.4.3.3.9.3. Overall assessment of the measure

4.3 Crofters, Small Farms, New Entrants

Green.

Tendering procedures will be recorded and auditable – mitigating risk.

Green.

Costs will be assessed consistently and the process will be auditable – mitigating against the risk

Green.

Checks and control systems will be recordable and auditable – mitigating against the risk

Green.

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk

4.3 Forestry

Green.

Costs will be assessed consistently and the process will be auditable – mitigating against the risk

Green.

Checks and control systems will be recordable and auditable – mitigating against the risk

Green.

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.4.3.3.10. Methodology for calculation of the amount or support rate, where relevant

Costs under this sub-measure will be based on actual costs, payable through a grant.

8.2.4.3.3.11. Information specific to the operation

Definition of non productive investments

Please see overall measure description.

Definition of collective investments

Please see overall measure description.

Definition of integrated projects

Please see overall measure description.

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

Please see overall measure description.

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

Please see overall measure description.

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

Not relevant, new requirements are presently unknown in nature. However, these will be funded, where appropriate to investment and within the parameters of eligible costs.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Please see overall measure description.

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

Please see overall measure description.

8.2.4.3.4. 4.4 non-productive investments in agricultural holdings 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

8.2.4.3.4.1. Description of the type of operation

This sub measure shall provide a wide range of physical investments to land managers to implement the environmental objectives of the AEC scheme, examples include; capital items for the restoration and creation of semi-natural habitats, controlling invasive non-native plant species, to support deer management and peatland restoration and re-wetting.

For more supporting information please see **Annex - Agri-Environment-Climate Scheme Supporting Information**

8.2.4.3.4.2. Type of support

Type of support: Grants

Financial grant

8.2.4.3.4.3. Links to other legislation

Regulation (EU) No 1306 / 2013 (Horizontal)

Includes various general and specific provisions which have a bearing on the AEC measure including articles on double funding, on-the-spot-checks, Land Parcel Identification System (LPIS), Cross Compliance (XC), and Monitoring & Evaluation. It also includes the regulatory baseline, in terms of Cross Compliance, including all of the SMR's & GAEC requirements ;

Regulation (EU) No 1307 / 2013 (Direct Payments)

Includes references to active farmer, crop diversification, permanent grassland, ecological focus areas.

Also the Agri-environment-climate (AEC) measure has been drafted in line with the provisions within the various regulations, implementing & delegated acts produced by the European Commission.

Regulation (EU) No 1303/2013 (Common provisions)

Commission Delegated Regulation (EU) No 807/2014

Commission Implementing Regulation (Eu) No 808/2014

Domestic legislation (relevant for the baseline)

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

Require persons with custody or control of a crop being made into silage, of livestock slurry or of certain fuel oil to carry out works and take precautions and other steps for preventing pollution of inland or coastal waters.

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Diffuse Pollution General Binding Rules (GBRs) within Controlled Activity Regulations (CAR) based on widely accepted standards of good practice. These rules are aimed at controlling rural activities which pose a potential risk to the water environment. Such activities include the storage and application of fertilisers, storage and application of pesticides, keeping of livestock and cultivation of land.

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

Enacts the Code of Good Practice for the Prevention of Environmental Pollution from Agricultural Activity (PEPFAA) Code. The PEPFAA code includes chapters covering topics such as diffuse agricultural pollution, soil protection, slurry management, sheep dips, pesticides and waste management. Each chapter states the minimum regulatory standards and then goes on to describe relevant good practice which land managers are encouraged to adopt.

The Plant Protection Products (Sustainable Use) Regulations 2012

Enacts Directive 2009/128/EC on the Sustainable Use of Pesticides. These regulations are aimed at achieving the sustainable use of pesticides by reducing potential risks and impacts on human health and the environment. Key requirements of regulations include compulsory testing of application equipment, provision of training and certification of operators and advisors and controls on aerial spraying.

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

Prevents the agricultural improvement of semi-natural habitats without an environmental impact assessment and the associated consent. Therefore farmers must not plough or fertiliser semi-natural habitats such as rough grazings, moorland or species rich grassland without consent from the relevant agricultural and environmental authority.

8.2.4.3.4.4. Beneficiaries

There are no legally based restrictions concerning beneficiaries.

This sub-measure could be open to local authorities and administrations, public bodies, public-private partnerships, NGOs, private companies or organizations as well as individual farmers, groups of farmers and other land managers.

8.2.4.3.4.5. Eligible costs

For a list of eligible costs please see table of eligible costs figure 29 part 1 and 2.

Support for non-productive investments pay farmers and land managers for capital investments that are necessary to achieve commitments undertaken in pursuant of Agri-Environment and forest-environment payments. The payments made under support for non-productive investments, which are referred in the Scotland Rural Development Programme (SRDP) as “standard costs Agri-Environment capital options” or “standard costs Forestry capital options” are fixed and made as a one off payment to compensate for the costs of plants, machinery or materials needed to achieve Agri-Environment and forest-environment commitments.

The standard unit rates have been calculated to cover the cost of carrying out activities in terms of labour, plant and materials to do the work to a certain specification. Standard unit rates do not allow an element of profit. The standard unit cost for each item is based on the cost of establishing the item to the specification given in the item guidance. Therefore, to be eligible for payment the work must at least meet the specification - to do this, the work must comply with any relevant British Standard.

The rates were calculated through desk-based research undertaken by the Scottish Government and relevant government agency personnel (Scottish Forestry, Nature Scot and Scotland Environmental Protection Agency) with input from external technical experts. The Scottish Government contacted a range of suppliers of relevant contracting services, plants, machinery and materials obtaining three quotes. To establish the standard unit rates the averages of this information were used with the exception of slurry storage. This will be available through sub measure 4.3 which is based on the most cost-effective form of slurry storage. Forestry capital investments will also be used to implement afforestation projects. These investments are coupled with an annual maintenance payment in order to ensure that the investment is successful.

Where applicable labour costs have been included in the calculations. Machinery costs include all contractors’ charges (including labour and the cost of getting the machinery from the depot to the site).

For specific items, we will allow the use of actual costs. The applicant will be required to submit a minimum of three written quotes for the actual cost items. Quotes must be competitive, there should be no conflict of interest between the suppliers providing the quotes, or between the applicant's agent and the suppliers. Approval will be based on the cheapest of the quotes supplied and will be paid either in full or by a grant.

+ Table of eligible costs figure 29 part 1	
Creation of wild bird seed cover; Costs of materials: seed mix; and standard contractor costs of ground preparation and sowing, and spraying and topping crop before ploughing the following Spring.	Primary Treatment of Bracken - Mechanised or chemical; Costs of spray and contractor charges for spraying.
Creation of Beetlebanks; Costs of materials: seed mix; and standard contractor costs of preparation of earth bank and sowing, and topping in first year for establishment.	Follow-up Treatment of Bracken - Mechanised or chemical; Costs of spray and contractor charges for spraying.
Creation of Green Manure; Costs of materials: appropriate seed mix; and standard contractor costs for sowing, green cover.	Primary treatment of bracken – manual; Contractor costs of manual whipping of bracken plus allowance for second treatment over 50% of the site.
Creation of Grass Strips and Water Margins in Arable Fields; Costs of materials: seed mix; and standard contractor costs of ground preparation and sowing, and topping in first year for establishment.	Planting or Replanting of Hedges; Costs of hedge plants and labour costs of planting.
Creation of low-input grassland to convert arable land at risk of erosion or flooding; Costs of materials: seed mix; and standard contractor costs of ground preparation and sowing, and topping in first year for establishment.	Coppicing of Hedges; Labour costs of coppicing
Wetland Creation – Field drain breaking; Costs of digger and driver; plus additional manual labour.	Laying of Hedges; Labour costs of laying
Wetland Creation – Pipe Sluices; Costs of materials: flexipipe; and labour costs to install sluices.	Vole, Rabbit or Hare Guards; Costs of purchasing the guards.
Pond Creation for Wildlife; Costs of digger and driver; plus additional manual labour, and project management costs.	Small-scale tree and shrub planting (on a site not exceeding 0.25 hectares); Costs of purchasing the guards.
Creation of Wader Scrapes; Costs of digger and driver.	Replacement or planting of individual trees within Ancient Wood Pasture or Hedgerows; Cost of tree, stake and tree tie, guard, mulch mat and labour .
River embankment breaching, lowering or removal; Costs of the work, on basis of lowest of 3 quotes.	Post and Rail Tree Guards; Cost of timber.
Coastal embankment breaching, lowering or removal; Costs of the work, on basis of lowest of 3 quotes.	Creation of Cover for Corncrakes; Tractor and loader, plus labour to gather dung/seaweed, lift transplants, mix with nettles/iris/seeds etc and distribute/plant.
Restoring (protecting) river banks; Cost of the work, on basis of lowest 3 quotes, including materials and labour (ground preparation and installation of bank protection material)	Cutting of Rush Pasture; Contractors charges for topping dense rushes.
Creation of Species Rich Grassland; Costs of materials: seed mix; and standard contractor costs of ground preparation and sowing.	Creation of Chough Nest Shelter; Ground works plus labour and materials for wooden construction, and ground anchors.
Restoration of Species Rich grassland; Costs of materials: seed mix; and standard contractor costs of ground preparation and sowing.	Use of Seaweed as a fertiliser on Cropped Machair; Cost of tractor and trailer and tractor and loader, plus labour, to collect seaweed and spread over land.
Ditch blocking - Peat Dams; Costs of digger and driver.	Sand Blow Fencing; Material and labour costs for erecting chestnut paling or timber slat fencing.
Ditch Blocking – Plastic Piling Dams; Costs of materials: plastic piling; and labour costs to install dams.	Planting of Dune Grasses; labour costs for lifting maram grasses from nearby dunes and transplanting
Creation of buffer areas for fens and bogs; Costs of materials: seed mix; and standard contractor costs of ground preparation and sowing.	Manual eradication of rhododendron – Light, Medium or Difficult; Labour and chemical. Includes two chemical follow up treatments, and includes 10% for management and supervision.
Stock bridges for bog, fen or wetland management; Costs of materials: wooden sleepers and post/poles; and labour costs to erect bridges.	Mechanised eradication of rhododendron - Light, Medium or Difficult; Costs of labour and machinery and includes two chemical follow up treatments.
Matting to prevent damage to bogs; Costs of the work, on basis of lowest of 3 quotes.	Foliar spray treatment for rhododendron control; Costs of labour and chemical.
Moving or realigning ditches; Costs of the work, on basis of lowest of 3 quotes.	Follow up treatment for rhododendron control; Costs of labour and chemical.
Control of Scrub/Woody vegetation – Primary treatment - Light vegetation category; Contractor costs of clearing scrub including labour costs and costs of using appropriate machinery for the density of scrub eg clearing saw or chainsaw.	Stem Injection Eradication of Rhododendron – Medium or Difficult; Costs of labour and chemical.
Control of scrub/woody vegetation – Primary treatment – Intermediate and Heavy vegetation category; Contractor costs of clearing scrub including labour costs and costs of using appropriate machinery for the density of scrub eg clearing saw or chainsaw.	Primary Treatment of Invasive Non-Native Plants; Costs of labour and chemical.
Control of scrub/woody vegetation - Removal from site of the cut vegetation; Contractor costs of clearing scrub including labour costs and costs of using appropriate machinery for the density of scrub eg clearing saw or chainsaw.	Follow-Up Monitoring and Treatment of Invasive Non-Native Plants; labour and chemical costs of searching land, and consequent treatment by herbicide
Control of scrub - Follow up treatment; Costs of spray and labour to control regrowth.	Scare and Temporary Electric Fencing; Costs of materials and labour to erect the fencing, including battery and energiser for electric fencing.
Heather Restoration; Costs of materials (spray and heather seed) and labour for primary treatment of glyphosate, burning or cutting of resultant litter, and heather seeding.	Stock fence; Labour and costs of fencing materials
Heather Restoration - Follow up Molinia control; Costs of spray and labour for graminicide follow up treatment.	Restoring drystone or flagstone dykes; Labour costs only.
Cutting stock access tracks for bog or wetland management; Labour costs.	Enhancing/ modifying a stock fence; Labour and cost of wooden materials
Muirburn and Heather Cutting; Labour costs and transport and materials (such as PPE and beaters).	Rabbit proofing existing or new stock / deer fence; Labour and cost of rabbit netting
Open Range Deer Management; Labour costs of culling deer less income from venison.	Deer fence; Labour and cost of fence materials
Upland Habitat Impact Assessment for Deer Management; Costs of the work, on basis of lowest of 3 quotes.	Enhancing / modifying a deer fence; Labour and costs of fence visibility marking materials, including plastic netting and bamboo canes or droppers and woodwork for the higher cost.
Deer census – Helicopter Counts; Costs of the work, on basis of lowest of 3 quotes.	Conversion of deer fence to stock fence; labour costs
Diversionsary feeding for hen harriers; Labour and transport costs, plus costs of food.	Fence Removal; labour cost of dismantling and removal from site
Supplementary feeding for golden eagles; Loss of venison income less costs saved from not having to extract and prepare carcass.	Gate; Cost of gate and labour for installation.

figure 29 part 1

Table of eligible costs figure 29 part 2

Managing Steading Drainage and Rural Sustainable Drainage Systems; Payments will be made on the basis of the following standard costs:

- Underground drainage (including surface fittings, underground pipe, fittings, access chamber) - £35.46 per linear metre • concreting existing uncovered steading or court surfaces) - 32.27 per square metre
- Surface drainage interception:
 - o Re-grade existing concrete areas - £ 34.53 per square metre
 - o Installation of ramps / sleeping policemen - £40.39 per square metre

Payment - actual cost items

To ensure value for money, we require you to provide three competitive quotes for capital items applied for which are based on actual cost.

- Installation of kerbs / channels / cross drains - Such items can include:
 - o Purchase and installation of proprietary shallow surface drainage channels including cover lid or grate
 - o Purchase and installation of proprietary kerbs
 - o Installation and formation of kerb or channels from concrete in situ.

Alternative watering; Alternative watering options which rely on abstracting water from a watercourse often involve the creation of an abstraction point at the watercourse, a means of abstracting or pumping the water including associated pipework and a drinking trough. This option will offer a contribution towards the costs of each of these items:

Payments will be made on the basis of the following standard costs:

- Abstraction point- Creation of a watercourse abstraction point as per accompanying guidance - £476
- Solar powered pump system - options include:
 - o Low voltage (12 or 24v) submersible pump to supply single trough including solar panel, battery and regulated charging system - £2,000
 - o Speed controlled submersible centrifugal pump capable of supplying multiple troughs. Includes solar panel and regulated pump motor controller - £2,300
 - o Speed controlled scroll and stator pump for supplying multiple troughs. Includes solar panels and regulated pump motor controller - £3,100
 - o Additional mast and base for panel mounting -£150
 - Water powered pump system - £1,350 (Includes installed supply tank, water powered pump and ancillary items, pump chamber and pump discharge)
 - Water transfer (pipework) and trough connection @ £7.77/m
 - Gravity supplied system - 63mm MDPE pipe including fittings and installation - £7.77/m
 - Mains supplied system
 - o 63mm MDPE pipe including fittings and installation - £7.77/m
 - o water meter - £150
 - Stock powered pump with integral drinking bowl and mounting plinth - £450

Payment - actual cost items

To ensure value for money we require you must to provide three competitive quotes and a quotations table for any of the following capital items which are based on actual cost. Detailed guidance is available at: <https://www.ruralpayments.org/publicsite/futures/topics/all-schemes/agri-environment-climate-scheme/agri-environment-climate-scheme-full-guidance-men/agri-environment-what-you-need-to-apply/#44727>

Failure to provide these may result in your whole application being rejected

- electrical-powered pump system - a speed controlled submersible pump
- water trough

Hard standings for troughs and gateways; Payments will be made on the basis of the following standard costs: Creation of a hardstanding - £12.50 / m² Relocating a gate - £230

Livestock crossings; Payments will be made on the basis of the following standard costs: £222 per small bridge up to 2.6m span £880 per large bridge greater than 2.6m span

Rural Sustainable Drainage Systems (RSUDS) individual options for: Sediment traps and bunds. Swales, Wetlands, Retention Ponds; Sediment traps and bunds Excavate and form sediment trap £10.50 /m² Create bund £7.20/m Retention pond £15/m² Wetland £9/m² with proprietary liner, £5/m² with soil liner Swales - £21.75/m²

figure 29 part 2

8.2.4.3.4.6. Eligibility conditions

For eligibility conditions for each non-productive operation please see figure 30 parts 1, 2 and 3

Each of the individual operations have specific eligibility conditions such as the type or designation of land. Also many are interdependent on the linked annual recurrent operation detailed in sub-measure 10.1, which also have specific eligibility conditions.

All of the operations described in this sub-measure must be undertaken on Agricultural land, which for the purposes of the SRDP has been defined as;

Any area of land in Scotland which is registered as a parcel on the Land Parcel Identification System (LPIS). These areas may include land which is deemed to be ineligible for Direct Payments.

Demonstration that the project underwent the assessment in accordance with Article 4.7 of the water framework directive taking duly into account cumulative impacts, and the appropriate mitigating measures

are proposed.

Table of Eligibility conditions figure 30 part 1	Management of buffer areas for fens or lowland bogs (link)
Creation of wild bird seed cover; Costs of materials: seed mix; Land that is eligible for the Basic Payment Scheme and which is not rough grazing is eligible. You must combine this with the Wild Bird Seed for Farmland Birds option.	Creation of buffer areas for fens and bogs; Land in an arable crop which is eligible for the Basic Payment Scheme and which is adjacent to a lowland raised bog or fen is eligible for this item. You must combine this capital item with the Management of Buffer Areas for Fens and Bogs Option.
Creation of Beetlebanks; Costs of materials: seed mix; Land that is eligible for the Basic Payment Scheme and is also in an arable rotation is eligible for this item. You must combine this capital item with the Beetlebanks option	Stock bridges for bog, fen or wetland management; Any land with a lowland bog, upland peatland, fen or wetland is eligible. You must combine this capital item with one of the following annual recurrent options, unless you have prior approval otherwise from Scottish Natural Heritage:
Creation of Green Manure; Costs of materials: appropriate seed mix; Only land being managed under the annual recurrent option "Stubbles followed by green manure in an arable rotation" is eligible. You must combine this capital item with the winter stubbles followed by green manure in an arable rotation option	<ul style="list-style-type: none"> • Lowland Bog Management (link) • Moorland Management (link) • Wetland Management (link) or • Management of buffer areas for fens or lowland bogs (link)
Creation of Grass Strips and Water Margins in Arable Fields; Costs of materials: seed mix; Land that is eligible for the Basic Payment Scheme and is also in an arable rotation is eligible for this item. For the purposes of this capital item, arable land is land which has been in crop for at least 3 of the past 5 years. You can only use this capital item in support of the options:	Matting to prevent damage to bogs; Rough grazing or permanent grassland which includes a Site of Special Scientific Interest or Natura designated upland peatland or lowland bog is eligible. You must combine this capital item with one of the following annual recurrent options, unless you have prior approval not to from Scottish Natural Heritage:
<ul style="list-style-type: none"> • Grass Strips in Arable Fields (link) or • Water Margins in Arable Fields (link) 	<ul style="list-style-type: none"> • Lowland Bog Management (link) • Moorland Management (link) • Management of buffer areas for fens or lowland bogs (link)
Creation of low-input grassland to convert arable land at risk of erosion or flooding; Land that is eligible for the Basic Payment Scheme and which has been in arable cropping for all of the last 5 years is eligible. You must combine this capital item with one of the following annual recurrent options:	Moving or realigning ditches; Any land adjacent to, or within a Site of Special Scientific Interest or Natura lowland bog or wetland is eligible. This capital item must be combined with one of the following options, unless you have prior approval not to from Scottish Natural Heritage:
<ul style="list-style-type: none"> • Converting arable land at risk of erosion or flooding to low input grassland (link), or • Management of floodplains (link) 	<ul style="list-style-type: none"> • Management of buffer areas for fens and bogs (link) • Wetland management (link)
Wetland Creation – Field drain breaking; Any land that is eligible for the Basic Payment Scheme, with the exception of heather moorland, is eligible for this item.	Control of Scrub/Woody vegetation – Primary treatment - Light vegetation category; Any land where light scrub is invading a sensitive habitat or where the work will benefit a Scheduled Monument is eligible. This capital item must be combined with one of the following options, unless you have prior approval not to from Scottish Natural Heritage:
Wetland Creation – Pipe Sluces; Any land that is eligible for the Basic Payment Scheme, with the exception of heather moorland, is eligible for this item.	<ul style="list-style-type: none"> • Lowland Bog Management (link) • Moorland Management (link) • Wetland Management (link) • Species Rich Grassland Management (link) • Heath Management (Coastal, Serpentine, Lowland & Special Interest) (link) • Habitat Mosaic Management (link)
Pond Creation for Wildlife; Costs of digger and driver; All land is eligible for this item.	Control of scrub/woody vegetation – Primary treatment – Intermediate and Heavy vegetation category; Any land where either a) intermediate or b) heavy scrub is invading a valuable habitat or where the work will benefit a Scheduled Monument is eligible. This capital item must be combined with one of the following options, unless you have prior approval otherwise, and before application, from Scottish Natural Heritage:
Creation of Wader Scrapes; You can undertake this capital item on any grassland.	<ul style="list-style-type: none"> • Lowland Bog Management (link) • Moorland Management (link) • Wetland Management (link) • Species Rich Grassland Management (link) • Heath Management (Coastal, Serpentine, Lowland & Special Interest) (link) • Habitat Mosaic Management (link)
River embankment breaching, lowering or removal; Any land adjacent to a watercourse with an embankment designed to prevent flooding is eligible.	Control of scrub - Follow up treatment; Any land where you have completed primary scrub control, including under a previous Scottish Natural Heritage or Scottish Government agri-environment scheme in the last five years is eligible.
Coastal embankment breaching, lowering or removal; Any land adjacent to the coast with an embankment designed to prevent flooding is eligible.	Heather Restoration; Land that is eligible for the Basic Payment Scheme and that is rough grazing with dense Molinia grass is eligible.
Restoring (protecting) river banks; River banks which have been damaged by historic livestock poaching and/or grazing are eligible.	Heather Restoration - Follow up Molinia control; Rough grazing land, where you have already undertaken heather restoration is eligible. You must combine this capital item the Heather Restoration capital item (link).
Creation of Species Rich Grassland; Arable or improved grassland that is eligible for the Basic Payment Scheme is eligible for this item. You must combine this capital item with one of the following annual recurrent options:	
<ul style="list-style-type: none"> • Species Rich Grassland Management option (link) • Hen Harrier Grassland Management (link) or • Wetland Management (link) 	
Restoration of Species Rich grassland; Permanent grassland that is eligible for the Basic Payment scheme is eligible for this item. You must combine this capital item with one of the following annual recurrent options:	
<ul style="list-style-type: none"> • Species Rich Grassland Management (link)or • Habitat Mosaic Management (link) 	
Ditch blocking - Peat Dams; Any land with moorland or lowland bog or fen is eligible. You must combine this capital item with one of the following annual recurrent options, unless you have prior approval otherwise from Scottish Natural Heritage:	
<ul style="list-style-type: none"> • Lowland Bog Management (link)or • Moorland Management (link) or • Wetland Management (link) 	
Ditch Blocking – Plastic Piling Dams; Any land is eligible. You must combine this capital item with one of the following annual recurrent options, unless you have prior approval otherwise from Scottish Natural Heritage:	
<ul style="list-style-type: none"> • Lowland Bog Management (link) • Moorland Management (link) • Wetland Management (link) or 	

figure 30 part 1

Table of Eligibility conditions figure 30 part 2	Coppicing of Hedges; Existing hedges which are located entirely on your land and where there is access for both sides to be cut are eligible. Single species beech hedges are not eligible. You must combine this capital item with the Management, Restoration or Creation of Hedgerows option (link). Areas to be coppiced can only be claimed once during your contract
<p>Cutting stock access tracks for bog or wetland management; Land with lowland bog or wetland is eligible. This capital item must be undertaken with one of the following options:</p> <ul style="list-style-type: none"> • Lowland Bog Management (link) or • Wetland Management (link) 	<p>Laying of Hedges; Existing hedges which are located entirely on your land and where there is access for both sides to be cut are eligible. Single species beech hedges are not eligible. You must combine this capital item with the Management, Restoration or Creation of Hedgerows option (link). Areas to be laid can only be claimed once during your contract</p>
<p>Muirburn and Heather Cutting; Land that is eligible for the Basic Payment Scheme and that is rough grazing with heather moorland is eligible. On moorland, you must combine this capital item with the Moorland Management Option (link) if deer or livestock are present.</p>	<p>Vole, Rabbit or Hare Guards; Any land is eligible. You must combine this capital item with either:</p> <ul style="list-style-type: none"> • Small-scale tree and shrub planting (link) or • Management, Restoration or Creation of Hedgerows option (link) and the hedge planting capital item (link) You cannot apply for rabbit or hare guards and the rabbit proofing fencing capital item. However vole guards are compatible with rabbit proof fencing.
<p>Open Range Deer Management; Rough grazing, which forms part of a deer range and which includes land designated as a Site of Special Scientific Interest or Natura Site and is in, or at risk of falling into, unfavourable condition due to grazing pressure from deer is eligible. You must combine this option with the Moorland Management Option. (link)</p>	<p>Small-scale tree and shrub planting (on a site not exceeding 0.25 hectares); All land is eligible, with the exception of land classed as "sensitive" by the EIA(Forestry)(Scotland) Regs 1999, unless you have prior approval. You must combine this capital item with at least one of the following capital items:</p> <ul style="list-style-type: none"> • Stock fencing (with or without rabbit proofing) (link) • Vole, rabbit or hare guards (link) • Scare fencing & temporary electric fencing (link)
<p>Upland Habitat Impact Assessment for Deer Management; Rough grazing, which forms part of a deer range which includes land designated as a Site of Special Scientific Interest or Natura Site and is in, or at risk of falling into, unfavourable condition due to grazing pressure from deer is eligible.</p>	<p>Replacement or planting of individual trees within Ancient Wood Pasture or Hedgerows; Any land with ancient wood pasture, or an existing hedgerow is eligible. You must combine this capital item with one of the following annual recurrent options:</p> <ul style="list-style-type: none"> • Ancient Wood Pasture (link) • Management, Restoration or Creation of Hedgerows (link)
<p>Deer Census – Helicopter Counts; Rough grazing, which forms part of a deer range which includes land designated as a Site of Special Scientific Interest or Natura Site and is in, or at risk of falling into, unfavourable condition due to grazing pressure from deer is eligible. You must combine this option with the Habitat Impact Assessment Capital Item (link).</p>	<p>Post and Rail Tree Guards; Any grassland with ancient wood pasture is eligible. You must combine this capital item with the Ancient Wood Pasture annual recurrent option.</p>
<p>Diversifony feeding for hen harriers; Rough grazing where there are known breeding Hen Harriers is eligible. You must combine this capital item with the moorland management option.</p>	<p>Creation of Cover for Corncrakes; Arable or improved grassland that is eligible for the Basic Payment Scheme is eligible for this item. You must combine this capital item with the Management of Cover for Corncrake (link) option.</p>
<p>Supplementary feeding for golden eagles; Rough grazing which includes land designated as a Special Protection Area (SPA) for Golden Eagles is eligible.</p>	<p>Cutting of Rush Pasture; Grassland that is eligible for the Basic Payment Scheme and of a minimum block size of 0.05ha and where rushes form more than 50% in each square metre of the block. If you are managing rush pasture for waders, you must combine this capital item with one of the following annual recurrent options (these can be on different areas):</p> <ul style="list-style-type: none"> • Wader and wildlife Mown Grassland (link)(cutting of rush pasture can be in the same field and over the same area as this option) • Wader grazed grassland (link)(cutting of rush pasture can be in the same field but not over the same area as this option)
<p>Primary Treatment of Bracken - Mechanised or chemical; Land that is eligible for the Basic Payment Scheme and that is moorland, heathland or unimproved grassland with bracken is eligible. You must combine this capital item with one of the following annual recurrent options:</p> <ul style="list-style-type: none"> • Moorland Management (link) • Heath management (coastal, serpentine, lowland and special interest) (link) • Species rich grassland management (link) • Habitat mosaic management (link) 	<p>Creation of Chough Nest Shelter; Any grassland (including rough grassland) close to existing or recently used chough nest sites. You must combine this capital item with at least one of the following annual recurrent options:</p> <ul style="list-style-type: none"> • Chough mown grassland (link) • Chough grazing management (link)
<p>You must also combine this capital item with the Follow-up Treatment of bracken – Mechanised or Chemical capital item (link).</p>	<p>Use of Seaweed as a fertiliser on Cropped Machair; Land that is eligible for the Basic Payment Scheme and that is ploughable machair is eligible. You must combine this capital item with the Cropped Machair option (link). The eligible area is that due to be sown to an arable crop as part of the cropped machair rotation.</p>
<p>Follow-up Treatment of Bracken - Mechanised or chemical; Land that is eligible for the Basic Payment Scheme and that is moorland, heathland or unimproved grassland where you have completed primary treatment of bracken, including under a previous Scottish Natural Heritage or Scottish Government agri-environment scheme in the last five years is eligible. You must combine this capital item with one of the following annual recurrent options:</p> <ul style="list-style-type: none"> • Moorland Management (link) • Heath management (coastal, serpentine, lowland and special interest) (link) • Species rich grassland management (link) • Habitat mosaic management (link) 	<p>Sand Blow Fencing; Land that includes coastal sand dunes is eligible.</p>
<p>Primary Treatment of bracken – manual; Moorland, heathland or unimproved grassland with bracken is eligible. You must combine this capital item with one of the following annual recurrent options:</p> <ul style="list-style-type: none"> • Moorland Management (link) • Heath management (coastal, serpentine, lowland and special interest) (link) • Species rich grassland management (link) • Habitat mosaic management (link) 	<p>Planting of Dune Grasses; Land that includes coastal sand dunes is eligible. You must combine this capital item with the Sand Blow Fencing capital item (link).</p>
<p>Planting or Replanting of Hedges; Where gapping up, only gaps greater than 5m within existing hedges which are located entirely on your land and where there is access for both sides to be cut are eligible. Single species beech hedges are not eligible. Where creating a new hedge, any land where there is access for both sides of the new hedge to be cut is eligible. A march hedge between two neighbouring holdings is only eligible where it is managed under the scheme by both parties. You must combine this capital item with the Management, Restoration or Creation of Hedgerows option (link) and at least one of the following capital items: stock fencing (with or without rabbit proofing) (link)</p> <ul style="list-style-type: none"> • Vole, rabbit or hare guards (link) 	<p>Manual eradication of rhododendron – Light, Medium or Difficult; Any land where rhododendron is invading a sensitive habitat is eligible.</p>
<p>Areas to be planted or gapped up can only be claimed once during your contract.</p>	<p>a) Light category is defined as that where bushes are less than 1m in height and the slope of the ground is between 0 and 33%. b) Medium category is defined as that where bushes are greater than 1m in height and the slope of the ground is between 0 and 33%. c) Difficult category is defined as that where the slope of the ground is greater than 33%.</p>

figure 30 part 2

<p>Table of Eligibility conditions figure 30 part 3</p> <p>Mechanised eradication of rhododendron - Light, Medium or Difficult; Any land where rhododendron is invading a sensitive habitat is eligible.</p> <p>a) Light category is defined as that where bushes are less than 1m in height and the slope of the ground is between 0 and 33%.</p> <p>b) Medium category is defined as that where bushes are greater than 1m, but less than 3m in height, and the slope of the ground is between 0 and 33%.</p> <p>c) Difficult category is defined as that where bushes are up to 3m in height and the slope of the ground is greater than 33%; or where bushes are greater than 3m in height on any slope of ground.</p> <p>Foliar spray treatment for rhododendron control; Any land where rhododendron is invading a sensitive habitat and bushes are less than 1.3m in height is eligible.</p> <p>Follow up treatment for rhododendron control; Any land where you have completed primary rhododendron control in the last 5 years. This item can only be applied for once in the five year life of the Rhododendron Control Plan.</p> <p>Stem Injection Eradication of Rhododendron – Medium or Difficult; Any land where rhododendron is invading a sensitive habitat is eligible.</p> <p>a) Medium category is defined as that where the slope of the ground is between 0 and 33%.</p> <p>b) Difficult category is defined as that where the slope of the ground is greater than 33%.</p> <p>Primary Treatment of Invasive Non-Native Plants; Any land which is infested with Japanese Knotweed, Giant Hogweed or Himalayan Balsam is eligible. You must combine this item with the Follow-up Monitoring and Treatment of Invasive Non-Native Species capital item (link).</p> <p>Follow-Up Monitoring and Treatment of Invasive Non-Native Plants; Any land with re-growth following primary treatment, or where new plants from seed of Japanese Knotweed, Giant Hogweed or Himalayan Balsam is likely is eligible. You must combine this item with the Primary Treatment of Invasive Non-Native Species capital item (link).</p> <p>Scare and Temporary Electric Fencing; Any land is eligible. For scare fencing, this capital item must be undertaken with the building or restoring drystone or flagstone dyke capital item. For temporary electric fencing, the area to benefit from this fencing must be included in an annual recurrent option, or a newly created capital item.</p> <p>Stock fence; Any land where the area to benefit is included in an annual recurrent option, or a newly created capital item is eligible.</p> <p>Restoring drystone or flagstone dykes; Any land where the area to benefit is included in an annual recurrent option, or a newly created habitat is eligible. Any drystone or flagstone dyke, fank or stiel, which has totally collapsed sections of greater than 2m in length are eligible.</p> <p>Enhancing/ modifying a stock fence; Any land within Black Grouse and Capercaillie core areas is eligible. This capital item must be combined with one of the following capital items:</p> <ul style="list-style-type: none"> • Stock fence (link) • Conversion of deer fence to stock fence (in Black Grouse and Capercaillie core areas) (link) <p>Rabbit proofing existing or new stock / deer fence; Any land is eligible where the area to benefit is included in an annual recurrent option.</p> <p>Deer fence; Any land where the area to benefit is included in an annual recurrent option, or a newly created capital item is eligible.</p> <p>Enhancing / modifying a deer fence; Any land within Black Grouse and Capercaillie core areas with new or existing deer fencing is eligible.</p> <p>Conversion of deer fence to stock fence; Any land within Black Grouse and Capercaillie core areas with an existing deer fencing is eligible.</p> <p>Fence Removal; Any land that is either:</p> <ul style="list-style-type: none"> • where the area to benefit is included in an annual recurrent option, or • within a Black Grouse or Capercaillie core area <p>with an existing stock or deer fence to be removed, is eligible.</p> <p>Gate; Any land where the area to benefit is included in an annual recurrent option, or has a newly created capital item is eligible. You must combine this capital item with one of the following capital items:</p> <ul style="list-style-type: none"> • Stock fence (link) • Deer fence (link) • Building/Restoring Drystone or Flagstone Dykes (link) 	<p>Managing Steading Drainage and Rural Sustainable Drainage Systems; The steading must be within a diffuse pollution priority catchment or action area unless an endorsement has been obtained from the Scottish Environment Protection Agency. You must combine this option with at least one of the following associated capital options :</p> <p>Rural Sustainable Drainage Systems - Swale Rural Sustainable Drainage Systems - Pond Rural Sustainable Drainage Systems - Wetland Rural Sustainable Drainage Systems - Sediment Trap</p> <p>Alternative watering; You can apply for this option on any land where: The area to benefit is to be managed under an annual recurrent option or The land is within a diffuse pollution priority area where livestock currently have direct access to a watercourse or standing water for drinking water purposes.</p> <p>Hard standings for troughs and gateways; Gateways and small areas of land around gateways and troughs etc which are at high risk of becoming significantly poached or eroded and that may pose a pollution risk to nearby watercourses.</p> <p>Livestock crossings; Any land is eligible, provided that it meets all of the requirements set out below. Crossings will only be funded where there is no other practical crossing point.</p> <p>Rural Sustainable Drainage Systems (RSuDS) individual options for: The land must be within a diffuse pollution priority catchment or action area (unless an endorsement has been obtained from the Scottish Environment Protection Agency) or flooding target area</p>
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figure 30 part 3

8.2.4.3.4.7. Principles with regards to the setting of selection criteria

Land managers will be able to apply for annual recurrent (management) and capital projects for a wide range of environmental purposes. The AEC scheme will be competitive and the selection process will endeavour to ensure the equal treatment of applicants. Given the annual nature of agri-environment commitments, the presumption is that there shall be one annual call for applications. This will ensure a tranche of applicants are assessed against the same criteria. However, additional calls for proposals may be required based on emerging needs and to ensure effective use of resources.

Applications will be required to clearly set out which commitments are to be undertaken.

The selection process will also ensure value for money and a better use of financial resources as it will involve expert scrutiny of the proposal by agricultural and ecological colleagues. Case officers will make an initial desk assessment of application and the information held on the Land Parcel Information System (LPIS).

Where necessary site visits will be arranged prior to contract issue to confirm the applicant is aware of the management requirements and the commitment involved, and that where necessary, the eligibility criteria have been met.

The principles regarding assessment are as follows:

- environmental benefit – assessment of potential for proposed operations to deliver the local, regional and national environmental objectives of the AEC scheme.
- scale – an assessment of the scale of the proposed beneficial environmental management, in comparison with the targeted options available and the habitats that could potentially be managed.
- long-term benefits - will the project deliver outcomes beyond the period of funding.
- feasibility - an assessment of whether the project can be delivered by the applicant to the necessary standard.
- value for money – a comparison of how much habitat and species benefit we obtain for the minimum amount of capital spend.

8.2.4.3.4.8. (Applicable) amounts and support rates

100% of the total cost of operation

For a list of payment rates please see figure 32 part 1 and 2

Table of payments: figure 32 part 1	Rate (euro / Pounds?)		
Creation of wild bird seed cover; Costs of materials: seed mix;	£252.24 per ha		
Creation of Beetlebanks; Costs of materials: seed mix;	£302.28 per ha		
Creation of Green Manure; Costs of materials: appropriate seed mix;	£278.16/ha		
Creation of Grass Strips and Water Margins in Arable Fields; Costs of materials: seed mix;	£333.51 per ha		
Creation of low-input grassland to convert arable land at risk of erosion or flooding;	£333.51 per ha		
Wetland Creation – Field drain breaking;	£44.72 per break		
Wetland Creation – Pipe Sluices;	£201.67 per sluice		
Pond Creation for Wildlife; Costs of digger and driver;	£4.50 per square metre		
Creation of Wader Scrapes;	£56.00 per scrape over 20 sq m; £93.33 per scrape over 40 sq m		
River embankment breaching, lowering or removal;	Payment on actual costs		
Coastal embankment breaching, lowering or removal;	Payment on actual costs		
Restoring (protecting) river banks;	Willow spilling £185 per m; Plant roll revetment £210 per m; hurdle and coir matting £65 per m; Engineered log jams payment on actual costs.		
Creation of Species Rich Grassland;	£754.42 per ha		
Restoration of Species Rich grassland;	£514.15 per ha		
Ditch blocking - Peat Dams;	£13.00 per dam, min payment of £300.		
Ditch blocking – Plastic Piling Dams;	£62.00 per small dam; £151.00 per medium dam; £385.16 per large dam.		
Creation of buffer areas for fens and bogs;	£1,016.82 per ha		
Stock bridges for bog, fen or wetland management;	£222.00 per small stock bridge; £880.00 for large stock bridge		
Matting to prevent damage to bogs;	Payment on actual costs		
Moving or realigning ditches;	Payment on actual costs		
Control of Scrub/Woody vegetation – Primary treatment - Light vegetation category;	£900 per ha		
Control of scrub/woody vegetation – Primary treatment – Intermediate and Heavy vegetation category;	Intermediate £1,300 per ha; heavy £2,000 per ha.		
Control of scrub/woody vegetation -Removal from site of the cut vegetation;	£1,050 per ha		
Control of scrub - Follow up treatment;	£200 per ha		
Heather Restoration - Follow up Molinia control;	£259.00 per ha		
Heather Restoration - Follow up Molinia control;	£106 per ha		
Cutting stock access tracks for bog or wetland management;	£1.57 per metre		
Muirburn and Heather Cutting;	£1.57 per metre		
Open Range Deer Management;		£0.80, £1.20, £1.60 or £2.00 per ha depending on whether reduction cull is over 2, 3, 4 or 5 deer per 100ha respectively	
Upland Habitat Impact Assessment for Deer Management;		Payment on actual costs	
Deer Census – Helicopter Counts;		Payment on actual costs	
Diversionary feeding for hen harriers;		£1,078.34 per nest fed	
Supplementary feeding for golden eagles;		£79.90 per carcass	
Primary Treatment of Bracken - Mechanised or chemical;		£225.00 per ha	
Follow-up Treatment of Bracken - Mechanised or chemical;		£90.00 per ha	
Primary treatment of bracken – manual;		£150.00 per ha	
Planting or Replanting of Hedges;		£5.40 per metre	
Coppicing of Hedges;		£3.75 per metre	
Laying of Hedges;		£12.50 per metre	
Vole, Rabbit or Hare Guards;		£0.20 per vole guard; £0.30 per rabbit or hare guard	
Small-scale tree and shrub planting (on a site not exceeding 0.25 hectares);		£3.00 per tree or shrub planted	
Replacement or planting of individual trees within Ancient Wood Pasture or Hedgerows;		£100 per tree planted	
Post and Rail Tree Guards;		£7.00 per metre	
Creation of Cover for Corncrakes;		£512.16 per ha	
Cutting of Rush Pasture;		£34.59 per ha	
Creation of Chough Nest Shelter;		£4,518.00 per shelter	
Use of Seaweed as a fertiliser on Cropped Machair;		£239.15 per ha	
Sand Blow Fencing;		£10.20 per metre	
Planting of Dune Grasses;		£13.13 per sq metre	
Manual eradication of rhododendron – Light, Medium or Difficult;		Per ha of infested land: light £3,500; medium £5,500; difficult £7,300.	
Mechanised eradication of rhododendron - Light, Medium or Difficult;		Per ha of infested land: light £2,200; medium £3,400; difficult £5,600.	
Foliar spray treatment for rhododendron control;		£200 per ha	
Follow up treatment for rhododendron control;		£200 per ha	
Stem Injection Eradication of Rhododendron – Medium or Difficult;		Medium £3,000 per ha; difficult £4,500 per ha.	
Primary Treatment of Invasive Non-Native Plants;		Per sq metre treated: Japanese knotweed £1.70; Giant hogweed £1.50; Himalayan Balsam £0.11.	

figure 32 part 1

Table of payment rates figure 32 part 2

Follow-Up Monitoring and Treatment of Invasive Non-Native Plants;	Per ha monitored and treated: Japanese knotweed £700; Giant hogweed £340; Himalayan balsam £340.
Scare and Temporary Electric Fencing;	£2.46 per m for scare fencing; £1.69 per me for electric fencing
Stock fence;	£5.50 per metre
Restoring drystone or flagstone dykes;	£33.00 per sq metre
Enhancing/ modifying a stock fence;	£2.50 per m
Rabbit proofing existing or new stock / deer fence;	£2.00 per m
Deer fence;	£8.50 per m
Enhancing / modifying a deer fence;	£2.50 per m for bamboo or plastic netting; £6.45 per m for wooden droppers/paling.
Conversion of deer fence to stock fence;	£2.00 per m
Fence Removal; I	£2.50 per m
Gate;	Gate for stock fence £170.00; gate for deer fence £215.00
Managing Steading Drainage and Rural Sustainable Drainage Systems;	Detailed in eligible cost section
Alternative watering;	Detailed in eligible cost section
Hard standings for troughs and gateways;	Detailed in eligible cost section
Livestock crossings;	Detailed in eligible cost section
Rural Sustainable Drainage Systems (RSuDS) individual options for:	Detailed in eligible cost section

figure 32 part 2

8.2.4.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.4.9.1. Risk(s) in the implementation of the measures

R1 – Tendering procedures for private beneficiaries

R2 – Reasonability of costs

R3 – Adequate check and control systems

R7 – Selection of beneficiaries

R8 – IT System

R9 – Payment claims

8.2.4.3.4.9.2. Mitigating actions

All applications must be submitted with 3 comparable competitive quotations. Where it is not possible to obtain 3 quotations applicants should provide justification and further comparative cost checks will be undertaken.

For non-standard costs, Technical staff (RPID clerk of works) will carry out a value for money assessment using the quotations/documentation and any justifications provided (i.e. where less than 3 quotes have been provided or where the preferred quote is not the lowest). Technical staff will determine if the costs represent value for money, and where required if justification is acceptable (if justification is not acceptable, the costs can be removed (where less than 3 quotes have been provided), or restricted to the lowest quote (where the lowest was not the preferred).

R3: Pre and post payment inspections are carried out in accordance with 809/2014 (Article 48 – Administrative checks, Article 49- On-the-spot checks and Article 51– Ex-post checks) and an inspection strategy is developed to replicate that of RPID’s IT system. All claims are subject to a desk based administrative check of all documentation supporting the claim and the various stages are carried out by different members of staff. All final claims are subject to inspection (capital projects are onsite, non-capital projects are desk based with consideration of documentation provided in respect of the project – feasibility study etc.).

Projects will be assessed and selected on an agreed selection criteria which includes SG & industry priorities. Specific selection criteria will also be developed to encourage application making a particular contribution to SG wider policy and local priorities.

An IT database is being developed presently to record all beneficiary, application and claim related data.

All claims are checked by both admin and technical officers in Area offices (AOs) to confirm the costs claimed are eligible and the correct rate of grant is applied and that the expenditure has been defrayed by the beneficiary. Separation of duties exists as while claims are processed in AO’s, payment processing is carried out at HQ. Additional check are completed by HQ to ensure the amount payable has been calculated correctly and the appropriate grant rate used. All payment information (restrictions, penalties, payments) are recorded on a Matrix. Separate arrangements are in place to record and process recoveries.

8.2.4.3.4.9.3. Overall assessment of the measure

Green.

Tendering procedures will be recorded and auditable – mitigating risk.

Green.

Costs will be assessed consistently and the process will be auditable – mitigating against the risk

Green.

Checks and control systems will be recordable and auditable – mitigating against the risk

Green.

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.4.3.4.10. Methodology for calculation of the amount or support rate, where relevant

All of the operation have had “standard unit costs” calculated which will result in a one off payment to compensate beneficiaries for the costs of plants, machinery or materials needed to achieve environmental objectives as part of an approved contract.

The standard unit rates have been calculated to cover the cost of carrying out activities in terms of labour, plant and materials to do the work to a certain specification. Standard unit rates do not allow an element of profit. The standard unit cost for each item is based on the cost of establishing the item to the specification given in the item guidance. Therefore, to be eligible for payment the work must at least meet the specification - to do this the work must comply with any relevant British Standard. Second hand materials are not eligible for support.

The rates were calculated through desk-based research undertaken by Scottish Government and relevant government agency personnel (Scottish Forestry, Nature Scot and Scotland Environmental Protection Agency) with input from external technical experts. The Scottish Government contacted a range of suppliers of relevant contracting services, plants, machinery and materials obtaining three quotes. To establish standard unit rates averages of this information were used, with the exception of slurry storage available through sub measure 4.3 which is based on the most cost-effective form of slurry storage.

Where applicable labour costs have been included in the calculations. Machinery costs include all contractors’ charges (including labour and the cost of getting the machinery from the depot to the site).

For specific items, we will allow the use of actual costs. The Applicant will be required to submit a minimum of three written quotes for the actual cost items. Quotes must be competitive. There should be no conflict of interest between the suppliers providing the quotes, or between the applicant's agent and the suppliers. Approval will be based on the cheapest of the quotes supplied and will be paid either in full or by a grant.

The payment rates were calculated using a methodology which is reasonable and consistent with current agricultural and silvicultural systems and practices in Scotland. The rates have all been subject to examination for their adequacy and accuracy of the calculation by Scotland's Rural College, a body of expertise that is functionally independent from the compilers, as confirmed in section 18.2.

8.2.4.3.4.11. Information specific to the operation

Definition of non productive investments

Non-productive investments are investments which do not lead to any significant increase in the value of profitability of the agricultural holding.

Definition of collective investments

Please see overall measure description.

Definition of integrated projects

Please see overall measure description.

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

High Nature Value Farming and Forestry (HNVFF)

The indicators classifying HNV land in Scotland are in line with the European categories;

- the **farming** indicator is based on the area of Type 1 HNV (land with a high proportion of semi-natural vegetation). These systems are normally extensive with low inputs, semi-natural vegetation, and low grazing densities;
- the **forestry** indicator is based on the area of Type 1 and Type 2 (land with a mosaic of uses) HNV and includes native and ancient woodlands and planted woods with a diverse structure and composition.

NATURA 2000

- type 3, is made up of Special Areas of Conservation (SAC) which support rare, endangered or vulnerable natural habitats and species of plants or animals (other than birds) of European importance, and Special Protection Areas (SPA) which support significant numbers of wild birds and their habitats. SACs in Scotland are designated by Scottish Ministers under the Habitats Directive and SPAs are classified by Scottish Ministers under the Birds Directive;
- as of August 2012, there were a total of 393 Natura 2000 sites designated in Scotland. These comprise a total of 240 SACs and 153 SPAs, accounting for approximately 15% of Scotland's land

surface.

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

Please see overall measure description.

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

Any new investment in physical assets required as a result of Union legislation and requiring support shall be set out on an annual basis in accordance with Article 17(6).

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Please see overall measure description.

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

Please see overall measure description.

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

Please see individual sub-measure description.

8.2.4.4.2. Mitigating actions

Please see individual sub-measure description.

8.2.4.4.3. Overall assessment of the measure

Please see individual sub-measure description.

8.2.4.5. Methodology for calculation of the amount or support rate, where relevant

The payment rates were calculated using a methodology which is reasonable and consistent with current agricultural and silvicultural systems and practices in Scotland. The rates have all been subject to examination for their adequacy and accuracy of the calculation by Scotland's Rural College, a body of expertise that is functionally independent from the compilers, as confirmed in section 18.2.

8.2.4.6. Information specific to the measure

Definition of non productive investments

Non-productive investments are investments which do not lead to any significant increase in the value of profitability of the agricultural holding.

Definition of collective investments

Collective investments are where a group of individuals, businesses or organisations work jointly to deliver a project

Definition of integrated projects

An integrated project consists of the combination of at least two operations falling under at least two different measures or sub-measures. This will help to more effectively achieve environmental objectives as separate sub-measures and operations often have to be used to deliver the intended environmental benefit. Operations funded through measure 10 can be integrated with operations funded under this sub-measure in order to deliver environmental or climate related projects. This is particularly relevant for operations such as slurry storage.

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

High Nature Value Farming and Forestry (HNVFF)

The indicators classifying HNV land in Scotland are in line with the European categories;

- the **farming** indicator is based on the area of Type 1 HNV (land with a high proportion of semi-natural vegetation). These systems are normally extensive with low inputs, semi-natural vegetation, and low grazing densities;

- the **forestry** indicator is based on the area of Type 1 and Type 2 (land with a mosaic of uses) HNV and includes native and ancient woodlands and planted woods with a diverse structure and composition.

NATURA 2000

- type 3, is made up of Special Areas of Conservation (SAC) which support rare, endangered or vulnerable natural habitats and species of plants or animals (other than birds) of European importance, and Special Protection Areas (SPA) which support significant numbers of wild birds and their habitats. SACs in Scotland are designated by Scottish Ministers under the Habitats Directive and SPAs are classified by Scottish Ministers under the Birds Directive;
- as of August 2012, there were a total of 393 Natura 2000 sites designated in Scotland. These comprise a total of 240 SACs and 153 SPAs, accounting for approximately 15% of Scotland's land surface.

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

Sub-measure 4.1 and 4.3 predominately addresses priority 2, focus area 2A, in line with the SWOT and needs assessment. The relevant need is:

Developing small agricultural holdings into economically viable businesses and improve their efficiency with respect to mitigating climate change and enhancing the environment.

This support can also help address focus areas 2B, 4A, 5A, B, C and D, and 6A and B.

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

Any new investment in physical assets required as a result of Union legislation and requiring support shall be set out on an annual basis in accordance with Article 17(6).

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.

8.2.4.7. *Other important remarks relevant to understand and implement the measure*

Not applicable.

8.2.5. M06 - Farm and business development (art 19)

8.2.5.1. *Legal basis*

The legal basis for Measure 6 is EU Regulation 1305/2013, Article 19.

Article 19(1)(a)(ii); 19(1)(b); 45; and Annex II re support rates of Regulation No 1305/2013

Article 5 of Delegated Act

Article 8 of Implementing Acts - as above

Commission Recommendation 2003/361/EC regarding definition of economic activity and micro etc. business

Article 67 and 69 of Regulation No 1303/2013 [Common Provisions Regulations]

Regulation (EU) No. 1303/2013 – Article 65 (Eligibility)

8.2.5.2. *General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives*

Under measure 6 the SRDP is aimed at helping young farmers and small farms.

The support packages in this measure applies to those who are setting up (or, as regards small farms, who have set up within last 12 months) a farming business for the first time or entering into a succession arrangement with a controlling majority or controlling share of the business. Providing support for business development in the critical early stages will make it easier for new entrants to access business development capital. It will also provide encouragement for them to enter the industry in the first place. The option will therefore contribute towards an increase in the number of new entrants who farm and build profitable, innovative businesses which respond to the industry's changing economic environment.

This will particularly support Priority 2, in particular focus area 2B, and the need identified by the SWOT:

- support new entrants and generational renewal to drive forward change and stimulate sustainable economic growth through innovation.
- enhancing farm viability and competitiveness of all types of agriculture

as well as European Union priorities for rural development 4 and 5.

This will also have a particularly strong association with Measures 1 and 2 (Knowledge Transfer and Innovation) and (Advisory Services) and Measure 4 (Investments in Physical Assets) that will see delivery of the skills that farmers/crofters need to develop and build successful businesses and an opportunity for separate investment.

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: 6.1 - business start up aid for young farmers

Sub-measure:

- 6.1 - business start up aid for young farmers

8.2.5.3.1.1. Description of the type of operation

Following the needs identified in SWOT and in order to provide support to young farmers in Scotland it is proposed that a start-up grant will be made available to young farmers setting up as head of holding.

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 by completing one of the steps necessary to become head of an agricultural holding (in a lot of cases this could be securing land through either purchase or lease, in others it may be registering with companies house; having a letter of intent regarding VAT registration; or securing a Business Reference Number from the Paying Agency). New entrant young farmers will demonstrate that this requirement is met by outlining the planned steps that will be taken to become established as head of agricultural holding in the application form for grant support, and providing the evidence required that demonstrates the process has begun. This would look at information regarding: registration of the proposed business at Companies House; securing access to suitable agricultural land under either a purchase or lease arrangement; registering on LPIS; and requesting a Business Reference Number through the Paying Agency IT system which administers CAP. The application can be submitted as soon as the applicant has evidence that the process has begun. Guidance will be made available to applicants to set out more detail of the steps they need to take and when they need to take them. The process of setting up will end when the applicant has submitted their application for support. This must be no more than 18 months after the process has started.

Note: Under the law in Scotland, the general formalities of contracts/agreements have not been regulated by statute. Instead such contracts/agreements have been developed over time through the evolution of common law. In general terms, contract/agreements set out an intention to be bound by clear obligations as head of the holding and set out clearly the nature of the person’s control in relation to that holding.

The grant will be set at €70,000 split into 2 payments over a maximum of 5 years. The grant aid will be linked to delivery of business plan that will:

- Describe the future projections for the business;
- Set milestones to show how the business will develop over the next 4 years , including conforming with environmental requirements i.e. the business must undertake to comply with animal health and welfare legislation and with cross compliance requirements;
- Explain what investments are going to made;
- Provide details of any training to be undertaken, including, where appropriate, training on health and safety; use of fertilisers and pesticides; meeting environmental requirements and standards; and other relevant topics such as animal welfare, ; and
- Describe proposed steps that will be taken to meet environmental, climate change and resource

efficiency requirements on the agricultural land.

Implementation of the business plan must commence within 9 months of the date of the granting of the support under this measure.

Beneficiaries will be asked to provide evidence of progress with the plan and also control of the business periodically during the 4 years after acceptance of the contract.

The contract will also be subject to the Scottish Government's inspection procedure. This means that businesses may be visited to confirm the expenditure made. Businesses may also be visited to assess delivery of the plan against specific milestones and to confirm the young farmer/crofter is still in control of the business.

8.2.5.3.1.2. Type of support

Type of support: Grants

Support will be a start-up grant conditional on a business plan. Support will be in the form of 2 payments with the initial payment being set at 90% of the total. A check will be undertaken in year 3 of implementing the business plan. A further check will take place following completion of the business plan milestones. The second payment would be payable on the correct implementation of the business plan and would be 10% of the total and paid following verification checks confirming that business plan milestones have been completed. The correct implementation of the business plan will be assessed against the overall objectives.

8.2.5.3.1.3. Links to other legislation

'Regulation (EU) No.1303/2013 – Article 65 (eligibility)

'Regulation (EU) No. 1305/2013 – Article 2 (1) (n)' (definition of a young farmer)

'Regulation (EU) No. 1307/2013 – Article 9 (active farmer)

8.2.5.3.1.4. Beneficiaries

Those who meet the definition of a Young Farmer set out in Regulation No 1305/2013 and the delegated acts.

8.2.5.3.1.5. Eligible costs

Support for agricultural activities. Eligible costs are those costs linked to delivery of business plan objectives and expenditure and financial support can be for the core agricultural business.

8.2.5.3.1.6. Eligibility conditions

The Young Farmer/Crofter must either:

- Have a suitable agricultural qualification (at least to National Vocational Qualification Level 2) or have a personal objective within the business plan to achieve an appropriate qualification within 3 years after the approval date for grant.;

or

- Be able to demonstrate, through witness testimony, 5 years practical agricultural experience. Note: Witness testimony involves submission of a signed and dated statement from someone who can independently attest to the type and length of experience of the prospective beneficiary.

Other eligibility criteria

- The young farmer must be in the process of applying to become the head of the holding for the first time at the time of making the application for support. In order to be considered the head of the 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.
- Businesses must have estimated production potential standard output of between €10,000 and €600,000, with the estimated standard output needing to be achieved by year 4 of the business plan. In selecting the upper threshold we have sought to exclude farm businesses that are unlikely to need support as they are already achieving standard output significantly above the average for Scotland. By establishing the lower threshold at €10,000 we are seeking to focus our limited resources on to those new entrants who have businesses of the size to merit an award of €70,000.
- The business must comply with the definition of an active farmer under Article 9 of Regulation (EU) No 1307/2013 within 18 months from the date from when they actively start setting up to become head of holding for the first time.

Eligibility conditions will be applied in a transparent and consistent way throughout the whole programming period. Failure to demonstrate eligibility will mean the application for support is rejected.

8.2.5.3.1.7. Principles with regards to the setting of selection criteria

This will be targeted toward those meeting the definition of a young farmer, and assessed on the basis on the business case supplied at the time of application. These will be focussed on regional and national priorities and approved by the relevant government department. Selection criteria will be weighted in order to express their relative importance. The process may include an assessment visit.

8.2.5.3.1.8. (Applicable) amounts and support rates

€70,000 per young farmer. No match funding is required from the beneficiary since this is an establishment grant. Those business operating above the SO threshold of €10,000 operate with limited access to funding and low levels of income in set up years. It is vital we support these young new entrants into the agri sector

to ensure on-going generational renewal, with all the economic and other benefits that a recently trained workforce can bring.

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

R1 – Tendering procedures for private beneficiaries

R2 – Reasonability of costs

R3 – Adequate check and control systems

R7 – Selection of beneficiaries

R8 – IT System

R9 – Payment claims

8.2.5.3.1.9.2. Mitigating actions

N/A - Applicants submits a business plan which will either be approved or not.

N/A - Applicants submits a business plan which will either be approved or not.

A scheme control plan detailing roles, responsibilities (including clear separation of duties), governance procedures and checks/balances will be prepared and this will be submitted to internal audit for approval. Appropriate records will be maintained at all times.

Additional information on all business members requested at registration

Evidence of Age and other eligibility checks carried out on all application assessments

An IT database is being developed presently to record all beneficiary, application and claim related data.

All claims are checked and signed off by various team members to ensure separation of duties. Once all supporting documentation has been received and claims are check claims are paid via Worthy Causes on the Scottish Executive Accounting System (SEAS) and therefore bound by the rules, regulations and procedures required by SEAS. All payments are recorded on a Matrix. Penalties and recorded on payment calculation sheets and recoveries are recorded on a separate recoveries matrix.

8.2.5.3.1.9.3. Overall assessment of the measure

Green.

Tendering procedures will be recorded and auditable – mitigating risk.

Green.

Costs will be assessed consistently and the process will be auditable – mitigating against the risk.

Green.

Checks and control systems will be recordable and auditable – mitigating against the risk.

Green.

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk.

Green.

Improved IT system will mitigate against risk.

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.5.3.1.10. Methodology for calculation of the amount or support rate, where relevant

The grant will be subject to an assessment of the business case presented.

8.2.5.3.1.11. 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 – we are not making available business start-up support for the development of small farms.

Definition of upper and lower thresholds as referred to in the third subparagraph of Article 19(4) of Regulation (EU) No 1305/2013

To gain access to the sub-measure lower and upper thresholds, measured in estimated production potential standard output, will be introduced at greater than €10,000 and less than €600,000.

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

Under Article 2(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.

- if the business is a partnership, the young farmer(s) must individually hold a minimum of 25 per cent of the capital of the business
- if one or more young farmers is in partnership with other partners who do not qualify as young farmers, there must be a legal agreement which demonstrates that the young farmers have control of the business as regards day-to-day management, financial planning and long term business strategy
- the legal agreement must specify that partners who are not young farmers cannot exercise control of the business against the wishes of the young farmers

where the business is a company and the controlling majority is held by more than one young farmer, there must be a legal agreement that they will vote together to ensure they cannot be out-voted by other shareholders who do not qualify as young farmers.

This is compatible with the requirements under Pillar 1.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

The young farmer/crofter, at the time of submitting an application for support, will be expected to have a suitable agricultural qualification (at least to National Vocational Qualification Level 2) or undertake to achieve an appropriate qualification within 3 years after the approval date for grant. Where beneficiaries fail to meet the requirement within the 3 year period then full recovery processes will be initiated.

Or

be able to demonstrate, through witness testimony, 5 years practical agricultural experience

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

- The initial situation of the agricultural holding
- Describe the future projections of the business;
- Set milestones and targets to show how the business will develop over the next five years, including conforming with environmental requirements i.e. the business must undertake to comply with animal health and welfare legislation and with cross compliance requirements;
- Explain what investments are going to made;
- Describe environmental sustainability and resource efficiency considerations

Provide details of any training to be undertaken.

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

Other support will be available but young farmers they will need to go through application processes,

specific to these schemes to access support.

Domains of diversification covered

Not applicable.

8.2.5.3.2. Sub measure: 6.3 - business start up aid for the development of small farms

Sub-measure:

- 6.3 - business start up aid for the development of small farms

8.2.5.3.2.1. Description of the type of operation

Following the needs identified in SWOT and in order to provide support to new small farms in Scotland, we are making the grants available to those small farms who have set up within the 12 months prior to submission of application. This is due to the amount of time it can take a new entrant farmer to scope out the investments and improvements that are necessary/beneficial on their holding. A maximum 12 month period for a new entrant to settle into their holding prior to then submitting an application for support in order to improve it is believed to be an appropriate timeframe with this in mind.

Scotland is dominated by small farming businesses, which are of significant cultural and social importance to our remote communities. Given income levels in these types of farms, and the need for them to develop their business sustainably, we are providing the small farm start-up grant to new entrants to allow them to undertake crucial investments and develop their recently established business. This grants will support their sustainable development and growth.

The grant will be set at **€15,000** and will be split into 2 payments of €12,000 and €3,000 over a maximum of 5 years. The grant aid will be linked to delivery of business plan that will:

- Describe the future projections for the business;
- Set milestones to show how the business will develop over the next 4 years, including conforming with environmental requirements i.e. the business must undertake to comply with animal health and welfare legislation and with cross compliance requirements;
- Explain what investments are going to made;
- Provide details of any training to be undertaken, including, where appropriate, training on health and safety; use of fertilisers and pesticides; meeting environmental requirements and standards; and other relevant topics such as animal welfare, and
- Describe proposed steps that will be taken to meet environmental, climate change and resource efficiency requirements on the agricultural land.

Implementation of the business plan must commence within 9 months of the date of the granting of the support under this measure.

Beneficiaries will be asked to provide evidence of progress with the plan and also control of the business periodically during the 4 years after acceptance of the contract.

The contract will also be subject to the Scottish Government's inspection procedure. This means that businesses may be visited to confirm the expenditure made. Businesses may also be visited to assess delivery of the plan against specific milestones and to confirm the beneficiary is still in control of the business.

8.2.5.3.2.2. Type of support

Type of support: Grants

Support will be in the form of a start-up grant conditional on a business plan. Support will be in the form of 2 payments with an initial payment of €12,000. A check will be undertaken in year 3 of implementing the business plan. A further check will take place following completion of the business plan milestones. The second payment of €3,000 would be payable on the correct implementation of the business plan and paid following verification checks confirming that business plan milestones had been completed. The correct implementation of the business plan will be assessed against the overall objectives.

8.2.5.3.2.3. Links to other legislation

‘Regulation (EU) No.1303/2013 – Article 65 (eligibility)

‘Regulation (EU) No. 1307/2013 – Article 9 (active farmer)

8.2.5.3.2.4. Beneficiaries

Those operating as head of holding of a small farm with a Standard Output of between €600 and €9,999 and who have set up in the 12 months prior to the application for support.

8.2.5.3.2.5. Eligible costs

Support for agricultural activities. Eligible costs are those costs linked to delivery of business plan objectives and expenditure and financial support can be for the core agricultural business.

8.2.5.3.2.6. Eligibility conditions

Eligibility criteria

- The beneficiary must be an established business set up within the 12 months prior to submitting application;
- Have a minimum of 3 hectares of land;
- Businesses must have standard output of between €600 and €9,999.

Eligibility conditions will be applied in a transparent and consistent way throughout the whole programming period. Failure to demonstrate eligibility will mean the application for support is rejected.

8.2.5.3.2.7. Principles with regards to the setting of selection criteria

This will be targeted toward small farming businesses who have set up in the 12 months prior to submitting application for support, and assessed on the basis of the business case supplied at the time of application. These will be focussed on regional and national priorities and approved by the relevant government department. Selection criteria will be weighted in order to express their relative importance. The process may include an assessment visit

8.2.5.3.2.8. (Applicable) amounts and support rates

€15,000 per beneficiary in 2 instalments of €12,000 and €3,000. No match funding is required from the beneficiary since this is an establishment grant.

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

R1 – Tendering procedures for private beneficiaries

R2 – Reasonability of costs

R3 – Adequate check and control systems

R7 – Selection of beneficiaries

R8 – IT System

R9 – Payment claims

8.2.5.3.2.9.2. Mitigating actions

N/A - Applicants submits a business plan which will either be approved or not.

N/A - Applicants submits a business plan which will either be approved or not.

A scheme control plan detailing roles, responsibilities (including clear separation of duties), governance procedures and checks/balances will be prepared and this will be submitted to internal audit for approval. Appropriate records will be maintained at all times.

Additional information on all business members requested at registration

Evidence of Age and other eligibility checks carried out on all application assessments

An IT database is being developed presently to record all beneficiary, application and claim related data.

All claims are checked and signed off by various team members to ensure separation of duties. Once all

supporting documentation has been received and claims are checked and claims are paid via Worthy Causes on the Scottish Executive Accounting System (SEAS) and therefore bound by the rules, regulations and procedures required by SEAS. All payments are recorded on aMatrix. Penalties and recorded on payment calculation sheets and recoveries are recorded on a separate recoveries matrix.

8.2.5.3.2.9.3. Overall assessment of the measure

Green.

Tendering procedures will be recorded and auditable – mitigating risk.

Green.

Costs will be assessed consistently and the process will be auditable – mitigating against the risk.

Green.

Checks and control systems will be recordable and auditable – mitigating against the risk.

Green.

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk.

Green.

Improved IT system will mitigate against risk.

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.5.3.2.10. Methodology for calculation of the amount or support rate, where relevant

The grant will be subject to an assessment of the business case presented.

8.2.5.3.2.11. Information specific to the operation

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

- Businesses must have standard output of between €600 and €9,999 **and**
- Have a minimum of 3 hectares of land

Definition of upper and lower thresholds as referred to in the third subparagraph of Article 19(4) of Regulation (EU) No 1305/2013

To gain access to the sub-measure lower and upper thresholds, measured in output, will be introduced at greater than €600 and less than €9,999.

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 farm business for the first 4 years.

- The initial situation of the agricultural holding
- Describe the future projections of the business;
- Set milestones and targets to show how the business will develop over the next five years, including conforming with environmental requirements i.e. the business must undertake to comply with animal health and welfare legislation and with cross compliance requirements;
- Explain what investments are going to made;
- Describe environmental sustainability and resource efficiency considerations;
- Provide details of any training to be undertaken

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

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

Please see individual sub-measure description.

8.2.5.4.2. Mitigating actions

Please see individual sub-measure description.

8.2.5.4.3. Overall assessment of the measure

Please see individual sub-measure description.

8.2.5.5. *Methodology for calculation of the amount or support rate, where relevant*

Please see individual sub-measure description.

8.2.5.6. *Information specific to the measure*

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

Please see individual sub-measure description.

Definition of upper and lower thresholds as referred to in the third subparagraph of Article 19(4) of Regulation (EU) No 1305/2013

Please see individual sub-measure description.

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

Please see individual sub-measure description.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

Please see individual sub-measure description.

Summary of the requirements of the business plan

Please see individual sub-measure description.

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

Please see individual sub-measure description.

Domains of diversification covered

Please see individual sub-measure description.

8.2.5.7. Other important remarks relevant to understand and implement the measure

Not applicable.

8.2.6. M07 - Basic services and village renewal in rural areas (art 20)

8.2.6.1. *Legal basis*

Article 20 of regulation (EU) No 1305/2013.

Regulation (EU) No. 1303/2013 – Article 65 (Eligibility)

8.2.6.2. *General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives*

Measure 07 Basic services and village renewal in rural areas.

Communities in remote and rural areas in Scotland face some of the most testing social, environmental and economic challenges. As identified by the intervention logic of the SWOT (section 4.1) there is a social and economic divide in Scotland between the services available in Scotland's rural areas compared to its urban areas. Using the SRDP 2014 – 2020, Scotland is keen to help address the social and economic divide. Using measure 07, the provision of high speed broadband could help sustain some of Scotland's more fragile areas through business and social opportunities. Tourism and its associated economic benefits is also important to rural Scotland as well as encouraging a healthier life style for the people of Scotland by improving the access to Scotland's outdoor environment.

The effect that the internet has on day to day life grows almost on a daily basis. It can provide opportunities to work, learn and shop without physical barriers. Isolation is a real problem for some in our rural areas and the internet can allow people to interact with others through e-mail and social media and families that are thousands of miles apart are able to maintain contact with each other in ways that was not possible a few decades ago. As we move forward as a nation this is only going to increase and people living in our rural areas should not be left behind. Through measure 07 we are looking to help ensure that the population of rural Scotland has the same opportunities that are available to the population of urban areas and reduce the "digital divide" that is currently in place between the two. By delivering high speed broadband to some of the remotest areas in Scotland we are give people access to things that are taken for granted by others and this can have a transformational impact on how those communities live. The internet is not just a key part of our social lives it is also vital to businesses, as highlighted in the SWOT Scotland's remote rural areas have the lowest rate of businesses opening within Scotland. By providing access to high speed broadband we are giving those businesses access to the same digital resource that is afforded to businesses in urban areas, thus allowing them to compete on a level field.

As a nation with areas of outstanding natural beauty not only must we ensure that this environment is protected but we should encourage people to enjoy all that it has to offer. The importance of tourism to Scotland is stated in the SWOT, for example in 2012 the direct expenditure from overnight visitors was worth £4.3 billion to the Scottish economy. Through the measure 07 we are looking to support the improvement of accessibility in Scotland's rural areas thus improving the opportunities for visitors and local people alike to enjoy the natural beauty that Scotland offers. Improving the access in rural Scotland will not only benefit the economy it will also benefit the nation's health and wellbeing by giving our people the facilities and access to get into Scotland's beautiful outdoors in a safe and structured manner with an

improved footpath network.

The total fund available under measure 07 is €18m of which around €10.8m will be invested through sub-measure 7.3 in broadband.

A brief description of the sub-measures and the focus areas that they contribute to is given below.

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.

This sub-measure will extend broadband deployment and the roll out of high speed networks into remote and rural Scotland; support the adoption of emerging technologies and networks for the digital economy; support the adoption and development of digital skills and participation in rural areas; and develop digital demand stimulation activities. The requirement of this sub-measure is on infrastructure and not on other IT solutions

Sub-measure 7.3 contributes to

- focus area 6(c): enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas.

The associated need that was identified by the SWOT.

- Developing virtual and physical infrastructure

Sub-measure 7.5: Support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure.

This sub-measure is designed to support new and improved paths - core paths, links to core paths, and paths connecting to wider local networks and longer paths - will encourage responsible public outdoor access for the full range of users, and help to integrate access and recreational use with good land management. All investments under this sub-measure will take account of wider local and national access strategies as part of a coordinated approach.

Sub measure 7.5 contributes to

- focus area 6(b): fostering local development in rural areas.

The associated need that was identified by the SWOT.

- Developing virtual and physical infrastructure

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 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

8.2.6.3.1.1. Description of the type of operation

Operations that improve broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government. With the overall objective to extend broadband deployment and the roll out of high speed networks into remote and rural Scotland. Interventions will follow the European Commission's "Guide to High Speed Broadband Investment" (<http://ec.europa.eu/digital-agenda/en/news/broadband-investment-guide>).

This will be proposed through the creation of new broadband infrastructure including the establishment of new access networks connecting to existing networks.

8.2.6.3.1.2. Type of support

Type of support: Grants

Support will be in the form of grants.

8.2.6.3.1.3. Links to other legislation

Regulation and Articles

Common Provisions Regulation (EU) No 1303/2013 Art 65

Regulation (EU) No 1301/2013 Article 5(2)(a)

8.2.6.3.1.4. Beneficiaries

The main target groups will be businesses and individuals, predominantly in remote and rural communities across Scotland. Intervention will target those groups who face challenges due to the inferior speed of their internet provision when compared to less remote areas (the Digital Divide) and will look to deliver a step change to fast or superfast broadband provision.

8.2.6.3.1.5. Eligible costs

- investment costs for the deployment of a passive broadband infrastructure;
- investment costs of broadband-related civil engineering works;
- investment costs for the deployment of basic broadband networks;
- investment costs for the deployment of next generation access (“NGA”) networks;
- investment in creating a sustainable model for aggregating and distributing backhaul from commercial providers to community owned and operated infrastructure;
- costs for ICT-related demand stimulation initiatives;
- costs for ICT-related digital participation initiatives;
- costs for ICT-related digital skills development initiatives.

8.2.6.3.1.6. Eligibility conditions

Verification of market failure and prioritisation of projects in “white areas” in which there are no networks of the same kind as the ones planned and where they are unlikely to be developed in the near future will be targeted. Similarly “grey areas” where one network operator is present and another network is unlikely to be developed in the near future, will be considered where funding an alternative infrastructure could be an appropriate solution where it can be clearly demonstrated that a market failure persists. However in this situation a more detailed analysis and thorough compatibility assessment will be undertaken..

Eligibility conditions will be a clear yes/no, relevant and objective, and will be applied in a transparent and consistent way throughout the whole programming period. Failure to demonstrate eligibility will mean the application for support is rejected.

8.2.6.3.1.7. Principles with regards to the setting of selection criteria

The selection criteria set by the managing authority will follow these principles:

- contribution to local objectives;
- long-term benefits i.e. will the project deliver outcomes beyond the period of funding;
- feasibility - e.g. an assessment of whether the project can be successfully completed within the specified timescales, to the agreed standards, and that payment will be realistically claimed within the defined timescale;
- value for money – does project require public funding to proceed as is set out in plan, either wholly or partially or quicker than possible without funding.

8.2.6.3.1.8. (Applicable) amounts and support rates

The limit of the support rate will be between 70 – 100% in line with the limits set out in SA.40720 (2016/N) - National Broadband Scheme for the UK for 2016 -2020. The precise support rate will depend on criteria

that will be clearly outlined when seeking applications.

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

R4 – Public Procurement

R7 – Selection of beneficiaries

R8 – IT System

R9 – Payment claims

8.2.6.3.1.9.2. Mitigating actions

Applicants for grant funding will be required to submit projects proposals providing an itemised breakdown of expenditure and must be able to demonstrate that estimated expenditure is reasonable. Project proposals will be scrutinised by both the team responsible for administering the scheme and the assessment panel responsible for making funding decisions. Where appropriate, additional evidence will be sought from prospective beneficiaries to satisfy value-for-money considerations.

Tendering will be required in accordance with national procurement rules.

The assessment process will ensure the well documented, transparent and equal treatment of applicants, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development.

An IT database is being developed presently to record all beneficiary, application and claim related data.

All claims are checked and signed off by various team members to ensure separation of duties. Once all supporting documentation has been received and claims are checked claims are paid via Worthy Causes on the Scottish Executive Accounting System (SEAS) and therefore bound by the rules, regulations and procedures required by SEAS. All payments are recorded on a Matrix. Penalties and recorded on payment calculation sheets and recoveries are recorded on a separate recoveries matrix.

8.2.6.3.1.9.3. Overall assessment of the measure

Green.

Public procurement will be recordable and auditable mitigating against risk.

Green .

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.6.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Please see overall measure description.

8.2.6.3.1.11. 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

Please see overall measure description.

If applicable, specific derogation allowing to support bigger scale infrastructure for investments in broadband and renewable energy

Sub-measure 7.3 for support for broadband infrastructure will be a “large scale” sub-measure delivered as a partnership by public authorities. As such, large scale infrastructure will be permitted as part of this sub-measure.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

Please see overall measure description.

The minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Please see overall measure description.

8.2.6.3.2. sub-measure 7.5 - support for recreational infrastructure, tourist information 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

8.2.6.3.2.1. Description of the type of operation

This sub-measure will support investments in the infrastructure of footpaths for public use

8.2.6.3.2.2. Type of support

Type of support: Grants

Financial grant, based on approval of project through competitive selection process. Claimed retrospectively supported by evidence of expenditure.

8.2.6.3.2.3. Links to other legislation

Article 35 of Regulation (EU) No 1305/2013 (RDR)

Articles 45 of Regulation (EU) No. 1305/2013.

as well as to Art. 67 and 69 of Reg. (EU) 1303/2013

Commission Delegated Regulation (EU) No. 807/2014

Commission Implementing Regulation (EU) No. 808/2014.

8.2.6.3.2.4. Beneficiaries

Beneficiaries

This sub-measure is to be used in situations where the market does not provide desired effects, thus creating a need for public intervention. Consequently, public bodies need to be in most cases involved in implementing the operations directly (as e.g. public authorities in the case of designing development plans or public bodies in case of investments in basic services) or indirectly (e.g. through identifying specific gaps and priorities in the development plans).

There are no legally based restrictions concerning beneficiaries.

Typically, the measure could be open to local authorities and administrations, public bodies, public-private partnerships, NGOs, individuals setting enterprises, private companies, organizations in charge of tourist

and recreational development, etc. as well as individual farmers, groups of farmers and other land managers.

8.2.6.3.2.5. Eligible costs

New path - unbound surface

For the construction of a new path with unbound surface (whinstone/granite dust) path, with full tray excavation, or half tray and geotextile.

New path - semi-bound surface

For the construction of a new path with semi-bound surface, of recycled semi-binding materials, with full tray excavation or half tray and geotextile.

Upgrade existing footpath

For the scraping of an existing footpath and construction of a fresh sub-base, and path surfacing of whinstone/granite dust.

Self-closing two-way opening gate

To install a two-way opening, self-closing gate (galvanised steel or timber) of 1.5m width. A gate also performs as a vehicle barrier.

Self-closing one-way opening gate

For installing a one-way opening, self-closing gate (galvanised steel or timber) of 1.5m width. A gate also performs as a vehicle barrier.

Path bridge

To provide a path bridge, in accordance with the 'Path Bridges' guide.

Gabion basket retaining wall for path

Construction of metal mesh stone-filled gabion baskets to create revetments for the purpose of stabilising new or upgraded paths.

Boardwalk

For a wooden or recycled plastic boardwalk with edge rails, giving a clear user width of at least 1.2m.

Timber board and aggregate steps

For the installation of steps, only in exceptional situations where the terrain naturally restricts access, and a ramped path cannot reasonably be provided without exceeding ramp gradient limits of 1:12.

Drainage ditch

For drainage in conjunction with the path construction or upgrading, as an open machine-dug V or U ditch, 200-300mm deep with stable angled sides.

Piped culvert (300mm pipe)

For a 300mm twin-wall plastic culvert pipe with built stone headwalls that is required in conjunction with the path construction or upgrading.

Piped culvert (450mm pipe)

For a 450mm twin-wall plastic culvert pipe with built stone headwalls that is required in conjunction with the path construction or upgrading.

Perch seat

For a timber perch seat alongside the new or upgraded path.

Timber bench

For a bench without a backrest on a level and surfaced area close to the new or upgraded path.

Timber picnic table

For a wooden picnic table with easy-access bench seats without backrests, on a level and surfaced area close to the new or upgraded path.

Fingerpost

For a finger post to indicate the path direction/ destination/ distance, with hollow steel post and aluminium finger blades.

Waymarker post

For a treated and routed timber waymarker post, including disc /arrow as needed.

A3 on-site Information Panel

For a laminated A3 panel sign mounted on wooden post(s), to provide path grading and route information to national standard.

Entrance sign

For a timber roadside entrance sign, with painted background and routed and painted lettering.

Stock Fencing

For fencing associated with the new or upgraded path, with posts set no more than 3.5m apart, minimum of 6 line wires or 2 line wires with woven wire netting, and any barbed or electrified wire on the field side protected by a plain wire on the path side.

Tree safety survey

For the works required to undertake a survey and report on high risk trees or woodland affecting the new or upgraded paths, especially those that will experience high visitor numbers.

Make safe hazardous mature tree

For the labour and machinery required for the removal of trees, deadwood and other dangerous tree features identified in the tree safety survey as posing a significant risk to users of the new or upgraded path.

Manual brashing

For the works required to remove the lower branches of trees in areas of high use along both sides of new or upgraded paths.

8.2.6.3.2.6. Eligibility conditions

Only investments in rural areas are eligible, as set out in this document.

Second hand materials or equipment are not eligible.

8.2.6.3.2.7. Principles with regards to the setting of selection criteria

The selection criteria set by the managing authority will follow these principles:

- contribution to local objectives;
- long-term benefits i.e. will the project deliver outcomes beyond the period of funding;
- feasibility - e.g. an assessment of whether the project can be successfully completed within the specified timescales, to the agreed standards, and that payment will be realistically claimed within the defined timescale;
- value for money – does project require public funding to proceed as is set out in plan, either wholly or partially or quicker than possible without funding.

8.2.6.3.2.8. (Applicable) amounts and support rates

100 % of the eligible costs will be paid to successful applicants.

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

R4 – Public Procurement

R7 – Selection of beneficiaries

R8 – IT System

R9 – Payment claims

8.2.6.3.2.9.2. Mitigating actions

Applicants for grant funding will be required to submit projects proposals providing an itemised breakdown of expenditure and must be able to demonstrate that estimated expenditure is reasonable. Project proposals will be scrutinised by both the team responsible for administering the scheme and the assessment panel responsible for making funding decisions. Where appropriate, additional evidence will be sought from prospective beneficiaries to satisfy value-for-money considerations.

Tendering will be required in accordance with national procurement rules.

The assessment process will ensure the well documented, transparent and equal treatment of applicants, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development.

An IT database is being developed presently to record all beneficiary, application and claim related data.

All claims are checked and signed off by various team members to ensure separation of duties. Once all supporting documentation has been received and claims are check claims are paid via Worthy Causes on the Scottish Executive Accounting System (SEAS) and therefore bound by the rules, regulations and procedures required by SEAS. All payments are recorded on a Matrix. Penalties are recorded on payment calculation sheets and recoveries are recorded on a separate recoveries matrix.

8.2.6.3.2.9.3. Overall assessment of the measure

Green.

Public procurement will be recordable and auditable mitigating against risk.

Green .

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.6.3.2.10. Methodology for calculation of the amount or support rate, where relevant

All of the operation have had “standard unit costs” calculated which will result in a one off payment to compensate beneficiaries for the costs of plants, machinery or materials needed to build the footpath as part of an approved contract.

The standard unit rates have been calculated to cover the cost of carrying out activities in terms of labour, plant and materials to do the work to a certain specification. Standard unit rates do not allow an element of profit. The standard unit cost for each item is based on the cost of establishing the item to the specification. Therefore, to be eligible for payment the work must at least meet that specification - to do this the work must comply with any relevant British Standard.

Second hand materials are not eligible for support.

The rates were calculated through desk-based research undertaken by Scottish Government and relevant government agency personnel (Scottish Forestry, Nature Scot and Scotland Environmental Protection Agency) with input from external technical experts. The Scottish Government contacted a range of suppliers of relevant contracting services, plants, machinery and materials obtaining three quotes. To establish standard unit rates averages of this information were used, with the exception of slurry storage available through sub measure 4.3 which is based on the most cost-effective form of slurry storage.

Where applicable labour costs have been included in the calculations. Machinery costs include all contractors’ charges (including labour and the cost of getting the machinery from the depot to the site).

For specific items, we will allow the use of actual costs. The Applicant will be required to submit a minimum of three written quotes for the actual cost items. Quotes must be competitive. There should be no conflict of interest between the suppliers providing the quotes, or between the applicant's agent and the suppliers. Approval will be based on the cheapest of the quotes supplied and will be paid either in full or by a grant.

The payment rates were calculated using a methodology which is reasonable and consistent with current agricultural and silvicultural systems and practices in Scotland. The rates have all been subject to examination for their adequacy and accuracy of the calculation by Scotland’s Rural College, a body of expertise that is functionally independent from the compilers, as confirmed in section 18.2.

8.2.6.3.2.11. 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

Please see overall measure description.

If applicable, specific derogation allowing to support bigger scale infrastructure for investments in broad band and renewable energy

Please see overall measure description.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

Please see overall measure description.

The minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Please see overall measure description.

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

Please see individual sub-measure description.

8.2.6.4.2. Mitigating actions

Please see individual sub-measure description.

8.2.6.4.3. Overall assessment of the measure

Please see individual sub-measure description.

8.2.6.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable – payment will be made on receipt of relevant documentation.

8.2.6.6. 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

Signposted new or upgraded path, bridge or boardwalk for non-motorised use.

If applicable, specific derogation allowing to support bigger scale infrastructure for investments in broadband and renewable energy

Sub-measure 7.3 for support for broadband infrastructure will be a “large scale” sub-measure delivered as a partnership by public authorities. As such, large scale infrastructure will be permitted as part of this sub-measure.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

Not applicable.

The minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Not applicable

Definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Not applicable.

8.2.6.7. Other important remarks relevant to understand and implement the measure

Not applicable.

8.2.7. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

8.2.7.1. Legal basis

Regulation (EU) No 1305/2013 – Article 21 sub measure 8.1 and Article 22

Regulation (EU) No 1305/2013 - Article 21 sub measure 8.2 and Article 23

Regulation (EU) No 1305/2013 – Sub measures 8.3 and 8.4 and Article 24

Regulation (EU) No 1305/2013 - Article 21 sub measure 8.5 and Article 25

Regulation (EU) No 1305/2013 – Article 21, sub measure 8.6 and Article 26

Regulation (EU) No. 1303/2013 – Article 65 (Eligibility)

8.2.7.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

1. Policy Background

Our approach within the RDR is to support priorities within the Scottish Forestry Strategy (SFS). This sets out the Scottish Government's strategic direction and policy for forestry in Scotland and recognises that forests are multifunctional providing economic, environmental and social benefits and that sustainable forest management, as defined by the Forest Europe process, is essential for these benefits to be delivered in a balanced way. The Strategy incorporates key national, European and international directions on forest policy. For example, the Statement of Forest Principles agreed at the 1992 Earth Summit is fundamental to how our forest policy has developed.

The SFS sets out 7 key themes:

- **Climate change:** Forests can play a key role in climate change mitigation and climate change adaptation. Carbon sequestration is a major driver for expanding our woodland resource and woodland creation is a key priority. The Scottish Government has a target to extend woodland cover by an additional 100,000 hectares over the period of 2012-2022. Sustainable forest management can help make woodlands more resilient so that they continue to provide benefits even as the climate changes. Key adaptation measures include encouraging forest management planning through long term forest plans that create well designed and diverse forests that can better withstand change and extreme events. Encourage native woodland planting and natural regeneration where appropriate and in particular when extending existing native woodlands. Encouraging low impact silvicultural systems (LISS). Supporting woodland owners posed with the threat of pests and diseases
- **Timber:** Scotland has a thriving timber industry. Much of this is focused on larger scale woodlands and smaller woodlands can lack woodland management due to the small average woodland size. Encouraging the sustainable management of woodlands through the local processing of wood such as biomass for heating can help realise the timber potential, stimulate rural development and provide employment to fragile and remote areas

- **Business development:** This seeks to enhance the economic basis of forestry and develop the economic potential of Scotland. Encouraging appropriate woodland expansion and sustainable management supports local businesses and provides options for farm diversification. Diversifying income sources from provision of forest goods and ecosystem services increases the robustness of the forestry sector.
- **Community development:** Well-designed woodlands that are managed on sustainable forest management principles can provide important community benefits, improve the quality of life and the well-being of people and contribute to rural development. Woodlands can transform degraded surroundings and former mineral working sites into community assets by ‘greening’ the landscape and improving the environmental quality. For example in Central Scotland there is a national development project called the Central Scotland Green Network (CSGN) which aims to deliver across Central Scotland a high-quality ‘green network’ that will meet environmental, social and economic goals. Woodland planting and the management of woodlands are an important element of the project.
- **Access and health:** Access to woodland can help to improve physical and mental health. Woodlands are a naturally therapeutic environment and have a positive effect on well being by reducing stress and mental fatigue. Fewer than one in five people in Scotland have easily accessible local woodlands.
- **Environmental quality:** Good environmental quality is an important requirement of sustainable forest management and woodlands can help to protect Scotland’s water, soil and air resource. The Scottish RDP seeks to contribute to delivery of WFD objectives by enhancing water quality by reducing the potential for watercourse acidification and soil erosion and by stabilising riverbanks and reducing pollution in run-off. These are secondary effects of the actions taken under the forestry measure.
- **Biodiversity:** The conservation of biodiversity is an essential part of sustainable forest management and a key priority of the SFS is to halt the loss of biodiversity and continue to reverse previous losses through targeted action for woodland and woodland related species and habitats. The most important sites for nature conservation are Sites of Scientific Interest (SSSI) and European Union (EU) designations of Special Areas of Conservation and Special Protected Areas. The Scottish Government have set a target of 95% of designated features to be in good condition by 2020 and have developed a ‘Scottish Programme for Protected Woodland Sites’ for improving these features. The main threats are browsing by deer and sheep and invasive non-native trees and shrubs such as rhododendron. A number of key species such as Capercaillie, Black grouse and Red squirrel require special help if they are to survive

This measure will be used to support sub-measures:

8.1 Afforestation - our aim is to plant new woodland over the programme period Focus areas 4A and 5E

8.2 Agro-forestry systems - our aim is establish agro-forestry systems Focus areas 4A and 5E

8.3 and 8.4 prevention and restoration of damage to forests – our aim is to support the prevention and restoration of damage to forests. Focus areas 4A

8.5 Investments improving the resilience and environmental value of forest ecosystems - our aim is to support a range of forestry management operations to improve and enhance the environmental and public amenity values of woodlands. In particular, improvements that will benefit woodland habitats and species and that are priorities in the UK Biodiversity Action Plan. Focus areas 4A and

5E

8.6 Investments in forestry technologies and in processing, in mobilising and in the marketing of forests products - Encourage small scale local timber processing with opportunities for rural development and employment. Focus areas 6A.

EU Forest Strategy

Scottish Government is supportive of the goals of the EU Forest Strategy which promotes a holistic view of sustainable forest management and seeks to ensure that all forests in the EU are managed according to sustainable forest management principles, as defined by the Forest Europe process. The SFS aligns well to the priority areas of the EU Forest Strategy such as ‘Supporting our rural and urban communities’, ‘Fostering the competitiveness and sustainability of forest based industries, bio-energy and the wider economy’, ‘Forests in a changing climate’ and ‘Protecting forests and enhancing ecosystem services’

Sustainable Forest Management

The delivery of the SFS is underpinned by the UK Forestry Standard (UKFS) which defines the standards and requirements of sustainable forest management in a UK context. It is based upon international forestry processes and commitments and also European processes and commitments such as the pan European governmental process of Forest Europe and its common principles, criteria and guidelines.

1. Forest owners and managers are required to implement effective integrated pesticide management (IPM) strategies and there a number of initiatives promoting the ongoing reduction in pesticide use in forestry , for example the Scottish Forestry have produced a Practical Guide to Reducing Pesticide use in Forestry, which promotes good practice consistent with the aims of the Directive. The UK has produced a National Action Plan on Sustainable use of Pesticides. The general principles of IPM are considered to part of sustainable forest management for example There are a number of mandatory requirements regarding IPM including the training of users, inspection of equipment and the handling, storage and use of pesticides. These are mandatory and will specifically not be eligible for any category of RDP funding **Definition of Forest**

“forest” is defined as woodland with a minimum area of 0.5 hectares and a minimum width of 20 metres and a canopy cover of 20% or more (or the potential to achieve this). This definition is based on our National Forest Inventory system, which is an inventory of woodlands based on a 5 year cycle. This definition is at slight variance with the Regulation definition which uses a 10% canopy cover.

For afforestation we will allow a minimum area of 0.25 ha for native species and in certain cases such as riparian buffer strips for water quality improvement we will allow a minimum width of 10 metres.

We do not currently use an “other wooded land” category as there is no source for this data in the UK at present

3.Forest management plans

Support for all measures will be conditional on having a Forest Management Plan approved by the Scottish Government’s statutory regulator for Forestry, Scottish Forestry, and there will be no lower area limit. This must include constraints and local issues and where relevant, species selection.

Scotland operates with two types of management plan. For existing woodland areas over ‘100 hectare’ a

more detailed plan called a 'Forest Plan' is required. This is a long term plan covering 20 years and takes up to 6 months to prepare as it involves local consultation with stakeholders. We have set a threshold of 100 hectares as woodlands above this size tend to be more complex and require a more thorough approach to management planning. For smaller woodlands there is a simpler format that involves an assessment of the threats and opportunities within the woodland and managers are required to provide information about their management objectives, how they will be achieved and what sorts of operations are planned over a 5 year period. Both these plans are assessed against the requirements of the UK Forestry Standard. This includes over 200 requirements and guidelines covering a full range of issues, including deadwood, species diversity, management of important habitats (HNV Forestry), the need for long terms retentions, resilience to climate change and pests and diseases. Plans need to comply with the UKFS and approx 50% need to be revised by managers to secure approval. Approvals last 5yrs for simple format and 10 years for the full forest plan with stakeholder consultation. We also carry out independent audits on the approval process and how plans are being implemented. This has highlighted some areas we need to focus on, including deadwood, but overall over 96% compliance with the UKFS.

It is estimated that 40% of the private forest area is covered by management plans

4. Targets and outcomes

New woodlands - the majority of forestry spend within the programme is targeted to woodland creation as this is critical to achieve the Scottish Governments targets on emissions reduction. (see 4.1) Our approach to woodland creation is to aim for a mix of woodland types within newly planted areas of around 50% conifer and diverse conifer options and 50% other woodland options (**see figure 27**) so a reasonable balance is struck between the planting of productive timber species for forest-based industries and vital socio-economic purposes and the planting of native woodlands to benefit biodiversity. This balance of benefits is supported by the SFS, UKFS and the EU Forest Strategy. Woodland planting whether conifer or native must the minimum environmental standards of species diversity within the UKFS. This requires that all woodlands include a minimum species diversity including at least 5% native broadleaved species, by area.

See figure 27

Woodland Creation will be targeted using regionally agreed woodland strategies that identify the most suitable areas for new woodland planting. All woodland creation proposals go through a public consultation exercise to ensure local sensitivities, such as landscape and biodiversity are identified and addressed. The Scottish Government's statutory bodies for biodiversity and water, Nature Scot and Scottish Environment Protection Agency (SEPA) respectively are both involved with the consultation on all significant woodland creation projects and their comments are used to ensure proposals are acceptable. No woodland creation project can proceed without their support. All woodland creation proposals are also screened under Environmental Impact Assessment regulations. Woodland planting to enhance water quality will be targeted to priority water catchments that have been identified where woodland planting would be beneficial. These will be secondary effects of the actions taken under the forestry measure.

There are no legislative or mandatory requirements on landowners, in relation to woodland creation or woodland management, for climate change mitigation, or adaptation, in Scotland. Where planting new woodlands is a mandatory condition associated with a planning consent for a built development, such as a wind farm, then this would not be eligible for support under the SRDP.

Existing woodlands - the majority of other spend within the programme is targeted to enhance our native woodland resource and also important animal and bird species together with encouraging access to

woodlands. Our existing woodland area is 22.6% native woodland and 77.4% of non-native species. The species content of this existing resource is changing significantly. With timber production increasing there are higher levels of felling. This gives an opportunity to restructure of our forests through modern forest management planning to create well structured and diverse forests giving greater species diversity with the replanting of a much increased area of native broadleaves, together with restoration of important open ground habitats, that we wouldn't allow to be planted today. Overall, as existing plantations are being restructured the area of native species woodlands is increasing and the area of conifer plantations is reducing. Therefore to maintain the long term productive capacity of Scotland's forest resource we need to ensure that we create a range of woodland types with an emphasis on productive woodlands that will help complement the changes in our existing resource so that our forests continue to play an important role in rural development.

Over the 2014-20 SRDP period we expect at least 150,000 hectares of existing plantations (non-native species) to be felled and restructured. This will involve replanting with a greater variety of species, including around 15 % native species, approx. 20,000 hectares over 7 years. The area of non-native species will also reduce by around 35,000 hectares as native tree species are introduced and some sites, such as those on deep peat, are restored to non-woodland habitats. The cumulative affect of the SRDP woodland creation and the changes taking place through restructuring of existing woodlands will increase the area of native species woodlands by approx. 47,000 ha and a reduction in the area of non-native species of approx. 13,000ha. Whilst 22,000 ha of non-native species woodlands will be created with SRDP funding the reduction of 35,000 hectares through restructuring means that the net change will be a 13,000 ha reduction. This will lead to Scotland's woodlands being approx. 25.5% native species and 74.5% non native after the SRDP 2014-20 woodland creation programme has been delivered. The 2021 onwards programme will go beyond these targets.

5. Standard Costs

The standard costs have been independently verified as being adequate, accurate and established in advance, on the basis of a fair, equitable and verifiable calculation by Scotland's Rural College (SRUC) which is an independent body.

figure 27

Table - Proposed Balance Woodland Creation Options across SRDP programme					
Woodland Option	Creation	Aspirational Breakdown of Woodland types by area	Aspirational Breakdown of Woodland types by %	Native / open / broadleaved component By %	Native/ open/ broadleaved component By area
Conifer		12250	25	15	1838
Diverse Conifer		12250	25	15	1838
Broadleaves		735	1.5	100	735
Native Scots pine		4900	10	100	4900
Native Upland Birch		2450	5	100	2450
Native Broadleaves		12250	25	100	12250
Native Low Density		1470	3	100	1470
Small or Farm Woodland		2450	5	50	1225
Northern & Western Isles		245	0.5	100	245
Total programme area		49000	100	55	26951

Note 1: This is an aspirational balance and the breakdown achieved will depend upon the proposals that come forward. Our experience under the 2007-13 SRDP was that a higher proportion of native planting proposals came forward as this woodland type is acceptable on a greater range of sites.

figure 27

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. 8.1 - support for afforestation/creation of woodland

Sub-measure:

- 8.1 - support for afforestation/creation of woodland

8.2.7.3.1.1. Description of the type of operation

Support will be provided for the afforestation of agricultural and non-agricultural land.

8.2.7.3.1.2. Type of support

Type of support: Grants

Grant support for establishment costs (i.e. initial planting) and an annual premium for 5 years to cover maintenance. Agricultural income foregone will not be paid.

8.2.7.3.1.3. Links to other legislation

Article 6 of the Commission Delegated Regulation (EU) No. 807/2014

Commission Implementing Regulations (EU) No 808/2014

Environmental Impact (Forestry) (Scotland) Regulations 1999, (Council Directive 85/337/ECC as amended by Council Directive 97/11/EC).

Water Framework Directive 2000/60/EC

Water catchment plans

Sustainable Use Directive of Pesticides

Natura directives

8.2.7.3.1.4. Beneficiaries

Support will be provided to public and private land owners .

In the case of state-owned land, support will be for establishment costs only (no annual premium) and granted if the body managing such land is a private body.

8.2.7.3.1.5. Eligible costs

Support will be provided through Standard Costs for Establishment (ie initial planting) and Maintenance. Support will also be provided, in relevant cases, for the costs of:

- tree protection through tree shelters and fencing;
- improved vegetatively propagated stock for Sitka spruce;
- bracken control available for conifer, diverse conifer and broadleaves to encourage woodland planting of bracken areas;

- public access through sub-measure 8.5 for ‘Woods in and Around Towns’ where at least 50% of proposed woodland is located within 1 km of settlements with a population of over 2,000 people.

8.2.7.3.1.6. Eligibility conditions

For the relevant eligibility conditions please see figure 33.

figure 33 - Eligibility conditions

The measure requires the beneficiary to establish and maintain new woods that are designed to conform to one or more of the following woodland types:

- i Conifer, ii, Diverse Conifer, iii. Broadleaved, iv. Native Scots Pine, v Native Upland Birch, vi Native broadleaves, vii Native low density, viii Native woodland in Northern and Western Isles, ix Small or Farm woodland.

All proposals will be required to prepare a management plan to describe the selection of species, area and silvicultural methods and to ensure that the woodland is well planned and designed, taking account of local issues and constraints such as sensitive habitats and wildlife species.

The selection of species must be appropriate to the woodland type and be ecologically adapted and resilient to climate change in the geographical area concerned. Applicants will be required to demonstrate the suitability of their chosen species to their site through use of a computer decision support tool developed by Forest research, called Ecological Site Classification. This involves the analysis of a range of data including climate, altitude, exposure and soil conditions to identify the suitability and likely yield class for individual species at that location.

Where recent pest or disease outbreaks have increased the risks of planting certain species to an unacceptable level, strategies will be put in place to limit the support available under SRDP. For example Scotland has been zoned according to climatic suitability in relation to phytophthora disease on larch and no support for planting with larch species is available in the most vulnerable zones. This will be kept under review as understanding of new tree pests and diseases improves.

Integrated Pest Management is an obligatory requirement for professional users. Under UK legislation the general principles are considered as voluntary, except record keeping. Where prevention and/or suppression of harmful organisms is to be achieved or supported, pest species must be managed in accordance with the principles of Integrated Pest Management and the pesticide regulation and directive. All woodland creation projects being supported are required to prepare and get approval for an operational /management plans covering the period of woodland establishment and early management. It is expected in all cases that these plans will be developed and implemented in accordance with the principles of Integrated Pest Management, particularly in terms of key decisions over the species selection and establishment techniques, which should help to reduce the requirement for use of chemicals and pesticides.

The selection of species, areas and methods to be used shall avoid the inappropriate afforestation of sensitive habitats such as peatlands, wetlands and negative effects on areas of high ecological value. On sites designated as Natura 2000, tree planting will be extremely limited and only afforestation consistent with the management objectives of the sites concerned and approved by Scottish Natural Heritage will be allowed. Tree species in such cases will generally be native.

In all cases the minimum environmental requirements set out in article 6 of the Commission delegated Regulation (EU) No. 807/2014 will be complied with.

All proposals will be considered under EIA (Forestry) (Scotland) Regulations to assess impacts on the environment and ensure that there is no inappropriate planting on sensitive habitats.

Woodland planting proposals will also be assessed against regional ‘Indicative Forest Strategies’ which identifies land suitable for woodland planting as ‘preferred’, ‘potential’ and ‘sensitive’. Most planting will be targeted to the ‘preferred’ and ‘potential’ categories which are less sensitive sites. In addition to this, all planting proposals are subject to consenting process which involves detailed consideration of a wide range of environmental factors and potential constraints. This process includes a full public consultation and projects will need to be revised if one of the statutory bodies, such as Scottish Natural Heritage, Scottish Environmental Protection Agency, Local Authorities or a National park raises a concern about an environmental impact.

All proposals must comply with the minimum environmental requirements of the UK Forestry Standard and tree species planted must be adapted to the environmental and climatic conditions of the local area.

Afforestation will generally be available throughout all areas in Scotland but will avoid deep peat habitats and the inappropriate planting of sensitive habitats. Prime agricultural land will also generally be avoided.

Short rotation coppice, Christmas trees and fast growing trees for energy production will not be supported under this measure.

Woodland planting will be targeted by using the Indicative Forestry Strategies’ and proposals assessed by meeting the eligibility conditions. Proposals failing to meet eligibility conditions will be rejected.

All woodland creation applications will be assessed to ensure that they fulfil the requirements set by Article 6 of the Commission Delegated Regulation (EU) No. 807/2014. Applications that don’t meet these requirements will be refused.

figure 33

8.2.7.3.1.7. Principles with regards to the setting of selection criteria

Eligibility conditions and selection criteria will consider the European Commission’s document on ‘Guidelines on Eligibility Conditions and Selection Criteria’. As a first step, projects will be required to meet all the ‘eligibility criteria’ and as a second step projects will be ranked using selection criteria. The selection process will be competitive and applications will be appraised against one another in batches, on a monthly, quarterly or annual basis, to ensure those with highest value added will be selected for support.

8.2.7.3.1.8. (Applicable) amounts and support rates

Support for establishment (initial planting) will be up to 100% of the standard cost of planting. Support for the annual premium for maintenance will be up to 100% of the standard cost of maintenance and will cover a period of 5 years.

For woodland creation we will fund projects at 100%, 90% and 80% of standard costs.

100% - contribution rate for priority woodland types in target areas

90% - contribution rate for afforestation in target areas

80% - standard rate for afforestation in other areas

The contribution rate for projects delivering conifer, native broadleaves and native Scots pine sub options over 300ha in size in each of these categories will be reduced by 20%, for the area above 300ha, to account for the economies of scale.

See figure 12: Standard costs for woodland creation.

Additional Cost Contribution for Central Scotland Green Network Area (CSGN)

The CSGN is a national development project that aims to deliver across Central Scotland a high-quality 'green network' that will meet a number of environmental, social and economic goals. This involves restoring and transforming the landscape and woodland planting is an important element.

It is recognised that due to the small size of the woodlands being created, the presence of the public and the often highly complex sites (which can involve restoration from mineral working sites) that owners face higher costs when creating woods in the CSGN area. To encourage woodland creation within the CSGN Area, we plan to provide an 'Additional Contribution' of up to £2500/ha for the following woodland creation types: conifer, diverse conifer, broadleaves, native upland broadleaved, native lowland broadleaved and small or farm woodland. Separate standard costs for woodland creation in the CSGN area have been prepared that demonstrate the higher costs involved. The 'Additional Contribution' does not meet the full cost difference between the two sets of standard costs.

Extra costs compared to normal planting sites include: site and soil examination, site restoration from mineral workings, additional site security during establishment operations and greater ongoing maintenance costs.

Table 12 – Standard Costs for Woodland Creation

Woodland Creation Option	Initial Planting Standard Cost/ha	Maintenance Standard Cost over 5 years/ha	Total Standard Cost/ha
Conifer	2400	1300	3700
Diverse Conifer	2700	2100	4800
Broadleaves	3600	3300	6900
Native Scots pine	2300	1700	4000
Native Upland Birch	2300	800	3100
Native Broadleaves	2300	1700	4000
Native Low Density	700	600	1300
Small or Farm Woodland	3000	2500	5500
Northern & Western Isles	4500	3900	8400

Figure 12

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

R7 Selection of beneficiaries

R8 IT systems

R9 Payment of claims

8.2.7.3.1.9.2. Mitigating actions

Selection of beneficiaries

- Additional information on all business members requested at registration
- Financial eligibility checks carried out on all application assessments
- Competitive approval process with eligibility criteria being a straight yes/no answer

IT Systems

- Increased validation rules built into IT system from start of programme

- It system checks beneficiary against holding
- Line manager administrative checks

Payment of claims

- Area checklist introduced
- On the spot checks/inspections
- Specialist forestry staff undertaking inspections on forestry measures with delegated authority from paying agency

Other Mitigating Actions

- Staff training
- Clear guidance for staff and beneficiaries

8.2.7.3.1.9.3. Overall assessment of the measure

Green .

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.7.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Please see overall measure description.

8.2.7.3.1.11. 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

Please see overall measure description.

Definition of an "equivalent instrument"

Please see overall measure description.

[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

Please see overall measure description.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of Delegated Regulation No 807/2014

Please see overall measure description.

[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

Please see overall measure description.

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

Please see overall measure description.

[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

Please see overall measure description.

[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

See overall measure description.

[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

See overall measure description.

[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

See overall measure description.

8.2.7.3.2. 8.2 - support for establishment and maintenance of agro-forestry systems

Sub-measure:

- 8.2 - support for establishment and maintenance of agro-forestry systems

8.2.7.3.2.1. Description of the type of operation

Support for establishment and maintenance of agro-forestry systems.

8.2.7.3.2.2. Type of support

Type of support: Grants

Grant support for the cost of establishment (ie initial planting) and an annual premium for 5 years for the cost of maintenance.

8.2.7.3.2.3. Links to other legislation

Commission Implementing Regulations (EU) No 808/2014

Environmental Impact (Forestry) (Scotland) Regulations 1999, (Council Directive 85/337/ECC as amended by Council Directive 97/11/EC).

Water Framework Directive 2000/60/EC

8.2.7.3.2.4. Beneficiaries

Support will be provided to private land owners of agricultural land.

8.2.7.3.2.5. Eligible costs

Support will be provided through Standard Costs for Establishment (ie initial planting) and Maintenance. The cost includes planning soil examination and soil preparation, plants, individual tree protection, replanting of trees in the case of biotic or abiotic damage provided this has not been caused by negligence, weeding and pruning.

8.2.7.3.2.6. Eligibility conditions

This sub measure will contribute to reducing gas emissions and also support and develop existing and new

rural businesses for economic development and employment. (see SWOT)

The sub measure requires the beneficiary to establish and maintain new tree crops on the land that are designed for an agro-forestry silvo pastoral system with sheep grazing or a silvoarable system on arable land:

- broadleaved trees with a minimum stocking density 400 trees/ha and a maximum stocking density of 450 trees/ha
- broadleaved trees with a minimum stocking density 200 trees/ha and a maximum stocking density of 250 trees/ha

Beneficiaries will be required to prepare a management plan to describe the selection of species, area and silvicultural methods and to ensure that the woodland is well planned and designed and takes account of local issues and constraints such as sensitive habitats and wildlife species.

Beneficiaries must ensure the continued use of the agricultural land.

The selection of species must be appropriate to the site and be ecologically adapted and resilient to climate change in the geographical area concerned. Tree species to be restricted to broadleaved trees and native species where appropriate. A mix of trees is recommended and there will be a balance between broadleaf species for timber production and native trees for biodiversity. Up to 20 per cent of trees can be fruit trees or shrubs.

The selection of species, areas and methods to be used shall avoid the inappropriate planting of sensitive habitats such as peatlands, wetlands and negative effects on areas of high ecological value and grasslands rich in biodiversity. Prime agricultural land will also generally be avoided

All proposals will be considered under EIA (Forestry) (Scotland) Regulations to assess impacts on the environment and ensure that there is no inappropriate planting on sensitive habitats. Applications will all be assessed on a case by case basis and will be subject to a public consultation. Scottish Forestry will seek the views of key statutory bodies, such as Nature Scot (for nature conservation and landscape), local authorities, the Scottish Environmental Protection Agency,(water/WFD issues) and National Parks. A project would not be approved unless these bodies confirmed their support for the agroforestry. A silvo-arable system of agroforestry will also be eligible on arable land.

Pillar 1 payments will continue as agro forestry land falls under the definition of permanent grassland as per point (h) of para 1 article 4 reg 1307/2013, as it states that permanent grassland can include other species such as shrubs and trees provided the grasses remain predominant.

All proposals must comply with the minimum environmental requirements of the UK Forestry Standard.

All woodland creation and agro-forestry applications will be assessed to ensure that they fulfil the requirements set by Article 6 of the Commission Delegated Regulation (EU) No. 807/2014. Applications that don't meet these requirements will be refused.

All trees planted must be protected from grazing by domestic and wild animals. A tree pruning and management regime will be required to enable both tree establishment and pasture sward to thrive in co-existence. The trees are to be pruned until a minimum of 4m of clean stem achieved.

All proposals must comply with the minimum environmental requirements of the UK Forestry Standard. All

trees planted must be protected from grazing by domestic and wild animals.

8.2.7.3.2.7. Principles with regards to the setting of selection criteria

Eligibility conditions and selection criteria will consider the European Commission's document on 'Guidelines on Eligibility Conditions and Selection Criteria'. As a first step, projects will be required to meet all the 'eligibility criteria' and as a second step projects will be ranked using selection criteria. The selection process will be competitive and applications will be appraised against one another to ensure those with highest value added will be selected for support.

8.2.7.3.2.8. (Applicable) amounts and support rates

Support will provide 60% of the standard cost.

See figure 13: Standard costs for Agroforestry.

Figure 13: Standard costs for Agroforestry.

Woodland Type	Establishment Standard Cost £/ha	Maintenance Standard Cost over 5 years £/ha
Woodland with 400 stems/ha	6000	700
Woodland with 200 stems/ha	3100	400

Figure 13

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

R7 Selection of beneficiaries

R8 IT systems

R9 Payment of claims

8.2.7.3.2.9.2. *Mitigating actions*

Selection of beneficiaries

- Additional information on all business members requested at registration
- Financial eligibility checks carried out on all application assessments
- Competitive approval process with eligibility criteria being a straight yes/no answer

IT Systems

- Increased validation rules built into IT system from start of programme
- IT system checks beneficiary against holding
- Line manager administrative checks

Payment of claims

- On the spot checks/inspections
- Specialist forestry staff undertaking inspections on forestry measures with delegated authority from paying agency

Other Mitigating Actions

- Staff training
- Clear guidance for staff and beneficiaries

8.2.7.3.2.9.3. *Overall assessment of the measure*

Green .

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.7.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Please see overall measure description.

8.2.7.3.2.11. 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

Please see overall measure description.

Definition of an "equivalent instrument"

Please see overall measure description.

[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

Please see overall measure description.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of Delegated Regulation No 807/2014

Please see overall measure description.

[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

Please see overall measure description.

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

Please see overall measure description.

[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

Please see overall measure description.

[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

Please see overall measure description.

[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

Please see overall measure description.

[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

Please see overall measure description.

8.2.7.3.3. 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

8.2.7.3.3.1. Description of the type of operation

This sub measure will support sustainable forest management and IPM implementation to improve the environmental value of woodlands, build resilience to climate change and enhance public amenity value of forests

Sustainable forest management was identified in the SWOT and the needs assessment as being important. In particular this relates to the needs of ‘Protection of soil carbon sinks and woodland creation’ and ‘To halt the decline of biodiversity and improve the resilience of ecosystems in the face of environmental change’

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 are to be achieved or supported and pest species managed in accordance with the principles of Integrated Pest Management and the pesticide regulation and directive.

Support will be for a number of areas:

- forest planning – to provide grant support for the preparation of management plans a) Forest Plan - a strategic management plan that describes the major forest operations over a 20 year period and aims to encourage sustainable management of forest. The plan is required for all woodlands over 100 hectares b) Forest Plan Renewal – revised Forest Plans after 10 years c) Woodland Grazing Management Plan – a plan that describes the grazing regime for woodlands that are grazed by cattle or sheep d) Woodlands In and Around Towns (WIAT) Urban Woodland Management plan for woodlands that have been identified within WIAT under Article 34 and e) Deer Management Plan – to develop a site specific deer management plan including deer assessments;
- woodland habitats and species - to support operations that will benefit priority habitats or species that are a priority under the UK Biodiversity Action Plan;
- restructuring regeneration - to improve the ecological and environmental value of woodlands through the regeneration of forests by replanting. The aim is to encourage increased species diversity and improve the resilience of forests to climate change and the prevention and suppression of harmful organisms;
- investments in public amenity which aims to bring woods in and around significant settlements - through a programme called ‘Woods in and Around Towns’ - back into active woodland management and to enhance public access opportunities and bring the benefits of forests close to where people live. Support includes the establishment of paths, provision of facilities, signposting, information tables;
- Low Impact Silvicultural Systems – this aims to encourage low impact silviculture to achieve wider species and structural diversity in forests with less rapid change to the landscape and to the physical environment than clear felling systems. Support is for one off operations such as scarification and

respacing of natural regeneration.

8.2.7.3.3.2. Type of support

Type of support: Grants

Grant support

8.2.7.3.3.3. Links to other legislation

Commission Implementing Regulations (EU) No 808/2014

and Great Britain's Forestry Act 1967

Sustainable use of pesticides EU Directive 2009/128/EC

8.2.7.3.3.4. Beneficiaries

Support will be for private forest holders, public forest holders, other private law bodies, other public law bodies (or associations mentioned in type of support).

8.2.7.3.3.5. Eligible costs

Support will be for the costs of labour and materials (where relevant) for a range of forestry operations such as costs for plants, tree protection by fencing and tree shelters, removal of trees, thinning and pruning to improve the ecological value of woodlands, the removal of non-native species such as rhododendron removal on priority sites such as SSSI and Natura sites, marking fences in core areas to protect Black grouse and Capercaillie.

General maintenance and running costs will not be supported.

8.2.7.3.3.6. Eligibility conditions

All proposals must comply with the minimum environmental requirements of the UK Forestry Standard.

Support for woodland habitats and species, restructuring regeneration, investments in public amenity and low impact silvicultural systems will be conditional on providing a forest management plan.

Investments in public amenity will support a programme called 'Woods in and Around Towns' at least 50% of proposed woodland is located within 1 km of settlements with a population of over 2,000 people.

For restructuring regeneration – is replanting to improve the ecological and environmental value of woodlands. The aim is to encourage a balance between native and non-native species to achieve multiple

objectives appropriate to site. Our existing woodland area is 22.6% native woodland and 77.4% of non-native woodland. Many of our non-native forests are even aged with low species diversity. One of the most significant changes in Scottish forestry is the restructuring of our non-native forests through forest design planning and modern standards of sustainable forest management through the UK Forestry Standard ensuring that forests have a varied structure in terms of age, species diversity including native broadleaves and designed open areas. Support for regeneration is to support this species diversity to improve the resilience and environmental value of our woodlands. The public amenity value will also be enhanced. Support will contribute towards the extra costs between 'like for like' restocking, which is the minimum permitted under UK law, and restocking for 'greater diversity'

Eligibility conditions will be a clear yes/no, relevant and objective, and will be applied in a transparent and consistent way throughout the whole programming period. Failure to demonstrate eligibility will mean the application for support is rejected.

8.2.7.3.3.7. Principles with regards to the setting of selection criteria

Eligibility conditions and selection criteria will consider the European Commission's document on 'Guidelines on Eligibility Conditions and Selection Criteria'. As a first step, projects will be required to meet all the 'eligibility criteria' and as a second step projects will be ranked using selection criteria. The selection process will be competitive and applications will be appraised against one another to ensure those with highest value added will be selected for support.

8.2.7.3.3.8. (Applicable) amounts and support rates

Support will provide 100% of the standard cost except for Restructuring Regeneration where support will be 50% of the additional cost. Actual costs will be provided on designated sites such as Sites of Special Scientific Interest (SSSI) and Natura sites to help bring their special feature into favourable condition.

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

R2 Reasonability of costs

R3 Adequate check and control systems

R7 Selection of beneficiaries

R8 IT systems

R9 Payment of claims

8.2.7.3.3.9.2. *Mitigating actions*

Reasonability of costs

- Actual costs restricted to clearly identified and listed operations and subject to competitive tendering
- Clear guidance for beneficiaries & staff on cost details required
- Expert forestry staff to scrutinise submitted costs

Adequate check and control systems

- Increased validation rules built into IT
- Beneficiary cannot submit proposal until IT system validates against holding information
- Line manager checks

Selection of beneficiaries

- Additional information on all business members requested at registration
- Financial eligibility checks carried out on all application assessments
- Competitive approval process

IT Systems

- Increased validation rules built into IT system from start of programme
- IT system checks beneficiary against holding
- Line manager administrative checks

Payment of claims

- Payment claim checklist
- On the spot checks/inspections
- Specialist forestry staff undertaking inspections on forestry measures with delegated authority from paying agency

Other Mitigating Actions

- Staff training
- Clear guidance for staff and beneficiaries

8.2.7.3.3.9.3. *Overall assessment of the measure*

Green.

Costs will be assessed consistently and the process will be auditable – mitigating against the risk

Green.

Checks and control systems will be recordable and auditable – mitigating against the risk

Green .

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.7.3.3.10. Methodology for calculation of the amount or support rate, where relevant

Please see overall measure description.

8.2.7.3.3.11. 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

Please see overall measure description.

Definition of an "equivalent instrument"

Please see overall measure description.

[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

Please see overall measure description.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of Delegated Regulation No 807/2014

The UKFS defines a series of minimum environmental standards for woodland planting including species requirements. This includes:

i. Avoiding inappropriate planting of sensitive sites such as peat land and wetlands protection of sites and

designated such as Natura 2000;

ii. Planting of ecologically adapted species;

iii. Beneficiary is required to protect and care for the new woodland until it becomes established and that young trees are not overcome by competing vegetation or adversely affected by grazing.

[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

Please see overall measure description.

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

Please see overall measure description.

[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

Please see overall measure description.

[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

Please see overall measure description.

[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

Please see overall measure description.

[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

Please see overall measure description.

8.2.7.3.4. 8.6 - support for investments in forestry technologies and in processing, mobilising and marketing of forest products

Sub-measure:

- 8.6 - support for investments in forestry technologies and in processing, mobilising and marketing of forest products

8.2.7.3.4.1. Description of the type of operation

The majority of Scotland's timber resource is found in large commercial conifer forests targeted for industrial scale operations. However, an important part of our woodland resource is within small farm predominantly broadleaved woodlands. These are often fragmented and undermanaged but have the potential to contribute to the economic activity of rural areas. Support is required to encourage the management of these small woodlands. This was identified in the SWOT and this sub measure specifically links to the need assessment of 'Supporting and developing existing and new rural businesses for economic development and employment'

1. Support for investments in forestry machinery and equipment to facilitate the processing, mobilising and marketing of forest products.

2. Support of vegetatively produced Sitka spruce in replanting. This improves the economic value and performance of the forest with greater timber yields and improved quality, helping to make the best use of the limited forest resource in Scotland.

- To enable cost effective small scale harvesting operations in small, farm or undermanaged conifer and broadleaved woodlands, whilst minimising the environmental impact of this work;
- To enable localised value added timber processing operations at a non-industrial scale;
- To promote the development of markets for, and co-operative marketing of, the products from primary processing of the outputs from operations in these woodlands.

8.2.7.3.4.2. Type of support

Type of support: Grants

Grant support.

8.2.7.3.4.3. Links to other legislation

Commission Implementing Regulations (EU) No 808/2014

Health and Safety Regulations

8.2.7.3.4.4. Beneficiaries

Support will be for micro enterprises who are also private & other forest owners; forestry contractors and co-operatives; small (non industrial) scale wood processors; along with social and other enterprises and fully constituted community groups.

8.2.7.3.4.5. Eligible costs

1. Specialised, non-standard forest thinning, tree harvesting & tree extraction equipment for small, non industrial, scale working such as forestry grabs, purpose built forestry trailers, harvesters and harvesting heads.

Non industrial scale processing equipment such as small scale , firewood processors, mobile or static saw benches for primary processing of felled trees and hand-held timber strength graders.

These investments will act as a catalyst for management to carry out thinning operations or to add value to timber to meet local demand. The outturn is sustainable forest management of small scale woodlands thereby producing better quality remaining trees and increasing their asset value in the longer term making a contribution to the owner of the forest holding (s), in the case of service providers the machinery can serve and benefit a number of holdings. These investments in equipment will also increase the amenity value of woodlands.

1. Vegetatively propagated (VP) plants – the difference in plant costs between normal and VP.

8.2.7.3.4.6. Eligibility conditions

Equipment must be clearly evidenced as adding to timber harvesting and utilisation capacity locally and is not simply replacing old machinery.

Collaborative use of equipment to maximise utilisation and hence deliver maximum benefits is desirable.

Other Conditions

Support will be conditional in providing a business plan that includes details of the initial state of the business;

- the scope and aims of the business development project, with milestones for development;
- the investments involved;
- any training, advice or other action required;

Only non-industrial scale activity will be supported. We have specified this as less than 10,000 tonnes per annum of roundwood for harvesting or extraction equipment and 5,000 tonnes per annum for timber processing equipment being eligible for support. We will ensure the type of supporting equipment cannot exceed this level of production.

The case where contractors (service providers) or very small forest holders are the beneficiaries, and where

the machinery can serve several forestry holdings, should be clearly reflected in the business plan.

All such equipment must be built to a forestry harvesting specification and comply with all relevant Health and Safety legislation. In addition, training on the safe working of all equipment purchased is mandatory

The grant cannot be used to fund the purchase of personal protective clothing, chainsaws, industrial scale standard forestry tractors, small scale tractors which are not purpose built to a forestry specification, tipping trailers, flat bed trailers, box trailers or equipment which is a direct replacement of existing equipment.

Eligibility conditions will be a clear yes/no, relevant and objective, and will be applied in a transparent and consistent way throughout the whole programming period. Failure to demonstrate eligibility will mean the application for support is rejected.

8.2.7.3.4.7. Principles with regards to the setting of selection criteria

Eligibility conditions and selection criteria will consider the European Commission's document on 'Guidelines on Eligibility Conditions and Selection Criteria'. As a first step, projects will be required to meet all the 'eligibility criteria' and as a second step projects will be ranked using selection criteria. The selection process will be competitive and applications will be appraised against one another to ensure those with highest value added will be selected for support.

8.2.7.3.4.8. (Applicable) amounts and support rates

Support will be provided of 40% of eligible investments.

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

R2 Reasonability of costs

R3 Adequate check and control systems

R7 Selection of beneficiaries

R8 IT systems

R9 Payment of claims

8.2.7.3.4.9.2. *Mitigating actions*

Reasonability of costs

- Actual costs restricted to clearly identified operations and subject to competitive tendering
- Clear guidance for beneficiaries & staff on cost details required
- Expert forestry staff to scrutinise submitted costs

Adequate check and control systems

- Increased validation rules built into IT
- Beneficiary cannot submit proposal until IT system validates against holding information
- Line manager checks

Selection of beneficiaries

- Additional information on all business members requested at registration
- Financial eligibility checks carried out on all application assessments
- Competitive approval process with eligibility criteria being a straight yes/no answer

IT Systems

- Increased validation rules built into IT system from start of programme
- IT system checks beneficiary against holding
- Line manager administrative checks

Payment of claims

- Payment claim checklist
- On the spot checks/inspections
- Specialist forestry staff undertaking inspections on forestry measures with delegated authority from paying agency

Other Mitigating Actions

- Staff training
- Clear guidance for staff and beneficiaries

8.2.7.3.4.9.3. *Overall assessment of the measure*

Green.

Costs will be assessed consistently and the process will be auditable – mitigating against the risk

Green.

Checks and control systems will be recordable and auditable – mitigating against the risk

Green .

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.7.3.4.10. Methodology for calculation of the amount or support rate, where relevant

Please see overall measure description.

8.2.7.3.4.11. 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

Please see overall measure description.

Definition of an "equivalent instrument"

Please see overall measure description.

[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

Please see overall measure description.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of Delegated Regulation No 807/2014

Please see overall measure description.

[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

Please see overall measure description.

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

Please see overall measure description.

[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

Please see overall measure description.

[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

Please see overall measure description.

[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

Please see overall measure description.

[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

Please see overall measure description.

8.2.7.3.5. Prevention and Restoration 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
- 8.4 - support for restoration of damage to forests from forest fires and natural disasters and catastrophic events

8.2.7.3.5.1. Description of the type of operation

Support for prevention and restoration of damage to forests from pests and diseases.

8.2.7.3.5.2. Type of support

Type of support: Grants

Grant support will be for preventative actions and restoration actions.

8.2.7.3.5.3. Links to other legislation

Commission Implementing Regulations (EU) No 808/2014

Sustainable use of pesticides EU Directive 2009/128/EC

Great Britain Forestry Act 1967

8.2.7.3.5.4. Beneficiaries

Support will be for private forest owners and public bodies.

8.2.7.3.5.5. Eligible costs

Preventative actions include a) the provision of competent professional forestry agent services and advice as a preventative measure , b) silvicultural interventions that go beyond conventional specifications required for crop management (in the absence of pests/pathogens) or the targeted application of plant protection practices and c) monitoring/observation of pests and disease.

Support for the prevention and/or suppression of harmful organisms will be achieved and pest species managed in accordance with the principles of Integrated Pest Management and the pesticide regulation and

directive.

Where support is being provided for the application of plant protection practices with the consideration of use of chemical intervention receiving the lowest priority wherever possible the payment rates have been based on the market rate for work being carried by a legally compliant contractor. The mandatory IPM requirements on forest owners, such as record keeping, are not being funded.

The silvicultural interventions supported are one off actions to restore the productive potential of the woodland and are limited to the sanitation felling/destroying/removal of relevant tree or host species and replacement planting of damaged areas. Support for these silvicultural interventions is not available under any other measures. Where sanitation felling is required this will change the status of the woodland affected and would generally mean that it would no longer be eligible for support under measure 8.5. For example an area previously supported to implement low impact silviculture would no longer be eligible if the woodland was subject to sanitation felling.

We are not explicitly contributing to the costs of monitoring and observation of pests and diseases, other than as a small component of the support for the provision of advice through professional forestry agent services. This support for provision of advice is short term and to cover the operational phase whilst sanitation felling is carried out and or replanting is completed. We do however accept that monitoring would become part of the baseline where owners have received support silvicultural interventions in this programming period.

This advice (professional forestry agent services) in this case is an integral part of the intervention being supported, and covers the planning and supervision of the actions, such as removal of infected trees or replacement with new trees to help restore the forest potential. This is necessary to help engage woodland owners who do not have the expertise or experience to take arrange the necessary action within an acceptable timescale.

8.2.7.3.5.6. Eligibility conditions

Support will only be considered for priority tree pests and pathogens as defined in the UK Plant Health Risk Register and which fall within the scope of the principles within Plant Biosecurity Strategy for Great Britain.

In support of the GB Plant Biosecurity Strategy, a Scottish Plant Health Strategy is being developed in 2014 and will outline the priorities for tackling plant (including tree) pests and pathogens issues in Scotland and will be underpinned by scientific evidence from Forest Research, the Scottish Government's other main research providers, and those research bodies involved in programmes such as the Living With Environmental Change Tree Health and Plant Biosecurity Initiative and other relevant research providers. The above eligible operations and costs of preventative and restoration actions aim to support the delivery of the Plant Biosecurity Strategy for GB and the Scottish Plant Health Strategy.

Support relating to restoration will be limited to those cases where at least 20% of the relevant forest potential has been destroyed, this being defined as the loss or imminent loss (both of which have to be confirmed by the relevant plant health authority) of any tree species or combination of tree species that comprise at least 20% of the net forest area within coupes identified in approved Forest Plans or, for woodlands less than 100ha, in approved Management Plans.

No support will be provided for loss of income resulting from a natural disaster.

All operational work to deal with priority pests and pathogens will be required to comply with the UK Forestry Standard, relevant environmental legislation and biosecurity measures as stipulated by the plant health authority.

Eligibility conditions will be a clear yes/no, relevant and objective, and will be applied in a transparent and consistent way throughout the whole programming period. Failure to demonstrate eligibility will mean the application for support is rejected.

8.2.7.3.5.7. Principles with regards to the setting of selection criteria

Eligibility conditions and selection criteria will consider the European Commission's document on 'Guidelines on Eligibility Conditions and Selection Criteria'. As a first step, projects will be required to meet all the 'eligibility criteria' and as a second step projects will be ranked using selection criteria. The selection process will be competitive and applications will be appraised against one another to ensure those with highest value added will be selected for support.

8.2.7.3.5.8. (Applicable) amounts and support rates

Support will be provided of 100% of the standard cost.

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

R7 Selection of beneficiaries

R8 IT systems

R9 Payment of claims

8.2.7.3.5.9.2. Mitigating actions

Selection of beneficiaries

- Additional information on all business members requested at registration
- Financial eligibility checks carried out on all application assessments
- Competitive approval process with eligibility criteria being a straight yes/no answer

IT Systems

- Increased validation rules built into IT system from start of programme

- IT system checks beneficiary against holding
- Line manager administrative checks

Payment of claims

- On the spot checks/inspections
- Specialist forestry staff undertaking inspections on forestry measures with delegated authority from paying agency

Other Mitigating Actions

- Staff training
- Clear guidance for staff and beneficiaries

8.2.7.3.5.9.3. Overall assessment of the measure

Green .

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.7.3.5.10. Methodology for calculation of the amount or support rate, where relevant

Please see overall measure description.

8.2.7.3.5.11. 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

Please see overall measure description.

Definition of an "equivalent instrument"

Please see overall measure description.

[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

Please see overall measure description.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of Delegated Regulation No 807/2014

Please see overall measure description.

[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

Please see overall measure description.

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

Please see overall measure description.

[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

Please see overall measure description.

[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

Please see overall measure description.

[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

Please see overall measure description.

[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

Please see overall measure description.

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

Please see individual sub-measure description.

8.2.7.4.2. Mitigating actions

Please see individual sub-measure description.

8.2.7.4.3. Overall assessment of the measure

Please see individual sub-measure description.

8.2.7.5. *Methodology for calculation of the amount or support rate, where relevant*

The payment rates were calculated using a methodology which is reasonable and consistent with current agricultural and silvicultural systems and practices in Scotland. The rates have all been subject to examination for their adequacy and accuracy of the calculation by Scotland's Rural College, a body of expertise that is functionally independent from the compilers, as confirmed in section 18.2.

Where support is being provided for the application of approved pesticides the payment rates have been based on the market rate for work being carried by a legally compliant contractor. The mandatory IPM requirements on forest owners, such as record keeping, are not being funded.

8.2.7.6. *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

Support will be conditional in providing a forest management plan.

Definition of an "equivalent instrument"

Not using equivalent instruments.

[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

- the measure requires the beneficiary to establish and maintain new woods that are designed to conform to one or more of the following woodland types :
- i Conifer, ii, Diverse Conifer, iii. Broadleaved, iv. Native Scots Pine, v. Native Upland Birch, vi Native broadleaves, vii Native low density, viii Native woodland in Northern and Western Isles ix Small or Farm woodland
- beneficiaries will be required to prepare a management plan to describe the selection of species, area and silvicultural methods and to ensure that the woodland is well planned and designed and takes account of local issues and constraints such as sensitive habitats and wildlife species.
- afforestation will generally be available throughout all areas in Scotland but will avoid deep peat habitats and the inappropriate planting of sensitive habitats. Prime agricultural land will also generally be avoided and all proposals will be assessed against regional forest priorities, with geographical targeting based on regional Indicative Forestry Strategies, and Woodland Strategies. These regional strategies are independently produced by local authorities in partnership with regional stakeholders.
- proposals for afforestation will be subject to statutory consultation and the requirements of the Environment Impact Assessment (Forestry) (Scotland) Regulations 1999 (Council Directive 85/337/ECC as amended by Council Directive 97/11/EC).
- short rotation coppice, Christmas trees and fast growing trees for energy production will not be supported under this measure

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of Delegated Regulation No 807/2014

- All proposals must comply with the minimum environmental requirements of the UK Forestry Standard. The UK Forestry Standard (UKFS) is the reference standard for sustainable forest management in the UK. The UKFS, supported by its series of Guidelines, outlines the context for forestry in the UK, sets out the approach of the UK governments to sustainable forest management and defines standards and requirements - <http://www.forestry.gov.uk/sustainableforestry>
- The correct choice of a tree species in relation to site characteristics and local climate is an essential prerequisite for successful and sustainable forest management and the tree species planted must be ecologically adapted to the environmental and climatic conditions of the local area. For native trees and shrubs the use of local stock will be encouraged.

[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

The measure requires the beneficiary to establish and maintain new woods that are designed to conform to the following two woodland types based on the number of trees per hectare:

- Broadleaved woodland with a minimum stocking density 400 trees/ha& maximum of 450 trees/ha
- Broadleaved woodland with a minimum stocking density 200 trees/ha& maximum of 250 trees/ha

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

Agroforestry has been identified by the Scottish Government as a way to encourage better integration between forestry and farming that can offer a ‘win-win’ multi-functional land use approach that balances the production of commodities such as food, feed and fuel with non-commodity outputs such environmental protection including landscape, amenity biodiversity and shelter benefits. The aim is to encourage a silvopastoral system primarily with sheep grazing.

[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

Support will only be considered for priority tree pests and pathogens as defined in the UK Plant Health Risk Register and which fall within the scope of the principles within Plant Biosecurity Strategy for Great Britain.

[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

We are not planning to provide support for measures related to forest fires.

[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

Scotland’s trees are facing major threats from a range of potentially very damaging exotic plant pests and pathogens. Equally, with climate change, some existing, native pests may undergo climatic release and become far more damaging to both native and exotic tree species in Scotland. Some pests/pathogens are already present and their mode of action is reasonably well understood. However, the future arrival of additional serious pests/pathogens is unpredictable, as is their epidemiology in Scottish conditions. The most significant current tree health issues in Scotland relate to three pathogens:

i) *Phytophthora ramorum* on larch:

First found in Scottish plant nurseries in 2002 and in gardens/parks in 2007, the fungus-like pathogen *P. ramorum* was then found infecting larch trees in Scotland in 2010 and is now causing extensive damage and mortality to all three of the larch species used in Scottish forestry (as well as impacting on many other plants). By the end of 2013, approximately 5000 - 6000 ha of larch was classed as infected out of a total area of larch in Scotland of some 68,000 ha, primarily within a core area centred on south west Scotland. Eradication of *Ramorum* on larch in Scotland is no longer achievable and the aim now is to contain and slow down new outbreaks. To this end - following discussions with the forestry sector - a *Ramorum* Action Plan is in place which focuses statutory control measures outside the south west Scotland "Management Zone" (in which action is focused on managing the logistical, marketing and environmental implications of the outbreak). Bi-annual national aerial surveys help identify new findings of *Ramorum* on larch but, given that early stage symptoms are hard to identify from rapid, national aerial surveys, woodland managers are being encouraged to adopt a finer grain of surveillance, including the use of new technologies such as Remotely Operated Aerial Vehicles (ROAVs). Outwith the Management Zone new findings of *Ramorum* infection are subject to immediate statutory action requiring the felling of infected stands and all other larch within 250m of those stands. The subsequent restoration of such sites is not a statutory or legal requirements and hence support measures are required to maintain forest conditions. Scientific evidence supporting actions on *Ramorum* on larch is drawn primarily from Forest Research and Defra and is summarised at: www.forestry.gov.uk/pramorum

As with most *Phytophthoras* there are concerns that *Ramorum*'s impact could to expand to include native tree species as well as other exotics.

ii) *Chalara dieback* of ash (*Chalara fraxinea*):

This fungal disease has caused widespread and often severe damage to ash populations across Europe, and was first discovered in the UK in an English tree nursery in 2012 (but subsequent surveys have indicated that it has probably arrived in the UK as early as 2005 if not before). Following guidance derived from European and UK research, Scotland is now implementing a stakeholder-agreed Action Plan for *Chalara* that focuses effort on significantly slowing down the arrival and spread of the disease in the north west of Scotland (where there are a number of important high nature conservation value oceanic ash woodland). Scientific evidence supporting actions on the wider management of *Chalara* is drawn primarily from Forest Research and Defra, including their active participation in the EU FRAXBACK COST action, and is summarised at: www.forestry.gov.uk/chalara

iii) *Dothistroma needle blight* on pine (*Dothistroma septosporum*):

This fungal disease causes needle loss on (mainly) pine, this leading to significant loss of increment but also extensive mortality in some lodgepole provenances. Annual surveys since 2006 on the national forest estate in Scotland suggest the disease is now endemic and causing increasing levels of damage. It's detection in 17 out of 32 of Scotland's iconic Caledonian Pinewoods has further increased concern about the future impacts of this disease. To date, remedial action has focused on removing heavily infected stands of the worst affected lodgepole pine stands in the north and east of Scotland (some 1.25 million m³ in a 4-year period) but efforts are now turning to silvicultural and potential chemical methods of control based on varying degrees of current evidence. A key gap is information relating to the distribution and impact levels on privately owned pine woodland (which, at 169,000 ha, comprise some two thirds of the total pinewood resource in Scotland), this requiring a significant increase in ground-based surveys by the private sector.

Scientific evidence supporting actions on Dothistroma needle blight is drawn primarily from Forest Research, including their engagement with the EU DIAROD COST action, and is summarised at: www.forestry.gov.uk/dothistromaneedleblight

[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

Support will be for a number of areas:

- forest planning – to provide grant support for the preparation of management plans a) Forest Plan - a strategic management plan that describes the major forest operations over a 20 year period and aims to encourage sustainable management of forest. The plan is required for all woodlands over 100 hectares b) Forest Plan Renewal – revised Forest Plans after 10 years c) Woodland Grazing Management Plan – a plan that describes the grazing regime for woodlands that are grazed by cattle or sheep d) WIAT Urban Woodland Management plan for woodlands that have been identified within the ‘Woodlands In and Around Towns’ (WIAT) under Article 34 and e) Deer Management Plan – to develop a site specific deer management plan including deer assessments;
- woodland Habitats and Species - to support operations that will benefit priority habitats or species that are a priority under the UK Biodiversity Action Plan;
- non- Woodland Habitats - to support operations that will benefit non-woodland habitats or species that are a priority under the UK Biodiversity Action Plan;
- restructuring Regeneration - to improve the ecological and environmental value of woodlands through the regeneration of forests by replanting. The aim is to encourage species diversity and improve the resilience of forests to climate change;
- investments in public amenity which aims to bring woods in and around significant settlements - through a programme called ‘Woods in and Around Towns’ - back into active woodland management and to enhance public access opportunities and bring the benefits of forests close to where people live. Support includes the establishment of paths, provision of facilities, signposting, information tables;
- low Impact Silvicultural Systems – this aims to encourage low impact silviculture to achieve wider species and structural diversity in forests with less rapid change to the landscape and to the physical environment than clear felling systems. Support is for one off operations such as scarification and respacing of natural regeneration.

8.2.7.7. Other important remarks relevant to understand and implement the measure

Not applicable.

8.2.8. M10 - Agri-environment-climate (art 28)

8.2.8.1. *Legal basis*

Article 28 of Regulation (EU) No 1305 / 2013 sets out the provisions for the Agriculture-Environment-Climate (AEC) measure, and the compulsory requirement for it to be included in the SRDP.

8.2.8.2. *General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives*

As set out in Regulation (EU) No 1305/2013, the Scottish Rural Development Programme (SRDP) shall make support under sub measure 10.1 available in rural Scotland.

All of the operations set out in this sub-measure are linked to the achievement of the agri-environment-climate objectives and the national, regional or locally identified specific needs and priorities, established via the SWOT analysis and the subsequent identification of needs through the design of the SRDP, as detailed in those sections.

The aim of this sub-measure is to preserve and promote the necessary changes to agricultural practices that make a positive contribution to the environment and climate. It will support positive environmental actions which go beyond minimum national standards to maintain and enhance Scotland's rich and varied natural environment.

The budgetary resources allocated to this measure, and the associated measure 4.4, are believed to be adequate to deliver Scotland's objectives for the environment due to the implementation improvements we have put in place to ensure more effective achievement of goals, added to an improved approach to advice and cooperation. However Scotland is committed to keeping the entire programme under review, including its budget allocations, to ensure we are achieving our goals effectively.

Contribution to Focus Areas

In particular the AEC scheme shall contribute to focus areas 4 a, b, c; and 5 d & e.

It will also contribute to the cross-cutting objectives of Environment and Climate Change.

The SWOT, the associated identification of needs and the description of the strategy sections of this document set out many of the expected outcomes and benefits of this sub-measure and the National and European legislation and targets that the sub-measure will contribute to.

The national environmental legislation, policies, strategies and action plans that are addressed through the SRDP include the 7th EU Environment Action Programme; the EU Biodiversity Strategy; Scottish Government's National Performance Framework; the Water Framework Directive; the Second River Basin Management Plan; the Flood Risk Management (Scotland) Act 2009; the Rural Diffuse Pollution Plan for Scotland; the Climate Change (Scotland) Act 2009 and the Scottish Government's second Report on Proposals and Policies for meeting climate change targets; the Scottish Soil Framework the 2020 Challenge for Scotland's Biodiversity; the NATURA Prioritised Action Framework; the Nature Conservation (Scotland) Act 2004; and the Conservation (Natural Habitats &c.) Regulation 1994 (as amended) which

represents the main legislation implementing the Habitats and Birds Directive.

The outcomes to be delivered under the SRDP which are required to deliver the national policies and targets include:

- an increase in the abundance of terrestrial breeding birds, pollinators and other priority species in agricultural and woodland habitats, including species protected under the Birds and Habitats Directives
- an increase in the area and improvement in the condition of priority habitats of conservation interest, including habitats protected under the Habitats Directive
- strengthened ecological networks
- an increased proportion of features of NATURA sites and Sites of Special Scientific Interest in favourable condition
- continued beneficial management of high nature value farmland and forestry.
- A reduction in diffuse pollution within Scotland's Diffuse Pollution Priority Catchments and Action Areas
- Enhance the protection of Scotland's soil such as through reducing soil erosion risk
- Contribute to climate change mitigation and adaptation

The needs identified through the SWOT for focus area 4 are:

- to halt the decline in biodiversity and improve the resilience of ecosystems in the face of environmental change;
- to improve the condition of designated sites affected by land management activities (NATURA, SSSIs and SAMs);
- to address the negative environmental impacts of land abandonment and decreased management in HNV areas.
- to reduce the incidence of diffuse pollution in priority catchments
- enhance the quality of Scotland's soils and peatlands

The needs identified through the SWOT for focus area 5 are:

- improve resource efficiency, recycling and waste prevention
- provide advice and support for renewable energy and energy efficiency initiatives
- reduce greenhouse gas emissions
- protection of soil carbon sinks and woodland creation

The Scottish Governments National Performance Framework includes two indicators of the status of biodiversity in Scotland:

- i) improve the condition of protected nature sites
- ii) increase the abundance of terrestrial breeding birds.

For further supporting information on measure 10 please see Annex - Agri-Environment-Climate Scheme Supporting Information

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. 10.1 - payment for agri-environment-climate commitments

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.1.1. Description of the type of operation

Sub-measure 10.1 will be used to provide a range of agri-environment options which have been detailed individually in sections 10.1.1 through 10.1.40 (Please see these sections for the information on eligibility conditions for the options available through sub-measure 10.1).

8.2.8.3.1.2. Type of support

Type of support: Grants

Annual recurrent management payments shall be granted annually to compensate beneficiaries for all or part of the additional cost and income foregone resulting from the environmentally beneficial management commitments undertaken. Payments shall be made by grant.

8.2.8.3.1.3. Links to other legislation

Regulation (EU) No 1306 / 2013 (Horizontal)

Includes various general and specific provisions which have a bearing on the AEC measure including articles on double funding, on-the-spot-checks, Land Parcel Identification System (LPIS), Cross Compliance (XC), and Monitoring & Evaluation. It also includes the regulatory baseline, in terms of Cross Compliance, including all of the SMR's & GAEC requirements ;

Regulation (EU) No 1307 / 2013 (Direct Payments)

Includes references to active farmer, crop diversification, permanent grassland, ecological focus areas.

Also the Agri-environment-climate (AEC) measure has been drafted in line with the provisions within the various regulations, implementing & delegated acts produced by the European Commission.

Regulation (EU) No 1303/2013 (Common provisions)

Commission Delegated Regulation (EU) No 807/2014

Commission Implementing Regulation (Eu) No 808/2014

Domestic legislation (relevant for the baseline)

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

Require persons with custody or control of a crop being made into silage, of livestock slurry or of certain fuel oil to carry out works and take precautions and other steps for preventing pollution of inland or coastal waters.

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Diffuse Pollution General Binding Rules (GBRs) within Controlled Activity Regulations (CAR) based on widely accepted standards of good practice. These rules are aimed at controlling rural activities which pose a potential risk to the water environment. Such activities include the storage and application of fertilisers, storage and application of pesticides, keeping of livestock and cultivation of land.

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

Enacts the Code of Good Practice for the Prevention of Environmental Pollution from Agricultural Activity (PEPFAA) Code. The PEPFAA code includes chapters covering topics such as diffuse agricultural pollution, soil protection, slurry management, sheep dips, pesticides and waste management. Each chapter states the minimum regulatory standards and then goes on to describe relevant good practice which land managers are encouraged to adopt.

The Plant Protection Products (Sustainable Use) Regulations 2012

Enacts Directive 2009/128/EC on the Sustainable Use of Pesticides. These regulations are aimed at achieving the sustainable use of pesticides by reducing potential risks and impacts on human health and the environment. Key requirements of regulations include compulsory testing of application equipment, provision of training and certification of operators and advisors and controls on aerial spraying.

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

Prevents the agricultural improvement of semi-natural habitats without an environmental impact assessment and the associated consent. Therefore farmers must not plough or fertiliser semi-natural habitats such as rough grazings, moorland or species rich grassland without consent from the relevant agricultural and environmental authority.

8.2.8.3.1.4. Beneficiaries

AEC payments shall be granted to farmers, groups of farmers and other land managers who undertake, on a voluntary basis, to carry out operations consisting of one or more agri-environment-climate commitment.

8.2.8.3.1.5. Eligible costs

Eligible costs are the value of the income forgone and the additional cost incurred calculated for each individual AEC operation.

Support shall be limited to the maximum amounts laid down in Annex II of the EU Regulation 1305/2013.

Further details of the methodology for the calculation of eligible costs are set out in the “Payment rate methodology” section in the overall measure description.

Transaction costs

Where necessary, payments may also cover transaction costs up to a value of 20% of the premium paid for the agri-environment-climate commitments. Where commitments are undertaken by groups of farmers or groups of farmers and other land managers, the maximum level shall be 30%. At present the Scottish Government have not outlined particular transaction costs, but want to retain the flexibility to introduce them in the future.

8.2.8.3.1.6. Eligibility conditions

General eligibility conditions that relate to measure 10.

Agricultural land

Any area of land in Scotland which is registered as a parcel on the Land Parcel Identification System (LPIS). These areas may include land which is deemed to be ineligible for Direct Payments.

Applicants cannot apply for land-based options on seasonal-held land, including arable, if the lease is for a period of less than a full year.

Geographical / Spatial Targeting

A target area has been defined for each AEC option. The applicants holding must be within the target area in order for that operation to be eligible. However an applicant may apply for some options outwith the targeted area with a strong environmental justification supported by a formal letter of endorsement from Nature Scot(NS), Scottish Forestry (SF) or Scottish Environmental Protection Agency (SEPA).

Further details of our approach to spatial targeting are set out in the overall measure description in the other important remarks relevant to understand and implement the measure section.

For AEC options specific eligibility conditions please see the relevant sub-measure under sections 10.1.1 to 10.1.40.

8.2.8.3.1.7. Principles with regards to the setting of selection criteria

Land managers will be able to apply for annual recurrent (management) and capital projects for a wide range of environmental purposes. The AEC scheme will be competitive as a default position, however provision to operate the scheme as a non-competitive one is provided to ensure flexibility to address emerging threats to biodiversity and climate. The selection process will endeavour to ensure the equal treatment of applicants. Given the annual nature of agri-environment commitments, the presumption is that there shall be one annual call for applications. This will ensure a tranche of applicants are assessed against the same criteria. However, additional calls for proposals may be required based on emerging needs and to ensure effective use of resources.

Applications will be required to clearly set out which commitments are to be undertaken.

The selection process will also ensure value for money and a better use of financial resources as it will involve expert scrutiny of the proposal by agricultural and ecological colleagues. Case officers will make an initial desk assessment of application and the information held on the Land Parcel Information System (LPIS).

Where necessary site visits will be arranged prior to contract issue to confirm the applicant is aware of the management requirements and the commitment involved, and that where necessary, the eligibility criteria have been met.

The principles regarding assessment are as follows:

- environmental benefit – assessment of potential for proposed operations to deliver the local, regional and national environmental objectives of the AEC scheme
- scale – an assessment of the scale of the proposed beneficial environmental management, in comparison with the targeted options available and the habitats that could potentially be managed. If necessary, “Scale” can also be considered in a different context, in relation to size of holding, to ensure smaller farms or crofts are not disadvantaged on account of their size.
- long-term benefits - will the project deliver outcomes beyond the period of funding
- feasibility - an assessment of whether the project can be delivered by the applicant to the necessary standard
- value for money – a comparison of how much habitat and species benefit we obtain for the minimum amount of capital spend

8.2.8.3.1.8. (Applicable) amounts and support rates

Payment rates are detailed in the relevant sub-measure descriptions (sub-measure 10.1.1 to 10.1.40) for each of the AEC operations.

These rates have been calculated to compensate applicants for the income forgone and the additional cost incurred calculated for each individual AEC operation.

All of the AEC management payment rates represent 100% of the calculations. The methodology used to determine the payment rates simply compensate for lost production and the extra costs of undertaking the management.

Scotland's Rural College (SRUC), formally known as Scotland's Agricultural College (SAC), technical advisory team has independently and externally verified the payment rate calculations and assumptions. The calculation of the payment rates and assumptions has been a robust process carried out by Scottish Government Agriculturalists and Government agency experts. This ensures that the calculation of the premium accurately reflect loss of income from specific agricultural practices and additional costs that will be necessary to meet the operation requirements. To ensure the accuracy of the financial data used to calculate income foregone and additional costs, data was averaged over the three most recent farm accounts.

The Scottish Government has ensured that payment rate calculations reflect practical Scottish farming situations. For example, loss of silage production due to restricted cutting dates. In previous Rural Development Programmes, Scotland had rates that included an element of compensation for habitat creation. This element is now a separate capital item available in sub-measure 4.4.

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

Please see overall measure description.

8.2.8.3.1.9.2. Mitigating actions

Please see overall measure description.

8.2.8.3.1.9.3. Overall assessment of the measure

Please see overall measure description.

8.2.8.3.1.9.4. Agri-environment-climate commitments

8.2.8.3.1.9.4.1. ANCIENT WOOD PASTURE

8.2.8.3.1.9.4.1.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. Inspectors will check:

- You have managed the same area each year for the duration of your contract.
- You have grazed the area subject to payment with cattle or sheep, and adhered to an approved

grazing regime defining the livestock units and dates

- You have not cut or remove any standing or fallen deadwood, unless with prior written notification.
- You have not ploughed, cultivated or resown the area
- You have not carried out supplementary livestock feeding on the managed area.
- You have not sprayed, except for the spot- treatment of injurious/invasive species.
- You have maintained an up to date diary

8.2.8.3.1.9.4.2. AWAY WINTERING SHEEP

8.2.8.3.1.9.4.2.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. The Inspector will check:

- You have managed the same location and extent each year for the duration of your contract
- You have removed the agreed number of sheep from 1st Nov until 1st March each year for the period of the contract (Records check.)
- You must maintain a diary

8.2.8.3.1.9.4.3. BEEF EFFICIENCY

8.2.8.3.1.9.4.3.1. Verification methods of commitments

8.2.8.3.1.9.4.4. BEETLEBANKS

8.2.8.3.1.9.4.4.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. Inspectors will check:

- Strip is at least 2m in an arable field and not around the boundary
- All beetle banks must be in place by the 1st of June.
- Check that the beetle bank grass has not been cut except for topping for establishment in the first year after 1 August.
- Do not plough, cultivate or use the area for any vehicle access
- You must exclude livestock

- Do not spray, except for the spot- treatment of injurious/invasive weed species.

8.2.8.3.1.9.4.5. BUFFER AREAS FOR FENS AND LOWLAND BOGS

8.2.8.3.1.9.4.5.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims.

Inspectors will check:

- You have completed the capital items required to wet the buffer area by 1 June in the first year of your contract
- Where no grassland exists, you have established a grass sward by 1 June in the first year of your contract.
- You have adhered to an approved grazing plan defining the stocking density and grazing dates
- You have sprayed, unless with prior written approval
- You have carried out supplementary livestock feeding without prior approval
- You have not applied lime, fertiliser, slurry or farmyard manure
- You have not plough or cultivate
- You have maintained a diary

8.2.8.3.1.9.4.6. CATTLE MANAGEMENT ON SMALL UNITS (Introduction/Retention)

8.2.8.3.1.9.4.6.1. Verification methods of commitments

Your eligibility for this option is based on the area of land in your IACS business permanent land which is not rough grazing. This area must be less than 30 hectares. This area would not take account of areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme. If you are in the Crofting Counties, this limit includes the area of your croft, any in-bye apportionment and any arable cropped land on the common grazing, but not the remainder of the common grazing.

The Inspector will check:

- your IACS business permanent land holding comprises less than 30 ha, including any inbye apportionment and any arable cropped land on the common grazing but excluding the remainder of the common grazing share(s) and any rough grazing.
- BCMS records to ensure you have either;
 - a) introduced or
 - b) continued to keep
- at least two breeding females of a traditional or native breed including first crosses, and maintained

them within the IACS business for the lifetime of your contract and that introduced females were aged 14 months or over at the time of purchase.

- that the animals are present on the holding

8.2.8.3.1.9.4.7. CHOUGH GRAZING MANAGEMENT

8.2.8.3.1.9.4.7.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. The Inspector will check:

- you have Either
- grazed the grassland to provide a short sward throughout the year

Or

- taken an early cut of silage or hay, not later than 30 June, and then grazed to keep the sward short
- If cut, hay or silage must have been cut in a wildlife-friendly manner

For Both

- You have not treated any livestock with Avermectin based drugs, unless advised by a veterinary surgeon and with prior written approval
- You have not sprayed, except for the spot- treatment of injurious/invasive species.
- You have maintained a diary

8.2.8.3.1.9.4.8. CHOUGH MOWN GRASSLAND

8.2.8.3.1.9.4.8.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. The Inspector will check:

- You have grazed the pasture until 14 June
- You have not treated any livestock with Avermectin based drugs, unless advised by a veterinary surgeon and with prior written approval
- You have not rolled, harrowed or grazed the field from 15 June until 15 August
- The area has been mown, but not before 15 August
- The hay or silage has been cut in a wildlife-friendly manner

- You have not sprayed, except for the spot-treatment of injurious/invasive species.
- You have maintained a diary

8.2.8.3.1.9.4.9. CONSERVATION MANAGEMENT OF SMALL UNITS

8.2.8.3.1.9.4.9.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims.

Inspectors will check:

- your IACS business permanent land holding comprises less than 30 ha, including any inbye-apportionment and any arable cropped land on the common grazing but excluding the remainder of common grazing share(s) and any rough grazing.
- where your IACS business permanent land holding comprises of more than 5ha you have managed at least 1 ha of your land split between two or more of the following options;
 - Wild bird seed for farmland birds
 - Forage brassica crops for farmland birds
 - Unharvested conservation headlands for wildlife
 - Retention of winter stubble for wildlife
 - Cropped Machair
 - Mown grassland for waders
 - Mown grassland for cornbuntings
 - Mown grassland for corncrakes
 - Mown grassland for chough
 - Management of species rich grassland

Or;

- Where your IACS business permanent land holding comprises 5ha or less; you have managed at least 0.5 hectare of your land under one of the above options

For both of the above, inspectors will check associated management options on the ground.

8.2.8.3.1.9.4.10. CONVERTING ARABLE AT RISK OF EROSION OR FLOODING TO LOW-INPUT GRASSLAND

8.2.8.3.1.9.4.10.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims.

Inspectors will check:

- All grass swards must be in place by the 1st of June.
- There has been no cutting or grazing of the area from 1 May until 30 July
- that no ploughing, cultivation of the area after the establishment of grass has taken place
- that no supplementary livestock feeding
- that the area has not become poached or vehicle tracked
- there has been no application of fertiliser except farmyard manure
- there has been no application of pesticide except for the spot- treatment of injurious/invasive weed species.
- diary

8.2.8.3.1.9.4.11. CORN BUNTINGS MOWN GRASSLAND

8.2.8.3.1.9.4.11.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims.

Inspectors will check:

- You have not rolled, harrowed or grazed the area from 1 May until 1 August inclusive
- You have not applied lime, fertiliser, slurry or farmyard manure from 1 May to 1 August inclusive
- The field has been mown, but not before 1 August
- The hay or silage has been cut in a wildlife-friendly manner
- A strip of grass at least 2 m wide around the field boundaries has been left uncut
- This uncut strip has been grazed down before the next exclusion period
- You have not sprayed, except for the spot-treatment of injurious/invasive weed species.
- You have maintained a diary

8.2.8.3.1.9.4.12. CORNCRAKE GRAZING MANAGEMENT

8.2.8.3.1.9.4.12.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims.

Inspectors will check:

- You have managed the same location and extent each year for the duration of your contract.
- You have excluded livestock from 1 March to 15 August inclusive.
- After the exclusion period you grazed the sward
- You have not cut, rolled or harrowed from 1 March to 15 August inclusive
- You have not sprayed, except for the spot- treatment of injurious/invasive species.
- You have maintained a diary

8.2.8.3.1.9.4.13. CORNCRAKE MOWN GRASSLAND

8.2.8.3.1.9.4.13.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims.

Inspectors will check:

- You have not rolled, harrowed or grazed the land from 15 May until after mowing.
- The area has been mown each year, but not before one of the dates below:
 - a) 1 August (Mowing Payment 1)
 - b) 15 August (Mowing Payment 2) or
 - c) 1 September (Mowing Payment 3)
- Hay or silage has been cut in a wildlife-friendly manner
- After mowing, you have removed the crop
- A strip of grass at least 2 m wide around the field boundary has been left uncut. Where the field is less than 40 metres wide this strip may be provided on one long side of the field
- This uncut strip has been grazed down before the next exclusion period
- You have not sprayed, except for the spot-treatment of injurious/invasive species.
- You have maintained a diary

8.2.8.3.1.9.4.14. CROPPED MACHAIR

8.2.8.3.1.9.4.14.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary

and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. The Inspector will check:

- Each year, you have established a spring arable crop on part of the eligible land.
- The same area has not been cropped for more than two consecutive years.
- You have undertaken all cultivation and establishment work, including rolling, before 15 May.
- You have not harvested the crop before 1 September
- You have harvested in a wildlife friendly manner.
- Following harvest (this will be the second harvest if you are cropping for two consecutive years) you have left this area fallow for 2 or 3 years
- You have not sprayed.

8.2.8.3.1.9.4.15. FLOODPLAIN MANAGEMENT

8.2.8.3.1.9.4.15.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. Inspectors will check:

- You have managed the same location and extent each year for the duration of your contract.
- You have monitored the field and removed stock when required due to flooding.
- You have maintained a diary.

8.2.8.3.1.9.4.16. FORAGE BRASSICA CROPS FOR FARMLAND BIRD

8.2.8.3.1.9.4.16.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. Inspectors will check:

- the area claimed is not on rough grazing.
- the size of the area claimed for each plot
- that plots are at least 6m wide
- a forage brassica crop has been sown (invoice check may be required) for chosen management and

has not been harvested, grazed, sprayed (except for the spot- treatment of injurious/invasive species)or ploughed down before 1st March following year.

8.2.8.3.1.9.4.17. GRASS STRIPS IN ARABLE FIELDS

8.2.8.3.1.9.4.17.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. The inspector will check

- All grass strips must be in place by the 1st of June.
- the grass strips has not been grazed or cut between 1 April and 15 August except for topping for to aid establishment in the first year.
- If grazing, you have not grazed the grass strip between 1st April and 15th August
- that no ploughing, cultivation, storage,
- that the area has not become poached or vehicle tracked
- there has been no application of fertiliser, slurry or farmyard manure
- there has been no application of pesticide except for the spot- treatment of injurious/invasive weed species.
- diary

8.2.8.3.1.9.4.18. HABITAT MOSAIC MANAGEMENT

8.2.8.3.1.9.4.18.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. The Inspector will check:

- You have adhered to your approved grazing plan which defines the livestock units and dates of grazing
- You have not applied fertiliser, slurry or farmyard manure
- You have not applied lime, unless you have prior approval
- You have not allowed the land to become poached or vehicle tracked.
- You have not carried out supplementary livestock feeding unless with prior written approval
- You have not sprayed, except for the spot- treatment of injurious/invasive weed species.
- You have maintained a diary

8.2.8.3.1.9.4.19. HEATH MANAGEMENT (COASTAL, SERPENTINE, LOWLAND & SPECIAL INTEREST)

8.2.8.3.1.9.4.19.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. Inspectors will check:

For wader management on heath mosaics

You have grazed the site as follows:

- Restricted grazing between 15 March and 15 June to no more than 0.6LU/ha
- You have not grazed between 1 November and end of February;
- And have adhered to an approved grazing regime defining the livestock units and grazing dates for the remainder of the year.

For Coastal heath, serpentine heath and special interest heath;

- You have grazed the site as follows;
- Between 1 April and 1 September, exclude all livestock.
- Between 1 September and 30 November graze the site. The grazing level has not exceeded 1.2LU/ha
- If grazing between 1 December and 31 March, you have grazed at no more than 0.075LU/ha

Or;

- You have adhered to your approved grazing regime.
- For Lowland heath

You have grazed the site as follows;

- Between 1 November and the end of February, exclude all livestock
- If grazing between 1 March and 30 April, you have grazed at no more than 0.15LU/ha
- Between 1 May and 31 August graze the site. The grazing level has not exceeded 0.3 LU/ha
- If grazing between 1 September and 31 October, you have grazed at more than 0.15LU/ha

Or;

- You have adhered to your approved grazing regime.

For all heath types above

- You have not undertaken muirburn, unless you had prior approval
- You have not undertaken supplementary livestock feeding, unless you had prior approval
- You have not applied fertiliser, slurry or farmyard manure

- You have not applied lime, unless you have prior approval
- You have not allowed the land to become poached or vehicle tracked
- You have not sprayed, except for the spot-treatment of injurious weeds (requires prior written notification) or treatment of invasive species (requires written approval)
- You must maintain a diary

8.2.8.3.1.9.4.20. HEN HARRIER GRASSLAND MANAGEMENT

8.2.8.3.1.9.4.20.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. Inspectors will check:

- You have managed the same location and extent each year for the duration of your contract
- Where no grassland existed, you have establish the grass by 1 June in the first year of your contract
- You have restricted grazing to no more than 0.15 livestock units per hectare from 1 May to 30 September
- You have excluded livestock from 1 October to 30 April, unless you have prior written approval
- You have not carried out supplementary livestock feeding on the area subject to payment.
- You have not cut the grass sward with the exception of cutting to aid establishment during the first year
- You have not ploughed, cultivated or used the area for regular vehicle access or storage
- You have not allowed the land to become poached or vehicle tracked
- You have maintained a diary

8.2.8.3.1.9.4.21. LOWLAND BOG MANAGEMENT

8.2.8.3.1.9.4.21.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. Inspectors will check:

- You have maintained new or existing dams installed to block ditches.
- You have undertaken muirburn, without prior written approval
- You have sprayed, unless with prior written approval

- You have not applied lime, fertiliser, slurry or farmyard manure
- You have not plough or cultivate
- You have not extracted peat
- You have not planted trees
- You have not created vehicle tracks without prior approval
- You have not dug or clear out ditches, without prior approval
- You have maintained a diary

And if grazing,

- you have adhered to an approved grazing plan defining the stocking density and grazing dates
- You have not carried out supplementary livestock feeding, without prior approval

8.2.8.3.1.9.4.22. MANAGEMENT OF COVER FOR CORNCRAKE

8.2.8.3.1.9.4.22.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. Inspectors will check:

- You have managed the same location and extent each year for the duration of your contract
- Where you have created cover for corncrake, you have done so by 1 June in the first year of your contract.
- You have excluded livestock from 1 March until 30 September inclusive.
- You have grazed the area from 1 October.
- You have not cut the area unless you had prior written approval
- You have not spray, except for the spot- treatment of injurious/invasive species.
- You have maintained a diary

8.2.8.3.1.9.4.23. MANAGEMENT, RESTORATION OR CREATION OF HEDGEROWS

8.2.8.3.1.9.4.23.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims.

Inspectors will check:

You must manage the same location and extent each year for the duration of your contract.

For a) hedgerow management or restoration;

- You have filled gaps in the hedge that are greater than 5m wide.
- You have retained existing hedgerow trees, unless you had prior approval to remove them.
- With the exception of newly coppiced or laid hedges, you have trimmed your hedges so that they are visually wider at the bottom than at the top, and at least 1.5m tall
- You have not cut any more than one third of the length of your hedges managed within this contract in the same winter.

For b) hedgerow creation

- You have established plants in a double row with a minimum of 6 plants per metre
- You have controlled weeds to aid establishment

For both a) hedgerow management or restoration and b) hedgerow creation

- You have not trimmed the same length of hedge annually
- Hedge trimming has only be undertaken between 1 December to the last day of February inclusive
- You have exclude grazing
- If new fencing was required, you have erected any new fences at least 1m from the centre line of the hedge
- With the exception of spraying to aid establishment, you have not sprayed, except for the spot-treatment of injurious/invasive species.
- You have maintained a diary

8.2.8.3.1.9.4.24. MANAGING SCRUB OF CONSERVATION VALUE

8.2.8.3.1.9.4.24.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims.

Inspectors will check:

- you have managed the same area each year for the duration of your contract.
- for montane scrub
- you have excluded all grazing,
- for non-montane scrub;
- you have either;
- excluded livestock or

- adhered to an approved grazing regime defining the livestock units and dates
- you have not coppiced hazel in Atlantic Hazel woods

For both;

- you have not carried out supplementary livestock feeding in the area subject to payment
- you have not sprayed, except for the spot-treatment of injurious/invasive species.
- you have removed any invasive non-native species present such as rhododendron
- you have maintained a diary

8.2.8.3.1.9.4.25. MOORLAND MANAGEMENT

8.2.8.3.1.9.4.25.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. Inspectors will check:

- Where livestock are present, you have maintained agricultural livestock activity on the area subject to payment.
- You have not carried out supplementary feeding out with the area(s) shown in your plan, unless you have prior written approval
- You have not cause vehicle rutting out with the vehicle use areas identified in your plan (the definition of rutting is where the soil is both depressed and bare soil is exposed)
- Where deer are present and you have responsibility for their management, you have maintained deer culls as agreed in your plan and send your annual cull returns to NS
- You have not cut peat without prior approval.
- If approval has been given to cut peat by hand, you have replaced the turfs on top of the cut surface, with the vegetation side on top.
- You have not undertaken muirburn, unless you have prior approval
- You have not planted trees, unless you have prior approval
- You have not undertaken any drainage work, unless you have prior approval
- You must maintain a diary

8.2.8.3.1.9.4.26. PREDATOR CONTROL

8.2.8.3.1.9.4.26.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary

and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. Inspectors will check:

For crow control only;

- You have purchased the agreed number of Larsen traps by the 1 June of the first year of your contract. (Larsen mate and Larsen pod traps are not eligible for payment)
- Traps have been tagged with the operators authorised identification number clearly visible
- Each spring, you have set and operated the trap(s) as detailed in your predator control plan
- You have kept a diary of the activity undertaken, including the current location of traps and dates that traps are set, or unset
- You must submit a report each year of the activity undertaken

For mammal and crow control programme;

- You have managed the same location and extent each year for the duration of your contract
- You have set and operated traps and/or snares in the locations detailed in your predator control plan
- Traps and/or snares have been tagged with your authorised identification number clearly visible
- You have kept a diary of the activity undertaken, including the current location of traps and/or snares, dates that they are set and unset, or removed and dates of any lamping work.
- You must submit a report each year of the activity undertaken

8.2.8.3.1.9.4.27. RETENTION OF WINTER STUBBLES FOR WILDLIFE & WATER QUALITY

8.2.8.3.1.9.4.27.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. Inspectors will check:

- the crop is cereal, or oilseed rape and not under sown.
- from a visual inspection, there is no evidence of the application of desiccants and check spray records for the crop. (Checked at main inspection; autumn)
- there is no evidence of ploughing/cultivation prior to 1st March following harvest with the exception of subsoiling. (Checked at second visit; following spring)
- there is no evidence of pesticide use post-harvest without prior written agreement of the Scottish Ministers except for activities such as control of non-native plants or injurious weeds.

8.2.8.3.1.9.4.28. SPECIES RICH GRASSLAND MANAGEMENT

8.2.8.3.1.9.4.28.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims.

Inspectors will check:

- Where no species rich grassland exists, or you wish to restore a species rich grassland, you have either begun establishment or begun restoration of a species rich sward by 1 June in the first year of your contract
- You have grazed and/or cut the area subject to payment

If grazing;

- You have adhered to an approved grazing plan defining the livestock units and dates

If cutting;

- You have cut after 15 July
- You have managed any aftermath to avoid the build-up of matted dead plant material.
- You must remove cuttings

For both cutting or grazing;

- You have not ploughed the area, except to aid establishment when creating species rich grassland on arable land
- You have not cultivated the area, except to aid establishment when creating or restoring a species rich grassland
- You have not applied fertiliser, slurry or farmyard manure
- You have not applied lime, unless you have prior approval
- You have not allowed the land to become poached or vehicle tracked.
- You have not carried out supplementary livestock feeding unless with prior written approval
- You have not sprayed, except for the spot- treatment of injurious/invasive weed species.
- Maintain a diary

8.2.8.3.1.9.4.29. STOCK DISPOSAL

8.2.8.3.1.9.4.29.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. The

Inspector will check:

- You have managed the same location and extent each year for the duration of your contract
- You have removed the agreed number of sheep before 1 March in the first year of your undertaking and maintained the reduced number from the area subject to payment
- You must not have exceeded the Reduced Flock size in your IACS business for the period of the contract. There may be a records check.

8.2.8.3.1.9.4.30. STUBBLES FOLLOWED BY GREEN MANURE IN AN ARABLE ROTATION

8.2.8.3.1.9.4.30.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. The inspector will check:

- The crop is cereal, or oilseed rape and not undersown
- There is no evidence of ploughing/cultivation prior to 1st March following harvest
- A green manure crop (such as forage rye, chicory, mustard or legumes) must be established from 1 March the following spring. The seed mix must include at least one annual flowering plant (e.g. vetch, clover or phacelia).
- If your next crop is autumn sown; Maintain the green manure until 15 August and do not apply fertilisers, slurry or farmyard manure to the site before 15 August
- You have established the green manure crop for at least 3 months before destroying

Or:

- If your next crop is spring sown; Maintain the green manure until the 1 March and do not apply fertilisers, slurry or farmyard manure to the site before 1 March
- The green manure can't be cut or grazed for forage.
- The crop following the green manure must be a combinable, or root crop (system check)
- There is no evidence of pesticide use post-harvest without prior written agreement of the Scottish Ministers, except for activities such as control of non-native plants or injurious weeds.
- Check the file for a copy of any written agreement.

8.2.8.3.1.9.4.31. SUMMER HILL GRAZING OF CATTLE

8.2.8.3.1.9.4.31.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. The Inspector will check:

- You have managed the same location and extent each year for the duration of your contract
- You have grazed the area subject to payment with cattle for at least 12 weeks between 1 May and 31 August.
- You have grazed with at least one bovine per 20 hectares.
- You have maintained a diary

8.2.8.3.1.9.4.32. TALL HERB VEGETATION MANAGEMENT

8.2.8.3.1.9.4.32.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. Inspectors will check:

- You have managed the same location each year for the duration of your contract

You have either;

- Excluded all grazing

Or;

- If grazing with livestock, you have adhered to an approved grazing regime defining the livestock units and grazing dates
- You have maintained a diary

8.2.8.3.1.9.4.33. UNHARVESTED CONSERVATION HEADLANDS FOR WILDLIFE

8.2.8.3.1.9.4.33.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and

GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. Inspectors will check:

- The crop is a cereal or oilseed rape or under sown, and has not been harvested before the 1st of March the following year.
- Strip is at least 6 m wide
- Pesticide have not been applied to the site except for the spot- treatment of injurious/invasive species

8.2.8.3.1.9.4.34. WADER & WILDLIFE MOWN GRASSLAND

8.2.8.3.1.9.4.34.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. The Inspector will check:

- You have not rolled, harrowed or grazed the area from 1 April until 30 June inclusive.
- You have not applied lime, fertiliser, slurry or farmyard manure from 1 April to 15 May inclusive.
- The area has been mown, but not before 30 June
- The hay or silage has been cut in a wildlife-friendly manner
- A strip of grass at least 2 m wide around the field boundary has been left uncut
- This uncut strip has been grazed down before the next exclusion period
- You have not sprayed, except for the spot-treatment of injurious/invasive species.
- You have maintained a diary

8.2.8.3.1.9.4.35. WADER GRAZED GRASSLAND

8.2.8.3.1.9.4.35.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. The Inspector will check:

- You have managed the same location and extent each year for the duration of your contract.

- You have Either;

- d) Excluded livestock from 1 April to 12 May inclusive, followed by a period of grazing, or
- e) Excluded livestock from 15 April to 26 May inclusive, followed by a period of grazing, or
- f) Restricted livestock by stocking with up to 1 LU/hectare from 15 March to 15 June inclusive

And

- You have not harrowed, rolled or topped grass from 15 March until 30 June inclusive
- You have not applied lime, fertiliser, farmyard manure or slurry from 15 March until 15 May
- You have grazed the sward down to remove annual growth to avoid a build-up of matted dead plant material.
- You have not sprayed, except for the spot-treatment of injurious/invasive species.
- You have not established new drainage.
- If you have undertaken drainage maintenance, you have prior written approval
- You have maintained a diary

8.2.8.3.1.9.4.36. WATER MARGINS IN ARABLE FIELDS

8.2.8.3.1.9.4.36.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims.

Inspectors will check:

- the margin is in an arable field
- The margin is at least the appropriate minimum width for the bed width of the watercourse
- All grass strips must be in place by the 1st of June.

For water margins of at least 3m and less than 6m;

- that all livestock has been excluded
- If cutting, it must not have been cut before 15 August and cuttings have been removed (with the exception of topping to aid establishment during the first year)

For water margins of 6m or wider;

- you must cut and/or graze the area, unless you have prior approval not to
- if cutting, you must not cut before 15 August and you must remove cuttings (with the exception of

topping to aid establishment during the first year). You are only required to cut the margin from the top of the bank.

- if grazing, you must not graze the margin or associated banking between 1 May and 15 August, or between 1 May and 15 September if the land is within a Bathing Water catchment.
- do not carry out supplementary livestock feeding
- that no ploughing, cultivation, storage,
- that the area has not become poached or vehicle tracked
- there has been no application of fertiliser, slurry or farmyard manure
- there has been no application of pesticide except for the spot- treatment of injurious/invasive weed species.
- diary

8.2.8.3.1.9.4.37. WATER MARGINS IN GRASSLAND FIELDS

8.2.8.3.1.9.4.37.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. Inspectors will check:

- the margin is at least the appropriate minimum width for the bed width of the watercourse
- for water margins of at least 3m and less than 6m;
- that all livestock has been excluded
- if cutting, it must not have been cut before 15 August and cuttings have been removed (with the exception of topping to aid establishment during the first year)

For water margins of 6m or wider;

- you must cut and/or graze the area, unless you have prior approval not to
- if grazing, you must not graze the margin or associated banking between 1 May and 15 August, or between 1 May and 15 September if the land is within a Bathing Water catchment.
- if cutting, you must not cut before 15 August and you must remove cuttings (with the exception of topping to aid establishment during the first year). You are only required to cut the margin from the top of the bank.
- do not carry out supplementary livestock feeding
- that no ploughing, cultivation, storage,
- that the area has not become poached or vehicle tracked
- there has been no application of fertiliser, slurry or farmyard manure
- there has been no application of pesticide except for the spot- treatment of injurious/invasive weed species.
- diary

8.2.8.3.1.9.4.38. WETLAND MANAGEMENT

8.2.8.3.1.9.4.38.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. Inspectors will check:

- Where you create a new wetland it will be completed by the 1 June in the first year of your contract.
- You have grazed and/or cut the area subject to payment
- If grazing, you have adhered to an approved grazing plan defining the stocking density and grazing dates
- If cutting; you have cut after 15 August and before 30 September.
- You have not carried out supplementary livestock feeding
- that no ploughing, cultivation, storage,
- that the area has not become poached or vehicle tracked
- there has been no application of Lime, fertiliser, slurry or farmyard manure
- there has been no application of pesticide except for the spot- treatment of injurious/invasive weed species.
- you have not establish new drainage
- diary

8.2.8.3.1.9.4.39. WILD BIRD SEED FOR FARMLAND BIRDS

8.2.8.3.1.9.4.39.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims. Inspectors will check:

- the area claimed is not on rough grazing.
- The size of the area claimed for each plot
- that plots are at least 6M wide
- the correct spring-sown mixture has been sown (invoice check may be required) for chosen management and has not been harvested, grazed, sprayed (except for the spot- treatment of injurious/invasive species)or ploughed down before 1st March following year.

8.2.8.3.1.9.4.40. WILDCAT FRIENDLY PREDATOR CONTROL

8.2.8.3.1.9.4.40.1. Verification methods of commitments

Robust assessment and selection process involving cross checks with IACS & LPIS database including aerial photography, and pre-approval assessments. Targeted and timed on-the-spot visual inspection and GPS measurement, supported by inspector checklists. Records of farmer checked including the farm diary and any other relevant farm records. Annual global LPIS & IACS cross-checking against all claims.

Inspectors will check:

- You have purchased the approved number of traps and/or cameras by the 1 June of the first year of your contract.
- You have monitored for the presence of wildcats on your land by setting and operating camera traps during the times, and in the locations detailed in your predator control plan. Photographs of suspected wildcats must be submitted to Wildcat Action project staff.
- You have set and operated live catch large mammal traps during the times detailed in your predator control plan
- You have kept a diary of the activity undertaken, including the current location of traps and dates that traps are set or unset
- You have submitted a report each year of the activity undertaken (including photographs).

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

Sub-measure 10.1 will be used to provide a range of agri-environment options which have been detailed individually in sections 10.1.1 through 10.1.40 (Please see these sections for the information on Identification and definition of the relevant baseline elements for the options available through 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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Sub-measure 10.1 will be used to provide a range of agri-environment options which have been detailed individually in sections 10.1.1 through 10.1.40 (Please see these sections for the information on the methodology and of the agronomic assumptions for the options available through sub-measure 10.1).

For further general methodology information please see overall measure description.

8.2.8.3.1.10.1. Agri-environment-climate commitments

8.2.8.3.1.10.1.1. ANCIENT WOOD PASTURE

8.2.8.3.1.10.1.1.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.24 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.24 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.24 for this information.

Minimum activities

Please see sub-measure 10.1.24 for this information.

8.2.8.3.1.10.1.1.2. Relevant usual farming practices

Please see sub-measure 10.1.24 for this information.

8.2.8.3.1.10.1.2. AWAY WINTERING SHEEP

8.2.8.3.1.10.1.2.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.20 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.20 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.20 for this information.

Minimum activities

Please see sub-measure 10.1.20 for this information.

8.2.8.3.1.10.1.2.2. Relevant usual farming practices

Please see sub-measure 10.1.20 for this information.

8.2.8.3.1.10.1.3. BEETLEBANKS

8.2.8.3.1.10.1.3.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.6 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.6 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.6 for this information.

Minimum activities

Please see sub-measure 10.1.6 for this information.

8.2.8.3.1.10.1.3.2. Relevant usual farming practices

Please see sub-measure 10.1.6 for this information.

8.2.8.3.1.10.1.4. BUFFER AREAS FOR FENS AND LOWLAND BOGS

8.2.8.3.1.10.1.4.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.16 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.16 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.16 for this information.

Minimum activities

Please see sub-measure 10.1.16 for this information.

8.2.8.3.1.10.1.4.2. Relevant usual farming practices

Please see sub-measure 10.1.16 for this information.

8.2.8.3.1.10.1.5. CATTLE MANAGEMENT ON SMALL UNITS (Introduction/Retention)

8.2.8.3.1.10.1.5.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.39 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.39 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.39 for this information.

Minimum activities

Please see sub-measure 10.1.39 for this information.

8.2.8.3.1.10.1.5.2. Relevant usual farming practices

Please see sub-measure 10.1.39 for this information.

8.2.8.3.1.10.1.6. CHOUGH GRAZING MANAGEMENT

8.2.8.3.1.10.1.6.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.32 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.32 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.32 for this information.

Minimum activities

Please see sub-measure 10.1.32 for this information.

8.2.8.3.1.10.1.6.2. Relevant usual farming practices

Please see sub-measure 10.1.32 for this information.

8.2.8.3.1.10.1.7. CHOUGH MOWN GRASSLAND

8.2.8.3.1.10.1.7.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.31 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.31 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.31 for this information.

Minimum activities

Please see sub-measure 10.1.31 for this information.

8.2.8.3.1.10.1.7.2. Relevant usual farming practices

Please see sub-measure 10.1.31 for this information.

8.2.8.3.1.10.1.8. CONSERVATION MANAGEMENT OF SMALL UNITS

8.2.8.3.1.10.1.8.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.38 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.38 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.38 for this information.

Minimum activities

Please see sub-measure 10.1.38 for this information.

8.2.8.3.1.10.1.8.2. Relevant usual farming practices

Please see sub-measure 10.1.38 for this information.

8.2.8.3.1.10.1.9. CONVERTING ARABLE AT RISK OF EROSION OR FLOODING TO LOW-INPUT GRASSLAND

8.2.8.3.1.10.1.9.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.10 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.10 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.10 for this information.

Minimum activities

Please see sub-measure 10.1.10 for this information.

8.2.8.3.1.10.1.9.2. Relevant usual farming practices

Please see sub-measure 10.1.10 for this information.

8.2.8.3.1.10.1.10. CORN BUNTINGS MOWN GRASSLAND

8.2.8.3.1.10.1.10.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.28 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.28 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.28 for this information.

Minimum activities

Please see sub-measure 10.1.28 for this information.

8.2.8.3.1.10.1.10.2. Relevant usual farming practices

Please see sub-measure 10.1.28 for this information.

8.2.8.3.1.10.1.11. CORNCRAKE GRAZING MANAGEMENT

8.2.8.3.1.10.1.11.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.34 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.34 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.34 for this information.

Minimum activities

Please see sub-measure 10.1.34 for this information.

8.2.8.3.1.10.1.11.2. Relevant usual farming practices

Please see sub-measure 10.1.34 for this information.

8.2.8.3.1.10.1.12. CORNCRAKE MOWN GRASSLAND

8.2.8.3.1.10.1.12.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.33 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.33 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.33 for this information.

Minimum activities

Please see sub-measure 10.1.33 for this information.

8.2.8.3.1.10.1.12.2. Relevant usual farming practices

Please see sub-measure 10.1.33 for this information.

8.2.8.3.1.10.1.13. CROPPED MACHAIR

8.2.8.3.1.10.1.13.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.37 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.37 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.37 for this information.

Minimum activities

Please see sub-measure 10.1.37 for this information.

8.2.8.3.1.10.1.13.2. Relevant usual farming practices

Please see sub-measure 10.1.37 for this information.

8.2.8.3.1.10.1.14. FLOODPLAIN MANAGEMENT

8.2.8.3.1.10.1.14.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.11 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.11 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.11 for this information.

Minimum activities

Please see sub-measure 10.1.11 for this information.

8.2.8.3.1.10.1.14.2. Relevant usual farming practices

Please see sub-measure 10.1.11 for this information.

8.2.8.3.1.10.1.15. FORAGE BRASSICA CROPS FOR FARMLAND BIRD

8.2.8.3.1.10.1.15.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.2 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.2 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.2 for this information.

Minimum activities

Please see sub-measure 10.1.2 for this information.

8.2.8.3.1.10.1.15.2. Relevant usual farming practices

Please see sub-measure 10.1.2 for this information.

8.2.8.3.1.10.1.16. GRASS STRIPS IN ARABLE FIELDS

8.2.8.3.1.10.1.16.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.7 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.7 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.7 for this information.

Minimum activities

Please see sub-measure 10.1.7 for this information.

8.2.8.3.1.10.1.16.2. Relevant usual farming practices

Please see sub-measure 10.1.7 for this information.

8.2.8.3.1.10.1.17. HABITAT MOSAIC MANAGEMENT

8.2.8.3.1.10.1.17.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.13 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.13 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.13 for this information.

Minimum activities

Please see sub-measure 10.1.13 for this information.

8.2.8.3.1.10.1.17.2. Relevant usual farming practices

Please see sub-measure 10.1.13 for this information.

8.2.8.3.1.10.1.18. HEATH MANAGEMENT (COASTAL, SERPENTINE, LOWLAND & SPECIAL INTEREST)

8.2.8.3.1.10.1.18.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.18 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.18 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.18 for this information.

Minimum activities

Please see sub-measure 10.1.18 for this information.

8.2.8.3.1.10.1.18.2. Relevant usual farming practices

Please see sub-measure 10.1.18 for this information.

8.2.8.3.1.10.1.19. HEN HARRIER GRASSLAND MANAGEMENT

8.2.8.3.1.10.1.19.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.36 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.36 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.36 for this information.

Minimum activities

Please see sub-measure 10.1.36 for this information.

8.2.8.3.1.10.1.19.2. Relevant usual farming practices

Please see sub-measure 10.1.36 for this information.

8.2.8.3.1.10.1.20. LOWLAND BOG MANAGEMENT

8.2.8.3.1.10.1.20.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.15 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.15 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.15 for this information.

Minimum activities

Please see sub-measure 10.1.15 for this information.

8.2.8.3.1.10.1.20.2. Relevant usual farming practices

Please see sub-measure 10.1.15 for this information.

8.2.8.3.1.10.1.21. MANAGEMENT OF COVER FOR CORNCRAKE

8.2.8.3.1.10.1.21.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.35 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.35 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.35 for this information.

Minimum activities

Please see sub-measure 10.1.35 for this information.

8.2.8.3.1.10.1.21.2. Relevant usual farming practices

Please see sub-measure 10.1.35 for this information.

8.2.8.3.1.10.1.22. MANAGEMENT, RESTORATION OR CREATION OF HEDGEROWS

8.2.8.3.1.10.1.22.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.25 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.25 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.25 for this information.

Minimum activities

Please see sub-measure 10.1.25 for this information.

8.2.8.3.1.10.1.22.2. Relevant usual farming practices

Please see sub-measure 10.1.25 for this information.

8.2.8.3.1.10.1.23. MANAGING SCRUB OF CONSERVATION VALUE

8.2.8.3.1.10.1.23.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.23 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.23 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.23 for this information.

Minimum activities

Please see sub-measure 10.1.23 for this information.

8.2.8.3.1.10.1.23.2. Relevant usual farming practices

Please see sub-measure 10.1.23 for this information.

8.2.8.3.1.10.1.24. MOORLAND MANAGEMENT

8.2.8.3.1.10.1.24.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.17 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.17 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.17 for this information.

Minimum activities

Please see sub-measure 10.1.17 for this information.

8.2.8.3.1.10.1.24.2. Relevant usual farming practices

Please see sub-measure 10.1.17 for this information.

8.2.8.3.1.10.1.25. PREDATOR CONTROL

8.2.8.3.1.10.1.25.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.26 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.26 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.26 for this information.

Minimum activities

Please see sub-measure 10.1.26 for this information.

8.2.8.3.1.10.1.25.2. Relevant usual farming practices

Please see sub-measure 10.1.26 for this information.

8.2.8.3.1.10.1.26. RETENTION OF WINTER STUBBLES FOR WILDLIFE & WATER QUALITY

8.2.8.3.1.10.1.26.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.4 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.4 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.4 for this information.

Minimum activities

Please see sub-measure 10.1.4 for this information.

8.2.8.3.1.10.1.26.2. Relevant usual farming practices

Please see sub-measure 10.1.4 for this information.

8.2.8.3.1.10.1.27. SPECIES RICH GRASSLAND MANAGEMENT

8.2.8.3.1.10.1.27.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.14 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.14 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.14 for this information.

Minimum activities

Please see sub-measure 10.1.14 for this information.

8.2.8.3.1.10.1.27.2. Relevant usual farming practices

Please see sub-measure 10.1.14 for this information.

8.2.8.3.1.10.1.28. STOCK DISPOSAL

8.2.8.3.1.10.1.28.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.19 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.19 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.19 for this information.

Minimum activities

Please see sub-measure 10.1.19 for this information.

8.2.8.3.1.10.1.28.2. Relevant usual farming practices

Please see sub-measure 10.1.19 for this information.

8.2.8.3.1.10.1.29. STUBBLES FOLLOWED BY GREEN MANURE IN AN ARABLE ROTATION

8.2.8.3.1.10.1.29.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.5 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.5 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.5 for this information.

Minimum activities

Please see sub-measure 10.1.5 for this information.

8.2.8.3.1.10.1.29.2. Relevant usual farming practices

Please see sub-measure 10.1.5 for this information.

8.2.8.3.1.10.1.30. SUMMER HILL GRAZING OF CATTLE

8.2.8.3.1.10.1.30.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.21 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.21 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.21 for this information.

Minimum activities

Please see sub-measure 10.1.21 for this information.

8.2.8.3.1.10.1.30.2. Relevant usual farming practices

Please see sub-measure 10.1.21 for this information.

8.2.8.3.1.10.1.31. TALL HERB VEGETATION MANAGEMENT

8.2.8.3.1.10.1.31.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.22 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.22 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.22 for this information.

Minimum activities

Please see sub-measure 10.1.22 for this information.

8.2.8.3.1.10.1.31.2. Relevant usual farming practices

Please see sub-measure 10.1.22 for this information.

8.2.8.3.1.10.1.32. UNHARVESTED CONSERVATION HEADLANDS FOR WILDLIFE

8.2.8.3.1.10.1.32.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.3 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.3 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.3 for this information.

Minimum activities

Please see sub-measure 10.1.3 for this information.

8.2.8.3.1.10.1.32.2. Relevant usual farming practices

Please see sub-measure 10.1.3 for this information.

8.2.8.3.1.10.1.33. WADER & WILDLIFE MOWN GRASSLAND

8.2.8.3.1.10.1.33.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.29 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.29 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.29 for this information.

Minimum activities

Please see sub-measure 10.1.29 for this information.

8.2.8.3.1.10.1.33.2. Relevant usual farming practices

Please see sub-measure 10.1.29 for this information.

8.2.8.3.1.10.1.34. WADER GRAZED GRASSLAND

8.2.8.3.1.10.1.34.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.30 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.30 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.30 for this information.

Minimum activities

Please see sub-measure 10.1.30 for this information.

8.2.8.3.1.10.1.34.2. Relevant usual farming practices

Please see sub-measure 10.1.30 for this information.

8.2.8.3.1.10.1.35. WATER MARGINS IN ARABLE FIELDS

8.2.8.3.1.10.1.35.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.8 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.8 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.8 for this information.

Minimum activities

Please see sub-measure 10.1.8 for this information.

8.2.8.3.1.10.1.35.2. Relevant usual farming practices

Please see sub-measure 10.1.8 for this information.

8.2.8.3.1.10.1.36. WATER MARGINS IN GRASSLAND FIELDS

8.2.8.3.1.10.1.36.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.9 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.9 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.9 for this information.

Minimum activities

Please see sub-measure 10.1.9 for this information.

8.2.8.3.1.10.1.36.2. Relevant usual farming practices

Please see sub-measure 10.1.9 for this information.

8.2.8.3.1.10.1.37. WETLAND MANAGEMENT

8.2.8.3.1.10.1.37.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.12 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.12 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.12 for this information.

Minimum activities

Please see sub-measure 10.1.12 for this information.

8.2.8.3.1.10.1.37.2. Relevant usual farming practices

Please see sub-measure 10.1.12 for this information.

8.2.8.3.1.10.1.38. WILD BIRD SEED FOR FARMLAND BIRDS

8.2.8.3.1.10.1.38.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.1 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.1 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.1 for this information.

Minimum activities

Please see sub-measure 10.1.1 for this information.

8.2.8.3.1.10.1.38.2. Relevant usual farming practices

Please see sub-measure 10.1.1 for this information.

8.2.8.3.1.10.1.39. WILDCAT FRIENDLY PREDATOR CONTROL

8.2.8.3.1.10.1.39.1. Baseline

Relevant GAEC and/or SMR

Please see sub-measure 10.1.27 for this information.

Minimum requirements for fertilisers and pesticides

Please see sub-measure 10.1.27 for this information.

Other relevant national/regional requirements

Please see sub-measure 10.1.27 for this information.

Minimum activities

Please see sub-measure 10.1.27 for this information.

8.2.8.3.1.10.1.39.2. Relevant usual farming practices

Please see sub-measure 10.1.27 for this information.

8.2.8.3.2. sub-measure 10.1.1 - WILD BIRD SEED FOR FARMLAND BIRDS

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.2.1. Description of the type of operation

Aim of commitment: To benefit farmland birds.

Description of the commitment: Blocks or strips of seed bearing crop mixtures grown under low-input management will support arable plants and provide grubs and insects for farmland birds during the summer. Then, during the winter and into spring the crop will provide both seed and cover for birds.

8.2.8.3.2.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.2.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.2.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.2.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.2.6. Eligibility conditions

Land which is not rough grazing is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.2.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.2.8. (Applicable) amounts and support rates

£322.63 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

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*

Please see overall measure description.

8.2.8.3.2.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.2.9.3. *Overall assessment of the measure*

Please see overall measure description.

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

- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the winter, either by retaining stubble or sowing grass or another crop.
- GAEC 5: For late harvested crops where conditions prevent a subsequent cover to be sown, land managers must put in place measures to prevent soil erosion.
- SMR 1: Farmers in NVZs must prepare and implement a fertiliser and manure management plan

before 1 March annually

- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing or cropping of the area, and would not involve the creation of blocks of sacrificial areas of wild bird seed crops which are retained throughout the winter. Therefore this operation is considered not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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 based upon average income foregone/additional cost for a specialist arable and a livestock unit. - income foregone equivalent to average loss of arable gross margin and in a livestock farming situation cost of renting in grazing land capable of carrying 5 ewes per hectare plus supervision and transport costs, the fixed costs saved relating to not having to establish an arable crop and grazing pasture have been deducted less spray costs saved (100%), savings from a 60% reduction in fertiliser input (average cost for all arable crops) and other crop expenses associated with harvesting (e.g. combine costs).

For further general methodology information please see overall measure description.

8.2.8.3.3. sub-measure 10.1.10 - CONVERTING ARABLE AT RISK OF EROSION OR FLOODING TO LOW-INPUT GRASSLAND

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.3.1. Description of the type of operation

Aim of commitment: To benefit soils, water quality and wildlife by converting areas within arable fields which are prone to run-off and/or soil erosion or flooding to low-input grassland.

Description of the commitment: This will provide year-round cover, which will increase soil organic matter, improve soil structure, reduce surface run-off and protect against soil erosion. Flowering plants within the grass will also provide pollen and nectar for invertebrates.

8.2.8.3.3.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.3.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.3.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.3.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.3.6. Eligibility conditions

Land which has been in arable cropping for all of the last five years, or has been converted from arable to low-input grassland under a previous Nature Scot or Scottish Government agri-environment scheme in the last five years, is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.3.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.3.8. (Applicable) amounts and support rates

£284.80 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.3.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.3.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.3.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.3.10. 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

- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the winter, either by retaining stubble or sowing grass or another crop.
- GAEC 5: For late harvested crops where conditions prevent a subsequent cover to be sown, land managers must put in place measures to prevent soil erosion.
- SMR 1: Farmers in NVZs must prepare and implement a fertiliser and manure management plan before 1 March annually
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing or cropping of these riparian areas, which are prone to flooding. Option provides protection and creation of riparian buffer areas, removing them from intensive agricultural production. Therefore the establishment of these riparian buffer areas on potentially productive land is considered not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Income foregone is calculated based on moving from intensive arable cropping to extensive grass production. The calculation of payment is therefore based upon the difference between average Gross Margin of moving from intensive agricultural production of cereal crops (less cost of establishing crops, i.e.

costs saved) . A deduction has been made for the value of the extensive grass established, as this can be used for grazing following establishment. The cost of establishing a grass ley will be covered by a 1 off capital payment in year 1.

For further general methodology information please see overall measure description.

8.2.8.3.4. sub-measure 10.1.11 - FLOODPLAIN MANAGEMENT

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.4.1. Description of the type of operation

Aim of commitment: To manage stock on a newly restored floodplain (e.g. following river embankment removal). Newly restored floodplains help manage flood risk and to benefit biodiversity

Description of the commitment: By intercepting water as it overtops the river bank, floodplains will act as flood storage areas, helping to reduce the impacts of flooding downstream. Well managed floodplains will also support a diverse range and structure of wetland plant species which in turn will provide a food source for insects, mammals and birds.

8.2.8.3.4.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.4.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.4.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.4.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.4.6. Eligibility conditions

Eligible grassland - You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme , or land in arable rotation where you propose to create a grass sward, which is proactively being managed to flood

(for example, following the removal of a flood bank) is eligible.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.4.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.4.8. (Applicable) amounts and support rates

£57.43 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.4.9.1. Risk(s) in the implementation of the measures

Please see overall measure description.

8.2.8.3.4.9.2. Mitigating actions

Please see overall measure description.

8.2.8.3.4.9.3. Overall assessment of the measure

Please see overall measure description.

8.2.8.3.4.10. 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

- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the

winter, either by retaining stubble or sowing grass or another crop.

- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- SMR 1: Farmers in NVZs must prepare and implement a fertiliser and manure management plan before 1 March annually
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing or cropping of these riparian areas, which are prone to flooding. Option provides incentive to encourage these areas to flood, by the removal of flood defenses. Therefore the creation of these sacrificial flood plains is not considered to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

For further general methodology information please see overall measure description.

8.2.8.3.5. sub-measure 10.1.12 - WETLAND MANAGEMENT

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.5.1. Description of the type of operation

Aim of commitment: To benefit a range of existing or newly created wetland habitats by maintaining appropriate grazing regimes. This option can also be used to manage newly restored floodplains to help manage flood risk downstream.

Description of the commitment: Wetlands are areas where the soil is saturated either permanently or seasonally. They support a range of plant types and reducing or removing grazing during the summer, and then grazing in the autumn will ensure that flowering species can set seed and germinate. Wetlands support a variety of plants, insects, mammals and birds. They also help slow water flow and act as natural water storage zones helping to reduce the impacts of flooding downstream.

8.2.8.3.5.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.5.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.5.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.5.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.5.6. Eligibility conditions

Land that contains either an existing wetland or is where you propose to create a new wetland is eligible. This includes fen meadow, reed beds and salt marsh. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the

Basic Payment Scheme. For arable land where you wish to create new wetland you must undertake this option with the Creation of low-input grassland to convert arable land at risk of flooding capital item.

For general measure 10 eligibility conditions see sub-measure 10.1

8.2.8.3.5.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.5.8. (Applicable) amounts and support rates

£284.80 per hectare

£90.03 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.5.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.5.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.5.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.5.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.5.10. 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

- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the winter, either by retaining stubble or sowing grass or another crop.
- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- SMR 1: Farmers in NVZs must prepare and implement a fertiliser and manure management plan before 1 March annually
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing of these sensitive wetland habitats, which are prone to flooding and susceptible to poaching and damage by livestock grazing. Therefore the establishment of different and beneficial grazing regimes is not considered to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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 assumption for the Wetland Calculation is based upon additional costs equivalent to renting grazing

capable of carrying 2.5 ewes/ha for 4 months and supervision + haulage to compensate for cost incurred in meeting the option stock exclusion requirement. Where an area of Wetland is being created the annual management payment rate calculation is based upon the conversion of intensive agricultural land to low intensive production and the rate has been calculated under the "Converting Arable Land at Risk of Flooding" option.

For further general methodology information please see overall measure description.

8.2.8.3.6. sub-measure 10.1.13 - HABITAT MOSAIC MANAGEMENT

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.6.1. Description of the type of operation

Aim of commitment: To -maintain and improve areas of farmland that are made up of a patchwork or mosaic of traditional semi-natural habitats that need to be managed as a single unit.

Description of the commitment: Habitat mosaics may include wetland, wet grassland, species-rich grassland, tall herb communities, scrub, heathland and scattered pockets of woodland or wood pasture amongst others. They often support a range of important wildlife.

8.2.8.3.6.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.6.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.6.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.6.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.6.6. Eligibility conditions

Land which contains a mosaic of habitat types is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.6.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.6.8. (Applicable) amounts and support rates

£93.20 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.6.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.6.9.1. Risk(s) in the implementation of the measures

Please see overall measure description.

8.2.8.3.6.9.2. Mitigating actions

Please see overall measure description.

8.2.8.3.6.9.3. Overall assessment of the measure

Please see overall measure description.

8.2.8.3.6.10. 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

- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the winter, either by retaining stubble or sowing grass or another crop.
- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- GAEC 7: Land managers must not remove or destroy drystone or flagstone dykes, turf and stone-faced banks, walls, hedges, ponds, watercourses or trees (in line, in a group or isolated) without the prior written consent of Scottish Ministers. Land managers must not cultivate or apply fertilisers or pesticides to land

within 2m of the centre line of a hedge.

- SMR 1: Farmers in NVZs must prepare and implement a fertiliser and manure management plan before 1 March annually
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing of these sensitive wetland habitats, which are prone to flooding and susceptible to poaching and damage by livestock grazing. Therefore the establishment of different and beneficial grazing regimes is not considered to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

This option combines the management of 3 habitats - species rich, wetland habitat and wader and wildlife grazing, therefore the calculation is based on the average of the calculated payment rate for each option, the assumption for the Species Rich Grassland Calculation is based upon - Additional costs: equivalent to loss of grazings @ 2 ewes per ha, removed from the area to reduce the stocking density from 3 to 1 ewe per hectare and need to use rented grazings with a carrying capacity of 7.5 ewes per hectare for a 6 month (26 wks) period. a haulage charge to and from the grazings and the cost of management/supervision of the sheep

at the rented grazings - at 1 hr per week per ha rented grazings @ £8.18/hour. The assumption for the Wetland Calculation is based upon additional costs equivalent to renting grazing capable of carrying 2.5 ewes/ha for 4 months and supervision + haulage. The assumption for wader and wildlife grazing management is equivalent to loss of grazings @7.5 ewes/ha and 6 weeks use of rented grazing (rate based on a 6 month tenancy) with carrying capacity 7.5 ewes/ha + haulage & supervision.

For further general methodology information please see overall measure description.

8.2.8.3.7. sub-measure 10.1.14 - SPECIES RICH GRASSLAND MANAGEMENT

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.7.1. Description of the type of operation

Aim of commitment: To benefit a range of species rich grassland habitats by maintaining appropriate grazing or cutting regimes.

Description of the commitment: Careful grazing management to ensure that the sward is longest in the summer and shorter in the spring and autumn will allow flowering species to set seed and germinate. Species rich grasslands support a wide range of flowering plants, along with pollinating bees, butterflies, moths and other invertebrates.

8.2.8.3.7.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.7.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.7.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.7.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.7.6. Eligibility conditions

Land that has either existing species-rich grassland or is where you propose to create or restore species rich grassland is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc.

We will check this using the same approach as we use to check land for the Basic Payment Scheme.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.7.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.7.8. (Applicable) amounts and support rates

£284.80 per hectare for creation and management

£109.56 per hectare for management only

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.7.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.7.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.7.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.7.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.7.10. 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

- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock
- SMR 1: Farmers in NVZs must prepare and implement a fertiliser and manure management plan before 1 March annually
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing of these sensitive habitats, which are susceptible to poaching and damage by grazing livestock. Therefore the establishment of different and beneficial grazing regimes is not considered to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Assumption: Additional costs: equivalent to loss of grazings @ 2 ewes per ha, removed from the area to reduce the stocking density from 3 to 1 ewe per hectare and need to use rented grazings with a carrying capacity of 7.5 ewes per hectare for a 6 month (26 wks) period. A haulage charge to and from the grazings and the cost of management/supervision of the sheep at the rented grazings - at 1 hr per week per ha rented grazings @ £8.18/hour. Where an area of Species Rich Grassland is being created the annual management payment rate is based upon the conversion of intensive agricultural land to low intensive production and the

rate has been calculated under the "Converting Arable Land at Risk of Flooding" option. The cost of creating the species rich grass is a covered by a capital payment.

For further general methodology information please see overall measure description.

8.2.8.3.8. sub-measure 10.1.15 - LOWLAND BOG MANAGEMENT

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.8.1. Description of the type of operation

Aim of commitment: To benefit lowland bogs, by keeping the bog surface (both the vegetation and the peat) as intact, undisturbed and as wet as possible.

Description of the commitment: The plants that grow on bogs, such as Sphagnum mosses, Bog Cotton and heathers have adapted to grow in wet conditions with limited nutrients. They contribute to the creation of peat which acts as a carbon sink helping to mitigate against climate change. Sphagnum moss in particular can hold large volumes of water which contributes to flood management. Bogs also support a wide range of insects such as butterflies, moths, dragonflies and damselflies.

8.2.8.3.8.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.8.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.8.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.8.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.8.6. Eligibility conditions

Any land with lowland bog is eligible.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.8.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.8.8. (Applicable) amounts and support rates

£37.41 per hectare

£89.75 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.8.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.8.9.1. Risk(s) in the implementation of the measures

Please see overall measure description.

8.2.8.3.8.9.2. Mitigating actions

Please see overall measure description.

8.2.8.3.8.9.3. Overall assessment of the measure

Please see overall measure description.

8.2.8.3.8.10. 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

- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the winter, either by retaining stubble or sowing grass or another crop.
- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- SMR 1: Farmers in NVZs must prepare and implement a fertiliser and manure management plan before 1 March annually
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing of these sensitive habitats, which are susceptible to poaching and damage by grazing livestock. Therefore the establishment of different and beneficial grazing regimes is not considered to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Additional Costs: Assume that bog would have been able to carry more stock before drainage ditches blocked (reduced from 1 ewe per ha to 0.25 ewe carrying capacity). Plus assume time required to repair dams as and when required, monitor any scrub regrowth (to then take action if required, under the scrub

control capital item). Assume average bog size per applicant is 30ha. Grazing Management Supplement Assumption: Total income foregone is calculated as the difference between keeping a hill type ewe on good quality improved/semi improved in-bye vs poorer quality hill land (equivalent to bog), at the max grazing rate of 0.02 LU per ha. Increased mortality assumed of 3 ewe over average area of 30ha and assuming 2.4 lambs lost. Additional costs include additional labour inputs for the extra time involved in checking and looking after stock within a bog. Extra costs arising from increased mortality include cost of disposing of 3 ewes. Extra vet & Med costs beyond normal costs if sheep were in a field.

For further general methodology information please see overall measure description.

8.2.8.3.9. sub-measure 10.1.16 - BUFFER AREAS FOR FENS AND LOWLAND BOGS

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.9.1. Description of the type of operation

Aim of commitment: To benefit fens and lowland bogs by increasing the water levels and reducing nutrient inputs on land immediately adjacent.

Description of the commitment: Buffer areas can help maintain water levels and reduce nutrients flowing into the bog or fen. They can also provide grazing stock with access to an area of drier land. Buffer areas also contribute to flood management, soil protection and carbon storage

8.2.8.3.9.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.9.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.9.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.9.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.9.6. Eligibility conditions

Land that is immediately adjacent to a fen or lowland bog is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.9.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.9.8. (Applicable) amounts and support rates

£313.36 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.9.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.9.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.9.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.9.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.9.10. 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

- GAEC 1: Land managers must establish a 2m buffer strip along water courses with restrictions on the application of organic manure, field heaps location, the application of chemical fertiliser, nitrogen fertiliser and pesticides.

- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- SMR 1: Farmers in NVZs must prepare and implement a fertiliser and manure management plan before 1 March annually
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing or cropping of these buffer areas, and would not involve the creation of low input grassland which will be managed in a sensitive way. Therefore the establishment of different and beneficial grazing regimes is not considered to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

This option covers both arable and livestock farming situations therefore Income foregone: equivalent to the average of cereal production and livestock production. Income foregone from transition: equivalent to difference between 100% Gross Margin from average Arable & 20% Gross Margin Upland/Lowground Suckler Cows - (cannot spread fertilisers or improve grass). Additional Costs is rental value from grass established (£172.67 for 6 months), costs saved are equivalent to labour and machinery costs in establishing, growing and harvesting a arable crop.

For further general methodology information please see overall measure description.

8.2.8.3.10. sub-measure 10.1.17 - MOORLAND MANAGEMENT

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.10.1. Description of the type of operation

Aim of commitment: To benefit a range of moorland habitats including upland heath and peatland habitats by maintaining appropriate levels of wild and domestic stock and to protect sensitive peatland areas at risk of soil erosion from herbivore trampling and vehicle tracking.

Description of the commitment: Moorlands cover a range of habitat types from dry and wet heath through to blanket bog. It can also include some grasslands. Sustainable grazing levels and careful use of vehicles will ensure that both the vegetation and soils remain as intact and undisturbed as possible. Moorlands support a range of important wildlife and biodiversity, and peatlands in particular can contribute to climate change by storing carbon. This option is an entry option for all upland management, including peatland restoration, where livestock and/or deer are present. It provides a foundation to build in additional options or capital items where further benefit to the habitat or species present can be achieved from undertaking works such as grip/ditch blocking, stock reduction, muirburn, summer cattle grazing or shepherding. A full list is given below.

8.2.8.3.10.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.10.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.10.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.10.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.10.6. Eligibility conditions

Land which is rough grazing and where livestock and / or deer are present is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.10.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.10.8. (Applicable) amounts and support rates

£3.60 per hectare

£1.24 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.10.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.10.9.1. Risk(s) in the implementation of the measures

Please see overall measure description.

8.2.8.3.10.9.2. Mitigating actions

Please see overall measure description.

8.2.8.3.10.9.3. Overall assessment of the measure

Please see overall measure description.

8.2.8.3.10.10. 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

- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- GAEC 6: Land managers must comply with the requirements of the Muirburn (heather burning) Code as they relate to maintenance of soil organic matter, including not leaving a fire unattended, making provision for proper control of fires and not causing any damage to woodland. Land managers must not plough rough grazing or other semi-natural areas unless approved as part of an environmental impact assessment.
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing of these areas. Therefore the establishment of different and beneficial grazing regimes is not considered to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Assumptions made; Option is looking to help continue support appropriate low intensity stocking in order to maintain habitats, rather than graze at an agriculturally acceptable stocking density. The payment rate therefore reflects an opportunity foregone to maintain the habitats. (ie a farmer could 'agriculturally' stock

with more sheep). Dry heath makes up appr. 20% of total moorland area (JNCC figures for UK as a whole). There will be time implications for an estate carrying out their deer maintenance cull each year, in order to do so in a more sustainable manner. This may e.g. require them to avoid impacting on more sensitive habitats by taking longer routes with Argocats, or carry out stalking in more remote areas. Impacts - additional time in any stalking day, plus recognition that additional days stalking may be required to reflect possible lower productivity eg only 1 stag per day when possibly could get 2, or say 4 hinds rather than 6. Impact on staff time will include stalker and ghillie required for each stalk (with or without a client). Assume average estate size 3,000ha. Source of data Nature Scot Deer Management Team

For further general methodology information please see overall measure description.

8.2.8.3.11. sub-measure 10.1.18 - HEATH MANAGEMENT (COASTAL, SERPENTINE, LOWLAND & SPECIAL INTEREST)

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.11.1. Description of the type of operation

Aim of commitment:

Heaths support a range of important wildlife and biodiversity.

To benefit a range of heathland habitats by reducing or restricting grazing pressure at certain times of the year.

Depending on the type of heath being managed, this will allow flowering plants and set seed during the summer, or protect heath plants from grazing damage over the winter period.

In addition, this option aims to manage mosaics of heath and grassland habitats for the benefit of waders.

Description of the commitment: Depending on the type of heath being managed, this will allow flowering plants to flower and set seed during the summer, or protect heath plants from grazing damage over the winter period. Heaths support a range of important wildlife and biodiversity.

8.2.8.3.11.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.11.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.11.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.11.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.11.6. Eligibility conditions

Land that permanent pasture or rough grazing which contains one of the following heath types is eligible.

- Costal heath
- Serpentine heath
- Special interest heath
- Lowland heath

You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme.

Applicants must identify the habitat that will benefit, and that the location and extent to be managed is appropriate, through endorsement from a recognised conservation organisation.

Applicants must identify on a 1:2,500 map the locations of the Heath to be managed.

Eligibility will be defined as per the description of each type of heath.

If you are managing for warders, you may also enter land into this option if it is mosaic consisting of a mix of:

- Improved and unimproved grassland
- Heath communities
- Blanket bog
- Wetland

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.11.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.11.8. (Applicable) amounts and support rates

For coastal, serpentine and special interest heath and warder management on heath mosaics

£88.79 per hectare - per year up to 30 hectares

£54.43 per hectare - per year for the next 40 hectares

£3.60 per hectare -per year thereafter

These rates apply per contract

For lowland heath

£138.37 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.11.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.11.9.1. Risk(s) in the implementation of the measures

Please see overall measure description.

8.2.8.3.11.9.2. Mitigating actions

Please see overall measure description.

8.2.8.3.11.9.3. Overall assessment of the measure

Please see overall measure description.

8.2.8.3.11.10. 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

- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- GAEC 6: Land managers must comply with the requirements of the Muirburn (heather burning) Code as they relate to maintenance of soil organic matter, including not leaving a fire unattended, making provision for proper control of fires and not causing any damage to woodland. Land managers must not plough rough grazing or other semi-natural areas unless approved as part of an environmental impact assessment.
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or

cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing of these areas, and there would be no incentive for land manager to consider all of the grazing pressures. Therefore the establishment of different and beneficial grazing regimes is not considered to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Additional costs: equivalent to loss of grazings @ 1.5 ewes/ha and 5 months use of rented grazings with a carrying capacity of 7.5 ewes/ha + haulage & supervision. 1 ewe/ha away-wintered to reduce winter stocking rate to reduce to 0.075LU/ha. Additional costs: equivalent to cost of grazing when reducing stocking on the site to meet the options required stocking requirements. This equates to 1 ewe/ha for 4 months (16 weeks) between 1 May and 31 August, and loss of grazings @ 2 ewes/ha for a further 2 months (8 weeks) either between 1 March and 30 April or between 1 September and 31 October. To calculate the cost of lost grazing the assumption calculates the cost of rented grazings with carrying capacity of 7.5 ewes/ha + haulage & supervision. Also 3 ewes/ha away-wintered (between 1 November and 28/29 February) to reduce winter stocking rate from 3 ewes/ha to 0 ewes/ha.

For further general methodology information please see overall measure description.

8.2.8.3.12. sub-measure 10.1.19 - STOCK DISPOSAL

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.12.1. Description of the type of operation

Aim of commitment: To benefit the condition of moorland habitats by reducing grazing or trampling pressure.

Description of the commitment: Sheep are selective grazers and can influence the types of plants present on moorland, particularly when grazing pressure is high. Removing some of the sheep will help ensure that heather and other valuable moorland plants flourish and continue to support a wide range of birds and wildlife, and that vulnerable soils are protected.

8.2.8.3.12.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.12.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.12.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.12.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.12.6. Eligibility conditions

Land that is rough grazing is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic

Payment Scheme. You must combine this option with the Moorland Management Option.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.12.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.12.8. (Applicable) amounts and support rates

£24.83 or £32.91 with the VCS supplement per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.12.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.12.9.1. Risk(s) in the implementation of the measures

Please see overall measure description.

8.2.8.3.12.9.2. Mitigating actions

Please see overall measure description.

8.2.8.3.12.9.3. Overall assessment of the measure

Please see overall measure description.

8.2.8.3.12.10. 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

- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points

and feeding areas from overgrazing or heavy poaching by livestock.

- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 7: Land managers must comply with legislative requirements of cattle identification including Tagging, Passports and registration, Notification of movements and deaths and maintaining farm records
- SMR 8: Land managers must comply with legislative requirements of sheep and goat identification including identification and record keeping
- SMR 13: Land managers must comply with legislative requirements regarding animal welfare

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing of these areas, and there would be no incentive for land manager to consider all of the grazing pressures adversely affecting the ecological status of semi-natural areas. Therefore the establishment of different and beneficial grazing regimes is not considered to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

ASSUMPTION: Income foregone/Additional cost calculation: based on the average loss of average gross margin for 2 types of hill breeding ewes (store lamb & ewe lamb production & hill ewes to terminal sire with limited inbye land) less labour saved for animal husbandry per ewe disposed of (time spent dozing, feet

trimming, marking lamns etc.). Additional costs of transport and gathering assumed at £3.40/sheep removed and spread over the 5 years of the agreement. To calculate the headage rate to a hecterage rate we have used an average stocking rate prior to disposal of 1.25 ewes/ha. VCS SUPPLEMENT: additional payment to reflect potential loss of VCS of 100 Euros per ewe hogg claimed, if their land is in region 3, with 1 ewe hogg equivalent to 4ha. For every ewe disposed of, assume average lambing percentage of 80% (ie a ewe would have 0.8 lambs/year), with half of the lambs being born being female and from birth to end of claim period for VCS sheep scheme evidence would support 3% would die, therefore eligible ewe hoggs that could be claimed for ewes disposed would be 0.39 hoggs. A supplement of £8.08 per hectare per year will be available where the stock disposal will affect your ability to claim Scottish Upland Sheep Support (SUSS). It is proposed that SUSS will be payable on ewe hoggs born on Scottish holdings which have 80 per cent or more of their agricultural land in Scotland's Basic Payment Region three and less than 200 ha of agricultural land in Scotland's Basic Payment region one. The supplement will only be payable on the proportion of stock disposal payments which take you below 1 ewe hogg for every 4 hectares of region three land.

For further general methodology information please see overall measure description.

8.2.8.3.13. sub-measure 10.1.2 - FORAGE BRASSICA CROPS FOR FARMLAND BIRDS

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.13.1. Description of the type of operation

Aim of commitment: To benefit farmland birds.

Description of the commitment: Forage brassica crops grown under low-input management will support arable plants and provide grubs and insects for farmland birds. During the winter, the crop will also provide valuable cover for farmland birds.

8.2.8.3.13.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.13.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.13.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.13.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.13.6. Eligibility conditions

Land which is not rough grazing is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.13.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.13.8. (Applicable) amounts and support rates

£463.36 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.13.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.13.9.1. Risk(s) in the implementation of the measures

Please see overall measure description.

8.2.8.3.13.9.2. Mitigating actions

Please see overall measure description.

8.2.8.3.13.9.3. Overall assessment of the measure

Please see overall measure description.

8.2.8.3.13.10. 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

- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the winter, either by retaining stubble or sowing grass or another crop.
- GAEC 5: For late harvested crops where conditions prevent a subsequent cover to be sown, land managers must put in place measures to prevent soil erosion.
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as

Special Areas of Conservation

- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing or cropping of the area, and would not involve the creation of blocks of sacrificial crops of forage brassicas which are retained throughout the winter. Therefore this operation is considered not to represent usual farming practice

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include

record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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 based upon average of income foregone/additional costs for typical livestock unit. for crop establishment costs and cost of renting grazing land during the prescription period. Deductions are made for the grazing value of the crop after the grazing restriction period has ended

For further general methodology information please see overall measure description.

8.2.8.3.14. sub-measure 10.1.20 - AWAY WINTERING SHEEP

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.14.1. Description of the type of operation

Aim of commitment: To maintain or improve the condition of moorland by off or away wintering sheep which would usually graze the moorland.

Description of the commitment: Heather and other dwarf shrubs are particularly susceptible to grazing damage over the winter period, and sheep tend to favour them at this time of year as grass availability and digestibility declines. Restricting or removing grazing pressure during the winter will help to maintain important moorland plants and benefit a wide range of associated birds and wildlife.

8.2.8.3.14.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.14.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.14.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.14.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.14.6. Eligibility conditions

Land that is rough grazing is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic

Payment Scheme. You must combine this option with the Moorland Management Option.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.14.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.14.8. (Applicable) amounts and support rates

£25.83 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.14.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.14.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.14.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.14.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.14.10. 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

- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points

and feeding areas from overgrazing or heavy poaching by livestock.

- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 8: Land managers must comply with legislative requirements of sheep and goat identification including identification and record keeping
- SMR 13: Land managers must comply with legislative requirements regarding animal welfare

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing of these areas, and there would be no incentive for land manager to consider all of the grazing pressures adversely affecting the ecological status of semi-natural areas. Therefore the establishment of different and beneficial grazing regimes is not considered to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Additional costs of charge by another farm unit for accommodation and supervision of away-wintered stock, this includes cost of haulage.

For further general methodology information please see overall measure description.

8.2.8.3.15. sub-measure 10.1.21 - SUMMER HILL GRAZING OF CATTLE

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.15.1. Description of the type of operation

Aim of commitment: To maintain or improve the quality of the moorland habitat by grazing with cattle during the summer.

Description of the commitment: Grazing with cattle during the summer can benefit moorlands because they graze less selectively than sheep, creating a more diverse vegetation structure which in turn benefits fine-leaved grasses, flowering plants, moorland birds and other wildlife.

8.2.8.3.15.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.15.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.15.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.15.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.15.6. Eligibility conditions

Land that is rough grazing is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme. You must combine this option with the Moorland Management Option.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.15.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.15.8. (Applicable) amounts and support rates

£3.19 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.15.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.15.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.15.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.15.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.15.10. 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

- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and

feeding areas from overgrazing or heavy poaching by livestock.

- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 7: Land managers must comply with legislative requirements of cattle identification including Tagging, Passports and registration, Notification of movements and deaths and maintaining farm records
- SMR 13: Land managers must comply with legislative requirements regarding animal welfare

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing of these areas, and there would be no incentive for land manager to consider all of the grazing pressures adversely affecting the ecological status of semi-natural areas. Therefore the establishment of different and beneficial grazing regimes is not considered to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Option is designed to encourage land managers to graze cattle on the hills rather than on in-bye improved/semi improved pasture, therefore the assumption used in this calculation is the difference in the GM per head of an upland spring born store calf versus a hill reared spring born store calf, additional stockman time will be required to manage cattle grazing extensive hill areas which has been assumed as 3 hours per cow (this covers additional husbandry practices for the likes of tick and fluke management). To calculate this into a hectare rate the minimum stocking level required for this option is 1 cow per 20 hectares which works out at 0.05 LU/Ha is multiplied by the difference per head of an Upland and Hill

Suckler cow

For further general methodology information please see overall measure description.

8.2.8.3.16. sub-measure 10.1.22 - TALL HERB VEGETATION MANAGEMENT

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.16.1. Description of the type of operation

Aim of commitment: To restore, maintain or enhance the condition and extent of tall herb habitats.

Description of the commitment: Tall herbs are typically found on upland cliff ledges and steeper slopes. Restricting or removing grazing pressure from domestic and/or wild grazers will allow these plants to flower and set seed.

8.2.8.3.16.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.16.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.16.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.16.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.16.6. Eligibility conditions

Permanent pasture or rough grazing which contains existing tall herb vegetation communities is eligible. This can include land suitable for expansion of these habitats, and other land which requires to be included in enclosures for practical fencing reasons.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.16.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.16.8. (Applicable) amounts and support rates

£53.34 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.16.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.16.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.16.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.16.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.16.10. 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

- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- GAEC 6: Land managers must comply with the requirements of the Muirburn (heather burning)

Code as they relate to maintenance of soil organic matter, including not leaving a fire unattended, making provision for proper control of fires and not causing any damage to woodland. Land managers must not plough rough grazing or other semi-natural areas unless approved as part of an environmental impact assessment.

- GAEC 7: Land managers must not remove or destroy drystone or flagstone dykes, turf and stone-faced banks, walls, hedges, ponds, watercourses or trees (in line, in a group or isolated) without the prior written consent of Scottish Ministers
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing of these areas, and there would be no incentive for land manager to consider all of the grazing pressures adversely affecting the ecological status of semi-natural areas. Therefore the establishment of different and beneficial grazing regimes is not considered to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Assuming that areas with tall herb vegetation are usually in predominantly on cliff edges and steep slopes 0.5 ewes/ha (0.067 LU/ha) and that stock will be excluded for the full 12 months of the year. Costs associated with this option are: equivalent to loss of grazings @ 0.5 ewes/ha for 12 months and cost of taking on rented grazings with a carrying capacity of 7.5 ewes/ha + haulage & supervision.

For further general methodology information please see overall measure description.

8.2.8.3.17. sub-measure 10.1.23 - MANAGING SCRUB OF CONSERVATION VALUE

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.17.1. Description of the type of operation

Aim of commitment: To maintain, enhance or extend areas of native scrub by supporting appropriate grazing and management.

Description of the commitment: Restricting or removing grazing pressure from both wild and domestic herbivores at certain times of the year will help maintain a balance between the native scrub and open areas. This will benefit the associated wildlife, help protect soils and assist in storing carbon.

8.2.8.3.17.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.17.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.17.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.17.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.17.6. Eligibility conditions

For montane scrub; Rough Grazing with montane scrub is eligible. This can include land suitable for expansion of these habitats, or other land which requires to be included in enclosures for practical fencing reasons. For non-montane scrub; Any land with scrub that includes at least one of the following species is eligible; Juniper, Atlantic Hazel, Alder, Hawthorn, Blackthorn Willow & Downy birch. This can include

land suitable for expansion of these habitats.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.17.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.17.8. (Applicable) amounts and support rates

£74.16 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.17.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.17.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.17.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.17.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.17.10. 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

- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- GAEC 6: Land managers must comply with the requirements of the Muirburn (heather burning) Code as they relate to maintenance of soil organic matter, including not leaving a fire unattended, making provision for proper control of fires and not causing any damage to woodland. Land managers must not plough rough grazing or other semi-natural areas unless approved as part of an environmental impact assessment.
- GAEC 7: Land managers must not remove or destroy drystone or flagstone dykes, turf and stone-faced banks, walls, hedges, ponds, watercourses or trees (in line, in a group or isolated) without the prior written consent of Scottish Ministers.
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing of these areas, and there would be no incentive for land manager to consider all of the grazing pressures adversely affecting the ecological status of semi-

natural areas. Therefore the establishment of different and beneficial grazing regimes is not considered to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Additional costs: equivalent to 2 ewes/ha at the off wintered rate to reduce winter stocking rate from 3 ewes/ha to 1 ewes/ha from 1 November to 28 February. In addition, summer grazings cost for 1 ewe + haulage & supervision.

For further general methodology information please see overall measure description.

8.2.8.3.18. sub-measure 10.1.24 - ANCIENT WOOD PASTURE

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.18.1. Description of the type of operation

Aim of commitment: To benefit areas of ancient wood pasture by maintaining open-grown ancient and veteran trees, and encouraging regeneration by managing the grazing of the open pasture beneath, or by planting new trees.

Description of the commitment: These trees provide a valuable and rare habitat for a variety of wildlife, and they also have landscape value.

8.2.8.3.18.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.18.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.18.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.18.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.18.6. Eligibility conditions

Grassland that has ancient wood pasture that is grazed at any part of the year by livestock is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.18.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.18.8. (Applicable) amounts and support rates

£48.99 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.18.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.18.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.18.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.18.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.18.10. 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

- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- GAEC 7: Land managers must not remove or destroy trees (in line, in a group or isolated) without

the prior written consent of Scottish Ministers.

- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing of these areas, and there would be no incentive for land manager to consider all of the grazing pressures adversely affecting the ecological status of semi-natural areas. Therefore the establishment of different and beneficial grazing regimes is not considered to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Assumption: Encouraging land manager to graze the wooded area with cattle will result in reduction in store calf weight at time of sale due to cattle grazing on poorer quality land therefore payment rate is equivalent to the reduced potential store calf weight calculated into a hectare rate based on a stocking rate of 0.4LU/Ha which equates to 2.5 ha per cow.

For further general methodology information please see overall measure description.

8.2.8.3.19. sub-measure 10.1.25 - MANAGEMENT, RESTORATION OR CREATION OF HEDGEROWS

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.19.1. Description of the type of operation

Aim of commitment: To create, restore or manage hedges as a habitat for wildlife and/or a landscape feature.

Description of the commitment: Hedges provide valuable food and cover for a variety of birds, insects and small mammals and can act as an important link between habitats. They can also help prevent soil erosion and store carbon. Trimming hedges every two or three years, and in rotation across the farm will help create a good hedge structure and leave an abundance of flowers and berries for wildlife.

8.2.8.3.19.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.19.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.19.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.19.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.19.6. Eligibility conditions

a) For hedgerow management or restoration;
Existing hedges which are located entirely on your land and where there is access for both sides to be cut are

eligible. Single species beech hedges are not eligible unless you have prior approval.

b) For hedgerow creation;

Land where there is access for both sides of the new hedge to be cut is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme. You must plant your new hedge within the first year of your contract. There is a capital item to support this.

A march hedge between two neighbouring holdings is only eligible where it is managed under the scheme by both parties.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.19.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.19.8. (Applicable) amounts and support rates

£0.11 per linear metre for hedgerow management

£1.20 per linear metre for hedgerow creation

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.19.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.19.9.1. Risk(s) in the implementation of the measures

Please see overall measure description.

8.2.8.3.19.9.2. Mitigating actions

Please see overall measure description.

8.2.8.3.19.9.3. Overall assessment of the measure

Please see overall measure description.

8.2.8.3.19.10. 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

- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the winter, either by retaining stubble or sowing grass or another crop.
- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- GAEC 7: Land managers must not remove or destroy hedges without the prior written consent of Scottish Ministers. Land managers must not cultivate or apply fertilisers or pesticides to land within 2m of the centre line of a hedge. Land managers must not cut hedges between 1st March and 31st August.
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would not include the ecological management of hedgerows. Option encourages the planting and beneficial management of hedgerows, going beyond the requirement simply to maintain the landscape features. Therefore it is considered that such beneficial management, restoration and planting of hedgerows does not represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Assumption: For existing hedgerows being managed under this option they will be required to be trimmed on both sides of the hedge, once every 3 years so assume the cost of carrying out this work is calculated to a metre rate divided by 5 years multiplied by 2 (different scenarios of how many times a farmer will cut in a five year period, based on their first cut year, and 2 or three year cutting cycle. ie someone doing their first of a 3-year cut will do it only once during their 5 year agreement. Someone else doing a 2 year cut, starting in year 1 will cut it 3 times in their 5 year agreement. Therefore the average across all scenarios is to cut twice every five years.) Assumed that as a result of less trimming, the stems will be thicker and a slower rate of cutting required. Assumed more passes by tractor & flail required than average to get the desired A-shape. There is an allowance in the management rate to cover cost of replacing parts of the hedge assumed at 50 metres over the 5 years of the plan. Where new hedges are planted an additional rate is offered to compensate for the loss of income from land taken out of Agricultural production based upon an average of arable and livestock farms, plus the cost of beating up the new hedge and carrying out suitable non chemical based weed control to allow hedge to establish.

For further general methodology information please see overall measure description.

8.2.8.3.20. sub-measure 10.1.26 - PREDATOR CONTROL

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.20.1. Description of the type of operation

Aim of commitment: To benefit ground-nesting birds such as black grouse and waders which are vulnerable to predation by legally controlling crows, foxes, stoats and weasels.

8.2.8.3.20.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.20.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.20.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.20.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.20.6. Eligibility conditions

Permanent grassland or rough grazing which either;

- is within or immediately adjacent to a Designated Site where the qualifying interests include ground-nesting birds, or
- contains or is adjacent to active black grouse lek(s). Predator control can be funded within a 1.5km radius of lek(s)

You must combine this option with at least one of the following options;

- Wader and wildlife mown grassland
- Wader Grazed grassland

- Moorland management

Applicants must prepare and submit for approval a predator control plan. The plan must detail the location and area of proposed predator control activity, and identify any proposed trap or snare locations on a map.

You, or the person undertaking predator control on your behalf, must hold relevant personal identification numbers from Police Scotland for snaring and/or bird trapping.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.20.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.20.8. (Applicable) amounts and support rates

£2.18 per hectare for mammal and crow control

£259.60 per trap up to a maximum of 10 traps per contract for crow control only

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.20.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.20.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.20.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.20.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.20.10. 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

- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice will not include the legal trapping of vermin, to benefit iconic protected species. Therefore the opportunity to humanely trap legal quarry species goes beyond usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Assumptions. To estimate the average cost per ha for a keeper to operate: used standard skilled labour rate; assumed 1800ha as the average moorland area over which a keeper would operate; and applied to 60 days to reflect keeping effort required during the key Spring/ early summer period when most benefit for ground nesting birds.

For further general methodology information please see overall measure description.

8.2.8.3.21. sub-measure 10.1.27 - WILDCAT FRIENDLY PREDATOR CONTROL

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.21.1. Description of the type of operation

Aim of commitment: To benefit Scottish wildcat by undertaking legal predator control using methods that reduce the risks to Scottish wildcat.

Description of the commitment: The wildcat conservation protocol recommends methods that allow wildcats to be identified and released unharmed.

8.2.8.3.21.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.21.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.21.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.21.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.21.6. Eligibility conditions

Any land that is within a priority wildcat area is eligible.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.21.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.21.8. (Applicable) amounts and support rates

£140.00 per trap operated per year up to a maximum of 20 mammal traps and 20 camera traps per contract.

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.21.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.21.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.21.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.21.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.21.10. 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

- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice will not include the legal trapping of vermin, to benefit iconic protected species. Therefore the opportunity to humanely trap legal quarry species goes beyond usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Assumptions. To estimate the average cost per ha for a keeper to operate: used standard skilled labour rate; assumed 1800ha as the average moorland area over which a keeper would operate; and applied to 60 days to reflect keeping effort required during the key Spring/ early summer period when most benefit for ground nesting birds.

For further general methodology information please see overall measure description.

8.2.8.3.22. sub-measure 10.1.28 - CORN BUNTINGS MOWN GRASSLAND

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.22.1. Description of the type of operation

Aim of commitment: To benefit corn buntings by supporting the extensive management of hay and silage fields.

Description of the commitment: Providing areas of undisturbed cover within grassland fields suitable for Corn Buntings will allow them to nest and raise broods. Leaving an uncut area around the edge of the field will also provide additional cover for the birds once forage making is underway.

8.2.8.3.22.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.22.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.22.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.22.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.22.6. Eligibility conditions

Grassland which is not rough grazing is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.22.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.22.8. (Applicable) amounts and support rates

£237.09 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.22.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.22.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.22.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.22.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.22.10. 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

- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- SMR 1: Farmers in NVZs must prepare and implement a fertiliser and manure management plan

before 1 March annually

- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic cropping and grazing of these areas, which would include spring ground preparations such as harrowing and rolling. The option restricts the grazing / cutting dates, which effectively prevent the economic cropping of the area. Therefore this operation is considered not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Fields shut off from use from 1 May, silage cannot be cut until after 24 July, therefore calculation of payment is based on the average of a farm losing a third cut of silage and loss of grazing when only 1 cut of silage is normally taken. The dates used for silage cuts are assumed as the following where three cuts are usually taken: shut off for grazing 1 May, 1st cut taken mid June, 2nd cut taken mid August in this situation it is assumed that only minimal days aftermath grazing would be lost if in a normal year 3 cuts were taken. Where one cut of silage is the normal practice the normal timings would be to shut fields off for livestock grazing 1 May and the silage would be cut 3rd week in June therefore 4.5 weeks additional grazing would be required for 12.5 ewes (assumed stocking rate for this type of land). The loss of silage production is

assumed to be 14.5 tonnes figures taken from SRUC FMH. The loss of 2nd cut silage yield has been used to account for later time period when cuts can be taken and to account for loss in quality.

For further general methodology information please see overall measure description.

8.2.8.3.23. sub-measure 10.1.29 - WADER & WILDLIFE MOWN GRASSLAND

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.23.1. Description of the type of operation

Aim of commitment: To benefit ground nesting birds, particularly waders such as lapwing and curlew.

Description of the commitment: Extensively managing hay and silage fields will reduce the risk of damage to birds, their eggs and fledglings from field operations. Leaving an area uncut will also provide cover for the birds. Hares and other small mammals will also benefit.

8.2.8.3.23.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.23.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.23.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.23.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.23.6. Eligibility conditions

Grassland which is not rough grazing is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.23.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.23.8. (Applicable) amounts and support rates

£149.75 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.23.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.23.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.23.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.23.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.23.10. 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

- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock
- SMR 1: Farmers in NVZs must prepare and implement a fertiliser and manure management plan

before 1 March annually

- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic cropping and grazing of these areas, which would include spring ground preparations such as harrowing and rolling. The option restricts the grazing / cutting dates, which effectively prevent the economic cropping of the area. Therefore this operation is considered not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Fields shut off from use from 1 April, silage cannot be cut until after 30 June, therefore calculation of payment is based on the average of a farm only being able to make two cuts of silage when three cuts would normally be taken. When only 1 cut of silage is normally taken additional cost is assumed to be loss of grazing (4 weeks) when silage fields are shut off 4 weeks earlier than normal and assuming minimal aftermath grazing will be lost. The dates used for silage cuts are assumed as the following where three cuts are usually taken: shut off for grazing 1 March, 1st cut taken 1 June, 2nd cut taken 15 July and 3rd cut taken 30 August in this situation it is assumed that only minimal days aftermath grazing would be lost if in a normal year in between cuts. The calculation for loss of income is therefore calculated as the loss in silage

production moving from a 3 cut system to a 2 cut system (3 cuts = 43t/ha and average 2 cuts = 34.5t/ha) which equates to 8.5t/ha. Where one cut of silage is the normal practice the normal timings would be to shut fields off for livestock grazing end April and the silage would be cut 3rd week in June therefore 4 weeks additional grazing would be required for 7.5 ewes (assumed stocking rate for this type of land) to compensate for loss of grazing when fields are shut off earlier than normal. The loss of silage production figures are taken from SRUC FMH.

For further general methodology information please see overall measure description.

8.2.8.3.24. sub-measure 10.1.3 - UNHARVESTED CONSERVATION HEADLANDS FOR WILDLIFE

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.24.1. Description of the type of operation

Aim of commitment: To benefit wildlife by leaving headlands in arable fields free of herbicides and insecticides, and leaving the crop unharvested in the ground over the winter.

Description of the commitment: This will allow a variety of arable plants to develop, providing feeding and a habitat for insects, birds and small mammals. Leaving the crop unharvested will provide additional bird seed and will also help to protect the soil.

8.2.8.3.24.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.24.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.24.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.24.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.24.6. Eligibility conditions

Headlands on arable land which are growing a spring-sown or autumn-sown cereal or oil-seed crop are eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.24.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.24.8. (Applicable) amounts and support rates

£657.57 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.24.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.24.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.24.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.24.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.24.10. 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

- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the

winter, either by retaining stubble or sowing grass or another crop.

- GAEC 5: For late harvested crops where conditions prevent a subsequent cover to be sown, land managers must put in place measures to prevent soil erosion.
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing or cropping of the area, and would not involve the creation of blocks of sacrificial crops of unharvested conservation headlands, which are retained throughout the winter. Therefore this operation is considered not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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 based upon average income foregone/additional cost for typical arable unit - income foregone equivalent loss of output from average of Arable crop reduced by 20% to take account of yield reduction from standard headland, less spray costs saved (100%), savings of 60% from reduction in fertiliser input (average cost for all arable crops) and other crop expenses associated with harvesting an average cereal crop (e.g. combine costs). Additional costs - spraying and topping crop before ploughing the following Spring.

For further general methodology information please see overall measure description.

8.2.8.3.25. sub-measure 10.1.30 - WADER GRAZED GRASSLAND

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.25.1. Description of the type of operation

Aim of commitment: To benefit ground nesting birds, particularly waders such as lapwing, redshank, snipe and curlew.

Description of the commitment: Excluding or reducing the number of livestock in fields where birds are nesting will reduce the risk of damage to their eggs and fledglings from trampling or field operations.

8.2.8.3.25.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.25.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.25.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.25.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.25.6. Eligibility conditions

All grassland is eligible except hill rough grazings. Areas proposed for this option must be in grass at the point of application or have a grass sward established prior to the first year of management.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.25.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.25.8. (Applicable) amounts and support rates

£80.00 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.25.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.25.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.25.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.25.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.25.10. 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

- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- SMR 1: Farmers in NVZs must prepare and implement a fertiliser and manure management plan before 1 March annually
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas

- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic cropping and grazing of these areas, which would include spring ground preparations such as harrowing and rolling. The option restricts the grazing / cutting dates, which effectively prevent the economic cropping of the area. Therefore this operation is considered not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme

for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Additional Costs: equivalent to loss of grazings @7.5 ewes/ha and 6 weeks use of rented grazing (rate based on a 6 month tenancy) with carrying capacity 7.5 ewes/ha + haulage & supervision.

For further general methodology information please see overall measure description.

8.2.8.3.26. sub-measure 10.1.31 - CHOUGH MOWN GRASSLAND

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.26.1. Description of the type of operation

Aim of commitment: To benefit chough by providing suitable areas for the birds to forage.

Description of the commitment: Chough require areas of short grazed grassland to access the insects they feed upon. Delaying shutting off silage or hay fields and cutting them later maximises the amount of spring-grazed pasture for feeding chicks and then provides later aftermath for the fledglings.

8.2.8.3.26.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.26.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.26.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.26.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.26.6. Eligibility conditions

Grassland which is not rough grazing is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.26.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.26.8. (Applicable) amounts and support rates

£224.75 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.26.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.26.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.26.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.26.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.26.10. 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

- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and

their nests in Special Protection Areas

- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use
- SMR 13: Land managers must comply with legislative requirements regarding animal welfare

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic cropping and grazing of these areas, which would include spring ground preparations such as harrowing and rolling. The option restricts the grazing / cutting dates, which effectively prevent the economic cropping of the area. Therefore this operation is considered not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Fields shut off from use from 15 June, silage cannot be cut until after 15 August, therefore calculation of payment is based on the average of a farm losing a second cut of silage and loss of grazing when only 1 cut of silage is normally taken. The dates used for silage cuts are assumed as the following where two cuts are usually taken: shut off for grazing 1 May, 1st cut taken mid June, 2nd cut taken mid August in this situation no additional grazing costs would be applicable as it is assumed that only minimal days aftermath grazing would be lost in between cuts. Where one cut of silage is the normal practice the normal timings would be to shut fields off for livestock grazing mid May and the silage would be cut mid July. The loss of silage production is assumed to be 14.5 tonnes, figures taken from the average total yields of 2 cuts (34.5t/ha) of silage compared to 1 cut (20t/ha) in the SRUC FMH.

For further general methodology information please see overall measure description.

8.2.8.3.27. sub-measure 10.1.32 - CHOUGH GRAZING MANAGEMENT

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.27.1. Description of the type of operation

Aim of commitment: To benefit chough by providing suitable areas for the birds to forage throughout the year.

Description of the commitment: Choughs require areas of short grazed grassland, ideally grazed by cattle whose dung supports the insects upon which the birds feed. Not treating these cattle with Avermectin-based wormers will benefit these insects. This option also allows for an early cut of silage or hay to be taken.

8.2.8.3.27.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.27.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.27.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.27.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.27.6. Eligibility conditions

Grassland (including coastal heath) is eligible for this option. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.27.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.27.8. (Applicable) amounts and support rates

£87.93 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.27.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.27.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.27.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.27.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.27.10. 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

- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the winter, either by retaining stubble or sowing grass or another crop.
- GAEC 5: Farmers must prevent the erosion of the banks of water courses, watering points and

feeding areas from overgrazing or heavy poaching by livestock.

- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use
- SMR 13: Land managers must comply with legislative requirements regarding animal welfare

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic cropping and grazing of these areas, which would include spring ground preparations such as harrowing and rolling. The option restricts the grazing / cutting dates, which effectively prevent the economic cropping of the area. Therefore this operation is considered not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Option is designed to encourage grazing management to create suitable grass swards for choughs. Additional costs of extending grazing season for suckler cows and using ant-helminth drugs instead of ivermectin drugs: Per head, 1 additional Non-Ivermectin dose at £10 per dose plus 1 hour labour at £8.18 per hour , extra 1 tonne silage at £25 p/t plus 2 hours labour and machinery for additional feeding, plus extra 2 hours labour for stock movement for sward height management, with assumption of 0.75LU per ha.

For further general methodology information please see overall measure description.

8.2.8.3.28. sub-measure 10.1.33 - CORNCRAKE MOWN GRASSLAND

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.28.1. Description of the type of operation

Aim of commitment: To benefit corncrake by supporting the extensive management of hay and silage fields.

Description of the commitment: Delaying mowing will reduce the risk of causing damage from field operations to the birds, their eggs and fledglings. Leaving an area uncut will also provide cover for the birds.

This option can be moved around the farm within the normal rotation and on an annual basis.

To maximise flexibility a different total hectarage can be managed each year as long as; the area managed each year is at least 90 per cent of the area planned to be managed in the first year under this option.

- do not roll, harrow or graze the land from 15 May until after mowing.
- the area must be mown each year, but not before one of the dates below:
 - 1 August (mowing payment 1)
 - 15 August (mowing payment 2)
 - 1 September (mowing payment 3)
- hay or silage must be cut in a wildlife-friendly manner
- after mowing, the crop must be removed
- a strip of grass at least two metres wide around the field boundary must be left uncut. Where the field is less than 40 metres wide this strip may be provided on one long side of the field
- this uncut strip must be grazed down before the next exclusion period
- do not spray, except for the spot-treatment of injurious weeds (requires prior written notification) or treatment of invasive species (requires prior written approval)
- a diary must be maintained

8.2.8.3.28.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.28.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.28.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.28.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.28.6. Eligibility conditions

Only mowable grassland is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme. Unless you receive prior approval to use an alternative location as part of the application process, the land must be immediately adjacent to an area entered into one of the following Options: Management of Cover for Corncrakes, Corncrake grazing management.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.28.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.28.8. (Applicable) amounts and support rates

£272.87 per hectare - per year for mowing payment 1

£328.81 per hectare - per year for mowing payment 2

£460.35 per hectare - per year for mowing payment 3

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.28.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.28.9.1. Risk(s) in the implementation of the measures

Please see overall measure description.

8.2.8.3.28.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.28.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.28.10. 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

- GAEC 5: Farmers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum

activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic cropping and grazing of these areas, which would include spring ground preparations such as harrowing and rolling. The option restricts the grazing / cutting dates, which effectively prevent the economic cropping of the area. Therefore this operation is considered not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Fields shut off from use from 15 May, hay or silage cannot be cut until after a) 1 August, b) 15 August or c) 1 September, therefore calculation of payment is based on the average of a farm either losing a second cut of silage or a reduced crop of hay and loss of grazing when only 1 cut of silage is normally taken. The dates used for silage cuts are assumed as the following where two cuts are usually taken: shut off for grazing 1 May, 1st cut taken mid June, 2nd cut taken mid August in this situation the only additional grazing costs would be applicable to the 1 September cutting date as it is assumed that only minimal days aftermath grazing would be lost. Where one cut of silage is the normal practice the normal timings would be to shut fields off for livestock grazing mid May and the silage would be cut mid July. The loss of silage production is assumed to be 14.5 tonnes, figures taken from the average total yields of 2 cuts (34.5t/ha) of silage compared to 1 cut (20t/ha) in the SRUC FMH compensation is restricted to a 50% yield reduction to account for farmers who would normally only take one cut of silage this also covers for loss in quality from taking a late crop of silage. The average yield of extensive crop of hay in the corncrake areas of Scotland is circa. 4 tonnes/ha and delayed cutting would reduce yield by circa 25%, 30% and 50% (the increase of loss to 50% is because there is a higher likelihood of crop being lost due to bad weather) for the 3 dates. The compensation rate for hay is taken from the average cost of hay and transport to the Islands of Islay and Uist (winter 2014/15).

For further general methodology information please see overall measure description.

8.2.8.3.29. sub-measure 10.1.34 - CORNCRAKE GRAZING MANAGEMENT

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.29.1. Description of the type of operation

Aim of commitment: To benefit corncrakes by providing areas of tall vegetation in spring and throughout the summer to allow them to nest and raise broods successfully.

8.2.8.3.29.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.29.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.29.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.29.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.29.6. Eligibility conditions

Grassland that contains clumps of tall plants such as iris, nettles, meadowsweet, cow parsley, hogweed, reed sweetgrass, common reed, rush and butterbur is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme. These clumps of plants must be distributed across the field, and not exclusively confined to field margins or small parts of the field. Swards matted with dead plant material from previous seasons are not eligible.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.29.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.29.8. (Applicable) amounts and support rates

£241.50 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.29.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.29.9.1. Risk(s) in the implementation of the measures

Please see overall measure description.

8.2.8.3.29.9.2. Mitigating actions

Please see overall measure description.

8.2.8.3.29.9.3. Overall assessment of the measure

Please see overall measure description.

8.2.8.3.29.10. 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

- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the winter, either by retaining stubble or sowing grass or another crop.
 - GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points

and feeding areas from overgrazing or heavy poaching by livestock.

- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic cropping and grazing of these areas, which would include spring ground preparations such as harrowing and rolling. The option restricts the grazing / cutting dates, which effectively prevent the economic cropping of the area. Therefore this operation is considered not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Option requires fields to have stock excluded from 1 March to 15 August. It is assumed these fields are usually used for grazing livestock, therefore the calculation is based upon renting equivalent grazing for 5.5 months (exclusion period. Additional costs: equivalent to loss of grazings @ 5 ewes/ha and 5.5 months (22 wks) use of rented grazings with carrying capacity 7.5 ewes/ha + haulage & supervision (at 1 hr/wk per hectare rented grazings @ £8.18/hr).

For further general methodology information please see overall measure description.

8.2.8.3.30. sub-measure 10.1.35 - MANAGEMENT OF COVER FOR CORNCRAKE

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.30.1. Description of the type of operation

Aim of commitment: To benefit corncrakes by providing them with suitable habitat to breed successfully by providing early cover for corncrakes returning from their wintering grounds in April and May.

Description of the commitment: This option also provides late cover at a time when most of the surrounding grassland has been cut or grazed.

8.2.8.3.30.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.30.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.30.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.30.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.30.6. Eligibility conditions

Grassland that contains clumps of tall plants such as iris, nettles, meadowsweet, cow parsley, hogweed, reed sweetgrass, common reed and butterbur is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme. These clumps of plants must be distributed across the field, and not confined exclusively to field margins or small parts of the field. Arable or improved grassland where you propose to

create cover for corncrakes is eligible. There is a separate capital item to support this. You must undertake this Option immediately adjacent to land entered into the Corncrake Mown Grassland Option, unless you have received prior approval to use an alternative location as part of the application process. Swards matted with dead plant material from previous seasons are not eligible.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.30.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.30.8. (Applicable) amounts and support rates

£148.85 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.30.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.30.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.30.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.30.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.30.10. 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

- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the winter, either by retaining stubble or sowing grass or another crop.
- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing of these areas, and there would be no incentive for land manager to reduce the stocking density and agree a beneficial grazing regime. Therefore this operation is considered not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Option requires fields to have stock excluded from 1 March to 15 August. It is assumed these areas are usually used for grazing livestock but are of lower carrying capacity (2.5ewes/ha), therefore the calculation is based upon renting equivalent grazing for 7 months or 28 weeks (exclusion period. Additional costs: equivalent to loss of grazings @ 2.5 ewes/ha and 7 months (28 wks) use of rented grazings with carrying

capacity 7.5 ewes/ha + haulage & supervision (at 1 hr/wk per hectare rented grazings @ £8.18/hr).

For further general methodology information please see overall measure description.

8.2.8.3.31. sub-measure 10.1.36 - HEN HARRIER GRASSLAND MANAGEMENT

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.31.1. Description of the type of operation

Aim of commitment: To benefit hen harriers by providing suitable habitat for their key prey species.

Description of the commitment: Managing areas to provide a dense cover of grass will encourage voles and other small mammals. This option is only available in Orkney.

8.2.8.3.31.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.31.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.31.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.31.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.31.6. Eligibility conditions

Any grassland or land in an arable rotation where you propose to create a grassland sward is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.31.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.31.8. (Applicable) amounts and support rates

for land converted from arable, or improved grassland

For land converted from arable or improved grassland £270.13 per hectare per year subject to a maximum claim of two hectares per year for each business

For unimproved grassland or rough grazing £90.64 per hectare per year

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.31.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.31.9.1. Risk(s) in the implementation of the measures

Please see overall measure description.

8.2.8.3.31.9.2. Mitigating actions

Please see overall measure description.

8.2.8.3.31.9.3. Overall assessment of the measure

Please see overall measure description.

8.2.8.3.31.10. 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

- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the winter, either by retaining stubble or sowing grass or another crop.

- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Beneficial grazing management of habitats differs from usual grazing practices. Therefore this operation is considered not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Income foregone: Loss of gross margin from spring barley at 5.5 t/ha, assuming grown 1 year in 5.
Additional Costs: assumes current grazing of 6 ewes per ha in remaining 4 years in 5, reduced to 1 ewe per ha during summer, and none in winter. Equivalent to loss of grazings @5 ewes/ha and use of rented grazing with carrying capacity 7.5 ewes/ha plus supervision, and winter grazing at £0.55 per head for 22 weeks.
Additional Costs: assumes current grazing of 6 ewes per ha, reduced to 1 ewe per ha during summer, and none in winter. Equivalent to loss of grazings @5 ewes/ha and use of rented grazing with carrying capacity 7.5 ewes/ha plus supervision, and winter grazing at £0.55 per head for 22 weeks. Unimproved grass;
Additional Costs: assumes current grazing of 4 ewes per ha, reduced to 1 ewe per ha during summer and none in winter. Equivalent to loss of grazings @3 ewes/ha and use of rented grazing with carrying capacity 7.5 ewes/ha plus supervision, and winter grazing at £0.55 per head for 22 weeks. Additional Costs: assumes

current grazing of 1 ewe per ha, reduced to zero grazing. Equivalent to loss of grazings @1 ewes/ha and use of rented grazing with carrying capacity 7.5 ewes/ha, and winter grazing at £0.55 per head for 22 weeks.

For further general methodology information please see overall measure description.

8.2.8.3.32. sub-measure 10.1.37 - CROPPED MACHAIR

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.32.1. Description of the type of operation

Aim of commitment: To maintain a traditional agricultural practice that benefits a wide range of flowers, farmland birds and important insects such as bumblebees.

Description of the commitment: A mixture of arable cropping followed by fallow on machair allows a variety of wild flowers to develop and set seed. These provide food and habitat for insects and birds.

8.2.8.3.32.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.32.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.32.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.32.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.32.6. Eligibility conditions

Ploughable machair is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme. Under-sown crops are not eligible.

Applicants must prepare and submit for approval a Cropped Machair Management Plan. The Plan must

include a 1:2,500 map showing the location(s) of the machair to be managed. The Plan must also detail your proposed rotation over the course of your contract.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.32.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.32.8. (Applicable) amounts and support rates

£239.76 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.32.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.32.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.32.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.32.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.32.10. 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

- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the winter, either by retaining stubble or sowing grass or another crop.
- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- GAEC 6: Land managers must not burn arable stubble except for disease control or to eliminate plant pests.
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the intensive economic cropping and grazing of these areas, which would involve a more productive rotation, and not allow for large areas to be retained as fallow in a traditional cropping rotation of this unique habitat.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Assume 5 year rotation comprising of 2 years in crop and 3 years fallow. Additional costs include Arable crop payment rate based upon the average cost of cultivations. An additional costs is included to take into account contractor's charges in crofting areas assumed to be 15% more than across Scotland average to compensate land managers participating in the crofting areas. Additional Cost is the Fallow payment rate based upon Income foregone when not able to secure a crop of silage from that area, normal yield of silage

on machair would be 8 tonnes/ha @ £25/tonne. Year 3 - 100% loss £200/ha, Year 4 - 70% loss £140/ha, Year 5 - 50% loss £100/ha.

For further general methodology information please see overall measure description.

8.2.8.3.33. sub-measure 10.1.38 - CONSERVATION MANAGEMENT OF SMALL UNITS

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.33.1. Description of the type of operation

Aim of commitment: To maintain traditional small scale agricultural systems which benefit a wide range of flowers, farmland birds and insects.

Description of the commitment: Due to economies of scale there are increased costs associated with cropping on small units. This option encourages small scale arable cropping and late cutting of grassland to provide food and habitat for a variety of wildlife.

8.2.8.3.33.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.33.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.33.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.33.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.33.6. Eligibility conditions

Your eligibility for this option is based on the area of land in your IACS business permanent land which is not rough grazing. This area must be less than 30 hectares. This area would not take account of areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme. If you are in the Crofting Counties, this limit includes the area of

your croft, any in-bye apportionment and any arable cropped land on the common grazing, but not the remainder of the common grazing. This option provides an additional payment on those areas which you manage under one of the options listed below. The eligibility of your land will be dependent on the eligibility requirements for the options you choose to undertake. You can choose the retention option if you do not keep (own or formally lease) cattle, or you are introducing at least two breeding females of a traditional or native breed including first crosses to your existing herd (if you have fewer than 2 breeding cows of Scottish traditional or native breeds in your existing herd). The cattle must be introduced before the end of your first year of your contract.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.33.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.33.8. (Applicable) amounts and support rates

Rate (euro / Pounds) (£1 / €1.20)

£77.78 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.33.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.33.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.33.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.33.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.33.10. 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

- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the winter, either by retaining stubble or sowing grass or another crop.
- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing of these areas, and there would be no incentive for land manager to agree a beneficial grazing regimes for the habitats on the small unit, and it may be uneconomic to undertake some habitat creation and management. Therefore this operation is considered

not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

This is a supplement payment to take into account of additional contractor's charges on smaller areas assumed to be 15% more than across Scotland average to compensate land managers participating in options of small areas, this can be claimed in addition to the management option for Wild bird seed for farmland bird, Forage brassica crops for farmland birds, Unharvested conservation headlands for wildlife, Retention of winter stubble for wildlife, Cropped Machair, Mown grassland for waders and wildlife, Mown grassland for cornbuntings, Mown grassland for corncrakes, Mown grassland for chough, Management of species rich grassland - assuming sowing a cereal crop, on area of 0.5 hectare and grass of 0.5 hectares and 1 hectare of silage production. Assuming that arable silage would be made from the cereal crop grown. It is assumed that the land manager may only choose to grow a cereal crop once every 3 years therefore the arable calculation is divided by 1.5 as plan will only cover 5 of the 6 years rotation. Maximum claimable area per BRN is 3 hectares.

For further general methodology information please see overall measure description.

8.2.8.3.34. sub-measure 10.1.39 - CATTLE MANAGEMENT ON SMALL UNITS (Introduction/Retention)

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.34.1. Description of the type of operation

Aim of commitment: To encourage small units to introduce or continue to keep cattle of traditional or native breeds which are better adapted to graze land with coarser vegetation and wetter conditions.

Description of the commitment: Cattle grazing helps to support diverse habitats in which flowering plants and pollinating insects can flourish and which, in turn, support farmland birds and other wildlife.

8.2.8.3.34.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.34.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.34.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.34.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.34.6. Eligibility conditions

Your eligibility for this option is based on the area of land in your IACS business permanent land which is not rough grazing. This area must be less than 30 hectares. This area would not take account of areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme

This option must be undertaken in conjunction with Small Unit Conservation Management.

If you are choosing the retention option, you must currently keep at least two native breeding cows, including first crosses, within your IACS business.

Eligible breeds include;

- o Aberdeen Angus
- o Ayrshire
- o Belted Galloway
- o Galloway
- o Riggitt Galloway
- o White Galloway
- o Highland
- o Luig
- o Shetland
- o Shorthorn
- o Whitebred Shorthorn

If introducing cattle, they must be introduced before the end of your first year of agreement

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.34.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.34.8. (Applicable) amounts and support rates

Rate (euro / Pounds) (£1 / €1.20)

Introducing Cattle £162.63 per hectare per year

Retaining Cattle £107.38 per hectare per year

For the purposes of payment, it is assumed that each cow introduced or retained will benefit two hectares.

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.34.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.34.9.1. Risk(s) in the implementation of the measures

Please see overall measure description.

8.2.8.3.34.9.2. Mitigating actions

Please see overall measure description.

8.2.8.3.34.9.3. Overall assessment of the measure

Please see overall measure description.

8.2.8.3.34.10. 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

- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 7: Land managers must comply with legislative requirements of cattle identification including Tagging, Passports and registration, Notification of movements and deaths and maintaining farm records
- SMR 8: Land managers must comply with legislative requirements of sheep and goat identification including identification and record keeping
- SMR 13: Land managers must comply with legislative requirements regarding animal welfare

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey

- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing of these areas, and there would be no incentive for land manager to introduce the environmentally beneficial cattle and agree a beneficial grazing regime. Therefore this operation is considered not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section "The minimum requirements for fertilisers" for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

A herd of cattle of traditional breed(s) is introduced to the unit by the end of the first plan year. Income foregone: equivalent to the difference between output from spring-calving Hill Suckler cow of native breed introduced and that from equivalent lowground suckler cow of cross-continental breed. Add value of off-unit work time lost when small-holder introduces cattle, assuming an average off-unit wage rate of £8.18/hr. Additional costs: Average annual charge to service capital and interest required to: purchase 1 cow (incl. haulage). This cost is spread over the 7 year life of the herd. A supplement of 15% of standard variable costs per cow has been included as an 'additional' cost to reflect these economies of scale for small livestock keepers. Assuming that at least 2 hectares land (inbye) required to maintain each cow introduced and that a 'herd' comprises at least 1 cow. Payment received under coupled support for beef has been deducted from the introduction rate as this is additional income that can now be received that wasn't available before calculated at 0.9 eligible calves per cow introduced per year to take account of hill suckler 90% calf crop.

For further general methodology information please see overall measure description.

8.2.8.3.35. sub-measure 10.1.4 - RETENTION OF WINTER STUBBLES FOR WILDLIFE & WATER QUALITY

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.35.1. Description of the type of operation

Aim of commitment: To benefit wildlife by retaining the stubbles from a combinable crop over the winter.

Description of the commitment: Leaving stubble until early spring will allow a variety of arable plants to develop, providing food and cover for insects, birds and small mammals. In particular, spilt grain and arable plant seeds provide valuable food for farmland birds. Retaining the stubble will also help to protect the soil.

8.2.8.3.35.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.35.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.35.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.35.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.35.6. Eligibility conditions

Arable which is growing a spring-sown or autumn-sown cereal or oil-seed crop is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same

approach as we use to check land for the Basic Payment Scheme. Under-sown crops are not eligible.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.35.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.35.8. (Applicable) amounts and support rates

Rate (euro / Pounds) (£1 / €1.20)

£96.18 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.35.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.35.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.35.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.35.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.35.10. 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

- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the winter, either by retaining stubble or sowing grass or another crop.
- GAEC 5: For late harvested crops where conditions prevent a subsequent cover to be sown, land managers must put in place measures to prevent soil erosion.
- SMR 1: Farmers in NVZs must prepare and implement a fertiliser and manure management plan before 1 March annually.
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve a traditional arable rotation and therefore the ground would be prepared and a new winter or catch crop sown, as opposed to the retention of a harvested crop stubble. Therefore this operation is considered not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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 introduction of this system of management, will result in the move from winter to spring cereals and therefore the loss of income has been calculated based on the average difference in GM moving from winter to spring crops.

For further general methodology information please see overall measure description.

8.2.8.3.36. sub-measure 10.1.40 - Beef Efficiency Scheme

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.36.1. Description of the type of operation

Aim

1 The aim of the measure is to improve the sustainability of beef production, through improved breeding stock, in particular reducing greenhouse gas emissions, to the benefit of our environment locally and globally.

2 Beef plays a pivotal role in Scottish farming - the biggest single sector, with a quarter of total output - and Scotch Beef is an iconic PGI renowned worldwide. The sector does however account for a significant proportion of Scotland's GHG emissions. Reducing the environmental impact of the sector is crucial if we are to deliver our climate change targets. This scheme will contribute to that aim through a range of improvements throughout the herd, in particular in the genetics of animals for breeding and in management on-farm. This population level approach, based on active use of whole life data on individual animals, compulsory access to advisory services and active action planning by farmers, has the potential to make a very significant medium term impact on the environment.

Baseline practice

3 Current practice in the beef sector in Scotland with regard to the routine provision of data underlying genetic improvement is very variable with best practice limited to a small proportion of elite producers and (mostly pedigree) breeders. For example, we estimate that approximately 3-5% of the entire population provide animal performance data (e.g., animal live weights, calving performance, some limited maternal characteristics in maternal cow type pedigree breeds) to current systems of genetic evaluations. Further, the Scottish beef industry can only access genetic improvement from the different breed societies based on breed pedigree performance records and potentially different systems for undertaking genetic evaluations which are not directly comparable. For the vast majority of the beef industry, data collection that is centralised is limited to registering calves with dam details, dates of births and ID numbers. Current estimates are that approximately 1/3 of beef animals born have a sire recorded in the national cattle movements database. As the majority of genetic improvement gains are achieved in the buying and selling of improved bulls such low levels of routinely being able to link animal performance (from birth to slaughter) to an identifiable sire limits the capability of improving beef production efficiency within and across herds. Current industry developments are beginning to link records for the terminal carcass performance traits to the individual animal ID and where sire ID is recorded we could produce breeding tools for some of the main terminal beef production traits. These developments for industry wide data driving genetic improvement in terminal traits will have some clear direct economic signals driving their implementation and uptake. Also, in traceable supply chains the terminal performance characteristics (i.e., carcass weights and conformation) could be available as a breeding trait directly from abattoirs assuming that farmers record sire and dam information. However, maternal performance traits will require more direct farmer recording and will not have such clear direct market signals for improvement.

In other words the radical step change in data collection will of itself have a profound impact for good on

the Scottish herd.

4 More specifically, we estimate that, of the top third of businesses (in terms of performance), around 75% make use of Estimated Breeding Values when deciding on which bulls to use and/or buy and of the bottom two-thirds only 10% use EBV for breeding purposes. Even for those using EBVs, little commercial (cross-bred) data is used in the delivery of genetic improvement tools and EBVs. EBVs predict the superiority (or inferiority) of the genes that an animal possesses for each measured trait. They are expressed relative to a common baseline for all animals in the same genetic analysis. To generate robust EBVs for a given trait and/or breed it is important to have sufficient animals with recorded pedigree (sire and dam) and a performance record for the target trait. EBVs for traits are routinely combined in an overall breeding goal (BG), generally weighting the different traits by the relative economic benefit to the farming system. We will explore the potential for EBVs to be widened to consider environmental and climate benefits.

5 Importantly, in as much as there have been breeding strategies in the suckler beef sector, these have historically concentrated on improving terminal traits such as carcass weight and conformation in response to market demands (these have largely been based on liveweight records of a small proportion of the pedigree herd rather than direct measures of carcass weight and/or conformation). There has not been a similar focus on maternal traits such as fertility and milk yield for which there is no clear market signal or industry wide available and useable data. The Scotch Beef group will consider how to develop market signals for such relevant information as part of their work on reviewing this scheme. Research shows that better maternal traits can significantly reduce GHG emissions.

6 This scheme therefore aims to promote more efficient breeding stock and reduce greenhouse gas emissions from a multi-trait point of view – i.e. with a greater emphasis on the maternal traits which lead to reduced GHG emissions. This in turn will lead to renewed thinking on the traits (age at first calving, ease of calving, female fertility, milking ability, feed efficiency, calving interval between adjacent calving's) which form the basis of EBVs and BGs themselves. From the current position where all the factors which form the basis of EBVs are primarily economic in nature we will widen their scope to reflect other parameters of more relevance to GHG emissions.

7 Other relevant parameters (uptake of advisory service, participation in skills training, data collection, efficient herd and grass management), have also been extremely variable. In other words this scheme addresses on a whole population basis a number of areas where considerable change is required if we are to make sufficient progress to meet our targets.

For the rest of the information on this section please see the Further information parts 1, 2 and 3 figures that are attached below.

sub-measure 10.1.40 further information part 2

12 The Scheme will involve active participation by others in the chain, in particular SRDP-funded advisory services, processors, auctioneers and others who will feed data – for example those relating to carcass characteristics - into the single whole life data set. This active participation of the whole chain will be facilitated by the fact that the broad elements of the Scheme emerged from a stakeholder group, Beef2020, involving all players in the chain and aiming to improve the market orientation, efficiency and sustainability of the Scottish herd. This group will continue to monitor the implementation of the scheme to ensure it effectively delivers its aims throughout the supply chain and assist in securing permanent performance improvement to deliver the wide range of climate and environmental benefits possible under this measure. . Amongst producers themselves we will encourage group learning and cooperative activity through Knowledge Transfer initiatives using Measure 1 of the SRDP to ensure that the experience of those who are already active in this area is not lost, but built on. Scotland's monitor farms which have been shown to be particularly effective in spreading good practice in the red meat sector, will have an important part to play.

13 There will be an effective feedback loop, via the advisory services provided using measure 2, ensuring farmers have access to easily understood, benchmarked data on the whole life of their animals. For that purpose the scheme will be delivered alongside, and supported by, the SG-funded Scot EID database. Early adoption of bovine EID by scheme participants will assist whole chain communication and ensure that genetic and other data are made available to producers and advisers to inform and drive change. A priority will be to ensure that alongside the development of bovine EID processes are implemented for effective communication to the average farmer of meaningful data as a tool for breeding purposes.

Impact

14 We have undertaken an initial analysis of the potential benefit for Scottish beef herd when the improved EBVs are available and being used on the ground. This is likely to be years 3-5 of the scheme as the data will first have to be collected, collated and turned into the new EBVs. We estimate that the principal impact of the scheme will be improved genetic selection (cumulative and permanent) in respect of growth rates, feed conversion, maternal behaviour, nutrition practice and disease resistance - specifically we aim to increase the use of EBV from the current level of 30% to around 70% - and that the scheme as a whole will reduce greenhouse gas emissions over a 10 years period by 270,000 t of CO2e. This is likely to be an underestimate, given that in addition to improvements in genetic selection and feed conversion, there will be improved grass management leading to reduced fertiliser usage and reductions in animal disease (which has been estimated to account for around 20% of wastage in ruminant production). Also, the use of the genomic information in deriving EBVs for maternal (and health) traits has been estimated to enhance these responses by between 30-50% in UK beef systems. Livestock efficiency measures like improving beef cattle genetics are a key part of Farming for a Better Climate (FFBC), the Scottish Government policy to improve farm efficiency and lower CO2e emissions. Scotland has set itself very demanding statutory targets on GHG emissions, which we have until now struggled to meet: these measures alone will contribute 2.3% of the required reductions.

15 The list of the key traits we can include in breeding goals that have GHG savings are listed below. (Please note that feed efficiency traits are more complicated to record so these were not directly included as recorded traits in the figures presented but rather indirect changes in these traits accounted for based on their relationship with growth and weights) The second column quantifies how much GHGs (expressed in kg CO₂e) are saved for each unit change in the trait. It should be noted that these estimates are based on annual permanent and cumulative benefits that will be realised in the population actively participating in the scheme once it is up and running. These are not benefits that are realised on the first day of implementing the scheme as breeding decisions (e.g., which cows to breed from for the next generation, which bulls to buy) will end up affecting performance of a farmer's herd when the resultant calf from a mating is performing in either the terminal or maternal characteristics.

16 In very broad terms this means that we estimate that both terminal and maternal type traits contribute to these GHG savings - roughly in the proportion of one third maternal and two thirds terminal. These numbers provide an initial system for weighting both terminal and maternal trait EBVs in an overall breeding goal (BG) for environmental traits. This is not necessarily equivalent to the economic signals the industry would send beef breeders or farmers. The values at 1, 3, 4, and 6 are those traits related to maternal performance for which there are limited or no clear economic market signals. [NOTE: these changes are permanent and cumulative (for as long of the industry is using the information to guide their breeding decisions)]

Traits that drive reduction in GHG from improvements in breeding	Relative annual GHG savings per unit change in the trait (kg CO ₂ e/unit change)
1 Weight at 200 days (maternal trait of the role of the dam in producing good weaned calves) (kg)	-8.8
2 Carcass weight (kg)	-12.26
3 Calving interval between adjacent calving's (days) (maternal trait)	-7.46
4 Age at first calving (months) (maternal trait)	-3.85
5 Feed efficiency in the growing animal (kg weight put on/kg feed intake)	-0.3782
6 Feed efficiency in the breeding animal (maintenance feed costs) (maternal trait)	-0.4253

sub-measure 10.1.40 further information part 2

Sub-measure 10.1.40 further information part 3

17 We will monitor the impact of these measures on a national basis. This will include charting a number of vital performance measures from three types of enterprises: Hill Suckler herds Upland Suckler herds and Rearer Finisher herds. We will pay particular attention to the following parameters:

- Calves reared per 100 cows,
- Calves that have died before weaning per 100 cows,
- Weight – kg per calf sold and the KG concentrate per kg reared per cow.

We will year on year of the scheme monitor these parameters looking to move the bottom third closer to the performance of the top third. We will commission an evaluation of the scheme after 3 years including its efficacy relative to the measures introduced in Ireland and relative to delivery of climate change targets set for Scotland.

The baseline for each of these measures is:

LFA hill suckler herds - (very extensive suckler herds)

	1) Bottom 4) Third	2)	3) Top 5) Third
Calves reared per 100 cows	87		92
Calves died before weaning per 100 cows	4		1
Weight - kg per calf sold	284		283
KG concentrate per kg reared per cow	2.3		1.95

Upland suckler herds selling yearling calves

	Bottom Third	Top Third
Calves reared per 100 cows	79	92
Calves died before weaning per 100 cows	4	1
Weight - kg per calf sold	415	402
KG concentrate per kg reared per cow	3.0	1.46

Rearer finisher herds -

	6) Bottom	7)	8) Top
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	9) Third	10) Third
Calves reared dead per 100 cows	80	93
Calves died before weaning per 100 cows	80	93
Weight - kg per calf sold	621	629
KG concentrate per kg reared per cow	2.83	2.8

18 There will over time be some economic benefits for the farmer, especially in terms of cost reduction (the genetic improvements which would lead to efficiencies in terms of greenhouse gases are not currently rewarded significantly in the market place). Over a 10 year period this is estimated to be of the order of £22m. This will however be strongly loaded towards the latter years: data collected on a calf born today will not produce a completed lifetime record until 12-24 months (longer for the breeding cow). The data will then need to have enough records to begin to disentangle the genetics from the system effects and then begin to report back to the farmer a meaningful new set of EBVs for the new traits (or more accurate for those already available). This long lead-in, especially for the cow traits, underlines the case for upfront investment.

19 Wider environmental benefits - beyond GHG impacts - will flow in part from the eligibility criteria including membership of farm assurance schemes, and in part from action taken by individuals on the basis of the new data, in terms of improved on-farm management. For example improved herd management will lead, amongst other things, to improved slurry management, reducing pollutants in soil, water and air.

20 An important by-product of the Scheme will be a change in culture in the sector with the clear majority of businesses actively using bench marked data, advice and group learning, with a clear focus on improvement and spreading best practice from the top 10% to the sector as a whole. Although impossible to quantify, this population-wide impact may over time turn out to be the most profound.

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View Options X Close

Sub-measure 10.1.40 further information part 1

Scheme commitments

8 This Scheme will drive a step change in the recording of performance from pedigree through to commercial producers and therefore increase the accuracy and applicability of the EBVs available for Scottish beef breeders and commercial producers. Once funded, trained and practiced in this measure during this programming period farmers availing of this measure will see these actions become part of their normal agricultural practice.

The measure in particular, will require farmers to take action on data collection, access to advisory services and specific management improvements. In practice the farmer (pedigree breeder and commercial producer) will be required to:

- For each calf born record additional data, such as sire details (the identification of the sire for each calf by recording the ear tag number of the bull), calving ease, vigour, size weights (calves have to be weighed between 120 days and 400 days old), creep feeding, calf death pre-registration, still birth, meat quality and health traits (fat confirmation and weight content, and in due course offal condemnation (disease) data at the abattoir)
- For cows: docility, and culling reasons
- Collect a genetic sample from 20% of calves for genotyping (in addition to a requirement to use a genotyped bull). Genotyping¹ will be part of the scheme from the start and in later years the calves will be identified based on information received in years 1 & 2 and will be selected based on the quality

¹ Advice from Dr Mike Coffey (Professor of Livestock Breeding) is that, given the size and structure of the Scottish herd our approach, effectively involving almost 60000 animals per year from the full range of herds, would provide a sufficiently sizeable and diverse base population to create the Single Nucleotide Polymorphism (SNP) Key (prediction equations) required for the purposes of the scheme. Animals for genotyping will be identified based on their information content for the genomic based EBVs for the Scottish beef herd and will be selected based on the quality of data recorded and their "representativeness" of the Scottish beef herd. The figure of 20% has been estimated as sufficient to provide the power required to produce robust genomic based predictions of EBVs based on the distribution of breeds and mixes and beef systems (i.e., cow herd size and system type) in Scotland. [NOTE: EBVs based on pedigree information can also be derived from the data collected in points 1-3]

of data and usefulness in terms of providing information for the development of genomic based EBVs. Genomic data will be used to enhance pedigree based EBVs and has been shown to be particularly useful for traits such as female/maternal performance and health traits.

- Undertake a carbon audit of their farm, giving farmers access to information on measures they can take to reduce carbon usage. This involves use of carbon calculator software to assess the carbon footprint of farm business enterprises benchmarked against other similar enterprises (as regards average performance levels) and the provision of specialist advice to reduce carbon footprint. This audit takes place throughout the lifetime of the scheme.
- Identify and commence implementation of at least 3 management improvements on farm using the genetic and other data gathered through participation in the scheme. At least one of these will focus on improving breeding selection and at least one will include GHG mitigation impacts (nb the full implementation of these actions will not be funded through the relatively budget for this scheme).
- Crucially, in deciding which steps to take, farmers will be obliged as part of the scheme conditions and contracts to access each year independent expert advice on delivering the best environment and climate outcomes. This includes the farmer receiving 1:1 consultations, generally within group events, once throughout the 5 year period of support, which will cover advice on the use of the data that the farmer has collected. The advice will cover breeding practices, selection and grassland management.

9 The management improvement actions to be taken will vary from farmer to farmer depending on individual circumstances. We will ensure that the advisory service input mentioned above is specific to each farm on the basis of the data provided and that expert advice focusses on actions and measures which will deliver gains in environmental and climate objectives.

The management improvement actions consist in actions that go beyond the legal requirements.

Moreover, the advice will assist the farmer in monitoring progress on the management improvement actions that have been identified.

sub-measure 10.1.40 further information part 1a

10 The scheme will be aimed at the whole commercial suckler cow herd, seeking selection and other improvements for all beef breeds. We might expect uptake to be of the order of 70% with a particular focus on attracting those performing in the middle 50%.

11 Creative and focused use of advisory services and peer/group learning will be a critical factor. We will develop industry led regional demonstration projects under Measure 16 via our monitor farm programme under Measure 1 as a means of disseminating knowledge amongst participating farmers particularly as regards delivery of environment and climate objectives. Hearing recommendations from different sources, discussing options with valued opinion leaders and seeing practical examples in the field from comparable enterprises, will all provide farmers with the ability to make an informed judgment on their own business decisions. This approach to sharing ideas lies at the heart of the monitor farm programme - a Scotland wide network, particularly prized in the red meat sector, led by farmers for farmers, to help improve farm sustainability. We will actively seek ways of promulgating the experience of those such as pedigree breeders who have been early adopters in this field.

sub-measure 10.1.40 further information part 1b

8.2.8.3.36.2. Type of support

Type of support: Grants

Support will be paid via a grant.

8.2.8.3.36.3. Links to other legislation

Cattle identification and tracing (EC) No 1760/2000

8.2.8.3.36.4. Beneficiaries

Farmers who are breeders of beef calves

8.2.8.3.36.5. Eligible costs

As specified under ‘amounts and support rates’ the costs are calculated on the farmers time.

Please see sub-measure 10.1 description.

8.2.8.3.36.6. Eligibility conditions

Eligibility for the scheme payments will be limited to breeders of beef calves who must be members of a farm assurance scheme and must be eligible for BPS payments.

You must be registered as a keeper of cattle with AHVLA and BCMS. Cattle must have a valid passport and be correctly registered on the CTS database which will identify the herd. The scheme will be open to all registered beef farmers who commit to completing in full the mandatory commitments under the scheme. There will be no requirement based on animal or herd health.

8.2.8.3.36.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

Eligible applicants will be limited to breeders of beef calves. We are aiming for around 70% uptake of the scheme.

8.2.8.3.36.8. (Applicable) amounts and support rates

Payment rates will be set per hectare. All the costings below, which form the basis of those rates, are based on additional activity that the farmer has to carry out beyond what is normally expected and the baseline

practices of the majority of beef farmers (see description of commitment).

The number of actions payable under this scheme in each year is based on the number of suckler cows calving in each herd during 2015 (“reference animals”), with a provision for 2016 to be used as an alternative base year where 2015 would not be appropriate (e.g. for new entrants).

A co-efficient of 1.5 LU/ha is used in order to convert the number of "reference animals" into the number of "reference hectares" eligible for the scheme payment. These will be the “reference hectares” for payment. The "reference hectares" remain stable throughout the scheme. A farmer who has a number of hectares in his/her possession which is inferior to the number of "reference hectares" calculated, will still be eligible for participation in the scheme, but will only receive payment for the "number of defined hectares" he/she actually claims.

In accordance with Article 47 of Regulation 1305/2013, a farmer’s number of eligible hectares under this scheme may vary from year to year. The maximum variation allowed in this regard is a 20% decrease or increase up to their initially calculated "reference hectares".

The rates payable are based on the costings assigned to all the actions required which have then been converted to an eligible hectare based payment using a stocking density coefficient.

For the first 3 years of the scheme this has resulted in a final net payment to the farmer of £48.00 per ha., after the deduction for the cost of the genotyping.

Costings are based on the farmers time, on an estimated average of 80 calves per breeding season this covers the input of the data for each calf, the cow and the bull inputting the genetic information for each calf, calving , tagging and collection of ear tissue samples for genomic testing and the time taken to weigh each calf.

This is made up in the following way;

Years 1 to 3

65 mins for initial on farm collection of data for the calf: Sire ID, calving ease, docility, vitality, size, quality and health traits entering all required data and preparing for the data entry (including becoming informed on the guidance and initial capture of each log entry). For the cow: milk score, docility, and culling reasons and for the Bull: docility, functionality and culling reasons.

50 mins, farm manager’s time and 45 mins in stockman’s to gather in the herd specifically for tissue tagging, for the genotype test, including identifying and separating of the calves that have been pre-selected for genotyping and the retrieving/packaging of the samples. In addition this takes consideration of the time taken to weigh each calf.

Total time of farmer 115 mins

Total time of stockman 45 mins

As explained above there will be no actual payment rate for the farmer in years 4 and 5.

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant

for this commitment.

8.2.8.3.36.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.36.9.1. Risk(s) in the implementation of the measures

Possible control issues: See mitigating actions.

- Applicant submits incomplete or erroneous or misleading information
- Approval of ineligible applications
- Training not undertaken, thereby reducing benefits
- Genotyping not undertaken, undertaken incorrectly or incomplete
- Carbon auditing not completed appropriately
- Failure to identify appropriate management practice changes leading to reduction in the scheme benefits

8.2.8.3.36.9.2. Mitigating actions

Administrative checking to:

- Verify age, breed, dame, sire by cross check against livestock database
- Confirm terms & conditions have been read and agreed
- Confirm completeness of submission of all compulsory data
- Provide independent evidence of attendance at mandatory training event
- .Confirm SRDP advisory service has been consulted, advice tendered and action plan drawn up
- Carbon footprint (under measure 2) has been completed
- Collection of genotyping tissue and samples from the pre-selected calves and confirm these have been returned to the lab
- Audit of genotyping data including confirmation of the animals tested using genotype tagging
- Improve the quality of the advice.

In addition to the administrative controls above, a mandatory percentage of 5% of applications will be selected for detailed on the spot visits covering compliance with the measure requirements.

Where the scheme conditions are not met, including supply of the correct data in required timescales, a proportionate penalty will be applied in line with how we administer and penalise other CAP schemes.

8.2.8.3.36.9.3. Overall assessment of the measure

Please see overall measure description.

8.2.8.3.36.10. 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

- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock. For late harvested crops where conditions prevent a subsequent cover to be sown, land managers must put in place measures to prevent soil erosion.
- SMR 7: Land managers must comply with legislative requirements of cattle identification including Tagging, Passports and registration, Notification of movements and deaths and maintaining farm records
- SMR 8: Land managers must comply with legislative requirements of sheep and goat identification including identification and record keeping
- SMR 13: Land managers must comply with legislative requirements regarding animal welfare

Relevant usual farming practices

Usual farming practice would involve the farmer calving and tagging the animal and

information: dam details, calves' date of birth, and ID number. In most cases the selection of animals for breeding purpose is done by the look of the animal.

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

Please see measure 10 overall measure description in section "The minimum requirements for fertilisers" for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

The relevant risks associated with this sub-measure have been identified and addressed as part of the sub-measure design.

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

Please see box under ‘(Applicable) amounts and support rates’

8.2.8.3.37. sub-measure 10.1.5 - STUBBLES FOLLOWED BY GREEN MANURE IN AN ARABLE ROTATION

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.37.1. Description of the type of operation

Aim of commitment: To retain stubbles following harvest, and then establish a green manure.

Description of the commitment: This option covers the whole cropping year and will provide food and cover for birds, pollinating insects, and other invertebrates. Green manure will also protect the soil and improve soil biodiversity, fertility, carbon content and structure.

8.2.8.3.37.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.37.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.37.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.37.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.37.6. Eligibility conditions

Land that is sown to spring or autumn-sown cereal or oil-seed crop is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment Scheme. Under-sown crops are not eligible.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.37.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.37.8. (Applicable) amounts and support rates

£498.49 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.37.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.37.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.37.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.37.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.37.10. 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

- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the

winter, either by retaining stubble or sowing grass or another crop.

- GAEC 5: For late harvested crops where conditions prevent a subsequent cover to be sown, land managers must put in place measures to prevent soil erosion.
- SMR 1: Farmers in NVZs must prepare and implement a fertiliser and manure management plan before 1 March annually
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve a traditional arable rotation and therefore the ground would be prepared and a new winter or catch crop sown, as opposed to the creation of green manure. Therefore this operation is considered not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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 introduction of stubbles followed by green manure in an arable rotation that cannot be grazed or cut would mean no income can be derived from a cereal crop for the year. Costs saved are crop establishment fixed costs (spray and fertiliser contractor costs for applying) and other crop expenses associated with harvesting an average cereal crop (e.g. combine costs etc.)

For further general methodology information please see overall measure description.

8.2.8.3.38. sub-measure 10.1.6 - BEETLEBANKS

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.38.1. Description of the type of operation

Aim of commitment: To benefit a variety of valuable insects such as beetles, spiders and bumblebees by providing tussocky grassy strips for them to overwinter within large arable fields.

Description of the commitment: Providing this important habitat will support populations of beneficial beetles and other insects which in turn will help control crop pests or aid pollination. Beetlebanks will also benefit other wildlife by providing food and cover for birds, small mammals and flowers for pollinating insects. Suitably located across field slopes they can also help intercept rain water and prevent soil erosion.

8.2.8.3.38.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.38.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.38.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.38.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.38.6. Eligibility conditions

Land that is in an arable rotation with either an existing beetlebank, or where you propose to create a new beetlebank (which must be at least two metres wide and located within the field), is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same

approach as we use to check land for the Basic Payment Scheme. If you choose to apply for this option over the same area of land that you are allocating as an Ecological Focus Area to meet your Pillar 1 greening requirements, there may be an issue of double funding.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.38.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.38.8. (Applicable) amounts and support rates

Rate (euro / Pounds) (£1 / €1.20)

£495.64 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.38.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.38.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.38.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.38.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.38.10. 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

- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the winter, either by retaining stubble or sowing grass or another crop.
- GAEC 5: For late harvested crops where conditions prevent a subsequent cover to be sown, land managers must put in place measures to prevent soil erosion.
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic production of an arable crop with all of the associated ground works and pesticide use. Therefore the creation of beetlebanks is considered not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Income foregone for Beetle Bank in an Arable Field equivalent to loss of Gross Margin from cereal crops. Additional costs is the cost of topping in year 1 which is spread over 5 years. Costs saved are the cost of

labour and machinery involved in establishing, growing and harvesting arable crops.

For further general methodology information please see overall measure description.

8.2.8.3.39. sub-measure 10.1.7 - GRASS STRIPS IN ARABLE FIELDS

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.39.1. Description of the type of operation

Aim of commitment: To benefit a variety of wildlife, and help improve water quality.

Description of the commitment: Grass strips located within or at the edges of arable fields provide important cover and food for birds and small mammals as well as flowers for pollinating insects. They can also help improve water quality by preventing soil erosion, intercepting surface water run-off and improving soil structure. Grass strips are also important for connecting habitats.

8.2.8.3.39.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.39.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.39.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.39.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.39.6. Eligibility conditions

Land that is in an arable rotation, or an existing grass strip within the same parcel and immediately adjacent to the land in an arable rotation, is eligible. You should not include areas of land covering rocks, scree, water, dense bracken etc. We will check this using the same approach as we use to check land for the Basic Payment. For the purposes of this option, arable land is land which has been in crop for at least 3 of the past

5 years. You can manage any width of grass strip you choose, but it must be at least 3m wide along the entire length. For grass strips located adjacent to a hedge or dyke, the grass strip must start at the base of the hedge or dyke.

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.39.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.39.8. (Applicable) amounts and support rates

Rate (euro / Pounds) (£1 / €1.20)

£495.62 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.39.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.39.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.39.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.39.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.39.10. 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

- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the winter, either by retaining stubble or sowing grass or another crop.
- GAEC 5: For late harvested crops where conditions prevent a subsequent cover to be sown, land managers must put in place measures to prevent soil erosion.
- SMR 1: Farmers in NVZs must prepare and implement a fertiliser and manure management plan before 1 March annually
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic production of an arable crop with all of the associated ground works and pesticide use. Therefore the creation of grass strips in otherwise productive arable fields is considered not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Assumption used for payment rate calculation: In order to maintain an established or newly established grass buffer area in an arable field the calculation is based upon the loss of Arable Gross Margin per hectare. Where the buffer area runs along an environmental feature GBR rules prohibit land managers from

ploughing and spreading inorganic fertiliser within 2 metres of a water course or landscape feature (hedge etc.), are non productive areas therefore the first 2 metres, in width, of each margin are not eligible for payment. Payment rates would only apply to eligible areas.

For further general methodology information please see overall measure description.

8.2.8.3.40. sub-measure 10.1.8 - WATER MARGINS IN ARABLE FIELDS

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.40.1. Description of the type of operation

Aim of commitment: To benefit a variety of wildlife, and help improve water quality and the physical condition of watercourses.

Description of the commitment: Water margins immediately adjacent to still or running water, including ditches which may be dry for part of the year, can help improve water quality by preventing soil erosion, intercepting surface water run-off and improving soil structure. Water margins can also provide cover and food for birds and small mammals as well as flowers for pollinating insects, and are important for connecting habitats.

8.2.8.3.40.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.40.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.40.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.40.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.40.6. Eligibility conditions

Any land in an arable rotation adjacent to still or flowing water (e.g. rivers, burns, ditches or lochs) where you propose to create a water margin, or an existing water margin immediately adjacent to land in an arable rotation, is eligible. For the purposes of this option, arable land is land which has been in crop for at least 3 of the past 5 years. Applicants can manage any width of margin, but the following minimums apply (along the entire length of the margin):

Adjacent to a watercourse with a bed width $\leq 1.2\text{m}$ 3m

Adjacent to a watercourse with a bed width $>1.2\text{m}$ 6m

Adjacent to still water 12m

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.40.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.40.8. (Applicable) amounts and support rates

£495.62 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.40.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.40.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.40.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.40.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.40.10. 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

- GAEC 1: Land managers must establish a 2m buffer strip along water courses with restrictions on the application of organic manure, field heaps location, the application of chemical fertiliser, nitrogen fertiliser and pesticides.
- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the winter, either by retaining stubble or sowing grass or another crop.
- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- GAEC 7: Land managers must not remove or destroy watercourses without the prior written consent of Scottish Ministers.
- SMR 1: Farmers in NVZs must prepare and implement a fertiliser and manure management plan before 1 March annually
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing or cropping of these riparian areas. Option provides protection and creation of riparian buffer areas, removing them from intensive agricultural production. Therefore the establishment of these riparian buffer areas on potentially productive land is considered not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Additional costs is the cost of topping in year 1 which is spread over 5 years. Costs saved are the cost of labour and machinery involved in establishing, growing and harvesting arable crops

For further general methodology information please see overall measure description.

8.2.8.3.41. sub-measure 10.1.9 - WATER MARGINS IN GRASSLAND FIELDS

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.41.1. Description of the type of operation

Aim of commitment: To benefit a variety of wildlife, help improve water quality and the physical condition of watercourses.

Description of the commitment: Water margins immediately adjacent to still or running water, including ditches which may be dry for part of the year, can help improve water quality by preventing soil erosion, intercepting surface water run-off and improving soil structure. Water margins can also provide cover and food for birds and small mammals as well as flowers for pollinating insects, and are important for connecting habitats.

8.2.8.3.41.2. Type of support

Type of support: Grants

Grant.

8.2.8.3.41.3. Links to other legislation

Please see sub-measure 10.1 description.

8.2.8.3.41.4. Beneficiaries

Please see sub-measure 10.1 description.

8.2.8.3.41.5. Eligible costs

Please see sub-measure 10.1 description.

8.2.8.3.41.6. Eligibility conditions

Any agricultural land that does not meet the definition of arable land for the Water Margins in arable Fields options, adjacent to still or flowing water (e.g. rivers, burns, ditches or lochs) with an existing water margin, or where you propose to create a new water margin, is eligible.

You should not include areas of land covering rocks, scree water, dense bracken etc. We will check this using the same approach we use to check land for the Basic Payment Scheme.

Applicants can manage any width of margin, but the following minimums apply (along the entire length of the margin):

Adjacent to a watercourse with a bed width $\leq 1.2\text{m}$ 3m

Adjacent to a watercourse with a bed width $>1.2\text{m}$ 6m

Adjacent to still water 12m

For general measure 10 eligibility conditions please see sub-measure 10.1

8.2.8.3.41.7. Principles with regards to the setting of selection criteria

Please see sub-measure 10.1 description.

8.2.8.3.41.8. (Applicable) amounts and support rates

£123.42 per hectare

Please see figure 44 part 1 and part 2 in sub-measure 4.4 for costs of non-productive investments, if relevant for this commitment.

8.2.8.3.41.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.41.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.8.3.41.9.2. *Mitigating actions*

Please see overall measure description.

8.2.8.3.41.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.8.3.41.10. 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

- GAEC 1: Land managers must establish a 2m buffer strip along water courses with restrictions on the application of organic manure, field heaps location, the application of chemical fertiliser, nitrogen fertiliser and pesticides.
- GAEC 4: Land managers must ensure that, after harvest, soil cover is present until the end of the winter, either by retaining stubble or sowing grass or another crop.
- GAEC 5: Land managers must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.
- GAEC 7: Land managers must not remove or destroy watercourses without the prior written consent of Scottish Ministers.
- SMR 1: Farmers in NVZs must prepare and implement a fertiliser and manure management plan before 1 March annually with requirements as detailed in SMR 1.
- SMR 2: Land managers must comply with legislative requirements to protect wild birds, eggs and their nests in Special Protection Areas
- SMR 3: Land managers must comply with legislative requirements to conserve land designated as Special Areas of Conservation
- SMR 10: Land managers must comply with legislative requirements regarding pesticide use

Minimum activities.

In Scotland the minimum activity on “agricultural land that is naturally kept in a state suitable for grazing or cultivation”, will be;

Having farmed livestock at a stocking density of at least 0.05LU/ha (or lower where justified for environmental reasons or on the basis of the historical stocking density of the land according to records) for 183 days of the year, or

An annual farm audit and survey including:

- a farm environment map and descriptive table
- a breeding bird survey
- a mammal survey
- a butterfly survey
- a plant health survey
- habitat monitoring.

It is considered that Scotland's interpretation of the "Minimum activity" requirements will not affect the SRDP baseline.

Those land managers that are obliged to undertake the annual farm audit and survey to meet the minimum activity requirements for Pillar 1, will do so at their own expense.

Furthermore those ecological plans and surveys required to apply for the agri-environment-climate scheme in Pillar 2 shall not be funded via the AEC scheme.

Relevant usual farming practices

Usual farming practice would involve the economic grazing or cropping of these riparian areas. Option provides protection and creation of riparian buffer areas, removing them from intensive agricultural production. Therefore the establishment of these riparian buffer areas on potentially productive land is considered not to represent usual farming practice.

Other relevant national/regional requirements

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2011, as amended

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

Farmers operating in Nitrate Vulnerable Zones (NVZs) must follow rules set out in the Action Programme for Nitrate Vulnerable Zones (Scotland) Regulations 2008 and amending 2013 Regulations. The rules aim to reduce the risk of nitrate pollution to ground waters. Key requirements of the NVZ regulations include record keeping, adhering to N application limits and observing closed periods when no N applications can be made.

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

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

Please see measure 10 overall measure description in section “The minimum requirements for fertilisers” for this information.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Please see overall measure description.

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

Assumption -Additional cost equivalent to rental of grassland to allow land manager to continue to graze livestock at normal stocking rate, haulage costs to move animals to and from grazing and cost of additional time to travel to supervise animals. GBR rules prohibit land managers from spreading inorganic fertiliser within 2 metres of a water course, therefore the first 2 metres, in width, of each margin are not eligible for payment. Costs saved are therefore equivalent to forage variable costs saved by not grazing the land being managed, as this option is designed for water courses on permanent pasture land the grazing variable costs have been averaged from hill and upland and lowland suckler cows, improved hill and cross bred ewes. There are no additional costs included for the management activities required for this option as site can be grazed following exclusion period. It is assumed that the rented grazing will have the first application of fertiliser applied and will be sufficient for grazing requirements.

For further general methodology information please see overall measure description.

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

R5 – Commitments difficult to verify and/or control

R6 – Pre-conditions as eligibility conditions

R8 - IT Systems

R9 – Payment Claims

8.2.8.4.2. Mitigating actions

Carry out inspections during the time of year that management is being carried out to ensure commitments are being adhered to.

Annual statements and work diaries of inputs from beneficiaries.

Keep photograph layer in GIS up to date.

Competitive approval process with eligibility criteria being a straight yes/no answer.

Applications subject to risk based preapproval inspection.

Additional information on all business members requested at registration.

Financial eligibility checks carried out as part of application assessments.

Clear guidance will be available to applicants and staff to ensure eligibility conditions and commitments are understood and implemented.

It is intended that the application, approval and payment processes will be fully supported by IT.

Increased validation rules built into IT system from start of programme.

The IT System will include quality assurance checks to ensure cases are being handled correctly by case officers.

All claims subject to administrative check and validated against the schedule of works.

Once captured the claims will be cross-checked against other schemes/claims to ensure they are eligible.

5% of all claims will be selected for a full inspection.

8.2.8.4.3. Overall assessment of the measure

Green.

Commitments will be verified/controlled to mitigate against risk

Green.

Pre-conditions will be adhered to and enforced to mitigate against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

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

For information on SMR's please see figures SMR 1 to 13

For information on Scottish GAEC from 1 January 2015 please see figure 35

Please note that relevant baseline elements are identified at each option level in sub-measure sections 10.1.1 to 10.1.40

SMR reference	Legislative base – Annex II of EC (No)	Summary
SMR 1 (Nitrate vulnerable zones)	1306/2013 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	<p>Farmers in NVZs must prepare and implement a fertiliser and manure management plan before 1st March annually, which must contain the following elements if applicable to their business.</p> <ul style="list-style-type: none"> • Risk Assessment for Manures and Slurries (RAMS) map • A calculation and record of the capacity of storage facilities required for livestock manures • A calculation and record of 170 kg/N/ha loading limit for livestock manure • An Nmax calculation for each crop type grown on the farm including grassland <p>The Booklets "Guidelines for Farmers in Nitrate Vulnerable Zones" contains detailed guidance completing your fertiliser and manure management plan and can be accessed from the NVZ Guidance for Farmers pages.</p> <p>Records</p> <p>An occupier of land designated as NVZ must keep adequate records on an annual basis containing the following details</p> <ul style="list-style-type: none"> • The area of the farm within an NVZ • For each field within the NVZ you shall record <ol style="list-style-type: none"> 1. The area of the field in hectares 2. The soil type of the field 3. The crop or crops grown in the field and the date of sowing 4. The quantity and type of chemical & organic fertilisers applied to each crop type and the date of application • The number of livestock kept on the farm, detailing <ol style="list-style-type: none"> 1. The species, type and length of time the animals were kept on farm. • The movement of any livestock manure off the farm, or onto the farm detailing: <ol style="list-style-type: none"> 1. The type of livestock manure 2. The nitrogen content of the manure, based upon standard figures or your own analysis 3. The quantity moved 4. The date of the movement 5. The name and address of the person receiving or supplying the manure. • The quantity and type of chemical fertiliser brought onto the farm, used on the farm and retained on the farm <ol style="list-style-type: none"> 1. You must keep an inventory of the manufactured nitrogen fertiliser that you purchase, use or retain on farm. <p>In addition farmers must:</p> <ul style="list-style-type: none"> • comply with relevant closed periods when the application of certain organic fertilisers and chemical nitrogen fertilisers are banned. • maintain slurry and silage storage facilities free of structural defects and leakage • avoid the application of nitrogen fertilisers in any location, manner, or under conditions where it is likely that the application will cause pollution of the water environment

SMR 1

SMR 2 (Conservation of wild birds)	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) Article 3(1), Article 3(2)(b), Article 4(1), (2)	<p>The aim of these rules is to protect wild birds, their eggs and nests if you have land classified as a Special Protection Area (SPA). Special Protection Areas (SPAs) are sites which are designated under the Birds Directive due to their international importance for threatened habitats and species. Many SPAs are also designated as Special Sites of Scientific Interest (SSSI). SPAs are an additional level of protection which recognises their international importance, in Scotland there 153 SPAs.</p> <p>Beneficiaries :</p>
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and (4)	<p>Must not</p> <ul style="list-style-type: none"> • carry out or cause or permit to be carried out, operations or activities specified in the Area of Special Scientific Interest notification that are likely to damage the interests of the Special Protection Area (SPA) and for which Scottish Natural Heritage (SNH) have neither been notified nor consented. Damaging operations vary from site to site but can include ploughing, draining, levelling, application of lime, fertilisers and pesticides, grazing restrictions, overgrazing and undergrazing • intentionally or recklessly destroy or damage the special interest features of the area or disturb any fauna that are a special interest feature. This requirement can apply to actions that take place other than on the SPA itself but which have the same consequence for example draining an area of land which diverts water away from a SPA which has been designated for wading birds. <p>Must</p> <ul style="list-style-type: none"> • comply with all management notices served by Scottish Natural Heritage or the terms of any restoration order served by a court relevant to the purpose of the SPA
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SMR 2

SMR 3 (Conservation of flora and fauna)	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)	<p>The aim of these rules is to conserve land designated as a Special Area of Conservation (SAC). Special Areas of Conservation (SACs) are sites which are designated under the Habitats Directive due to their international importance for threatened habitats and species.</p> <p>Many SACs are also designated as Special Sites of Scientific Interest (SSSI). SACs are an additional level of protection which recognises their international importance, in Scotland there are 239 SACs.</p> <p>Beneficiaries :</p> <p>Must not</p> <ul style="list-style-type: none"> carry out or cause or permit to be carried out, operations or activities specified in the Area of Special Scientific Interest notification that are likely to damage the interests of the Special Area Conservation (SAC) and for which Scottish Natural Heritage (SNH) have neither been notified nor consented. Damaging operations vary from site to site but can include ploughing, draining, levelling, application of lime, fertilisers and pesticides, grazing restrictions, overgrazing and undergrazing intentionally or recklessly destroy or damage the special interest features of the area or disturb any fauna that are a special interest feature. This requirement can apply to actions that take place other than on the SPA itself but which have the same consequence example draining an area of land which diverts water away from a SPA which has been designated for wetland plant species. <p>Must</p> <ul style="list-style-type: none"> comply with all management notices served by Scottish Natural Heritage or the terms of any restoration order served by a court relevant to the purpose of the SAC.
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SMR 3

SMR 4 (Food and feed law)	Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety (OJ L 31, 1.2.2002, p. 1)	<p>Beneficiaries</p> <p>must not</p> <ul style="list-style-type: none"> place unsafe food or unsafe feed on the market feed unsafe feed to food producing animals. <p>must</p> <ul style="list-style-type: none"> arrange for unsafe food or unsafe feed to be withdrawn from the market if you believe you have supplied it, and inform both your local authority and the Food Standards Agency (FSA);
	Articles 14 and 15, Article 17 (3) and Articles 18, 19 and 20	<ul style="list-style-type: none"> destroy any unsafe feed unless the competent authority tells you not to do so; tell consumers of food, or the users of the feed, of the reason for any withdrawal if it may have reached them; arrange for unsafe food or unsafe feed to be recalled if there is no other way of achieving a sufficiently high level of health protection; immediately tell both your local authority and the FSA if food which you have supplied, or is in your possession and you intend to sell, could be harmful to health and of the actions you have taken to prevent risks to the final consumer. In the case of feedstuffs containing veterinary medicinal products (medicated feedstuffs) and/or specified feed additives (cocciostats or histomonostats) at levels greater than their prescribed or authorised levels, or feedstuffs which are contaminated with such products, which may be harmful to health, the Veterinary Medicines Directorate (VMD) should also be informed. <p>Traceability</p> <p>must</p> <ul style="list-style-type: none"> put in place systems and procedures for the traceability of inputs to your farm, which identify: <ul style="list-style-type: none"> the name and address of your supplier the type and quantity of inputs that were supplied to you the date of the delivery of these inputs to your farm; put in place systems and procedures for the traceability of products when they leave your farm, which identify: <ul style="list-style-type: none"> the name and address of the businesses you supplied the nature and quantity of the products that were supplied to those businesses the date on which the products left your farm <p>store this information in a format which is readily available and produce it when requested.</p> <p>Hygiene of foodstuffs and feed hygiene</p> <p>must</p> <ul style="list-style-type: none"> store and handle waste and hazardous substances separately and securely, in order to prevent contamination of your food products or feed products; take account of the results of any relevant analysis carried out on samples taken from primary products or other samples relevant to feed safety; store feed away from chemicals or any other products banned for use as animal feed; keep storage areas and containers clean and dry and implement appropriate pest-control measures where necessary. Take particular care when cleaning storage areas and containers which are used to contain medicated and non-medicated feed store seed properly and in such a way that it is not accessible to animals

SMR 4 part 1

SMR 4 p2		<ul style="list-style-type: none"> • handle medicated and non-medicated feeds separately to prevent cross-contamination and store medicated feeds in such a way so they can't be fed by mistake to animals for which they're not intended • make sure the on-farm feed distribution system ensures that the right feed is sent to the right destination. During distribution and feeding, feed must be handled in such a way as to ensure that contamination does not occur from contaminated storage areas and equipment • periodically clean on-farm feed transport vehicles and feeding equipment, in particular when used to deliver and distribute medicated feed; • use feed additives, veterinary medicinal products and biocides correctly (if you use them on your farm) with dosage, application and storage as stated on the label or as prescribed. This includes making sure that food you produce does not contain residues of pesticides or veterinary medicinal products that are higher than the permitted maximum residue level for the pesticide used or the maximum residue limit for the medicine used • take adequate measures to prevent the introduction and spread of contagious diseases transmissible to humans through food • source and use feed, for food producing animals, from establishments that are registered or approved by your local authority. In the case of feed containing specified feed additives, source the feeding stuffs from establishments that are approved by the Veterinary Medicines Directorate • take appropriate remedial action when informed of problems identified during official controls • keep up to date records on all of the following, if they are relevant to your business and make them available on request to an inspector: <ul style="list-style-type: none"> veterinary medicinal products, or other treatments, given to your animals (including the dates of the treatment and the withdrawal period) the use of plant protection products and biocides the results of any analyses carried out on samples taken from food producing animals, plants, animal feed or other samples taken for diagnostic purposes that have importance for human and animal health any relevant reports on checks carried out on animals or products of animal origin any use of genetically modified seeds in feed production. <p>If you are a producer of raw milk (from any species), or handle raw milk or produce colostrum, the following extra rules apply:</p> <p>must</p> <ul style="list-style-type: none"> • make sure that raw milk and colostrum comes from animals that: <ul style="list-style-type: none"> are in a good general state of health show no sign of disease that might result in the contamination of milk or colostrum
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SMR 4 part 2

SMR 4 p3		<p>do not have any udder wound likely to affect the milk or colostrum</p> <p>are not within the prescribed withdrawal period following the administration of authorised products or substance</p> <p>have not been given any unauthorised substances or products</p> <ul style="list-style-type: none"> • make sure that raw milk and colostrum comes from animals belonging to herds/holdings which have disease free status for tuberculosis and brucellosis. If your herd or holding is not disease-free you may sell raw milk from your non-reactor animals if you are selling to a wholesaler who will heat treat the milk before marketing it for human consumption, or the raw milk is from sheep or goats and is intended to be made into cheese that has a maturation period of at least two months. Make sure that raw milk and colostrum from any animal not complying with these requirements is not placed on the market for human consumption; • effectively isolate animals that are infected, or suspected of being infected, with brucellosis or tuberculosis so that there is no adverse effect on other animals' milk; • make sure that milking equipment and the premises where raw milk and colostrum are stored, handled or cooled are located and constructed to limit the risk of contamination of milk and colostrum • make sure that premises used for the storage of raw milk and colostrum: <ul style="list-style-type: none"> are protected against vermin, including birds and birds' nests, and adequately separated from premises where animals are housed have suitable refrigeration equipment in order to meet the post-milking cooling rules • make sure the surfaces of equipment that come into contact with raw milk or colostrum are easy to clean and disinfect (where this is necessary); • clean (and disinfect where necessary) the surfaces of equipment that come into contact with raw milk or colostrum after each use, and maintain in a sound condition; • carry out milking hygienically, especially making sure that: <ul style="list-style-type: none"> before milking starts the teats, udder and adjacent parts are clean you satisfactorily identify animals undergoing any medical treatment which is likely to transfer residues to the milk or colostrum raw milk or colostrum from any animals that are still within the withdrawal period after receiving medication is not used for human consumption • hold raw milk in a clean place, designed and equipped to avoid contamination, immediately after milking. The milk must be cooled immediately to:
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SMR 4 part 3

SMR 4 p4		<p>not more than 8°C if it is collected daily</p> <p>not more than 6°C if it is not collected daily.</p> <p>You will not break the rule to cool raw milk immediately after milking if the milk is going to be processed within 2 hours of milking or you have received permission from the competent authority because of the dairy products that will be made from this milk.</p> <ul style="list-style-type: none"> hold colostrum in a clean place, designed and equipped to avoid contamination, immediately after milking. Colostrum must be stored separately and be cooled immediately to: <p>not more than 8°C if it is collected daily</p> <p>not more than 6°C if it is not collected daily</p> <p>or it must be frozen.</p> <p>If you are an egg producer the following additional rules apply:</p> <p>must</p> <ul style="list-style-type: none"> keep eggs clean and dry, free of strong odour, effectively protected from shocks and out of direct sunshine.
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SMR 4 part 4

SMR 5 (Restrictions on the use of hormones)	Council Directive 96/22/EC of 29 April 1996 concerning the prohibition on the use in stockfarming of certain substances having a hormonal or thyrostatic action and beta-agonists, and repealing Directives 81/602/EEC, 88/146/EEC and 88/299/EEC (OJ L 125, 23.5.1996, p. 3) Article 3(a), (b), (d) and (e) and Articles 4, 5 and 7	<p>Beneficiaries</p> <p>Must not</p> <ul style="list-style-type: none"> give food producing animals restricted substances have substances on your farm that contain beta-agonists to induce tocolysis in cows when calving (for example, clenbuterol hydrochloride). have food producing animals on your farm to which a restricted substance has been administered (unless given in line with any permitted exceptions). place on the market or send to slaughter for human consumption any animal to which a restricted substance has been administered (unless given in line with any permitted exceptions). place on the market meat, or any other animal product, derived from an animal to which any restricted substance has been administered (unless given in line with any permitted exceptions). <p>Must</p> <ul style="list-style-type: none"> observe the relevant withdrawal period if your food producing animals have been given any of the restricted substances in line with the permitted exceptions. make veterinary medicinal records relating to restricted substances available to the competent authority, or anyone acting on behalf of the competent authority, on request.
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SMR 5

SMR 6 (Pig ID and	Council Directive 2008/71/EC of 15 July 2008 on identification and registration of	Beneficiaries:
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Traceability)	pigs (OJ L 213, 8.8.2005, p. 31) Articles 3, 4 and 5	<p>Must</p> <p>Registration and identification</p> <ul style="list-style-type: none"> register your details with your local Rural Payments and Inspections Directorate (RPID) Office within 30 days from the date you first keep pigs. You must also inform your local Animal Plant and Health Agency office (APHA) where you are going to keep pigs and they will give you a herd mark for your holding. Notify them of any change to your details (including if you stop keeping pigs) within 30 days of the change. correctly identify your pigs (depending on their age and destination) before they leave your holding: <p>pigs must be identified with an eartag, tattoo or a slapmark</p> <p>pigs moving to a show or exhibition, to a semen collection centre, for breeding purposes, for intra-Community trade or export or under a walking licence must be identified with an eartag or a tattoo with a unique individual identification number</p> <p>pigs moving to a market or slaughterhouse must be identified with an eartag, tattoo or slapmark</p> <p>pig less than 12 months old can be identified with a temporary mark, such as a paint mark, when moving between farms.</p> <p>Movements</p> <ul style="list-style-type: none"> when a pig moves you must notify the movement to ScotEID either prior to the movement taking place or on the day of the movement. The notification must specify the following information: the full address, including postcode and CPH number, of the holding from and to which the pigs are being moved the date of the movement the number of pigs moved the identification mark of each pig moved, and in the case of pigs moved from a market, the lot numbers of the pigs being moved. <p>Notify movements electronically to the ScotEID movement reporting database (operated on behalf of the Scottish Ministers) www.scoteid.com or alternatively by telephone to the ScotEID Information Centre, Tel No: 01466 794323. Once the necessary information, listed above, has been recorded on the database, the system will allow you to print off a movement document; and where movements are notified by telephone you will be given the option of having a movement document sent to you. Keepers also have the option to add Food Chain Information (FCI) to the movement document for pigs going to slaughter.</p> <p>In addition to electronic and telephone notification you can notify movements in writing, containing the information listed above, sending it to ScotEID at the following address:</p> <p>ScotEID Information Centre Unit 28 The Huntly Business Centre</p>
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SMR 6 part 1

SMR 6 p2

83 Gordon Street
 Huntly
 AB54 8FG
 Tel No: 01466 794323
 Fax No: 01466 792801
 Email: help@scoteid.com

Where a movement has been notified directly to the ScotEID database either electronically or by telephone then the movement does not require to be accompanied by a movement document. There are however, a number of movements which must be accompanied by a movement document:

pigs less than 12 months old and identified with a temporary mark,

pigs moving to England, Wales or Northern Ireland

The concession for movements not to be accompanied by a movement document does not exempt you from complying with any other legislation which may require a movement to be accompanied by documentation. For example 'Transport documentation' (also known as an Animal Transport Certificate) which is a requirement under the Welfare of Animals (Transport) (Scotland) Regulations 2006.

The receiving keeper must check and confirm receipt of the pigs within 3 days of their arrival to ScotEID by one of the movement notification methods outlined above.

Movement document

By notifying movements electronically to ScotEID you have the option of printing off a movement document. When movements are notified by telephone to ScotEID you also have the option of the movement document being sent to you. However, when movements are notified in writing to ScotEID you are responsible for completing your own movement document. The movement document must contain all the information outlined above, must be signed by the keeper and must be sent to ScotEID either prior to the movement taking place or on the day of the move. A copy of the movement document must also accompany the pigs during the move.

The movement document provided by the ScotEID movement reporting database also provides the necessary transporter information to be completed to meet the 'Transport documentation' requirements under the Welfare of Animals (Transport) (Scotland) Regulations 2006.

Moves within the UK

SMR 6 part 2

SMR 6 p3

Moves to Scotland from England and Wales will have been entered onto BPEX (the electronic movement reporting system for England and Wales) in advance of the movement taking place and will be pre-notified to ScotEID. The movement will be accompanied by a movement document required by the legislation in those countries. The receiving keeper in Scotland must check and confirm receipt of the pigs within 3 days of their arrival to ScotEID by one of the movement notification methods outlined above.

Moves to Scotland from Northern Ireland will be accompanied by a health certificate/ movement document required by the legislation in that country. The receiving keeper in Scotland must check and confirm receipt of the pigs within 3 days of their arrival to ScotEID by one of the movement notification methods outlined above.

Moves from Scotland to England, Wales and Northern Ireland must be notified to ScotEID using one of the movement notification methods outlined above. The movement must be accompanied by a movement document. Movements notified to ScotEID electronically or by telephone will be notified automatically to the BPEX movement system. Where movements are notified by paper to ScotEID the database will automatically notify the movement to the BPEX movement system.

Moves to show grounds

Movements to show grounds or exhibitions must be notified to ScotEID using one of the movement notification methods outlined above. You can notify the movement to the show or exhibition and their return at the same time if you choose to. If you sell a pig at a show or exhibition then you must notify ScotEID within 3 days of the sale taking place. If the sale takes place at a show or exhibition outside Scotland you must use the movement notification system in the country the pig was sold.

Moves to a vet

Your pigs should normally be correctly identified before they move. However, for veterinary treatment they can be moved without being identified. However, you should record the movement in your holding register but you do not need to notify the move to ScotEID.

Walking licence for pet pigs

You should contact your local AHPA office for an application for a licence. You will need to inform them of the route you wish to use; however, if they perceive that the proposed route poses a risk to animal health then it will not be approved. Such risks could be proximity to livestock markets, high health status pig units or food processing premises. If your route is approved you will be issued with a licence which you must renew on an annual basis. In addition, your pet pig will require to be identified with an eartag or tattoo with a unique individual identification number.

SMR 69 part 3

SMR 6 p4		<p>Walking licence for pet pigs</p> <p>You should contact your local AHPA office for an application for a licence. You will need to inform them of the route you wish to use; however, if they perceive that the proposed route poses a risk to animal health then it will not be approved. Such risks could be proximity to livestock markets, high health status pig units or food processing premises. If your route is approved you will be issued with a licence which you must renew on an annual basis. In addition, your pet pig will require to be identified with an eartag or tattoo with a unique individual identification number.</p> <p>Imports and exports of pigs</p> <p>If you are importing or exporting pigs from or to another EU country or a country outside the EU, the movement must be notified to ScotEID using one of the movement notification methods outlined above.</p> <p>On-farm records</p> <ul style="list-style-type: none"> • Once a year, record the number of pigs on your holding in your holding register. • You can keep your register, in any format you wish; however, it must contain at least the following information • the name and address of the keeper, including CPH number • the date the pigs were moved • the temporary mark or identification number, including the unique individual identification number, if applicable • the number of pigs moved • the address and CPH number where the pig(s) were moved from • the address and CPH number where the pig(s) were moved to • This information must be recorded in the holding register within 48 hours of a movement on or off your holding. You must make sure that these on-farm records are up to date, kept for at least 3 years and are available on request to an inspector. <p>Must not</p> <p>Registration and identification</p> <ul style="list-style-type: none"> • Remove or replace identification without permission from your local authority unless it is lost, illegible or removed for welfare reasons. In all cases you must replace the identification appropriately.
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SMR 6 part 4

SMR 7 (Cattle ID and Traceability)	Regulation (EC) No 1760/2000 of the European Parliament and of the Council of 17 July 2000 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products and repealing Council Regulation (EC) No 820/97(OJ L 204, 11.8.2000, p. 1) Articles 4 and 7	<p>Beneficiaries:</p> <p>Must</p> <p>Tagging</p> <ul style="list-style-type: none"> • tag all calves born on your holding, or cattle imported from outside the European Union (EU)*, with Defra approved eartags* within the following timescales: <p>dairy calves – with one eartag within 36 hours of birth and with the second eartag within 20 days of birth</p> <p>bison calves – within 9 months of birth or when they are separated from their mother if this is earlier</p>
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		<p>other calves – within 20 days of birth</p> <p>all animals leaving your holding – with both tags before they leave;</p> <p>cattle imported from outside the EU – within 20 days of release from import checks</p> <ul style="list-style-type: none"> • replace illegible or lost eartags within 28 days of noticing the damage or loss; <p>Passports and registration</p> <ul style="list-style-type: none"> • register cattle born on your holding no later than 27 days after birth (7 days for bison) by making an application for a passport from the British Cattle Movement Service (BCMS) through an approved channel • register cattle imported from within the EU, but outside Great Britain, within 15 days of its arrival on your holding by sending the foreign passport/movement document to BCMS and making an application for a passport • register cattle imported from outside the EU within 15 days of tagging the animal and no later than 35 days from its release from import checks by making an application for a passport from BCMS • produce a signed and valid passport for every animal in your care on request • make sure that when cattle are moved off your holding* they are accompanied with their valid passport, properly completed and signed <p>Notification of movements and deaths</p> <ul style="list-style-type: none"> • notify BCMS through an approved channel; of any movements of cattle on to and off your holding within 3 days of the movement; • notify BCMS through an approved channel; of any cattle deaths on your holding within 7 days of the date of death*. If your chosen method is to complete the Death details section of the passport, you must return the passport within 7 days of the date of the death; • notify BCMS by returning the passport of any lost or stolen animal within 7 days of becoming aware of the loss or theft. <p>On-farm records (herd register)</p> <ul style="list-style-type: none"> • keep on-farm records for your holding, which include the following appropriate details for each animal: <p>official eartag number</p> <p>dam's official eartag number</p> <p>date of birth</p> <p>sex</p> <p>date of movements on and off your holding</p> <p>details of where the animal has moved to or from</p>
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SMR 7 part 1

SMR 7 p2		<p>breed</p> <p>date of death</p> <ul style="list-style-type: none"> complete the herd register within the following timescales: movements – 36 hours of them taking place; <p>birth of a dairy calf – 7 days</p> <p>birth of any other calf – 30 days</p> <p>a death – 7 days</p> <p>eartag replacement where the eartag number is changed – 36 hours of the replacement</p> make sure that these on-farm records are up to date, kept for at least 10 years if you are still a cattle keeper and 3 years in any other case from the end of the calendar year in which the last entry was made and be available to an inspector on request. date of the last entry and are available on request to an inspector. <p>Must not</p> <p>Tagging</p> <ul style="list-style-type: none"> remove or replace eartags without permission from Defra Scottish Ministers (obtained through BCMS), except when replacing lost or illegible tags; alter, obliterate or deface an eartag; <p>Passports and registration</p> <ul style="list-style-type: none"> alter or deface a cattle passport.
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SMR 7 part 2

SMR 8 (Sheep ID and traceability)	Council Regulation (EC) No 21/2004 of 17 December 2003 establishing a system for the identification and registration of ovine and caprine animals and amending Regulation (EC) No 1782/2003 and Directives 92/102/EEC and 64/432/EEC (OJ L 5, 9.1.2004, p. 8) Articles 3, 4 and 5	<p>Beneficiaries</p> <p>Must</p> <p>Identification</p> <ul style="list-style-type: none"> identify all sheep and goats with the correct means of identification within 6 months of birth for intensively farmed animals and 9 months for extensively farmed animals, or before they leave the holding of birth, whichever is sooner. for intra-community trade, identify sheep and goats with two identically numbered eartags; and if identified on or after 31 December 2009, one identifier must be electronic. replace any lost or illegible means of identification within 28 days of noticing their loss or illegibility or before the animal leaves the holding, whichever is the earlier. only keep sheep or goats identified with a single slaughter tag beyond the age of 12 months if the animals are completely traceable, and you must then replace the single means of identification with two new identifiers. For sheep, one of the identifiers must be electronic. <p>Record keeping</p> <ul style="list-style-type: none"> for animals born and identified before 31 December 2009 keep on-farm records with the required information, including:
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		<ul style="list-style-type: none"> details of the movement of sheep and goats on and off your holding, including: the date of the movement the number of animals moved the destination or origin of the animals moved the transport details for the animals leaving your holding <p>and additionally, for animals born or identified on or after 31 December 2009 these details must include:</p> <ul style="list-style-type: none"> the individual identification numbers of individually identified animals and in the case of batches of animals identified with a single slaughter tag which originate from different holdings of birth, the number of animals with each different flock/herd mark in the holding of birth, the individual identification number of the animal, number of animals identified, year of birth and date of identification the breed and, if known, the genotype the individual identifier, month and year of death of an animal on the holding <ul style="list-style-type: none"> for all animals, an annual inventory of the animals kept at 1 January make sure that these on-farm records are up to date, kept for at least 3 years from the last day when an animal referred to in the register dies or leaves the holding and are available on request to an inspector. <p>You must not</p> <p>Identification</p> <ul style="list-style-type: none"> alter, obliterate or deface any means of identification attached to an animal. However you may apply additional management information provided the legibility of the UK flock mark or UK individual ID number is not affected.
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SMR 8

SMR 9 (Prevention and control of transmissible spongiform encephalopathies (TSEs))	Regulation (EC) No 999/2001 of the European Parliament and of the Council of 22 May 2001 laying down rules for the prevention, control and eradication of certain transmissible spongiform encephalopathies (OJ L 147, 31.5.2001, p. 1) Articles 7, 11, 12, 13 and 15	Beneficiaries Must not <ul style="list-style-type: none"> • feed animal protein, or any feeding stuff that contains animal protein, to ruminants, with the exception of the following (subject to required sourcing and processing, for example, it cannot be catering waste) • milk, milk-based products and colostrums • eggs and egg products • gelatine from non-ruminants; • hydrolysed proteins derived from non-ruminants or from ruminant hides and skins; • liquid milk replacers for un-weaned ruminants containing fishmeal, if registered by Scottish Government. • feed products containing prohibited proteins to any farmed animals, or mix prohibited proteins with feedstuffs; • use restricted proteins to produce feed for non-ruminants unless you have received authorisation from competent authority • use feed products containing restricted proteins on a farm where there are ruminants present unless you are registered with competent authority • export from the UK any bovine animal born or reared in the United Kingdom before 1 August 1996
		<ul style="list-style-type: none"> • place on the market or export any products consisting of or incorporating any material (other than milk) derived from a bovine animal born or reared in the United Kingdom before 1 August 1996 • place on the market or export first generation offspring, the semen, ova or embryos of cattle, sheep or goats (of any age) without fully complying with the documentation requirements and restrictions applying to the sale or export of such products; • move any cattle born or reared in the UK before 1 August 1996 from their registered premises unless you have obtained a movement licence from the Animal Health and Veterinary Laboratories Agency Specialist Service Centre in Worcester. <p>must</p> <ul style="list-style-type: none"> • notify the duty veterinary officer of your local Animal and Plant Health Agency office immediately if you know or suspect that an animal or carcass in your possession, or under your charge, is infected with a transmissible spongiform encephalopathy (TSE); • fully comply with any movement restrictions imposed • fully comply with any order to slaughter and destroy any animal • fully comply with any other notices served by an inspector • fully comply with the inquiry carried out by an inspector to identify all animals at risk.
SMR 9		
SMR 10 (Restrictions on the use of plant protection products)	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	Beneficiaries must not <ul style="list-style-type: none"> • use any plant protection product unless it is authorised or has a valid parallel trade permit. <p>must</p> <ul style="list-style-type: none"> • use authorised or permitted plant protection products in accordance with any requirement or condition which is specified in the authorisation, permit or in any extension of use <p>on the label of the product as required by the authorisation, permit or extension of use</p>
SMR 10		
SMR 11 (welfare of calves)	Council Directive 2008/119/EC of 18 December 2008 laying down minimum standards for the protection of calves (OJ L 10, 15.1.2009, p. 7) Articles 3 and 4	Beneficiaries You must Inspection <ul style="list-style-type: none"> • Inspect all housed calves at least twice a day, and those kept outside at least once a day <p>Accommodation and Freedom of Movement</p> <ul style="list-style-type: none"> • Make sure that individual stalls or pens satisfy the minimum width and length rules and that they have perforated walls which allow the calves to see each other and have physical contact with one another (except for those isolating sick animals): <p>Width rule: must be at least equal to the height of the calf at the withers, when measured in the standing position</p> <p>Length rule: at least equal to the body length of the calf (measured from the tip of the nose to the rear of the pin bone (tuber ischii), multiplied by 1.1</p> <ul style="list-style-type: none"> • Make sure that each of your calves can stand up, turn around, lie down, rest and groom itself without difficulty. • Make sure that each calf, when kept in a group, has its minimum allowance of unobstructed floor space.
		<p>at least 1.5m² for each calf with a live weight of less than 150 kg</p> <p>at least 2m² for each calf with a live weight of 150 kg or more but less than 200 kg, and</p> <p>at least 3m² for each calf with a live weight of 200 kg or more.</p> <ul style="list-style-type: none"> • Provide flooring, for those calves kept in buildings, that is: <p>Smooth but not slippery</p> <p>Designed so there is no injury or suffering to the calves standing or lying on it</p> <p>Suitable for the size and weight of the calves</p> <p>Rigid, even and stable</p> <p>must not</p> <ul style="list-style-type: none"> • Keep a calf in an individual stall or pen after the age of 8 weeks (unless it needs to be isolated to receive treatment). • Muzzle your calves. • Tether your calves. You will not break this rule if tethers are applied to group-housed calves, for up to 1 hour, when you are feeding them milk or milk substitute. In this case any tether must be regularly inspected and adjusted to make sure that it does not cause pain or injury to the calf and allows it to lie down, rest, stand up and groom itself. <p>The rules at points 2, 4, 6 do not apply to holdings with; fewer than 6 calves or calves kept with their mothers for suckling.</p>

SMR 11 part 1

SMR 11 p2

You must

Environment

- For calves kept in artificially lit buildings, provide artificial lighting for a period that is at least equal to the period of natural light normally available between 9.00 am and 5.00 pm.
- Clean and disinfect housing and equipment used for your calves; remove dung, urine and leftover food as often as necessary to reduce smells and avoid attracting flies or rodents.
- Keep all housed calves on, or at all times give them access to, a lying area that is clean, comfortable, well drained and has dry bedding.
- Give all calves appropriate bedding.

Feed, Water and Other Substances

- Feed all weaned calves at least twice a day.
- Make sure when feeding group-housed calves that each calf either:

Has access to feed at the same time as the others in the feeding group

has continuous access to feed

Is fed by an automatic feeding system

- Give all your calves over 2 weeks of age fresh drinking water at all times in hot weather conditions or when they are ill.
- Make sure that each calf in an receives bovine colostrum as soon as possible after it is born and within the first 6 hours of life.
- Give all calves food that contains enough iron, to ensure a blood haemoglobin level of at least 4.5mmol/litre.
- Provide the specified minimum daily ration of fibrous food for each calf over 2 weeks old. The daily fibrous food ration rises in line with the growth of the calf; starting at 100g at two weeks old and rising to 250g at 20 weeks.

SMR 11 part 2

SMR 12
(welfare of
pigs)

Council Directive 2008/120/EC of 18 December 2008 laying down minimum standards for the protection of pigs (OJ L 47, 18.2.2009, p. 5)
Article 3 and Article 4

Beneficiaries

Must

Accommodation and buildings

- Make sure that each of your pigs is free to turn around without difficulty at all times, including while tethered (where this is allowed)
- Make sure that the accommodation for your pigs allow them to:

Stand up, lie down and rest without difficulty

Have a clean, comfortable and adequately drained place in which to rest (including making sure that any bedding is clean, dry and not harmful to the pigs)

See other pigs (unless the pig is isolated for veterinary reasons or for farrowing)

Maintain a comfortable temperature

Have enough space to allow all of them to lie down at the same time

- Make sure that individual stalls or pens satisfy the minimum size rules (these do not apply in certain excepted situations).
- Provide artificial lighting of at least 40 lux for at least 8 hours each day, for pigs kept in an artificially lit building
- Provide flooring, for those pigs kept in building, that is:
Smooth but not slippery
Rigid, even and stable, if there is no litter

Designed, constructed and maintained so there is no injury or suffering to the pigs standing or lying on it

- Provide flooring of the correct measurements (for openings and slats) if you use concrete slatted floors 3 (this applies for all pigs in groups);

Feed, Water and Environmental enrichment

SMR 12 part 1

SMR 12 p2		<ul style="list-style-type: none"> • Make sure that when feeding group-housed pigs each pig either: <ul style="list-style-type: none"> Has access to feed at the same time as the others in the feeding group has continuous access to feed; Is fed by an automatic feeding system • Give all pigs over 2 weeks old permanent access to a sufficient supply of fresh drinking water • Give permanent access to enough manipulate material which allows proper investigation and manipulation, for example, straw, hay, wood, sawdust, mushroom compost, peat or a mixture of such, which does not upset the health of your animals <p>Prevention of fighting</p> <ul style="list-style-type: none"> • Take measures to prevent fighting which goes beyond normal behaviour; if you keep pigs together, keep those pigs separate which show persistent aggression or are victims of that aggression; <p>Must not</p> <p>Accommodation and buildings</p> <ul style="list-style-type: none"> • Keep pigs in high temperature/high humidity environment known as the 'sweat box system' • Expose your pigs to constant or sudden noise, or levels above 85 decibels in any building where you keep pigs <p>Tethering</p> <ul style="list-style-type: none"> • Tether pigs at any time <p>You will not break the rule relating to the tethering of pigs it is for veterinary purposes. In this case any tether must be regularly inspected and adjusted to make sure that it does not cause pain or injury to the pig and allows it to lie down, rest, stand up and groom itself.</p> <p>For all boars:</p> <p>Must</p> <ul style="list-style-type: none"> • Place and build boar pens to allow the boars to turn around and hear, see and smell other pigs • Provide clean resting areas in the boar pens and make sure that the lying area is dry and comfortable • Make sure that each boar has its minimum allowance of unobstructed floor space. Each adult boar must have at least six square metres of unobstructed floor space. If used for natural service the floor area must be at least ten square metres and free of obstacles <p>For all sows and gilts:</p> <p>Must</p> <p>Prevention of parasites</p> <ul style="list-style-type: none"> • Treat pregnant sows and gilts against internal and external parasites, of necessary; <p>Farrowing</p> <ul style="list-style-type: none"> • Thoroughly clean pregnant sows and gilts before they are placed in farrowing crates • Give sows and gilts enough suitable nesting material in the week before the expected farrowing time (unless it is not technically practical because of the slurry system you use)
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SMR 12 part 2

SMR 12 p3		<ul style="list-style-type: none"> • Provide an unobstructed area behind the sow or gilt during farrowing • Provide some method of protecting the piglets, such as farrowing rails, if you keep sows loose in farrowing pens; <p>Group housing</p> <ul style="list-style-type: none"> • Keep sows and gilts in groups (except during the period between 7 days before the predicted day of farrowing and the day on which the weaning of piglets is complete) • Make sure that each female pig after service, when kept in groups, has its minimum allowance of unobstructed floor space, continuous solid floor and pens of correct dimensions • Feed sows and gilts using a system that makes sure each pig can get enough food even when other pigs are competing for food • Give all dry pregnant sows and gilts enough bulky or high-fibre food, as well as high-energy food, to satisfy their hunger and need to chew <p>You will not break the rule relating to keeping sows and gilts in groups if they are kept on holdings of fewer than 10 sows provided that the individual accommodation keeps to the general rules for pig accommodation</p> <p>For all piglets</p> <p>Must</p> <ul style="list-style-type: none"> • Provide piglets with a source of heat and a dry comfortable lying area away from the sow where all of them can rest at the same time; • Make sure that a part of the total floor where you keep the piglets is large enough to allow the animals to rest together at the same time and is solid, covered with a mat or littered with straw or any other suitable material; • Give the piglets enough space to be able to suckled without difficulty if you use a farrowing crate; <p>Must not</p> <ul style="list-style-type: none"> • Wean piglets from the sow at an age of less than 28 days (unless there is a risk of adverse welfare or health of the dam or piglets). <p>You will not break the rule relating to the weaning of piglets if they are weaned up to 7 days earlier, provided that you move them into specialised housing which you empty and thoroughly clean and disinfect before you introduce a new group and which is separate from the housing where you keep sows.</p> <p>For all weaners and rearing pigs:</p> <p>Must</p> <ul style="list-style-type: none"> • Make sure that each weaner or rearing pig, when kept in groups, has its minimum allowance of unobstructed floor space; • Place pigs in groups as soon as possible after weaning and keep these groups stable with as little mixing as possible; • Provide opportunities for the animals to escape and hide from unfamiliar pigs if mixing is necessary. This must also be done at a young age as possible, preferably before, or up to 1 week after, weaning. <p>Must not</p> <p>Use tranquilising medication to help with mixing, unless there are exceptional circumstances and is on the advice of a vet.</p>
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SMR 12 part 3

SMR 13 (welfare of farmed	Council Directive 98/58/EC of 20 July 1998 concerning the protection of animals kept for farming purposes(OJ L 221, 8.8.1998,	Beneficiaries Must Staffing
animals)	p. 23) Article 4	<ul style="list-style-type: none"> • Make sure that your animals are looked after by enough staff who have the correct skills and knowledge; <p>Inspection</p> <ul style="list-style-type: none"> • Make sure your animals are inspected thoroughly at least once a day if your husbandry system depends on frequent human attention and in other systems as often as necessary to avoid suffering • Make sure that there is enough lighting so that you can carry out a thorough inspection of the animals at any time • Make sure that you care for ill or injured animals immediately, and if they do not respond to this care then seek veterinary advice; • Isolate sick or injured animals in suitable accommodation with dry comfortable bedding, if necessary; <p>Record keeping</p> <ul style="list-style-type: none"> • Maintain a record of any medicinal treatment given to your animals, and keep these records for at least 3 years from the date of the treatment and make these records available to any authorised person at inspection (or when otherwise asked for) • Maintain a record of the number of deaths found when the animals are inspected, and keep these records for at least 3 years from the date of the relevant inspection and make these records available to any authorised person at inspection (or when otherwise asked for); <p>Freedom of movement</p> <ul style="list-style-type: none"> • Give your animals enough space to avoid necessary stress, if they are continuously or regularly tethered or confined, and also allow them to show their normal behaviour in line with established experience and scientific knowledge; <p>Buildings and accommodation</p> <ul style="list-style-type: none"> • Use materials for animals accommodation that can be thoroughly cleaned and disinfected; • Build and maintain accommodation so that there are no sharp edges or protrusions which could injure your animals; • Keep air circulation, dust levels, temperature, relative air humidity and gas concentrations within limits that will not harm your animals • Provide artificial lighting if there is not sufficient natural light in a building; <p>Animals not kept in buildings Give your animals that are not kept in buildings where necessary and possible, protection from adverse weather conditions, predators and other risks to their health</p> <p>Automatic or mechanical equipment</p> <ul style="list-style-type: none"> • Check automated and/or mechanical equipment that is essential for the health and well-being of your animals at least once a day and put right any faults immediately (or take appropriate steps to protect the health and well-being of your animals until you can get the fault put right) • Provide an appropriate back-up to the main system if your animals health and well-being depends upon artificial ventilation and an alarm to warn you if the ventilation system fails. Inspect and test these at least once every 7 days; <p>Feed, water and other substances</p> <ul style="list-style-type: none"> • Feed your animals a wholesome diet in sufficient quantities and making sure that they have access to feed at intervals appropriate to their needs (and, in any case, at least once a day) • Give all animals access to a suitable water supply and enough fresh drinking water or other fluid • Minimise any contamination of food and water and the harmful effects of competition between animals for food and water

SMR 13 part 1

SMR 13 p 2		<p>through the design and location of feeding and watering equipment</p> <p>must not</p> <p>Freedom of movement</p> <ul style="list-style-type: none"> • Restrict your animals freedom of movement if this causes them unnecessary suffering or injury; <p>Buildings and accommodation</p> <ul style="list-style-type: none"> • Use materials and/or equipment for accommodation purposes that is harmful to your animals; • Keep animals in permanent darkness or without an appropriate rest period from artificial lighting <p>Feed, water and other substances</p> <ul style="list-style-type: none"> • Give your animals food or liquid in any way, or containing any substance, that could cause unnecessary harm • Administer any substance to your animals which is harmful to their health or welfare <p>Mutilations</p> <ul style="list-style-type: none"> • Carry out any mutilation or intervention on your animals, unless the action is classed as a 'permitted procedure'*. (Many of these have conditions attached, including the need to be reasonably justified and be a measure of 'last resort') <p>Breeding procedures</p> <ul style="list-style-type: none"> • Carry out breeding procedures (either natural or artificial) that cause, or are likely to cause, harm to your animals • Keep animals for farming purposes unless it can be reasonably expected that the normal breed characteristics (genetic and physical) mean that they can be kept without harm to their health and welfare
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SMR part 13 part 2

Scottish GAEC from 1 January 2015 figure 35

Water

GAEC 1 – Establishment of buffer strips along watercourses

1. You must not apply organic manure to any land which is situated within -
 - 10 metres of any surface water
 - 50 metres of any well, borehole, etc
2. You must not locate field heaps within -
 - 10 metres of any surface water
 - 50 metres of any well, borehole, etc
3. You must not apply chemical fertiliser to any land in a way that makes it likely the fertiliser will directly enter any surface water.
4. You must not apply nitrogen fertiliser to land if there is significant risk of nitrogen entering surface water, taking into account
 - the slope of the land, particularly if greater than 12 degrees
 - any ground cover
 - proximity to any surface water
 - weather conditions
 - the type of fertiliser being applied.
5. You must not cultivate or apply pesticides to land within 2 metres of the top of the bank of a surface water (pesticides can be applied to control scheduled weeds).

GAEC 2 - Abstraction of Water for Irrigation

You must comply with the authorisation procedures for abstracting water for irrigation. The procedures differ depending on the quantity of water involved:

1. If you abstract < 10 m³ of water each day you have to follow General Binding Rule 2 (GBR 2). Complying with GBR 2 means there is no requirement to contact the Scottish Environmental Protection Agency (SEPA) to register or apply for a licence.

GBR 2 rules:

- You must be able to demonstrate that the abstraction is always less than 10m³ in any one day (e.g. by measuring the rate of abstraction) or a means of demonstrating that the maximum volume that could be abstracted cannot exceed 10m³ in any one day.
 - Water leakage must be kept to a minimum by ensuring that all pipework, storage tanks and other equipment associated with the abstraction and the use of the water are maintained in a state of good repair.
2. If you abstract ≥10 and ≤50m³ of water each day you have to be registered with SEPA.
 3. If you abstract >50 and ≤2000m³ of water each day you have to hold a Simple Licence.
 4. If you abstract >2000m³ of water each day you have to hold a Complex Licence.

If you hold a licence it is important that you comply with all the conditions of the licence.

If you are not registered or do not hold the relevant licence you need to contact SEPA before you start abstracting water for irrigating crops.

GAEC 3 – Protection of Groundwater against pollution

You must –

- ensure that an authorisation is in place to allow or carry out a disposal of List I and List II substances, such as waste sheep dip and/or pesticide washings to land.
- You must comply with the conditions of any authorisation granted to allow or carry out a disposal of list I and list II substances, such as waste sheep dip and/or pesticide washings to land.

- You must not carry out or permit an activity which is likely to cause pollution of groundwater by an indirect or direct discharge of List I or List II substances from any non-disposal activity.

Soil and carbon stock

GAEC 4 – Minimum soil cover

After harvest until the end of winter you must either retain the stubble of the previous crop or sow grass or sow another crop, unless –

- agronomic or weather conditions are such that cultivating land would be detrimental to the use for the land for agricultural production.
- the land is being prepared for sowing the subsequent crop. Secondary cultivations and final seed beds must only be created very close to sowing.

GAEC 5 - Minimum land management reflecting site specific conditions to limit erosion

You must prevent the erosion of the banks of water courses, watering points and feeding areas from overgrazing or heavy poaching by livestock.

In the case of late harvested crops where agronomic or weather conditions prevent the subsequent crop or a cover from being sown you must put in place (or have put in place) appropriate measures to limit soil erosion.

GAEC 6 – Maintenance of soil organic matter level through appropriate practices, including a ban on burning arable stubble except for plant health reasons.

After harvest you must not burn arable stubble except for plant health reasons.

You must comply with the requirements of the Muirburn code.

You must not plough rough grazing or semi natural land unless approved under EIA

Landscape, minimum level of maintenance

GAEC 7 – Retention of landscape features

You must not remove or destroy the following landscape features without prior written consent:

- hedges
- dykes
- ditches
- watercourses
- ponds
- trees in line, isolated or in groups (exemption for trees that are dead, diseased, damaged or insecurely rooted and are likely to cause a danger by falling over)
- scheduled ancient monuments

You must not cut/trim/lay hedges or lop branches off trees during the bird nesting and rearing season starting 1 March and ending 31 August (exemption for road safety reasons).

You must not cultivate or apply fertilisers or pesticides to land within 2 metres of the centre line of a hedgerow (pesticides can be applied to control scheduled weeds).

Figure 35 Scottish GAEC

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 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, however for the purposes of the SRDP baseline, and payments to farmers for undertaking actions, there are 2 mandatory elements. Record keeping of pesticide use (general principle 8) is a regulatory requirement, and monitoring of pests (general principle 2) is part of the SRDP baseline. 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.

In the SRDP, for measures where the minimum requirements for pesticides is part of the baseline the farmer will need to implement the monitoring of pests.

In the UK professional pesticide users must:

- > have a recognised certificate, including from 26 November 2015, those operating under grandfather rights;
- > take reasonable precautions to protect human health or the environment;
- > confine pesticide application to the target area;
- > ensure the amount used and frequency of application are as low as reasonably practicable in specific areas;
- > give preference to products which protect water supplies;
- > adhere to rules under a new aerial spraying permit system;
- > take reasonable precautions in relation to storage, handling and disposal of pesticide products to protect human health or the environment;
- > ensure pesticides are stored in areas that are constructed in a way as to prevent unwanted releases;
- > by 26 November 2016 and at regular intervals owners of pesticide application equipment in use (except knapsack and handheld sprayers) must ensure it is inspected to certain timetables (the UK has designated a competent body to implement and administer the inspection scheme as required by the Directive);
- > after 26 November 2015, anyone purchasing a pesticide for professional use must ensure the product will be used by someone who holds an appropriate training certificate or who will be working under the direct supervision of someone who holds one;

The UK also has a National Action Plan for the Sustainable Use of Pesticides (Plant Protection Products) as required by the Directive. There are further obligations in the UK Regulations on those who Store and Sell Pesticides.

Record Keeping

Record keeping of pesticide treatments has been a legal requirement in Scottish law since 2006 for those who produce food and animal feed under The Food Hygiene (Scotland) Regulations 2006 and The Feed (Hygiene and Enforcement) (Scotland) Regulations 2005.

EC Regulation No 1107/2009, directly applicable in MS, requires professional users of pesticides to keep records for at least 3 years.

Producers, suppliers, distributors, importers and exporters of pesticides must keep records for at least 5 years.

The Plant Protection Products Regulations 2011, which apply to Scotland, England and Wales, include a provision for the enforcement of record keeping by identifying who is responsible for complying with the

requirements and prohibitions in Regulation 1107/2009.

The type of record keeping referred to in relation to IPM goes beyond this as it uses this information along with information on chemical monitoring to check the success of the applied plant protection practices.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

The UK Farm Animal Genetic Resources (FAnGR) Committee is the scientific organisation that is responsible for:

- overseeing implementation of the UK's 2006 National Action Plan on FAnGR
- helping to set research and development priorities
- advising on and evaluating conservation programmes in the UK
- compiling and publishing the UK breeds at risk lists

The Native Breeds at Risk List (NBAR) has been recently approved by the European Commission:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/320123/uk-native-breeds-risk.pdf

The number of breeding females concerned is stated below. These figures have been taken from the "pedigree registered breeding females 2012" data in the UK Country Report (UKCR) on (FAnGR) 2012; https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/191781/pb13938-fangr-country-report-2012.pdf

The relevant breed societies are responsible for keeping the population figures up to date. This data is compiled by the UK FAnGR committee, who possess the necessary skills and knowledge to identify animals of the breeds in danger.

The Scottish Government will focus support on the following Scottish breeds: Please see figure 34

Figure 34

Breed	Pedigree registered breeding females 2012
Aberdeen Angus	29486
Aberdeen Angus (Original Population)	144
Ayrshire	11264
Belted Galloway	3520
Galloway (including Black, Red, Dun, Riggitt, White Galloway)	3914
Highland	6081
Luing	7194
Shetland	554
Beef Shorthorn	7207
Dairy Shorthorn (Original Population only)	53
Northern Dairy Shorthorn	9009
Whitebred Shorthorn	154

Figure 34

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

AGRI-ENVIRONMENT-CLIMATE PAYMENT RATES

The payment rates for Agri-Environment-Climate Change (AEC) and Forestry operations are compliant with the European Commission (EC) implementing regulations (EC) No 808/2014.

All of the AEC and Forestry management payment rates represent 100% of the calculations. The

methodology used to determine the payment rates ensures that there is no commercial benefit to land manager and the payments simply compensate for lost production and the extra costs of undertaking the management.

Scotland's Rural College (SRUC), formally known as Scotland's Agricultural College (SAC), technical advisory team has independently and externally verified the payment rate calculations and assumptions for both AEC and Forestry.

The calculation of the payment rates and assumptions has been a robust process carried out by Scottish Government Agriculturalists and Government agency experts. This ensures that the calculation of the premium accurately reflect loss of income from specific agricultural practices and additional costs that will be necessary to meet the operation requirements. To ensure the accuracy of the financial data used to calculate income foregone and additional costs, data was averaged over the three most recent farm accounts.

The (EC) implementing regulations require that payment rates for all AEC schemes must be set to reflect income foregone and/or additional costs to land managers for undertaking these activities. The Scottish Government has ensured that payment rate calculations reflect practical Scottish farming situations. For example, loss of silage production due to restricted cutting dates. In previous Rural Development Programmes, Scotland had rates that included an element of compensation for habitat creation. This element is now a separate capital item available in sub-measure 4.4. This allows the land manager to receive the compensation for the cost immediately rather than proportionately over the five years of their agreement, and the annual payment rate reflects solely the loss of income and additional costs of management.

AEC MANAGEMENT PAYMENT RATES EXCEEDING €600/HECTARE LIMIT

The un-harvested conservation headland payment rate exceeds the maximum hectare payment rate set out in RDR Annex 2 (Amounts and Support Rates). This option will be targeted at productive arable land, it would not be viable for a land manager to carry out this option if the annual compensation did not accurately reflect this. The payment calculation is based solely on income foregone and additional costs, with deductions made where there will be savings through not having to harvest a cereal crop. This option offers significant biodiversity benefits that will provide food and cover for a variety of mammals, birds, pollinating insects, and other invertebrates.

DOUBLE FUNDING

To ensure there is no double funding between the two CAP Pillars, Scotland has identified the Pillar 2 options that are of a similar nature to EFA practices in Pillar 1 and if paid through Pillar 2 without reduction would be in breach of the double funding rules. There needs to be a method of reducing payments to avoid double funding to cover land managers claiming an Agri Environment measure (that is of a similar nature to an EFA practice) to meet either their EFA requirement or, in the case of Organic land managers who are exempt from undertaking EFA activities due to land being certified as being Organic, but who have more than 15 hectares of Arable land and the area of grassland is less than 75% of claimed area for Pillar 1.

In situations where a land manager is not exempt from greening and is required to undertake an EFA activity, and the land manager chooses to use an EFA activity that is of a similar nature to an Agri Environment option that they manage under a Pillar 2 management agreement, we will calculate the area required to meet the Pillar 1 requirement (after corresponding weighting factor) and reduce the Agri Environment payable area accordingly. If the compatible AEC to EFA options includes management costs

(as well as income foregone) these will be paid regardless if claimed for EFA or not. Any additional Agri Environment commitments of a nature similar to EFA practise for this land manager will not be reduced.

This approach will also be adopted for Organic farms who without the Greening exemption would otherwise be required to carry out an EFA activity.

Land managers who receive the “Green” element of Pillar 1 support but are not required to undertake an EFA or are not in receipt of direct payment support under Pillar 1, will not have their Pillar 2 Agri Environment payments reduced as there is no risk of double funding.

WORKED EXAMPLE OF DEALING WITH DOUBLE FUNDING

Example A

Land Manager A – 100 ha of arable cropped land – P1 EFA requirement is 5 ha (5% of Arable land). The land manager chooses to use EFA activity fallow that is also on an Agri environment contract in a field which has 7 ha wild bird seed for farmland birds. The Agri Environment management payment calculation for wild bird seed for farmland birds is based entirely on income foregone with a separate capital item to establish the wild bird seed. The EFA weighting factor for buffer strips is 1.0. Therefore to meet EFA area the land manager must declare 5.00 ha of fallow. Under Pillar 2 – land manager should claim the full 7 ha of wild bird seed. When the claim is being processed the claim is restricted to the balance of the wild bird seed not used to support EFA (7.00 ha – 5.00 ha = 2.00 ha). Therefore avoiding double funding. The capital item associated with establishing the wild bird seed habitat will be paid in full. If the land manager has other Agri Environment commitments of a nature similar to EFA practise these will not be reduced.

CROSS COMPLIANCE

For AEC management options that cover Cross Compliance/GAEC regulations payments will only be made on areas that can be actively farmed. GAEC rule 1 and 7 restrict land managers from cultivating or applying fertilisers or pesticides to land within 2 metres of the centre line of a hedgerow or the top of the bank of a surface water. Therefore from an Agri Environment scheme perspective payment will be based on width of buffer minus the GAEC restricted area multiplied by the linear length; this is ensuring payment is only based on productive agricultural land. For example: a land manager has indicated they wish to manage a 6 metre wide margin along a 1000 metre stretch of watercourse; therefore the payment will be based on 4 metres multiplied by the 1000 metres.

8.2.8.6. Other important remarks relevant to understand and implement the measure

New spatial targeting will be introduced under the AEC Scheme. Each option will be available within a target area. To allow flexibility options may be available outwith target areas.

When defining target areas for each option, we considered the potential for the option to benefit biodiversity, water quality, flood risk management and climate change.

From a biodiversity perspective, a biodiversity target map was produced based principally on distribution information for the species and/or habitats from the Scottish Biodiversity List, taking into account other information such as the range of ‘upland’ areas.

From a water quality perspective, a water quality target map was produced using information on the location of priority catchments (identified in River Basin Management Plans).

From a flood risk management perspective, a flood risk target map was produced based on the location of Potentially Vulnerable Areas.

From a climate change mitigation perspective, a climate change target maps was produced based on soil carbon maps.

A single targeting map was then produced for each option by combining individual maps, based on expert judgement by a group of academic, stakeholder and agency staff.

When deciding on the methodology for targeting, we considered the potential to take an ecosystems based approach by using maps of ecosystem service provision currently being developed by the James Hutton Institute. However, the maps are not yet at a stage that would allow them to be used for this purpose.

Targeting maps do, however, draw on information at the scale of water catchments and species or habitat ranges. Within these areas, support will be available for farmers and other land managers to cooperate together to deliver environmental management at an ecosystem scale.

Contracts shall be awarded for five years, and shall include a revision clause, to reflect any changes in the AEC commitments due to amendments in the baseline, prevent double funding due to the Greening of Pillar 1, and ensure that those contracts extending into the next programme period are revised to reflect the rules of that period.

Extensions may be granted after the termination of the initial period if the following criteria are met:

- it must be of benefit to the measure concerned;
- it must be justified in terms of its environmental impact, the length of the remaining period and the size of the additional area; and
- it must not impede the effectiveness of controls.

The number of hectares to which an AEC commitment may vary from year to year where:

- a) this possibility is provided for the in the rural development programme;
- b) the commitment in question does not apply to fixed parcels;
- c) the achievement of the commitment's objective is not jeopardised.

This provision is only proposed to accommodate fluctuations which are necessary from an agronomic point of view and environmentally justified from year to year - for instance as a result of crop rotation.

The AEC commitments which can be rotated, are identified individually and for each of these types of operations the % of annual variance is defined as a % of the area covered by the type of operation for a given beneficiary at the start of the contract.

Force Majeure

The following categories of force majeure or exceptional circumstances :

- the death of the beneficiary,
- long-term professional incapacity of beneficiary,
- a severe natural disaster gravely affecting the holding,
- the accidental destruction of livestock buildings on the holding,
- an epizootic or a plant disease affecting part or all of the beneficiary's livestock or crops respectively,
- expropriation of all or a large part of the holding if that could not have been anticipated on the day of lodging the application.

Cases of force majeure or exceptional circumstances must be notified in writing by the beneficiary, or any person entitled through or under him, to the competent authority, together with relevant evidence to the satisfaction of that authority, within 10 working days from the date on which the beneficiary, or the person entitled through or under him, is in a position to do so.

Increases in the area of the holding

When the area of the holding is increased during the commitment period, the Scottish Government may provide that the commitment can be extended to cover the additional area for the remainder of the period, or else be replaced by a new one.

Extensions have to fulfil certain conditions:

- it must be of benefit to the measure concerned;
- it must be justified in terms of its environmental impact, the length of the remaining period and the size of the additional area;
- and it must not impede the effectiveness of controls.

The extension of the existing commitment respects the original duration of the commitment.

8.2.9. M11 - Organic farming (art 29)

8.2.9.1. Legal basis

Article 29 of Regulation (EU) No 1305/2013

Organic Farming is defined in Regulation (EC) No 834/2007.

Regulation (EU) No. 1303/2013 – Article 65 (Eligibility)

8.2.9.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

This measure will be used to support and encourage farmers who wish to convert to and/or maintain organic farming practices. Support for organic farming is considered as contributing to the provision of the broad range of public goods, including rural vitality. Organic also encompasses key food industry drivers including provenance, sustainability and naturalness. The Scottish Government has worked with stakeholders through the Scottish Organic Forum to develop an Organic Action Plan. The Action Plan reflects the shared agenda for the sector, with actions being taken forward by all parties concerned. The Action Plan was initially published in March 2011 and has regularly been reviewed and updated since then.

Link to Action Plans etc:

<http://www.scotland.gov.uk/Topics/Business-Industry/Food-Industry/national-strategy/support/Organics>

Organic farming is mainly expected to establish and maintain a sustainable management system for agriculture.

Organic farmers take a holistic view to their farm management, aiming for balance. The practices employed by organic farmers contribute to the environment in a number of ways. Farming practices such as:

- Crop rotations, that provide habitat variety, support more biodiversity.
- The maintenance of natural areas within and around organic fields and the absence of chemical inputs create suitable habitats for wildlife including wild flora and fauna.
- Crop rotation and minimum tillage to improve soil formation and structure contribute to helping increase the retentive ability of soil for nutrients and water; resulting in reduced run off and consequently potential pollution of ground water.
- Organic farming practices such as crop rotation and minimum tillage also play a part in the role of reducing soil erosion.
- The use of a greater number of species cultivated and an increase in the area of permanent vegetation helps to break cycles of pests and disease and helps build natural fertility in the soil.

Organic agriculture contributes to mitigating climate change since the practices undertaken to manage the soil result in it having a greater ability to sequester carbon thereby reducing the levels of greenhouse gases.

Additionally, organic agriculture requires the use of organic fertilizers thereby reducing non-renewable energy use by decreasing agrochemical needs (that require high quantities of fossil fuel to be produced).

Organic Farming contributes to Focus Areas 4A, B, C, 5D and 5E.

Definition

The organic farming practices and methods referred to in this document are as defined in Council Regulation (EC) No 834/2007.

Length of the commitments

Contracts shall be awarded for five years. Extensions may be granted after the termination of the initial period if the following criteria are met:

- it must be of benefit to the measure concerned;
- it must be justified in terms of its environmental impact, the length of the remaining period and the size of the additional area; and

it must not impede the effectiveness of controls.

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. Organic Conversion & Maintenance

Sub-measure:

- 11.1 - payment to convert to organic farming practices and methods
- 11.2 - payment to maintain organic farming practices and methods

8.2.9.3.1.1. Description of the type of operation

Commission Regulation (EC) No 889/2008 lays down the detailed rules for implementing Council Regulation (EC) No 834/2007 including the requirements for conversion to organic production and the control measures that are put in place.

A prospective organic producer applies to a Control Body to convert to organic farming.

Subject to the Control Body approving the proposed start date, the applicant will commence conversion to organic farming on that date'. The start date is particularly important because it is the forward-planning from the start date that determines when the land and different enterprises and products will be considered

‘organic’.

The farm will be inspected and must adhere to the organic standards during the conversion period. The standard land conversion period is twenty-four months (though this may be reduced or extended in some individual cases following agreement by the control body and competent authority), subject to adherence to the organic standards during the conversion period. The standard conversion period for perennial crops (trees etc) is thirty-six months.

The control body will, subject to inspection and compliance with the organic standards, approve the farm has completed the required conversion period and the farmland is then awarded full organic status. The farm enterprises and products may be awarded organic status sometime after the land has achieved organic status rather than at the same time, depending on the conversion dates and the conversion plan for that particular enterprise.

The status of the farm from the start date until completion of the conversion period is called ‘in-conversion’.

Certification documents showing full organic status of the land will normally be issued after the third annual inspection and/or after the licensee has paid their next annual fee (whichever comes sooner after the land has completed its conversion).

8.2.9.3.1.2. Type of support

Type of support: Grants

Support under this measure will be provided for operations falling under two sub-measures:

- a. conversion - aims to encourage the expansion of organic production in Scotland by supporting land managers to convert their land to organic status;
- b. maintenance - aims to support land managers to maintain organic farming methods in Scotland.

8.2.9.3.1.3. Links to other legislation

Organic farming practices and methods are defined in Council Regulation (EC) No 834/2007.

Commission Regulation (EC) No 889/2008 to be deemed organic.

The following legislation is also of relevance:

- horizontal Regulation, Chapter I of Title VI (cross-compliance);
- direct payments Regulation, Art.4(1)(c) (minimum activity, maintenance of agricultural area);
- council Regulation (EC) No 834/2007 on organic farming and Commission Regulation (EC) No 889/2008 with detailed implementing rules;
- council Regulation (EC) No 882/2004 on official food and feed controls.

8.2.9.3.1.4. Beneficiaries

support shall only be granted to farmers or groups of farmers.

8.2.9.3.1.5. Eligible costs

Costs of activities will be calculated on the basis of income foregone and additional costs resulting from the commitments made and regarding the conversion to, or maintenance of, organic farming practices and methods.

8.2.9.3.1.6. Eligibility conditions

Within Scotland Organic Farmers must meet the requirements for organic production, labelling and control defined in Council Regulation (EC) No 834/2007 & Commission Regulation (EC) No 889/2008 to be deemed organic.

There are control systems in place that require individual organic producers to be licensed and certified by an Organic Control Body. This process requires producers to comply with the above Regulations and also any additional standards set by the Control Body. Inspections are made on an annual basis to ensure compliance with the Regulation and the Control Bodies standards thereby ensuring verifiable evidence that the recipient of this measure is an active farmer.

All Control Bodies are required to be approved by Defra (the UK Competent Authority) and are inspected and accredited by UKAS - the sole national accreditation body recognised by the UK Government.

These measures ensure that any beneficiary of this measure is an active farmer as defined by Article 9 of Regulation (EU) No 1307/2013.

8.2.9.3.1.7. Principles with regards to the setting of selection criteria

Organic support will be delivered through the main Agri-Environment – Climate (AEC) Scheme as set out in Article 28. Organic applications will be scored against each other using an evidence based approach to ensure that applications which are the most deserving are taken forward. Unlike the AEC there will be no Stage 1, geographical targeting, for organic support. Organics is considered to be a priority across the whole of Scotland therefore geographical targeting will not be necessary and targeting will be delivered through Stage 2 scoring alone. Organic farming support will be delivered under Article 29 of RD regulations, via sub-measures 11.1 and 11.2, under the umbrella of an Agri-Environment Scheme that covers a number of different articles/measures. The ‘Selection Criteria’ will be revised to reflect this.

8.2.9.3.1.8. (Applicable) amounts and support rates

Support under this measure shall be limited to the maximum support rates laid down in Annex II to the Regulation (EU) No 1305/2013. Payment rates will be dependent on the land type which is undergoing organic conversion and/or maintenance. The land types will be defined as arable, improved grassland, permanent grass, rough grazing and fruit and vegetables.

For the organics payment rates please see figure 28.

figure 28 Organics payment rates.

SRDP 2014/20 New Option Name	Management rate (£)
ORGANIC FARMING - CONVERSION ARABLE LAND	£ 280.00
ORGANIC FARMING - CONVERSION IMPROVED GRASSLAND	£ 145.00
ORGANIC FARMING - CONVERSION UNIMPROVED GRASSLAND / ROUGH GRAZING	£ 12.50
ORGANIC FARMING - CONVERSION (FRUIT & VEGETABLES)	£ 400.00
ORGANIC FARMING - MAINTENANCE ARABLE LAND	£ 65.00
ORGANIC FARMING - MAINTENANCE IMPROVED GRASSLAND	£ 55.00
ORGANIC FARMING - MAINTENANCE UNIMPROVED GRASSLAND / ROUGH GRAZING	£ 8.50
ORGANIC FARMING - MAINTENANCE (FRUIT & VEGETABLES)	£ 200.00

figure 28

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

Please see overall measure description.

8.2.9.3.1.9.2. Mitigating actions

Please see overall measure description.

8.2.9.3.1.9.3. Overall assessment of the measure

Please see overall measure description.

8.2.9.3.1.10. 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

Please see overall measure description.

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

Please see overall measure description.

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

R5 – Commitments difficult to verify and/or control

R6 – Pre-conditions as eligibility conditions

R8 - IT Systems

R9 – Payment Claims

8.2.9.4.2. Mitigating actions

All Control Bodies are required to be approved by Defra (the UK Competent Authority) and are inspected and accredited by UKAS - the sole national accreditation body recognised by the UK Government

In Scotland, Organic Farmers must meet the requirements for organic production, labelling and control defined in Council Regulation (EC) No 834/2007 & Commission Regulation (EC) No 889/2008 to be deemed organic.

All applicants must be licensed and certified by an Organic Control Body before being accepted into an

Organic Farming scheme

As part of a wider review of the managing authority's IT infrastructure the web portal for applicants and all of the supporting guidance and information is also under review.

There are control systems in place that require individual organic producers to be licensed and certified by an Organic Control Body. This process requires producers to comply with the above Regulations and also any additional standards set by the Control Body. Inspections are made on an annual basis to ensure compliance with the Regulation and the Control Bodies standards thereby ensuring verifiable evidence that farmers and or farmers groups are meeting the requirements for organic agriculture.

8.2.9.4.3. Overall assessment of the measure

Green.

Commitments will be verified/controlled to mitigate against risk

Green.

Pre-conditions will be adhered to and enforced to mitigate against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.9.5. 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

Regulation (EU) No 1307 / 2013 (Direct Payments)

Includes references to active farmer, crop diversification, permanent grassland, ecological focus areas.

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

For Organic support the payment rates have been calculated to compensate for; average losses in gross margin (GM) as a result of conversion to organic farming, certification costs, additional costs associated with transporting produce to certified organic processors/markets, restructuring the farming business to be viable and resilient to market volatility, costs of changing farming practices, adopting good husbandry instead of agri-chemicals, and additional management time required to prepare for certification inspections.

No other additional labour costs have been included as there was insufficient comparable data available. The payment rates have been calculated for four land cover types of organic conversion/maintenance; Arable, Improved Grassland, Unimproved Grassland/Rough Grazings, and Fruit and Vegetable.

The payment rate for year's three to five of organic conversion and maintenance is founded upon assuming that the farmer or farmer group can sell their produce as certified organic and get premium prices for their produce.

In Scotland there are limited numbers of processors who specialise in organic produce, therefore the cost of taking produce to the market is higher than selling via mainstream markets (who will not pay the organic premium). Added to this is the fact that the input costs for organic producers in Scotland are between 30%-200% higher than those of conventional farms. Therefore, to ensure this cost difference is included we have calculated a suitable payment rate that the income foregone for Organic farmers and groups of farmers in Scotland equates to 30% of the fully Organic Gross Margin.

The data for calculating payment rates was taken from:

SAC Farm Management Handbook 2011/12, 2012/13 & 2013/14;

Organic Farm Management Handbook (2011/12);

Haygreaves 2011 Data (Strawberry Growing In Scotland);

FBS Partnership 2011 Data.

Rural development provides for a possibility to pay farmers for voluntary commitments under the follow regulations.

rural development regulation (EU) No 1305/2013,

direct payments regulation (EU) No 1307/2013

horizontal regulation (EU) No 1306/2013

common provision regulation (EU) No 1303/2013

Therefore, in years one and two of conversion a farmer will not be exempt from carrying out greening

practices.

From years 3 of conversion and during maintenance they do have a Greening exemption – however the calculation for funding in these years is based solely on additional costs to Scottish Organic producers and the double funding rules only apply to deducting a % against the income foregone element of the payment calculation.

However, if an Organic producer chooses to enter into an Agri Contract then any options they choose that are deemed to be of a similar nature to an EFA activity will have the income foregone element be reduced by 5%.

8.2.9.6. Other important remarks relevant to understand and implement the measure

Not applicable.

8.2.10. M13 - Payments to areas facing natural or other specific constraints (art 31)

8.2.10.1. Legal basis

Article 31 and Annex II of EU Regulation 1305/2013.

8.2.10.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

As permitted by Article 31 of EU Regulation 1305/2013 the Less Favoured Areas designation, and conditions of the 2007-2013 LFA intermediate scheme, including eligibility criteria and payment calculations will remain in place until the new delimitation is introduced.

No ANC support will be given under Pillar 1 of the CAP as permitted by Regulation (EU) No 1307/2013.

Virtually all Scotland's Less Favoured Area (LFA) - which comprises 85% of its agricultural land – is classed as Severely Disadvantaged. The current LFA stretches from the very south of the country to the Shetland Isles in the far north and the Western Isles in the extreme west. Some 11,300 farms and crofts normally apply for support each year. The diversity of farm size is extreme, and the land within Scotland's LFAs is of variable quality.

Land in the LFA faces significant natural constraints and management is particularly difficult due to physical and climatic conditions. The Scottish Government recognises that continued active management of this land is necessary to contribute to maintaining the countryside, communities and maintaining and promoting sustainable farming systems.

It is clear that prevention of land abandonment and avoiding over-compensation continue to be key principles of ANC payments. The proposals for this measure provide a way forward for Scotland that ensures vital support for Scotland's constrained areas is continued while also meeting these two principles, taking account of the diversity of Scottish LFA farms.

Contribution to focus areas and cross-cutting objectives and intervention logic

These payments contribute to priority 2, focus area 2a and priority 4, focus area 4a.

The SWOT for priority 2 identified the following need for focus area 2a that is relevant for payments under this measure:

- developing small agricultural holdings into economically viable businesses and improve their efficiency with respect to mitigating climate change and enhancing the environment.

The SWOT for priority 4 identified the following need for focus area 4a that is relevant for payments under this measure:

- to address the negative environmental impacts of land abandonment and decreased management in High Nature Value (HNV) areas.

The cross-cutting objective supported by this measure is the environment through the continuation of HNV

farming and reducing the risk of land abandonment and the associated environmental impacts. Around half of the LFA is estimated to be High Nature Value farmland and livestock farming is the dominant form of agriculture carried in the LFA area.

The key purpose of this measure is to compensate farmers for income forgone and additional costs linked to the disadvantage of the constrained area. It is essential that the viability of these farms is maintained, to reduce the risk of land abandonment and maintain sustainable farming businesses in constrained areas. This then provides the basis for the delivery of secondary objectives – stability to allow farms to improve their economic performance and the delivery of environmental benefits, along with supporting rural communities.

The support aims to retain land management, and research has shown that this is important to allow biodiversity benefits to be delivered. The report ‘Response from the Hills’ by Scottish Agricultural College in 2011 stated that negative consequences observed where there has been a reduction in sheep include issues such as: higher deer numbers; increased rank vegetation; declining farmland birds; decreases in rabbits and hares; increased tick-borne disease; reduced wetland waders; decreased species diversity; increased buzzards, corvids, goshawks, foxes, etc.

In addition the report by SNH in 2011 ‘An analysis of the impact on the natural heritage of the decline in hill farming in Scotland’ discusses land abandonment leading to the negative consequences of an increase in the area of rough grassland and the encroachment of scrub which will have detrimental effects on a number of bird species that rely on patches of short, grazed grassland for foraging.

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. 13.2 - compensation payment for other areas facing significant natural constraints

Sub-measure:

- 13.2 - compensation payment for other areas facing significant natural constraints

8.2.10.3.1.1. Description of the type of operation

This measure will provide for an area-based payment to be offered to livestock farmers (primarily beef and sheep) and crofters actively farming on land designated as Less Favoured Area, taking account of additional costs and income foregone compared with those farming in other areas of Scotland.

As per the 2007-2013 LFA intermediate scheme, land eligible for LFASS will be limited to Scottish LFA forage hectares as there is no evidence of income forgone and additional costs of at least €25 per hectare per year on arable land in the constrained area in comparison to the non-constrained area. This is based on the independent information on agricultural gross margins which is obtained from the Farm Management Handbook developed by the Scottish Agricultural College. This only gives Scotland-wide arable figures, indicating that there is no significant difference between the income forgone and additional costs for non-LFA land and LFA land that is capable of growing arable crops. Beneficiaries will receive an annual area

payment and the scheme will compensate for different degrees of natural constraint and where agricultural production is severely restricted in its range by, or by any combination of, soil, relief, aspect or climate. Therefore payment rates will differentiate to take account of the situation in this very diverse region.

Beneficiaries must meet cross compliance requirements and active farming will be assessed in line with the measurements put in place for activity for Pillar 1 of the CAP under Article 9 of Regulation (EU) No 1307/2013.

Less Favoured Areas designation and differentiation of payment

The LFA designation from the Scotland Rural Development Programme 2007 – 2013 and the 2007-2013 LFA intermediate scheme will remain in place at this time as permitted by Article 31(5) of EU Regulation 1305/2013.

The payment rates are differentiated according to the severity of the identified permanent constraint affecting the farming activities in a number of ways:

- at a LFA-wide level through the use of **fragility markers**
- at a field level using **more or less disadvantaged** (based on the Land Quality Categories).
- at individual application level through the application of **co-efficients** to ensure that the payment received accurately reflects the natural constraint on the land for each business.

The Land Capability for Agriculture (LCA) classification is used to relate the methods of differentiation of payment to natural constraints. The LCA classification is a long established system that assesses the degree of limitation of land based on a range of biophysical factors that impose on agricultural capability. The factors include climate, topography, soil properties such as stoniness and depth and soil-climate interactions such as droughtiness and wetness. It is a seven class system with class 1 offering the most flexibility in agricultural use, and class 7 of very limited agricultural value. There is a clear correlation between LCA and the fragility markers and Land Quality Categories (termed ‘grazing categories’ in guidance and domestic legislation for administration purposes) demonstrating that where these are used for the differentiation of payments it is based on natural constraints.

Fragility markers:

There are three fragility markers which were a feature of the scheme under the SRDP 2007-2013 and are used to differentiate the payment rates as shown in **figure 16: payment rates** (please see applicable amounts and support rates). A report by the James Hutton Institute on Mapping Vulnerable Areas in Scotland demonstrated that the all the land covered by these categories face biophysical constraints:

- **‘Very fragile’** attracts the highest payment as it covers all the islands which face natural constraints due to their physical separation from the mainland. The very fragile, and fragile regions also broadly fall into classes 6 and 7 under the Land Capability for Agriculture (LCA) classification.
- **‘Fragile’** attracts the next highest payment, is predominately northern and western Scotland which is classed as a transition region in line with Article 59(3)(c) of Reg (EU) No. 1305/2013 due to the constraints it faces. As with the very fragile category, all the land in the fragile area broadly falls into LCA classes 6 and 7.
- **‘Standard’** covers the other LFA areas and attracts the lowest payment, as the natural and climatic

constraints are less severe than in the very fragile and fragile areas.

More and less disadvantaged

A further refinement of the previous scheme to be continued is variation of payments to reflect the greater vulnerability of producers that face the severest. LFA land is split into more disadvantaged and less disadvantaged using Land Quality Categories - A, B, C and D (termed 'grazing categories' for administration purposes). These categories are a measure of the level of constraint as they are a means of proxy for the quality or productivity of the forage land due to natural constraints which include climate, slope, aspect and soil type. Analysis by the James Hutton Institute shows a clear correlation between the Land Quality Categories and the LCA class groupings demonstrating that the Land Quality Categories reflect the severity of the constraint:

- Category A links to LCA classes 6.2-7 which is land is capable only of use as rough grazing, or of very limited agricultural value as it is either steep, very poorly drained, acid or shallow soils and occurs in wet cool or cold climate zones.
- Category B links to LCA classes 5.1-6.1 which is land capable of being used as improved grassland, but faces a range of limitation types, including climate, slope and wetness.
- Category C links to LCA classes 4.2-5.2 which is capable of producing a narrow range of crops and yields of grass are often variable due to limitations including soil, wetness or climate factors.
- Category D links to LCA classes 3.2-4.2 which is capable of producing a moderate range of crops with a degree of variability due to moderate limitations including wetness and soil requiring careful management.

The Land Quality Categories are used to differentiate the payments in two ways:

- They are used to class land as more disadvantaged (categories A and B) and less disadvantaged (categories C and D), and this is then used to differentiate the payment as shown in **figure 16: LFASS payment rates** (please see applicable amounts and support rates).

Land Quality Categories are used to apply co-efficients to the payment to ensure the level of constraint is appropriately compensated (see *co-efficients* in other important remarks relevant to understand and implement the measure section).

8.2.10.3.1.2. Type of support

Type of support: Grants

Annual payment made after applications are assessed for eligibility and completion of on the spot controls are completed.

8.2.10.3.1.3. Links to other legislation

Regulation (EU) No 1307/2013 of the European Parliament and of the Council

Regulation (EU) No 1306/2013 of the European Parliament and of the Council

Commission Implementing Regulation (EU) No 809/2014

8.2.10.3.1.4. Beneficiaries

As permitted by Article 31 of EU Regulation 1305/2013 the eligibility criteria from the SRDP 2007 – 2013 will remain in place. This means that beneficiaries will continue to be livestock farmers (primarily beef and sheep) and crofters actively farming on land designated as Less Favoured Area.



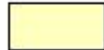
In addition applicants will need to maintain the land in GAEC and respect other aspects of cross compliance, as defined in Commission Implementing Regulation (EU) No 809/2014

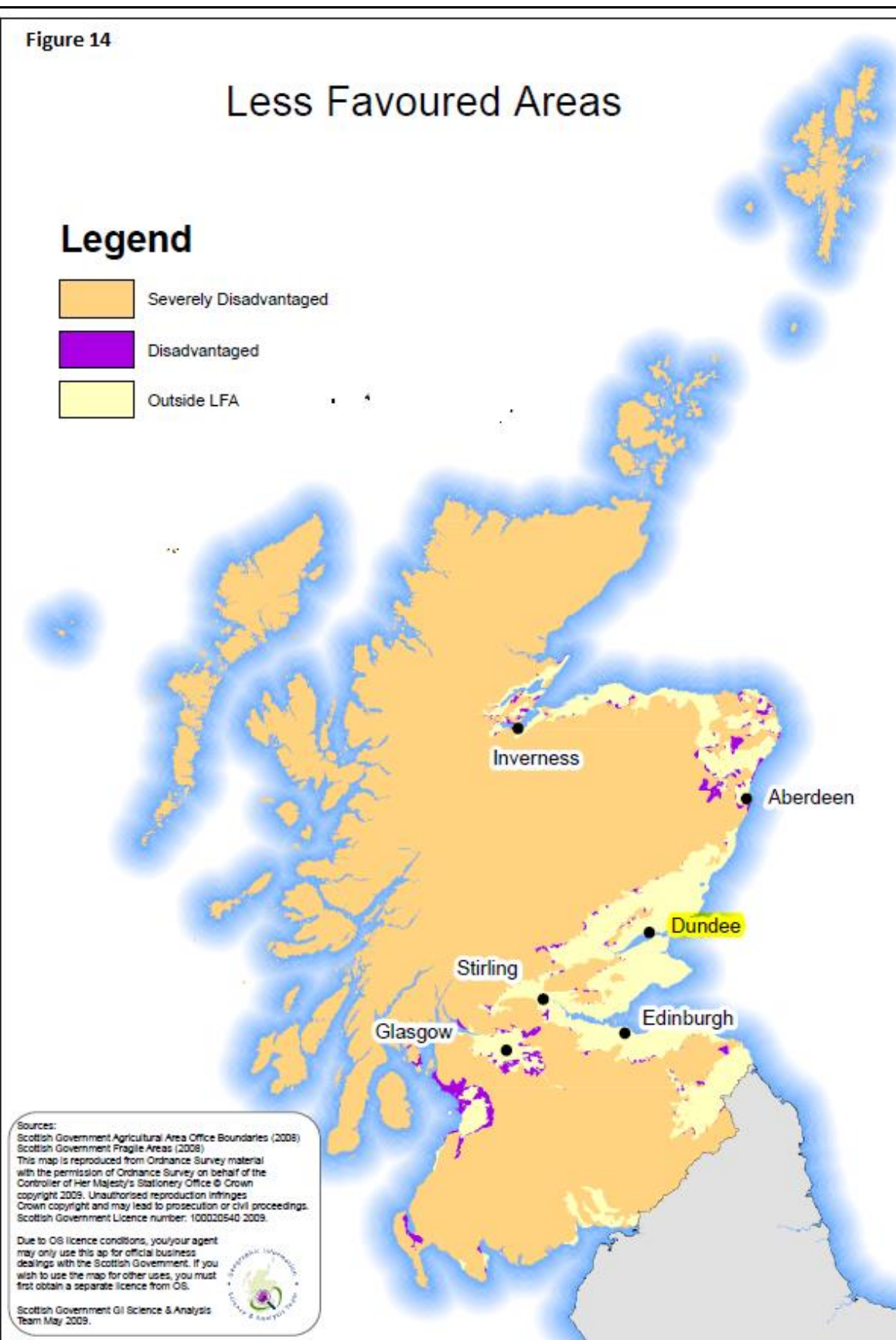
The land eligible for payments under this measure is identified by land currently classed as LFA as delineated. See **figure 14: Less Favoured Area map**. The administrative unit is Scotland and detailed maps showing the LFA boundary are available at regional offices throughout Scotland. Potential applicants can request to see these and seek confirmation of whether land is within the LFA designation. Contact details can be found on the Scottish Government website.

Figure 14

Less Favoured Areas

Legend

-  Severely Disadvantaged
-  Disadvantaged
-  Outside LFA



Sources:
Scottish Government Agricultural Area Office Boundaries (2008)
Scottish Government Fragile Areas (2008)
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Scottish Government GI Science & Analysis Team May 2009.



figure 14

8.2.10.3.1.5. Eligible costs

Eligible costs are not applicable as this is a land based payment.

8.2.10.3.1.6. Eligibility conditions

Eligibility criteria are unchanged from the SRDP 2007 – 2013. Farmers and crofters wishing to receive support under these arrangements will be expected to meet the following eligibility criteria:

- producers must be at least 16 years of age;
- producers must farm at least 3 hectares of eligible land (there is no risk of this distorting competition given the range of size of farm in Scotland and the long established use of a minimum of 3 hectares across Pillar 1 and Pillar 2);
- eligible land is land which lies within the Scottish LFAs and is Scottish LFA forage hectares with an LFASS Land Quality Category ('grazing category' for administration purposes) value, as declared by the applicant in a Single Application Form (SAF);
- to ensure payments only go to those farmers and crofters that are actively farming in line with Article 9 of Regulation (EU) No 1307/2013, including payments will only be made to applicants who are actively farming eligible land for at least 183 days in the same calendar year as the SAF.

Eligibility conditions will be a clear yes/no, relevant and objective, and will be applied in a transparent and consistent way throughout the whole programming period. Failure to demonstrate eligibility will mean the application for support is rejected.

The definition of eligible land is unchanged from the previous programme, albeit that some of the crop codes have been updated in line with changes to the SAF.

8.2.10.3.1.7. Principles with regards to the setting of selection criteria

Selection criteria do not apply to this measure.

8.2.10.3.1.8. (Applicable) amounts and support rates

As required by Article 31(1) of EU Regulation 1305/2013, and as per the 2007-2013 LFA intermediate scheme, the payment calculation is based on income forgone and additional costs in comparison to areas which are not affected by natural or other specific constraints, as shown in **figure 15: Payment calculation** (please note that these are not the rates paid to beneficiaries, simply the result of the calculation. The actual rates paid to beneficiaries are given in **figure 16**) These rates are based on the Scottish Agricultural College 2013/14 Farm Management Handbook and have been independently verified.

Figure 15: Payment calculation – the calculation of income forgone and additional costs in the constrained area, in comparison to the non-constrained area. Note these are not the rates paid to

beneficiaries, simply the result of the calculation.

Figure 16: LFASS payment rates, shows the maximum effective rates for the scheme, these are reinstating the 2018 payment rates, and will apply for LFASS claims for 2021 onwards.

The scheme remains unchanged regarding the payment rates which were approved under (EC) No 1698/2005. This includes a minimum payment of £385 which will be available to all LFASS recipients. Businesses will receive either £385 or their calculated LFA payment, whichever is the greater.

Minimum payment

A minimum payment of £385 per business will apply to avoid risk of land abandonment due to the income forgone and addition costs associated with farming in the constrained area. It is estimated around 1,600 farms and crofts (14%) receive the minimum payment.

The justification for small farms to be paid a minimum of £385 is in recognition of the additional costs associated with farming even the smallest of holdings, especially in outlying areas. The businesses that receive the minimum payment are typically small crofts in remote areas on the poorest land (Land Quality Category A), and around 75% of the farmers and crofters that receive the minimum payment are on the most fragile land that faces the severest constraints - very fragile and fragile which face significant constraints as outlined above. Therefore, a payment of £385 is a small but important contribution to reflect the constraints faced by these businesses, therefore vital for the sustainability of small farms and prevention of land abandonment. This is particularly the case for Scotland's crofts which can be very small units on severely constrained land, and play a vital role in maintaining the population in remote rural areas (around 4,000 LFASS recipients are crofters). This is supported by the report *Retreat from the Hills* by Scottish Agricultural College in 2008 which demonstrated that farming in the hills and remote parts of Scotland is challenging and that most current hill production is financially uneconomic. It found that support payments, both the Pillar 1 Single Farm Payment and LFASS are keeping people on the land and preventing land abandonment.

This is a continuation of a feature of the 2014-2020 SRDP and the level of the minimum payment has been in place since 2007 and this level of support has allowed businesses to continue to operate and therefore reduce the risk of future land abandonment.

figure 15 : Payment calculation

Non LFA gross margin	-	LFA gross margin	=	Gross margin loss due to LFA
		More disadvantaged LFA		
£281 / ha	-	£27 / ha	=	£254 / ha
		Less disadvantaged LFA		
£281 / ha	-	£124 / ha	=	£157 / ha

figure 15

LFASS Payment Rates from Scheme year 2021, the 2018 rates as set out below are reinstated:

More disadvantaged land

Fragility Category	Rate/ha
Very Fragile (islands)	£71.35
Fragile (mainland)	£62.10
Standard	£52.16

Less disadvantaged land

Fragility Category	Rate/ha
Very Fragile (islands)	£63.00
Fragile (mainland)	£54.51
Standard	£34.12

Figure 16

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

R5 Commitments difficult to verify and/or control

R6 Pre-conditions as eligibility conditions:

R8 IT system:

R9 Payment claims

8.2.10.3.1.9.2. Mitigating actions

- We use a risk based Land inspection process to check, on the spot, at least 5% of beneficiaries in accordance with Art 32 of 809/2014. Where a land over-declaration is established, penalties are applied in accordance with Art 19 of 640/2014.
- Inspections also include checks that we pay only active farmers. Inspectors make professional judgements, based on under/over-grazing guidance; and assessing evidence of forage related activity on the ground. Where appropriate, they also check farm and movement records. Where under or non-activity is established, penalties are applied and payments reduced or withheld in accordance with Art 35 of 640/2014.

All eligible land is claimed in the SAF and verified administratively at parcel area level via the comprehensive IACS based land parcel system:

- All beneficiaries declare they are over 16 in the SAF – this is verified at inspection, where appropriate.
- We use a risk based Land inspection process to check, on the spot, at least 5% of beneficiaries in accordance with Art 32 of 809/2014. Where a land over-declaration is established, penalties are applied in accordance with Art 19 of 640/2014.
- Inspections also include checks that we pay only active farmers. Inspectors make professional judgements, based on under/over-grazing guidance; and assessing evidence of forage related activity on the ground. Where appropriate, they also check farm and movement records. Where under or non-activity is established, penalties are applied and payments reduced or withheld in accordance with Art 35 of 640/2014.
- Additional administrative checks are carried out on high risk claims, selected from those claiming seasonal land remote from the main farm. Evidence considered includes grazing leases, and can be followed up by checks on the spot, if appropriate.

All LFASS claims will be checked at the outset, against the central SAF based (1307/2013) active farmer assessment to be established for Pillar 1. Claims that fail will be rejected.

- Claims will be processed based on the computerised system established under article 68 of 1306/2013.

IT functionality will also underpin the LFASS payment calculation and processing for onward transmission to the Bankers Automated Clearing System via the Scottish Executive Accounting System)

- Payment processes are evaluated continually via the LFASS Scheme Control Plan
- Separation of roles within SAF processing ensures proper control.
- Extensive User testing of automated claim processing and payment functionality ensures accuracy of amount and recipient

8.2.10.3.1.9.3. Overall assessment of the measure

Green.

Commitments will be verified/controlled to mitigate against risk

Green.

Pre-conditions will be adhered to and enforced to mitigate against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.10.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Please see overall measure description.

8.2.10.3.1.11. Information specific to the operation

Definition of the threshold level of area per holding on the basis of which the Relevant Authority calculates degressivity of payments

Please see overall measure description.

[Designation of areas facing natural and other specific constraints] Description of the local unit-level applied for the designation of the areas.

Please see overall measure description.

[Designation of areas facing natural and other specific constraints] Description of the application of the method including the criteria referred to in Article 32 of Regulation (EU) No 1305/2013 for the delimitation

of the three categories of areas referred to in that Article including the description and results of the fine-tuning exercise for areas facing natural and other specific constraints other than mountain areas.

Please see overall measure description.

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

See individual sub-measure description.

8.2.10.4.2. Mitigating actions

See individual sub-measure description.

8.2.10.4.3. Overall assessment of the measure

See individual sub-measure description.

8.2.10.5. Methodology for calculation of the amount or support rate, where relevant

As required by Article 31(1) of EU Regulation 1305/2013 the payment calculation is based on income forgone and additional costs in comparison to areas which are not affected by natural or other specific constraints.

The calculations are based on the Scottish Agricultural College Farm Management Handbook 2013/2014. The Farm Management Handbook provides gross margin information for sheep and beef separately. This is differentiated by whether the farming system is an extensive hill / hill one (used as a proxy for LFA land) or a lowground one (used as a proxy for non-constrained areas).

These rates have been independently verified for their adequacy and accuracy of the calculation by Scotland's Rural College, a body of expertise that is functionally independent from the compilers, as confirmed in section 18.2.

8.2.10.6. Information specific to the measure

Definition of the threshold level of area per holding on the basis of which the Relevant Authority calculates degressivity of payments

Degressivity will apply to applications from 2019 as required by Article 31(4) of EU Regulation 1305/2013, it is also a mechanism to avoid over-compensation. There is already a sophisticated suite of co-efficients which address over-compensation based on the constraints of the land. Therefore, degressivity will be used to address potential extreme cases linked to very large holdings, as degressivity is based on area per holding.

Holding size in Scotland is highly variable, with LFA farms ranging from 3 hectares to around 18,700 hectares. Against this background degressivity will be set at:

3 – 4,000 hectares - 100% payment

4,001 – 10,000 hectares - 90% payment

Over 10,001 hectares - 75% payment

The justification for this is two-fold. Firstly large farms benefit from lower average costs per hectare. This is based on evidence from the Farm Accounts Survey which shows that larger LFA livestock farms have significantly lower average input costs, however they also make less income and are more dependent on subsidy payments for income, hence the high thresholds of 4,000 and 10,000 hectares to target only the extremely large holdings. It is considered that these very large holdings will remain viable after the application of degressivity as outlined above, and therefore the risk of over-compensation is avoided.

[Designation of areas facing natural and other specific constraints] Description of the local unit-level applied for the designation of the areas.

[Designation of areas facing natural and other specific constraints] Description of the application of the method including the criteria referred to in Article 32 of Regulation (EU) No 1305/2013 for the delimitation of the three categories of areas referred to in that Article including the description and results of the fine-tuning exercise for areas facing natural and other specific constraints other than mountain areas.

8.2.10.7. *Other important remarks relevant to understand and implement the measure*

Co-efficients

Four co-efficients are applied to the applications to the scheme, the payment rates in **figure 16: LFASS payment** rates are then paid on the payable land, after the application of the co-efficients. These co-efficients are unchanged from the 2014-2020 LFA intermediate scheme and are a sophisticated way of applying partial compensation as permitted by Article 31(1) of EU Regulation 1305/2013 and ensure that payments accurately reflects the level of natural constraint and to avoid over-compensation.

As the data used for the application for the co-efficients is historical, taken from a relevant closed period to ensure that there is no link to production and therefore compliance with WTO rules. The closed period for the majority of beneficiaries is 2009; but will be 2013 for eligible claimants for whom there is no appropriate 2009 base year data; or the first year of LFASS application for a new entrant to farming who has

not submitted a SAF in, or prior to 2009.

The co-efficients are:

1. The co-efficient for the relevant Land Quality Category ('grazing category' for administrative purposes) - to ensure the level of constraint is appropriately compensated and that there is an appropriate balance between area and payment to reflect the constraint:
 - for Land Quality Category A a co-efficient of 0.167 is applied
 - for Land Quality Category B a co-efficient of 0.333 is applied
 - for Land Quality Category C a co-efficient of 0.667 is applied
 - for Land Quality Category D a co-efficient of 0.800 is applied

1. Comparison of historic activity level with the maximum - this co-efficient reflects the limitations of carrying capacity due to the natural constraints. It is typically applied to land falling in Land Quality Category D which faces moderate limitations including wetness and soil requiring careful management. 1.4 lu/ha is an estimate of the maximum the land is capable of carrying based on the natural constraints on the land. If this maximum is breached then the payment is reduced in a manner proportionate to the constraint. In addition this prevents over-compensation and helps avoid risk of environmental damage
2. Comparison of the historic activity level with the appropriate minimum for the Land Quality Category – due to the varying severity of constraints affecting LFA land, if historic activity is below the minimum then it is not reflective of the constraints on that land. In addition there is a significant additional risk of overcompensation as the constraints limit the capacity of the land so this co-efficient reduces the payment in a manner proportionate to the degree of constraint.
3. Enterprise mix uplift - to recognise the carrying capacity of the land, and to ensure that the additional costs and income foregone experienced by the level of constraint on the land is reflected due to the higher costs of cattle production (the average net margin per livestock unit was -£95.07 for cows and -£21.47 for sheep, demonstrating a considerably higher loss for cattle).

This is applied by using data from a historic closed period and the eligible hectares are multiplied by:

- 1.00 where less than 10% of historic livestock units were cattle (mainly affects poor quality rough grazing) - predominately Land Quality Category A
- 1.35 if at least 10% but less than 50% of historic livestock units were cattle (mainly affects permanent grass and rough grazing) – predominately Land Quality Categories A and B
- 1.7 if 50% or more of historic livestock units were cattle (mainly affects permanent grass and temporary grassland) – predominately Land Quality Category D.

8.2.11. M14 - Animal welfare (art 33)

8.2.11.1. *Legal basis*

N/A

8.2.11.2. *General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives*

N/A

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*

There are no type of operations defined

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

N/A

8.2.11.4.2. Mitigating actions

N/A

8.2.11.4.3. Overall assessment of the measure

N/A

8.2.11.5. *Information specific to the measure*

Definition and identification of the national and the Union requirements corresponding to the mandatory standards established pursuant to Chapter I of Title VI of Regulation (EC) No 1306/2013

N/A

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(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

N/A

8.2.11.6. Other important remarks relevant to understand and implement the measure

N/A

8.2.12. M15 - Forest environmental and climate services and forest conservation (art 34)

8.2.12.1. Legal basis

Regulation (EU) No 1305/13 Article 34

Regulation (EU) No. 1303/2013 – Article 65 (Eligibility)

8.2.12.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

This measure is a key element of the RDR contributing to the following needs:

- To halt the decline in biodiversity and improve the resilience of ecosystems in the face of environmental change and improve
- To improve the condition of designated sites affected by land management activities (Natura, SSSI, SAM)

The aim is to encourage the sustainable management and improvement of woodlands in Scotland with a current woodland resource is 1.14 million hectares which includes 319,00 hectares native woodlands (22.5% of the total woodland resource).

The largest element of this support is directed towards the conservation of biodiversity which is an essential part of sustainable forest management and international commitments through the UN Convention of Biodiversity link directly to the Scottish Biodiversity Strategy. European Union Directives on habitats and species provide a range of protection including Natura 2000 network of protected sites and European Protected Species.

Native woodlands are particularly important and host a high proportion of rare and threatened species. The native woodland survey of Scotland (NWSS) published in 2014 indicates that overall 46% of the total area is in satisfactory condition for biodiversity. Whilst much has been done over the last 25 years to protect, restore and expand our native woods they remain in a vulnerable state being subject to pressures such as fragmentation, deer browsing and sheep grazing and the threat to invasive non-native species such as rhododendron ponticum and a lack of natural regeneration to sustain the native woodland resource in the long term. The NWSS has established a national baseline to monitor future changes in area and condition and will be valuable for planning of work and targeting of grant support during the programme. This measure will support key biodiversity priorities within the programme including:

a) Help safeguard designated nature sites. The most important sites for nature conservation are Sites of Scientific Interest (SSSI) and European Union (EU) designations of Special Areas of Conservation and Special Protected Areas. The Scottish Government have set a target of 95% of designated features to be in good condition by ? and have developed a ‘Scottish Programme for Protected Woodland Sites’ for improving these features. The main threats are browsing by deer and sheep and invasive non-native trees

and shrubs such as rhododendron

b) Improve the condition of priority native woodland habitats. Fragmentation poses a serious threat to these woodlands and our native woodlands are also negatively impacted by deer browsing and sheep grazing.

c) Priority species associated with woodlands. The Scottish Government have chosen 6 priority species for widespread action – Capercaillie, Black grouse, Red squirrel, Juniper, Pearl-bordered fritillary and Chequered skipper

Other important priorities are to encourage the introduction of lower impact silvicultural systems which will lead to increased structural diversity and the resilience of woodlands to climate change and events such as gales or pests and also to support the environmental management of woodlands for recreation.

The minimum legal obligations for forestry extend only to the licensing of tree felling and the provisions of the Environmental Impact Assessment Regulations. The financial cost of management to maintain and improve the environmental condition of Scotland's woodlands is often a deterrent to carrying out important operations and therefore forest-environment commitments will help to support forestry operations that go beyond mandatory requirements.

In relation to complying with the Sustainable Use Directive 2009/128/EC, the UK has produced a National Action Plan on Sustainable use of Pesticides, and forest owners and managers are required to implement effective integrated pesticide management strategies. This involves forest managers carefully planning their forest management and operations, including the selection of silvicultural systems and operational practice in order to reduce their use of pesticides. However the minimum legal obligations relate to the handling and use of pesticides, including their storage and disposal of associated waste. The legislative also includes a number of mandatory requirements regarding the training of users and the use and inspection of equipment. In addition the Scottish Forestry has produced a Practical Guide to Reducing Pesticide use in Forestry, which promotes good practice consistent with the aims of the EU Directive.

These mandatory requirements in relation to the integrated pest will specifically not be eligible for any category of RDP funding.

Contribution to Focus Areas

This sub-measure contributes to Priority 4 'Restoring, preserving and enhancing ecosystems related to agriculture and forestry and all the Focus areas, in particular 4A restoring and preserving and enhancing biodiversity, including in Natura 2000 areas, areas facing natural or other specific constraints and high nature value farming, and the state of European landscapes. Cross cutting objectives are climate change mitigation and adaptation

8.2.12.3. 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

8.2.12.3.1. 15.1 - payment for forest -environmental and climate commitments

Sub-measure:

- 15.1 - payment for forest -environmental and climate commitments

8.2.12.3.1.1. Description of the type of operation

Support is for the following areas:

- native woodlands - to help maintain or bring native woodlands and designated woodland features into good ecological condition or to help restore Plantations on Ancient Woodland Sites (PAWS) to native woodland. Native woodlands in Scotland include a range of habitat types that are all UK priority habitats, and some are also European priority types. Good ecological condition will depend partly on individual woodland character, age, and management history; but in general it implies that the woodland contains a diversity of structural stages including open ground, and a range of native trees and shrubs and other wildlife species expected for the woodland type. The proposed management must be suitable for the ecosystem to be sustained or expanded in future, promote resilience and adaptive capacity and control any threats from non-native species or inappropriate levels of deer grazing and browsing so that conditions are created to encourage natural regeneration.
- livestock exclusion - to encourage the management of native woodlands excluding livestock. One of the main threats to our native woodland resource is grazing pressure from sheep which can destroy the habitat and restrict natural regeneration. This support is a revenue foregone payment for farmers to exclude sheep from native woodlands that are in poor ecological condition due to very high levels of grazing. This support will restore biodiversity, encourage natural regeneration and enhance the habitat with native trees and shrub species characteristic of the site and locality.
- woodland grazing – low levels of grazing within woodlands can be beneficial and assist natural regeneration through the removal of competing vegetation to enhance biodiversity and condition of native woodlands through controlled and a limited level of livestock grazing. This can have benefits for specific species such as the Pearl-bordered fritillary and the Chequered Skipper butterfly. This is targeted at exceptional cases and must be recommended from recognised conservation organisations.
- Low Impact Silvicultural Systems (LISS) - to encourage small scale felling and contribute to the species and structural diversity in forests; This silvicultural system normally causes less rapid change to the landscape and to the physical environment than clear felling systems and so can contribute to multi-purpose objectives and ecosystem services. In the context of climate change, it will increase the resilience of forests and may limit the damage caused by extreme events such as gales or pests outbreaks. Natural regeneration is the expected method for reafforestation unless other species are required to create a varied forest structure that contains a range of species.
- Monitoring and conserving biodiversity in areas of high public access - to support the management of woodlands in areas where there is a high level of public access and recreational use. This includes rural woods and woodland areas in ‘Woodlands In Around Towns’. Woodlands provide a range of ecosystem services that sustain and benefit people. High levels of public access can impact these services such as to soils, water and woodland biodiversity. This support will assist with environmental management of woodlands with high public access such restoring facilities from environmental damage, leaving behind decaying and dying trees, the maintenance of small scale open areas associated with recreational access and facilities, annual inspections to monitor biodiversity features and the impact of public and risks from access and to ensure use of access routes are not impacting on the natural environment by ensuring appropriate management, such as removal of litter and maintenance of signage.
- Species conservation – to support the conservation of important species in Scotland through.

a) enhancing the population of red squirrels by 'Grey Squirrel Control'; Our native red squirrel has disappeared from large parts of its natural range in the UK over the past 50 years. This is mainly as a result of the spread of the introduced grey squirrel which is better able to live in most broadleaved and mixed woodland areas, although habitat fragmentation and disease may also have played a part. Red squirrel populations are vulnerable and conservation efforts are growing in response to the decline and loss of red squirrels and many groups and individuals including woodland owners and managers are involved. A Species Action Plan for the red squirrel has been published by the Government as part of the UK Biodiversity Action Plan and this will target control of non-native grey squirrels in priority control areas

b) the conservation of Capercaillie and Black grouse through predator control; The Capercaillie is an iconic woodland species, found mainly in native pinewoods and also in planted forests of pine and other conifers, and associated open habitats. In the UK, capercaillie are only found in Scotland, and mostly within a few core areas. The species has been in long-term decline. In the UK, capercaillie became extinct in the mid-18th century and were re-introduced in the mid-19th century. Numbers have fluctuated since then, but over recent decades populations have declined rapidly throughout the species range in northern Europe, and the most recent UK winter population estimate in 2003/04 was just 1,980 birds. The capercaillie has legal protection by inclusion on Annex 1 of the EU Birds Directive. The capercaillie is one of the key woodland species identified for action under the Scottish Forestry Strategy. The black grouse is one of the most rapidly declining bird species in the UK and is a UK priority species. It needs a mosaic of woodland and moorland areas and edges, and conservation action needs to be planned at a landscape scale. Once widespread on upland and lowland heathland in England, Scotland and Wales, the black grouse has now become locally extinct in many regions and populations have become fragmented. It is one of the most rapidly declining bird species in the UK, with only 5,100 lekking males during the last national survey (2005). The population in Scotland has declined rapidly from 1900. There was a partial reprieve during the 1950s-70s when large areas of the uplands were commercially planted with conifers. The young plantations provided a temporary habitat for black grouse, resulting in a re-expansion in range. However, in more recent times, the national survey in 2005 found c.3,500 displaying males in Scotland, down 29% from first national survey in 1995-96. This support will provide funding for predator control which is one of the main threats to both Capercaillie and Black grouse and c) 'Reducing Deer Numbers' to improve the ecological and environmental value of woodlands by reducing the negative impact of deer by reducing deer numbers and/or maintaining them at levels that prevent damage to trees and important woodland habitats. Deer are an integral part of woodland ecosystems and are important in influencing woodland regeneration, composition and structure and therefore shaping woodland wildlife communities. There are four species of wild deer in Scotland: roe deer, red deer, Sika and fallow deer. Roe deer and red deer are native species. Overall deer numbers have increased over the last 30 to 40 years. In recent years red deer numbers have stabilised due to factors such as higher culling levels in the 1990's and 2000's and the severe winters of 2010 and 2011. However, since 2004-5 culls of red deer have fallen, and this, together with the opportunity to colonise new areas because of declines in hill sheep, have resulted in numbers increasing again. Numbers of sika, roe and fallow deer are continuing to increase. The total population of wild deer in Scotland is not known, but counts are made at a more local scale in order that numbers can be managed according to deer impacts. Populations tend to have high reproductive capacity in Scotland due to generally mild winters.

Sustained heavy browsing by deer prevents woodland regeneration and this is currently the most widespread threat to the condition of designated woodland features. The Native Woodland Survey of Scotland (NWSS) has shown that 46% of the total area of native woodland is in satisfactory condition for biodiversity and that around 1/3 of native woodlands were showing some signs of damage from deer. Deer management can be intensive and often difficult to achieve. Options consist of fencing deer out of woodland or undertaking deer culling to reduce deer populations to levels low enough to minimise damage to growing trees. A combination of deer fencing and deer culling is often necessary in larger scale woodlands. Deer fencing has

been a tradition in Scotland and many land managers prefer this option as it can provide greater security of the woodland resource. However fencing can have negative impacts on woodland grouse, landscape, amenity and wider biodiversity and so must be carefully planned and assessed. Deer control by shooting is the main alternative and to be effective deer control has to maintain population numbers at very low levels.

8.2.12.3.1.2. Type of support

Type of support: Grants

Support will be provided through grants.

8.2.12.3.1.3. Links to other legislation

Birds Directive 2009/147/EC, Habitats Directive 92/43/EEC

Commission Implementing Regulations (EU) No 808/2014

Sustainable use of pesticides directive

8.2.12.3.1.4. Beneficiaries

Support will be provided for private forest holders, occupiers of forested land and public bodies (or associations thereof). In the case of state-owned land, support will be granted if the body managing such land is a private body.

8.2.12.3.1.5. Eligible costs

Payments will compensate for additional costs and, in the case of livestock exclusion, income foregone, related to commitments made going beyond the mandatory requirements from legal obligations for forestry.

8.2.12.3.1.6. Eligibility conditions

All proposals and forest management must comply with the minimum environmental requirements of the UK Forestry Standard. The UK Forestry Standard (UKFS) defines the standards and requirements of sustainable forest management in a UK context and is based upon international forestry processes and commitments and also European processes and commitments such as the pan European governmental process of Forest Europe and its common principles, criteria and guidelines.

Support for all measures will be conditional on having a Forest Management Plan approved by the Scottish Government's statutory regulator for Forestry, Scottish Forestry, and there will be no lower area limit. This

must include constraints and local issues and where relevant, species selection. For existing woodland areas over '100 hectare' a more detailed plan called a 'Forest Plan' is required. This is a long term plan covering 20 years and takes up to 6 months to prepare as it involves local consultation with stakeholders. We have set a threshold of 100 hectares as woodlands above this size tend to be more complex and require a more thorough approach to management planning.

For Native Woodlands, Livestock Removal, and Woodland Grazing, woodlands will generally need to appear on the Native Woodland Survey of Scotland (NWSS) published in 2014. Priority will be given to designated sites such as Sites of Special Scientific Interests (SSSI) or Natura sites.

Investments in public amenity will support the programme called 'Woods in and Around Towns' (WIAT) which means at least 50% of proposed woodland is located within 1 km of settlements with a population of over 2,000 people. Schemes will be required to achieve WIAT Management Standard.

Eligibility conditions will be a clear yes/no, relevant and objective, and will be applied in a transparent and consistent way throughout the whole programming period. Failure to demonstrate eligibility will mean the application for support is rejected.

8.2.12.3.1.7. Principles with regards to the setting of selection criteria

Eligibility conditions and selection criteria will consider the European Commission's document on 'Guidelines on Eligibility Conditions and Selection Criteria'. As a first step, projects will be required to meet all the 'eligibility criteria' and as a second step projects will be ranked using selection criteria. The selection process will be competitive and applications will be appraised against one another to ensure that those with highest value added will be selected for support.

8.2.12.3.1.8. (Applicable) amounts and support rates

Support will not exceed the maximum permissible and will cover a period of five years.

The payment rates are shown in Figure 18:

The payment rates have been independently verified as being adequate, accurate and established in advance, on the basis of a fair, equitable and verifiable calculation by Scotland's Rural College (SRUC) which is an independent body.

figure 18

Grant Operation	Payment rate/year for 5 years
Native woodlands	30 euros/ha
Livestock Exclusion	51.6 euros/ha
Woodland grazing	120 euros/ha
Low impact Silvicultural Systems (LISS)	36 euros/ha
Biodiversity in Public access – rural woods	120 euros/ha
Biodiversity in Public access - Woodlands In Around Towns'	120 euros/ha [120/hectare for the first 10 hectares and then 12/hectare for any additional area]
Grey Squirrel Control	220 euros/trap site
Predator control	7.92 euros/ha
Reducing Deer Numbers	7.2 euros/ha

figure 18

8.2.12.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.12.3.1.9.1. Risk(s) in the implementation of the measures

R5 Commitments difficult to verify and/or control

R6 Preconditions as eligibility criteria

R7 Selection of beneficiaries

R8 IT systems

R9 Payment of claims

8.2.12.3.1.9.2. *Mitigating actions*

Commitments difficult to verify and/or control

- Clearly identified inputs
- Annual statements and work diaries of inputs from beneficiaries
- Checks by expert forestry staff

Preconditions as eligibility Criteria

- Clear guidance for beneficiaries on eligibility criteria
- Eligibility criteria being a straight yes/no answer

Selection of beneficiaries

- Additional information on all business members requested at registration
- Financial eligibility checks carried out on all application assessments
- Competitive approval process with eligibility criteria being a straight yes/no answer

IT Systems

- Increased validation rules built into IT system from start of programme
- It system checks beneficiary against holding
- Line manager administrative checks

Payment of claims

- Payment claim checklist
- On the spot checks/inspections
- Specialist forestry staff undertaking inspections on forestry measures with delegated authority from paying agency

Other Mitigating Actions

- Staff training
- Clear guidance for staff and beneficiaries

8.2.12.3.1.9.3. *Overall assessment of the measure*

Green.

Commitments will be verified/controlled to mitigate against risk

Green.

Pre-conditions will be adhered to and enforced to mitigate against risk

Green.

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.12.3.1.10. 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

Support will be conditional on providing a forest management plan.

Definition of an "equivalent instrument"

“equivalent instrument” not being used

Identification of relevant mandatory requirements established by the national forestry act or other relevant national legislation

The minimum legal obligations for forestry include the licensing of tree felling and the provisions of the Environmental Impact Assessment Regulations.

- Integrated Pest Management is an obligatory requirement for professional users. Under UK legislation the general principles are considered as voluntary, except aspects of operator training, machinery maintenance and record keeping. These mandatory elements in relation to IPM such as record keeping and training will not be funded.
- Where required, proposals for felling or thinning must be submitted to the Scottish Forestry 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)

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

See figure 19.

Additional comments on method of calculation:

The payment rate for each type of Forest Environment commitment is based on the cost of carrying out specific woodland management actions on an annual basis required in order to deliver the environmental outcomes being sought. In each case these management actions are beyond the legislative baseline. For each type of commitment, market rates have been established for the specific actions and these have been verified by SRUC, who are an independent body with expertise in woodland management.

In the case of the native woodland Forest Environment commitments, the payment rate is 30 Euros/hectare. The required management actions which are being funded are the costs of managing and reducing deer numbers to levels that are consistent with improving the condition of the native woodland, and carrying out habitat condition monitoring of to help assess progress towards delivering good ecological condition. The market rate per hectare for these activities has been established as 14 Euros/ha for deer management and 16 Euros/ha for monitoring. The payment rate of 30 Euros is the combined cost per hectare of all the required management actions.

figure 19 commitments and control possibilities.

Type of Commitment	Mandatory Requirements	Commitments going beyond mandatory requirements
<ul style="list-style-type: none"> Native Woodlands - to maintain or bring native woodlands into good ecological condition or to restore plantations on ancient woodland sites (PAWS) to native woodland. 	<ul style="list-style-type: none"> tree felling above minimum thresholds requires a felling licence Environmental Impact Assessment may apply for afforestation, deafforestation, forest roads and forestry quames where such operations have a significant impact on the environment 	<ul style="list-style-type: none"> to control deer numbers so as to improve and maintain native woodlands identified on the Native Woodland Survey of Scotland in good ecological condition To monitor impacts on natural regeneration and ecological condition To maintain boundary fences To provide regular updates of woodland condition
<ul style="list-style-type: none"> Livestock Exclusion - to encourage the management of native woodlands through the removal of livestock. 	<ul style="list-style-type: none"> tree felling above minimum thresholds requires a felling licence Environmental Impact Assessment may apply for afforestation, deafforestation, forest roads and forestry quames where such operations have a significant impact on the environment 	<ul style="list-style-type: none"> To ensure all livestock are excluded from the native woodland at all times To maintain boundary fences To provide regular updates of woodland condition
<ul style="list-style-type: none"> Woodland Grazing - to enhance biodiversity and condition of native woodlands through controlled livestock grazing 	<ul style="list-style-type: none"> tree felling above minimum thresholds requires a felling licence Environmental Impact Assessment may apply for afforestation, deafforestation, forest roads and forestry quames where such operations have a significant impact on the environment 	<ul style="list-style-type: none"> To undertake controlled grazing of native woodland to enhance biodiversity to monitor inputs according to an agreed management plan to provide regular updates on woodland condition
<ul style="list-style-type: none"> Low Impact Silvicultural Systems (LIS) - to encourage small scale felling and contribute to the species and structural diversity in forests. 	<ul style="list-style-type: none"> tree felling above minimum thresholds requires a felling licence Environmental Impact Assessment may apply for afforestation, deafforestation, forest roads and forestry quames where such operations have a significant impact on the environment 	<ul style="list-style-type: none"> To control deer numbers to encourage natural regeneration. To undertake site inspections to plan the best timing of silvicultural interventions such as thinning and felling and monitor the impacts To provide regular updates of progress
<ul style="list-style-type: none"> Public Access - to support the management of biodiversity in woodlands where there is a high level of public access and 	<ul style="list-style-type: none"> tree felling above minimum thresholds requires a felling licence Environmental Impact Assessment may apply for 	<ul style="list-style-type: none"> To carry out annual inspections to monitor biodiversity features and the impact of public and risks from access

<ul style="list-style-type: none"> recreational use. This includes Rural Woods and woodland areas in 'Woodlands In Around Towns'. 	<ul style="list-style-type: none"> afforestation, deafforestation, forest roads and forestry quames where such operations have a significant impact on the environment To allow responsible access according to the 'Outdoor Access Code' 	<ul style="list-style-type: none"> To ensure use of access routes are not impacting on the natural environment by ensuring appropriate management, such as removal of litter and maintenance of signage. To support the maintenance of small scale open areas associated with recreational access and facilities, leaving behind decaying and dead trees for biodiversity reasons. To provide regular updates of progress
<ul style="list-style-type: none"> Species Conservation – to support the conservation of important species in Scotland through a) enhance the population of red squirrels by 'Grey Squirrel Control' b) the conservation of Capercaillie and Black grouse through predator control and c) 'Reducing Deer Numbers' to improve the ecological and environmental value of other woodlands (that are not native) by reducing the negative impact of deer by reducing deer numbers and/or maintaining them at levels that prevent damage to trees and important woodland habitats. 	<ul style="list-style-type: none"> tree felling above minimum thresholds requires a felling licence Environmental Impact Assessment may apply for afforestation, deafforestation, forest roads and forestry quames where such operations have a significant impact on the environment 	<ul style="list-style-type: none"> a) To prepare a management plan. To reduce grey squirrels numbers in targeted areas, through operation of agreed trapping sites and according to the agreed plan and to provide annual updates of progress b) To prepare a management plan. To reduce predators around active lek sites according to the agreed plan and to provide annual updates of progress c) To reduce deer numbers according to an agreed management plan and to provide regular updates of progress

figure 19

8.2.12.4. Verifiability and controllability of the measures and/or types of operations

8.2.12.4.1. Risk(s) in the implementation of the measures

Please see individual sub-measure description.

8.2.12.4.2. Mitigating actions

Please see individual sub-measure description.

8.2.12.4.3. Overall assessment of the measure

Please see individual sub-measure description.

8.2.12.5. 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

Please see individual sub-measure description.

Definition of an "equivalent instrument"

Please see individual sub-measure description.

Identification of relevant mandatory requirements established by the national forestry act or other relevant national legislation

Please see individual sub-measure description.

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

Please see individual sub-measure description.

Additional comments on payment rates.

The payment rate for each type of Forest Environment commitment is based on the cost of carrying out specific woodland management actions on an annual basis required in order to deliver the environmental outcomes being sought. In each case these management actions are beyond the legislative baseline. For each type of commitment, market rates have been established for the specific actions and these have been verified by SRUC, who are an independent body with expertise in woodland management.

In the case of the native woodland Forest Environment commitments, the payment rate is 30 Euros/hectare. The required management actions which are being funded are the costs of managing and reducing deer numbers to levels that are consistent with improving the condition of the native woodland, and carrying out habitat condition monitoring of to help assess progress towards delivering good ecological condition. The market rate per hectare for these activities has been established as 14 Euros/ha for deer management and 16 Euros/ha for monitoring. The payment rate of 30 Euros is the combined cost per hectare of all the required management actions.

8.2.12.6. Other important remarks relevant to understand and implement the measure

Not applicable.

8.2.13. M16 - Co-operation (art 35)

8.2.13.1. *Legal basis*

Article 35 of Regulation (EU) No 1305/2013 of the European Parliament on support for rural development Crofters (Scotland) Act 1993, as amended.

Art 11 commission delegated regulation EU 807/2014.

EU 808/2014 Implementation regulation

Regulation (EU) No 1306 / 2013 (Horizontal)

Regulation (EU) No 1307 / 2013 (Direct Payments)

Domestic legislation (relevant for the baseline)

Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2001

The Water Environment (Controlled Activities) (Scotland) Regulations 2013

The Water (Prevention of Pollution) (Code of Practice) (Scotland) Order 2005

The Plant Protection Products (Sustainable Use) Regulations 2012

Action Programme for Nitrate Vulnerable Zones

The Environmental Impact Assessment (Agriculture) (Scotland) Regulations 2006

Regulation (EU) No. 1303/2013 – Article 65 (Eligibility)

8.2.13.2. *General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives*

Rural Scotland, which covers around 95% of the land area and 18% of the population, is an integral part of the country's economy, environment and culture. However for many in these communities, issues such as diseconomies of scale and fragmentation are difficult- to overcome when trying to deliver co-operative projects at a landscape scale has proven difficult to establish. It is also true to say that rural businesses are traditionally late adopters of new technology and best practice and that there is often a disconnect between research and practice. The opportunity to facilitate co-operation should contribute towards addressing a number of needs identified through the SWOT:

- Capitalise on our nationally and internationally renowned research institutes and the contribution they can make to SRDP priorities and outcomes.

- Deliver improved economic benefits through stronger linkages between agriculture, research and technology.
- Overcome traditional agricultural values and barriers and encourage joint working and collaboration to realise improved and synergistic benefits.
- Improve co-operation in the food and drink sector.
- Improve efficiency of food and drink production, including shortening supply chains,
- Promote food and drink to strengthen its contribution to the local economy;
- To halt the decline in biodiversity and improve the resilience of ecosystems in the face of environmental change.
- To improve the condition of designated sites affected by land management activities (NATURA, SSSIs and SAMs).
- To address the negative environmental impacts of land abandonment and decreased management in HNV areas
- To reduce the incidence of diffuse pollution in priority catchments.
- Enhance the quality of Scotland’s soils and peatlands
- Improve resource efficiency, recycling and waste prevention.
- Reduce greenhouse gas emissions.
- Protection of soil carbon sinks and woodland creation.

To address this issue, co-operation will be an integral part of SRDP 2021 – 2024 and will be delivered through, or linked to, a number of different measures within the SRDP streams of support including:

- Measure 1 – Knowledge transfer and information actions;
- Measure 2 – Advisory services;
- Measure 4 – Investments in physical assets;
- Measure 7 – Basic services and village renewal in rural areas;
- Measure 8 – Investments in forest area development;
- Measure 10 – Agri-environment/climate;
- Measure 15 – Forest environmental and climate services and forest conservation; and
- Measure 19 – Support for LEADER local development.

Specifically, this measure and its sub-measures will:

- assist with the facilitation of first-time establishment of crofting common grazings committees which may then access support towards various operations. The various operations may broadly be defined as land improvement and/or, erection improvement of the infrastructure that enables delivery of agricultural activities in an efficient, environmentally friendly and sustainable way.
- establish a fund for co-operative action to meet the facilitation and co-ordination costs of agri-environment – climate co-operative projects, to be delivered at an ecosystem or landscape scale and which would not otherwise be taken forward without dedicated resources. These projects will often be complex and will require multiple participants and a range of activities. Although the fund will only be available for projects delivering agri-environment – climate actions, these projects could also include actions which would normally be considered under other measures, such as forestry. Applications to the fund will be assessed against the areas which have been identified as key for the delivery of particular agri-environment – climate actions, and will be given priority, but will not preclude successful applications from other areas where there is strong justification;
- support joint action for key forestry projects through facilitation and co-ordination involving a

number of land owners where co-operation is essential in order to effect true landscape scale control and achieve environmental benefits;

- will also support the maintenance of operational groups and other collaborative ventures undertaking a range of agricultural projects which support the development of new and innovative products, practices, processes and technologies. This will include support for the development and delivery of new farm projects which aim to improve farm profitability through a process of peer review and advice along with specialist input and support from the monitor farm facilitators;
- will aim to deliver growth and value in Scotland's food and drink industry by increasing co-operation and developing integrated supply chains. Support will assist the Scottish food industry and its partners promote and develop co-operation to exploit local and UK opportunities, increase productivity and efficiencies, create scale, and build the reputation of Scotland – land of food and drink.

Support in each of the sub-measures above will be provided towards new projects. Existing or on-going projects will not be covered.

Contribution to focus areas and cross-cutting objectives and intervention logic

Co-operative actions under Article 35 will contribute to Rural Development Priorities 1, 2, 3, 4 and 5. Within these it will address focus areas: 1A, 1B, 2A, 2B, 3A, 3B, 4A, B, C, D, and E.

Cross cutting objectives

- Support for joint action of landscape scale projects will deliver benefits to land management, water quality and biodiversity and will contribute to climate change adaptation and mitigation.

Co-operative projects delivered through Operational Groups will present the opportunity to develop and test innovative practices to establish best practice for farmers and crofters with project learning outcomes linking. Measure 1 (Knowledge Transfer and Information) and Measure 2 (Advisory Services) when results/learning are disseminated.

Cross cutting objectives

Support for joint action of landscape scale projects will deliver benefits to land management, water quality and biodiversity and will contribute to climate change adaptation and mitigation. Co-operative projects could also offer the opportunity to test innovative practices to establish best practice for land managers and businesses.

8.2.13.3. 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

8.2.13.3.1. 16.0 – others

Sub-measure:

- 16.0 - others

8.2.13.3.1.1. Description of the type of operation

Assistance to support the setting up of formally constituted Common Grazings Committees that will be responsible for having oversight and management responsibility for the use of grazing land in shared use within remote and rural crofting communities. As well as being responsible for the control of use and maintenance of the common grazing land, Common Grazings Committees will be responsible for co-ordinating delivery of joint investments that result in the improvement of the agricultural land. This will be brought about through applications for support under different measures including, but not restricted to Measure 4, Investments in Physical Assets. It is anticipated that this will mainly contribute towards Focus Area 2A but that initiatives will also contribute towards other priorities and Focus Areas including: 4A (given that crofting involves high nature value farming activities); and 5E (preservation and restoration of peat deposits).

8.2.13.3.1.2. Type of support

Type of support: Grants

One off grant (based upon standardised cost of £500) to facilitate engagement of a consultant to facilitate establishment of Common Grazings Committees, with application being made to the Crofting Commission to approve Common Grazings Regulations.

8.2.13.3.1.3. Links to other legislation

Sections 47 to 52 inclusive of the Crofters (Scotland) Act 1993 set the legal framework within which common grazings committees operate.

8.2.13.3.1.4. Beneficiaries

Common Grazings Committees

8.2.13.3.1.5. Eligible costs

Standard cost of £500 to engage a consultant to facilitate formation of Common Grazings Committees.

8.2.13.3.1.6. Eligibility conditions

For applications for support to establish grazings committees, the association to be established must be appointed by those with joint rights to a properly constituted common grazing registered in accordance with

the statutory duties contained in national legislation.

The association must declare a commitment to establish a formally constituted Grazing Committee and submit common grazings regulations proposals to the Crofting Commission for approval.

Eligibility conditions will be a clear yes/no, relevant and objective, and will be applied in a transparent and consistent way throughout the whole programming period. Failure to demonstrate eligibility will mean the application for support is rejected.

8.2.13.3.1.7. Principles with regards to the setting of selection criteria

Projects will

- Be selected for support on the basis of commitments made to establish Common Grazings Committees to regulate activity and use of Common Grazings that are not currently regulated.

8.2.13.3.1.8. (Applicable) amounts and support rates

One-off standardised cost of £500

8.2.13.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.13.3.1.9.1. *Risk(s) in the implementation of the measures*

R7 – Selection of beneficiaries

R8 – IT System

R9 – Payment claims

8.2.13.3.1.9.2. *Mitigating actions*

We will adopt a scheme control plan which will detail administrative arrangements, together with details of roles/responsibilities and management controls to ensure proper disbursement of funds.

This will include administrative spot visits/checks being made backed up by use of internal audit process checks.

In addition, we will seek verification that applications to approve Common Grazings Regulations have been submitted to the Crofting Commission for approval.

As part of a wider review of the managing authority's IT infrastructure the web portal for applicants and all of the supporting guidance and information is also under review.

We will seek verification in the form of a signed declaration from the recipients of funds that the grant has been used for the purpose of engaging a consultant to facilitate arrangements.

We will also seek confirmation from the consultant/facilitator that payment has been received.

8.2.13.3.1.9.3. Overall assessment of the measure

Green .

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.13.3.1.10. Methodology for calculation of the amount or support rate, where relevant

The payment rate of £500 is considered to be reasonable and consistent with current agricultural practice in Scotland. The rate has been subject to examination for its adequacy, accuracy and reasonableness by Scotland's Rural College, a body of expertise that is functionally independent from the compilers, as confirmed in section 18.2.

Support falls wholly within the scope of Article 42 TFEU and is therefore deemed to be State Aid compliant.

8.2.13.3.1.11. Information specific to the operation

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

Please see overall measure description.

8.2.13.3.2. 16.1 - support for the 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

8.2.13.3.2.1. Description of the type of operation

We intend to provide support for the operation of Operational Groups, but not provide support for establishment of Operational Groups. Instead we intend to utilise the Scottish Rural Network (SRN), fulfilling the role of innovation broker, to facilitate animation of Operational Groups, through an extension of its thematic networking activities. SRN also plan to promote opportunities for prospective Operational Groups through its website, newsletters and social media channels. In addition, SRN will disseminate outputs from Operational Group activities as well as other relevant research outputs arising from EIP and Horizon 2020 activity.

In addition to promotion through SRN, centralised calls for proposals will be made for Operational Groups to submit project proposals that contribute towards the priorities for rural development, in particular priority 2, enhancing competitiveness and promoting resource efficiency.

The type of operations we plan to support are:

- operation of operational groups to design and implement projects that aim to introduce new processes and utilise new technologies and techniques in the agricultural sector, which in turn are expected to deliver improved productivity and/or sustainability.
- operational Groups that aim to test out new ideas through projects which adapt existing techniques/practices to new geographical/environmental contexts.
- operations that strengthen the links between agriculture, research and innovation by applying research findings to agricultural projects, testing viability and evaluating the degree to which productivity and/or sustainability benefits can be achieved.

This will include on-going planned support for new Monitor Farm projects. Monitor Farm projects allow farmers to hear recommendations from different sources, discuss options with peers and try out new techniques in the field. The initiative is led by farmers for farmers, and aims to improve productivity, profitability and sustainability.

Monitor Farmers are given the opportunity to adopt and develop new ideas with the support of a group of farmers (called a Community Group), expert advisors and facilitators over a three year period. Each farm holds six meetings a year for farmers including an open day for all and a report of the findings is produced at the conclusion to each project.

Funding under this measure will be restricted to projects that aim to conclude within a three year period and Project proposals must aim to either:

- introduce new processes; or utilise new technologies and techniques in the agricultural sector, which deliver improved productivity and/or sustainability; or
- test out new ideas through projects which adapt existing techniques/practices to new

geographical/environmental contexts.

8.2.13.3.2.2. Type of support

Type of support: Grants

Grant paid to Operational Groups paid in stages linked to project milestones over a maximum period of 3 years.

8.2.13.3.2.3. Links to other legislation

Not applicable.

8.2.13.3.2.4. Beneficiaries

Operational groups comprising actors such as farmers, researchers, advisors, businesses, public bodies, NGOs, trade organisations and educational institutions.

8.2.13.3.2.5. Eligible costs

Eligible costs will include:

- a. Pro-rata salary costs of actors involved in Operational Group activity;
- b. Travel and subsistence costs of Operational Group participants;
- c. Event hosting costs (including venue and catering hire);
- d. Project management costs;
- e. Publicity and cost of producing interim and final reports; and
- f. Direct costs of implementing approved project proposals i.e. actions targeted towards innovation.

The costs that fall within categories (a) through to (f) above fall within the scope of Article 35(5)(c), (d) and (e) of Regulation 1305/2013

8.2.13.3.2.6. Eligibility conditions

Operational Groups must comprise more than one entity.

The proposed Operational Group activity must be linked to the priorities for Rural development - in particular priorities 2, 3, 4 and/or 5. In addition, activities undertaken by Operational Groups supported under this sub-measure must contribute to the aims of the European Innovation Partnership for productivity and sustainability, detailed in Article 55(1) of EU 1305/2013.

The Operational Group must submit a business plan describing, amongst other things, the project to be implemented; the anticipated results, together with details of how the project is expected to contribute towards enhancing productivity and sustainable resource efficiency; and details of how the results of the project will be disseminated. As a minimum, Operational Groups will need to commit to dissemination of project results through the European Innovation Partnership network.

8.2.13.3.2.7. Principles with regards to the setting of selection criteria

Applications will be assessed on the basis of the business plans received from Operational Groups, and the contribution that projects are expected to deliver towards enhancing productivity and sustainable resource efficiency. A points system will be used to identify the most suitable business plan proposals to support.

The points system will give consideration to criterion such as quality of project proposal in terms of robustness of aims/objectives, methodology and governance; viability of project proposals; capacity of Operational Group to deliver (skills/competence, knowledge and group make-up); degree to which intended project deliverables might benefit others; and other relevant dimensions.

8.2.13.3.2.8. (Applicable) amounts and support rates

100% for projects that introduce practices, processes and technologies that aim to deliver benefits for agriculture, the environment, and the climate.

Support under this measure will only cover the costs that fall under Article 35(5)(c)(d) and (e) only. The support provided will ensure that Article 35(6) of EU 1305/2013 is respected.

8.2.13.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.13.3.2.9.1. *Risk(s) in the implementation of the measures*

R7 – Selection of beneficiaries

R8 – IT System

R9 – Payment claims

8.2.13.3.2.9.2. *Mitigating actions*

Applications will be assessed on the basis of the business plans received from Operational Groups, and the contribution that projects are expected to deliver towards enhancing productivity and sustainable resource efficiency. A points system will be used to identify the most suitable business plan proposals to support.

It is intended that the application, approval and payment processes will be fully supported by IT. In addition a scheme control plan detailing roles, responsibilities (including clear separation of duties), governance procedures and checks/balances will be prepared and this will be submitted to internal audit for approval. Appropriate records will be maintained at all times.

We will adopt a scheme control plan which will detail administrative arrangements, together with details of roles/responsibilities and management controls to ensure proper disbursement of funds.

This will include administrative spot visits/checks being made backed up by use of internal audit process checks.

Payments will be made for actual costs incurred on the basis of properly receipted invoices, supported by evidence of payments having been made.

The final payment will be held back until the final report has been produced and disseminated.

8.2.13.3.2.9.3. Overall assessment of the measure

Green.

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.13.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Please see overall measure description.

8.2.13.3.2.11. Information specific to the operation

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

Please see overall measure description.

8.2.13.3.3. 16.2 - support for pilot projects, and for 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

8.2.13.3.3.1. Description of the type of operation

Food and Drink Co-operation

In order to address the challenges of how to increase food productivity and improve diet, there is a continued need to consider novel practices and processes and to develop new products and technologies throughout the food and drink supply chain. This might include, amongst other things, looking at improved efficiency of production, considering how to maximise nutritional quality of manufactured products or trialling new uses for by-products. It may also provide support for business readiness in identifying and preparing for new markets. Project outcomes would be beneficial to a wide sector, and outputs would be shared.

The outputs of operations supported under this sub-measure will encourage, support and promote co-operation within the food and drink supply chain, encourage production in line with market trends and encourage development of new products, processes or outlets for products; boost local supply chains through support for processing and marketing of locally produced food; improve and rationalise marketing channels or processing procedures; and apply new technologies and /or innovation. The types of operations to be supported will be investment in tangible and intangible assets including, for example:

- market research, feasibility studies and pilot projects;
- product, practice, process and technology development;
- development of marketing plans;
- reorganisation of business to exploit market opportunities;
- the organisation and development of a sector;
- associated costs to the above in the development of new products, practices, processes and technologies – consultancy costs, running costs, promotion activities and support towards joint physical assets, training and advice.

8.2.13.3.3.2. Type of support

Type of support: Grants

Support will be based on actual costs and will be delivered as a grant, either calculated as a percentage of the eligible costs or a set amount deemed the minimum award necessary to enable the investment to take place. Staged payment of the support approved for the eligible operations/activities will be made after costs have been incurred and on receipt of relevant documentation (e.g. invoices, evidence of payment etc.)

8.2.13.3.3.3. Links to other legislation

Commission Recommendation 2003/361/EC – concerning the definition of micro, small and medium-sized enterprises.

8.2.13.3.3.4. Beneficiaries

Groups of primary producers, companies involved in food and drink manufacturing / processing, food and drink organisations/associations who are involved in co-operation and associated development of new products, processes and technologies within the supply chain can apply.

An individual will also be eligible to apply for pilot/development projects, this takes into consideration the importance of supporting innovation and/or experimentation where significant opportunities based on a strategic basis or where clear benefits can be demonstrated and the results must be disseminated as widely as possible

8.2.13.3.3.5. Eligible costs

All costs related to the completion of an operation eligible will be supported, in accordance with Article 45 of regulation (EU) No 1305/2013. This includes the costs of material, transportation of material, costs of contractors and/or own labour.

For example:

- intangible investments: acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks property required to develop new products, practices, processes and technology;
- salary/consultant costs of personnel with relevant experience required to develop new products, practices, processes and technologies;
- the costs associated to carrying out feasibility studies, market research etc in order to develop new products, practices, processes and technologies.
- The costs of conducting pilot projects in relation to new products, practices, processes and technologies.
- associated costs to the above in the development of new products, practices, processes and technologies – Consultancy costs, running costs, promotion activities and support towards joint physical assets (construction, acquisition or improvement of immovable property; purchase or lease purchase of machinery/equipment, including computer software) training and advice.

8.2.13.3.3.6. Eligibility conditions

All co-operation projects will involve at least two entities in a supported project, except pilot/development projects which can be carried out by individuals.

Applications for support will undergo initial eligibility assessment to ensure projects meet minimum scheme

requirements, including:

- Investment must take place in Scotland
- Project involves the processing of food and/or drink from primary agricultural inputs
- Applicant meets published criteria relating to size of enterprise
- Match-funding in place or likely to be available (e.g. from within business or via commercial lender)

Applications which pass initial eligibility check will progress to next stage involving , for capital applications, a Value for Money (VFM) / technical assessment undertaken by suitably-qualified personnel. In the case of non-capital projects VFM assessment will be carried out by an qualified, external, Food Industry Adviser.

Eligibility conditions will be a clear yes/no, relevant and objective, and will be applied in a transparent and consistent way throughout the whole programming period. Failure to meet the criteria will result in an application for support being rejected

8.2.13.3.3.7. Principles with regards to the setting of selection criteria

Project assessment (selection) criteria will be developed (and published in advance) to take into account key Scottish Government policy objectives for Food and Drink, including:

- Provenance – customer focused, consumption
- Co-operation – collaboration, resilience
- Sustainability – successful, growing businesses
- Accessibility / Opportunities – new markets, innovation, readiness
- Nutrition – encouragement of healthy eating / drinking

We expect the criteria, in broad terms, to be as follows:

Essential

- New or increased co-operation activity in the food and drink supply-chain
- Application supports Scottish primary producers i.e. utilisation of domestic produce, or assists in developing market readiness;
- Significant benefits derived from grant support - in terms of sales, productivity, costs reduced (or avoided), new markets or improved skills;
- Displacement –project will not significantly impact on other similar businesses or the wider supply-chain;
- Deliverability - project likely to deliver its objectives successfully and cost effectively (evidence of VFM.)

Desirable

- Environmental sustainability - less energy/water consumption; less packaging; reduced waste;

reduced emissions;

- Health and Education –project contributes to wider social policy agendas;
- Additional economic benefits – in particular on supply chain coherence;
- Innovative products or approaches.

Contribute to Scotland’s journey towards becoming a “*Good Food Nation*”

8.2.13.3.3.8. (Applicable) amounts and support rates

In all cases grant rates will be set at the absolute minimum required to enable the investment to proceed (i.e. the incentive principle.) The assessment process will test this requirement.

Companies will be informed prior to formal application of the rate of grant which they would be eligible within the constraints set out below.

(Information below previously Figure 36 in Programme version 1.3)

Sub-measures – 16.2, 16.3 & 16.4

Cover provided by RDR 1305/2012 – Annex I input to Annex I outputs (therefore no additional state aid cover required)

Investment in Physical assets

- *SMEs & Large enterprises – 40% increased to by 20% for operations supported in the framework of the EIP or those linked to the merger of producer organisations*

GBER cover required for Annex I inputs to non-annex I outputs

651/2014 Article 17

Investment aid to SMEs

- *Micro & small enterprises – 20%*
- *Medium enterprises – 10%*

651/2014 Article 18

Aid for the consultancy in favour of SMEs

- *SMEs – 50%*

651/2014 – Article 19

Aid to SMEs for participation in fairs

- *SMEs – 50%*

651/2014 – Article 27

Aid for innovation clusters

- *Investment aid – 50% (may be increased by 15% and 5% as defined)*
- *Operating aid – 50%*

651/2014 Article 28

Innovation aid for SMEs

- *SMEs – 50%*

Alternatively 100% where costs do not exceed 200,000 Euros per undertaking within any three year period, under state aid de-minimis arrangements.

651/2014 Article 29

Aid for process and organisational innovation

- *Large enterprises – 15% where collaborating with SMEs as defined*
- *SMEs – 50%*

651/2014 Article 31

Training aid

- *Large enterprises – 50%*
- *Medium enterprises – 60%*
- *Micro/small enterprises – 70%*

Where the training is given to workers with disabilities or disadvantaged workers the aid intensity may be increased by 10% up to a maximum aid intensity of 70%

651/2014 Article 25

Aid for research and development projects

Fundamental research:

- *SMEs – 100%*

Industrial research:

- *Large enterprises – 50%*
- *Medium enterprises – 60%*
- *Micro/small enterprises – 70%*

Where the project involves collaboration as defined aid intensities may increase by 15% up to a maximum

aid intensity of 80%

Experimental development:

- *Large enterprises – 25%*
- *Medium enterprises – 35%*
- *Micro/small enterprises – 45%*

Where project involves collaboration as defined-:

- *Large enterprises – 40%*
- *Medium enterprises – 50%*
- *Micro/small enterprises – 60%*

Feasibility studies:

- *Large enterprises – 50%*
- *Medium enterprises – 60%*
- *Micro/small enterprises – 70%*

Further co-operation activities which can't be covered by the GBER (651/2014) will require full notification under the agricultural guidelines.

NOTE: There will be a maximum cap of the level of grant available; this cap will be determined by reference to the above criteria. Specifically, high-cost projects which deliver against essential criteria may be eligible for support. However, as it is necessary to protect the overall scheme budget – which has to support projects until 2020 – a cap on the maximum amount of SRDP support has been set. The initial cap has been set at £4m which will be monitored, and may be subject to revision, to take into account experience gained through SRDP implementation.

8.2.13.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.13.3.3.9.1. Risk(s) in the implementation of the measures

R7 – Selection of beneficiaries

R8 – IT System

R9 – Payment claims

8.2.13.3.3.9.2. *Mitigating actions*

Applications will be assessed based on the information provided in the application and supporting documentation. Selection criteria will be used to identify which projects are most suitable for support and will include consideration of contribution to the Scottish Government's wider policy priorities.

As part of a wider review of the managing authority's IT infrastructure the web portal for applicants and all of the supporting guidance and information is also under review.

Payments will be made on the basis of authorised expenditure only. Submission of receipts and invoices will be required together with supporting evidence that expenditure has been defrayed. A representative sample of beneficiaries and/or claims will be selected for checking purposes and visits to beneficiaries premises to check records will be undertaken as necessary.

8.2.13.3.3.9.3. *Overall assessment of the measure*

Green.

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.13.3.3.10. *Methodology for calculation of the amount or support rate, where relevant*

Grants payable will be on actual costs. Rate of grant will be in line with the amounts and rates of support about and the variable grant rate will take into consideration the need for funding.

8.2.13.3.3.11. *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 and local markets involve no more than one intermediary (an intermediary being an entity which buys the product from the farmer for the purpose of selling it on) between the farmer and consumer.

8.2.13.3.4. 16.3 - (other) co-operation among smalls operators in organising joint work processes and sharing facilities and resources

Sub-measure:

- 16.3 - (other) co-operation among smalls operators in organising joint work processes and sharing facilities and resources, and for developing/marketing tourism

8.2.13.3.4.1. Description of the type of operation

Food & Drink co-operation

Rising resource risks and the growing recognition of the economic value being lost during food and drink production have raised the need to promote the circular economy and share facilities and resources. Co-operation among small operators in organising joint work processes and sharing facilities and resources could therefore improve the resilience of the food and drink sector, in both economic and social terms. In addition, the development and promotion of food and drink tourism, as a vital contribution to local economic growth, should receive public support.

The type of operation to be supported will be investment in tangible and intangible assets including, for example:

- feasibility studies and market research;
- development of marketing plans, including in relation to food tourism;
- reorganisation of business to exploit market opportunities;
- the organisation and development of a sector;
- associated costs to the above in respect of organising joint work processes – consultancy costs, running costs, promotion activities and support towards joint physical assets / shared facilities and resources (construction, acquisition or improvement of immovable property; purchase or lease purchase of machinery/equipment, including computer software)

8.2.13.3.4.2. Type of support

Type of support: Grants

Support will be based on actual costs and will be delivered as a grant, either calculated as a percentage of the eligible costs or a set amount deemed the minimum award necessary to enable the investment to take place.

Staged payment of the support approved for the eligible operations/activities will be made after costs have been incurred and on receipt of relevant documentation (e.g. invoices, evidence of payment etc.)

8.2.13.3.4.3. Links to other legislation

Commission Recommendation 2003/361/EC – concerning the definition of micro, small and medium-sized enterprises.

8.2.13.3.4.4. Beneficiaries

Groups of primary producers, companies involved in food and drink manufacturing / processing, food and drink organisations/associations who are involved in co-operation and associated development among small operators in organising joint work processes and sharing facilities and resources, and for developing/marketing tourism

For the purpose of this sub-measure, per Article 35(2)(c) of Regulation 2015/2013 ‘small operator’ shall mean a microenterprise as defined in the Commission Recommendation 2003/361/EC, or a natural person not engaged in economic activity at the moment of applying for support i.e. a newly established microenterprise.

8.2.13.3.4.5. Eligible costs

Eligible costs include the cost of area studies, feasibility studies and business plans, cost of animation to realise a collective territorial project, running costs of the co-operation, direct costs associated with implementation of business plan/co-operation activity and co-operation with other actors located in different regions or relevant authorities.

All costs related to the completion of an operation eligible will be supported, in accordance with Article 45 of regulation (EU) No 1305/2013. This includes the costs of material, transportation of material, costs of contractors and/or own labour.

For example this may include:

- intangible investments: acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks property related to co-operation among small operators in organising joint work processes and sharing facilities and resources, and for developing/marketing tourism;
- salary/consultant costs of personnel with relevant experience related to co-operation among small operators in organising joint work processes and sharing facilities and resources, and for developing/marketing tourism;
- the costs associated to carrying out feasibility studies, market research etc related to co-operation among small operators in organising joint work processes and sharing facilities and resources, and for developing/marketing tourism
- associated costs to the above in respect of organising joint work processes – consultancy costs, running costs, promotion activities and support towards joint physical assets / shared facilities and resources (construction, acquisition or improvement of immovable property; purchase or lease purchase of machinery/equipment, including computer software)

8.2.13.3.4.6. Eligibility conditions

All co-operation projects will involve at least two entities in a supported project, except pilot/development projects which can be carried out by individuals.

Applications for support will undergo initial eligibility assessment to ensure projects meet minimum scheme requirements, including:

- Investment must take place in Scotland
- Project involves the processing of food and/or drink from primary agricultural inputs
- Applicant meets published criteria relating to size of enterprise
- Match-funding in place or likely to be available (e.g. from within business or via commercial lender)

Applications which pass initial eligibility check will progress to next stage involving , for capital applications, a Value for Money (VFM) / technical assessment undertaken by suitably-qualified personnel. In the case of non-capital projects VFM assessment will be carried out by an qualified, external, Food Industry Adviser.

Eligibility conditions will be a clear yes/no, relevant and objective, and will be applied in a transparent and consistent way throughout the whole programming period. Failure to meet the criteria will result in an application for support being rejected.

8.2.13.3.4.7. Principles with regards to the setting of selection criteria

Project assessment (selection) criteria will be developed (and published in advance) to take into account key Scottish Government policy objectives for Food and Drink, including:

- Provenance – customer focused, consumption
- Co-operation – collaboration, resilience
- Sustainability – successful, growing businesses
- Accessibility / Opportunities – new markets, innovation, readiness
- Nutrition – encouragement of healthy eating / drinking

We expect the criteria, in broad terms, to be as follows:

Essential

- New or increased co-operation activity in the food and drink supply-chain
- Application supports Scottish primary producers i.e. utilisation of domestic produce, or assists in developing market readiness;
- Significant benefits derived from grant support - in terms of sales, productivity, costs reduced (or avoided), new markets or improved skills;
- Displacement –project will not significantly impact on other similar businesses or the wider supply-chain;
- Deliverability - project likely to deliver its objectives successfully and cost effectively (evidence of

VFM.)

Desirable

- Environmental sustainability - less energy/water consumption; less packaging; reduced waste; reduced emissions;
- Health and Education –project contributes to wider social policy agendas;
- Additional economic benefits – in particular on supply chain coherence;
- Innovative products or approaches.

Contribute to Scotland’s journey towards becoming a “*Good Food Nation*”

8.2.13.3.4.8. (Applicable) amounts and support rates

In all cases grant rates will be set at the absolute minimum required to enable the investment to proceed (i.e. the incentive principle.) The assessment process will test this requirement.

(Information below previously Figure 36 in Programme version 1.3)

Sub-measures – 16.2, 16.3 & 16.4

Cover provided by RDR 1305/2012 – Annex I input to Annex I outputs (therefore no additional state aid cover required)

Investment in Physical assets

- *SMEs & Large enterprises – 40% increased to by 20% for operations supported in the framework of the EIP or those linked to the merger of producer organisations*

GBER cover required for Annex I inputs to non-annex I outputs

651/2014 Article 17

Investment aid to SMEs

- *Micro & small enterprises – 20%*
- *Medium enterprises – 10%*

651/2014 Article 18

Aid for the consultancy in favour of SMEs

- *SMEs – 50%*

651/2014 – Article 19

Aid to SMEs for participation in fairs

- SMEs – 50%

651/2014 – Article 27

Aid for innovation clusters

- *Investment aid – 50% (may be increased by 15% and 5% as defined)*
- *Operating aid – 50%*

651/2014 Article 28

Innovation aid for SMEs

- *SMEs – 50%*

Alternatively 100% where costs do not exceed 200,000 Euros per undertaking within any three year period, under state aid de-minimis arrangements.

651/2014 Article 29

Aid for process and organisational innovation

- *Large enterprises – 15% where collaborating with SMEs as defined*
- *SMEs – 50%*

651/2014 Article 31

Training aid

- *Large enterprises – 50%*
- *Medium enterprises – 60%*
- *Micro/small enterprises – 70%*

Where the training is given to workers with disabilities or disadvantaged workers the aid intensity may be increased by 10% up to a maximum aid intensity of 70%

651/2014 Article 25

Aid for research and development projects

Fundamental research:

- *SMEs – 100%*

Industrial research:

- *Large enterprises – 50%*
- *Medium enterprises – 60%*
- *Micro/small enterprises – 70%*

Where the project involves collaboration as defined aid intensities may increase by 15% up to a maximum aid intensity of 80%

Experimental development:

- *Large enterprises – 25%*
- *Medium enterprises – 35%*
- *Micro/small enterprises – 45%*

Where project involves collaboration as defined-:

- *Large enterprises – 40%*
- *Medium enterprises – 50%*
- *Micro/small enterprises – 60%*

Feasibility studies:

- *Large enterprises – 50%*
- *Medium enterprises – 60%*
- *Micro/small enterprises – 70%*

Further co-operation activities which can't be covered by the GBER (651/2014) will require full notification under the agricultural guidelines.

NOTE: There will be a maximum cap of the level of grant available; this cap will be determined by reference to the above criteria. Specifically, high-cost projects which deliver against essential criteria may be eligible for support. However, as it is necessary to protect the overall scheme budget – which has to support projects until 2020 – a cap on the maximum amount of SRDP support has been set. The initial cap has been set at £4m which will be monitored, and may be subject to revision, to take into account experience gained through SRDP implementation.

8.2.13.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.13.3.4.9.1. Risk(s) in the implementation of the measures

R7 – Selection of beneficiaries

R8 – IT System

R9 – Payment claims

8.2.13.3.4.9.2. Mitigating actions

The assessment process will ensure the well documented, transparent and equal treatment of applicants, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development.

As part of a wider review of the managing authority's IT infrastructure the web portal for applicants and all of the supporting guidance and information is also under review.

The scrutiny of payment claims in line with the reasonable costs set out in the approved contract after assessment will be a principle control, along with the submission of an annual monitoring report by beneficiaries

8.2.13.3.4.9.3. Overall assessment of the measure

Green .

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.13.3.4.10. Methodology for calculation of the amount or support rate, where relevant

Grants payable will be on actual costs. Rate of grant will be in line with the amounts and rates of support about and the variable grant rate will take into consideration the need for funding.

8.2.13.3.4.11. 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 and local markets involve no more than one intermediary (an intermediary being an entity which buys the product from the farmer for the purpose of selling it on) between the farmer and consumer.

8.2.13.3.5. 16.4 - support for co-operation among supply chain actors for the establishment,of short supply chains, local markets

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

8.2.13.3.5.1. Description of the type of operation

There is a burgeoning interest in local food and its contribution to the economy, and its success lies in ensuring horizontal and vertical collaboration throughout the supply chain (i.e. from seed to plate) and outwith the supply chain (e.g. between primary producers and research institutions, or between manufacturers and higher education institutes). This could include ensuring clear labelling to indicate the provenance of produce, or ensuring appropriate skilled resource is available and that the sector is valued in local communities. It might also cover development, promotion and support of local markets as an important platform for Scottish produce.

There is also a need to support the promotion of shortened supply chains as a means to improve the economic performance, and flexibility, of the food and drink sector.

The type of operation to be supported will be investment in tangible and intangible assets, for example:

- feasibility studies and market research;
- development and promotion of local markets;
- reorganisation of business models to reduce supply chains and/or exploit market opportunities;
- the organisation and development of a sector;
- associated costs to the above in respect of establishment and development of short supply chains and local markets within the horizontal and vertical co-operation – consultancy costs, running costs, promotion activities and support towards joint physical assets / shared facilities and resources (construction, acquisition or improvement of immovable property; purchase or lease purchase of machinery/equipment, including computer software)

8.2.13.3.5.2. Type of support

Type of support: Grants

Support will be based on actual costs and will be delivered as a grant, either calculated as a percentage of the eligible costs or a set amount deemed the minimum award necessary to enable the investment to take place. Staged payment of the support approved for the eligible operations/activities will be made after costs have been incurred and on receipt of relevant documentation (e.g. invoices, evidence of payment etc.)

8.2.13.3.5.3. Links to other legislation

Commission Recommendation 2003/361/EC – concerning the definition of micro, small and medium-sized enterprises

8.2.13.3.5.4. Beneficiaries

Groups of primary producers, companies involved in food and drink manufacturing / processing, food and drink organisations/associations who are involved in co-operation and associated development among SME's in organising joint work processes and sharing facilities and resources, and for developing/marketing tourism.

8.2.13.3.5.5. Eligible costs

Eligible costs include the cost of area studies, feasibility studies and business plans, cost of animation to realise a collective territorial project, running costs of the co-operation, direct costs associated with implementation of business plan/co-operation activity and co-operation with other actors located in different regions or relevant authority.

All costs related to the completion of an operation eligible will be supported, in accordance with Article 45 of regulation (EU) No 1305/2013. This includes the costs of material, transportation of material, costs of contractors and/or own labour.

For example:

- intangible investments: acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks property related 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;
- salary/consultant costs of personnel with relevant experience related 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;
- the costs associated to carrying out feasibility studies, market research etc related 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

associated costs to the above in respect horizontal and vertical op-operation for the establishment and development of supply chains and local markets – consultancy costs, running costs, promotion activities and support towards joint physical assets / shared facilities and resources (construction, acquisition or improvement of immovable property; purchase or lease purchase of machinery/equipment, including computer software).

8.2.13.3.5.6. Eligibility conditions

All co-operation projects will involve at least two entities in a supported project, except pilot/development projects which can be carried out by individuals.

Applications for support will undergo initial eligibility assessment to ensure projects meet minimum scheme requirements, including:

- Investment must take place in Scotland
- Project involves the processing of food and/or drink from primary agricultural inputs
- Applicant meets published criteria relating to size of enterprise
- Match-funding in place or likely to be available (e.g. from within business or via commercial lender)

Applications which pass initial eligibility check will progress to next stage involving , for capital applications, a Value for Money (VFM) / technical assessment undertaken by suitably-qualified personnel. In the case of non-capital projects VFM assessment will be carried out by an qualified, external, Food Industry Adviser.

Eligibility conditions will be a clear yes/no, relevant and objective, and will be applied in a transparent and consistent way throughout the whole programming period. Failure to meet the criteria will result in an application for support being rejected.

8.2.13.3.5.7. Principles with regards to the setting of selection criteria

Project assessment (selection) criteria will be developed (and published in advance) to take into account key Scottish Government policy objectives for Food and Drink, including:

- Provenance – customer focused, consumption
- Co-operation – collaboration, resilience
- Sustainability – successful, growing businesses
- Accessibility / Opportunities – new markets, innovation, readiness
- Nutrition – encouragement of healthy eating / drinking

We expect the criteria, in broad terms, to be as follows:

Essential

- New or increased co-operation activity in the food and drink supply-chain
- Application supports Scottish primary producers i.e. utilisation of domestic produce, or assists in developing market readiness;
- Significant benefits derived from grant support - in terms of sales, productivity, costs reduced (or avoided), new markets or improved skills;
- Displacement –project will not significantly impact on other similar businesses or the wider supply-chain;

- Deliverability - project likely to deliver its objectives successfully and cost effectively (evidence of VFM.)

Desirable

- Environmental sustainability - less energy/water consumption; less packaging; reduced waste; reduced emissions;
- Health and Education –project contributes to wider social policy agendas;
- Additional economic benefits – in particular on supply chain coherence;
- Innovative products or approaches.
- Contribute to Scotland’s journey towards becoming a “*Good Food Nation*”

8.2.13.3.5.8. (Applicable) amounts and support rates

In all cases grant rates will be set at the absolute minimum required to enable the investment to proceed (i.e. the incentive principle.) The assessment process will test this requirement.

(Information below previously Figure 36 in Programme version 1.3)

Sub-measures – 16.2, 16.3 & 16.4

Cover provided by RDR 1305/2012 – Annex I input to Annex I outputs (therefore no additional state aid cover required)

Investment in Physical assets

- *SMEs & Large enterprises – 40% increased to by 20% for operations supported in the framework of the EIP or those linked to the merger of producer organisations*

GBER cover required for Annex I inputs to non-annex I outputs

651/2014 Article 17

Investment aid to SMEs

- *Micro & small enterprises – 20%*
- *Medium enterprises – 10%*

651/2014 Article 18

Aid for the consultancy in favour of SMEs

- *SMEs – 50%*

651/2014 – Article 19

Aid to SMEs for participation in fairs

- SMEs – 50%

651/2014 – Article 27

Aid for innovation clusters

- *Investment aid – 50% (may be increased by 15% and 5% as defined)*
- *Operating aid – 50%*

651/2014 Article 28

Innovation aid for SMEs

- *SMEs – 50%*

Alternatively 100% where costs do not exceed 200,000 Euros per undertaking within any three year period, under state aid de-minimis arrangements.

651/2014 Article 29

Aid for process and organisational innovation

- *Large enterprises – 15% where collaborating with SMEs as defined*
- *SMEs – 50%*

651/2014 Article 31

Training aid

- *Large enterprises – 50%*
- *Medium enterprises – 60%*
- *Micro/small enterprises – 70%*

Where the training is given to workers with disabilities or disadvantaged workers the aid intensity may be increased by 10% up to a maximum aid intensity of 70%

651/2014 Article 25

Aid for research and development projects

Fundamental research:

- *SMEs – 100%*

Industrial research:

- *Large enterprises – 50%*
- *Medium enterprises – 60%*
- *Micro/small enterprises – 70%*

Where the project involves collaboration as defined aid intensities may increase by 15% up to a maximum aid intensity of 80%

Experimental development:

- *Large enterprises – 25%*
- *Medium enterprises – 35%*
- *Micro/small enterprises – 45%*

Where project involves collaboration as defined-:

- *Large enterprises – 40%*
- *Medium enterprises – 50%*
- *Micro/small enterprises – 60%*

Feasibility studies:

- *Large enterprises – 50%*
- *Medium enterprises – 60%*
- *Micro/small enterprises – 70%*

Further co-operation activities which can't be covered by the GBER (651/2014) will require full notification under the agricultural guidelines.

NOTE: There will be a maximum cap of the level of grant available; this cap will be determined by reference to the above criteria. Specifically, high-cost projects which deliver against essential criteria may be eligible for support. However, as it is necessary to protect the overall scheme budget – which has to support projects until 2020 – a cap on the maximum amount of SRDP support has been set. The initial cap has been set at £4m which will be monitored, and may be subject to revision, to take into account experience gained through SRDP implementation.

8.2.13.3.5.9. Verifiability and controllability of the measures and/or types of operations

8.2.13.3.5.9.1. Risk(s) in the implementation of the measures

R7 – Selection of beneficiaries

R8 – IT System

R9 – Payment claims

8.2.13.3.5.9.2. Mitigating actions

The assessment process will ensure the well documented, transparent and equal treatment of applicants, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development.

As part of a wider review of the managing authority's IT infrastructure the web portal for applicants and all of the supporting guidance and information is also under review.

The scrutiny of payment claims in line with the reasonable costs set out in the approved contract after assessment will be a principle control, along with the submission of an annual monitoring report by beneficiaries.

8.2.13.3.5.9.3. Overall assessment of the measure

Green.

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.13.3.5.10. Methodology for calculation of the amount or support rate, where relevant

Grants payable will be on actual costs. Rate of grant will be in line with the amounts and rates of support about and the variable grant rate will take into consideration the need for funding.

8.2.13.3.5.11. 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 and local markets involve no more than one intermediary (an intermediary being an entity which buys the product from the farmer for the purpose of selling it on) between the farmer and consumer.

8.2.13.3.6. 16.5 - support for joint action, to mitigating or adapting to climate change, joint approaches to environmental projects

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

8.2.13.3.6.1. Description of the type of operation

All of the operations set out in this sub-measure are linked to the achievement of the environmental and forestry objectives at a landscape or catchment scale.

These objectives are set out in detail in measures 8 and 15 in accordance with the national, regional or locally identified specific needs and priorities, established via the SWOT analysis and the subsequent identification of needs through the design of the SRDP, as detailed in those sections.

Therefore the aim of this sub-measure is to preserve and promote the necessary changes to agricultural and forestry practices that make a positive contribution to the environment and climate at a landscape or catchment scale. It will support the animation and facilitation required to bring land managers together to achieve positive environmental actions such as to reduce the incidence of diffuse pollution in priority catchments which go beyond minimum national standards to maintain and enhance Scotland's rich and varied natural environment.

The SWOT, the associated identification of needs and the description of the strategy sections of this document set out many of the expected outcomes and benefits of this sub-measure and the National and European legislation and targets that the sub-measure will contribute to.

The national environmental legislation, policies, strategies and action plans that are addressed through the support for co-operative action include the 7th EU Environment Action Programme; the EU Biodiversity Strategy; Scottish Government's National Performance Framework; the 2020 Challenge for Scotland's Biodiversity; the NATURA Prioritised Action Framework; the Nature Conservation (Scotland) Act 2004; and the Conservation (Natural Habitats &c.) Regulation 1994 (as amended) which represents the main legislation implementing the Habitats and Birds Directive.

The outcomes to be delivered under the support for co-operative action, which are required to deliver national policies and targets, include:

- an increase in the abundance of terrestrial breeding birds, pollinators and other priority species in agricultural and woodland habitats, including species protected under the Birds and Habitats Directives
- an increase in the area and improvement in the condition of priority habitats of conservation interest, including habitats protected under the Habitats Directive
- strengthened ecological networks
- an increased proportion of features of NATURA sites and Sites of Special Scientific Interest in favourable condition

- continued beneficial management of high nature value farmland and forestry.

The needs identified through the SWOT for focus area 4 are :

- to halt the decline in biodiversity and improve the resilience of ecosystems in the face of environmental change;
- to improve the condition of designated sites affected by land management activities (NATURA, SSSIs and SAMs);
- to address the negative environmental impacts of land abandonment and decreased management in HNV areas.

The Scottish Governments National Performance Framework includes two indicators of the status of biodiversity in Scotland:

- i) improve the condition of protected nature sites
- ii) increase the abundance of terrestrial breeding birds.

A range of environmental and forestry objectives are most effectively delivered by supporting land managers to carry out management in a coordinated way at a spatial scale larger than the individual holding. Sub measure 16.5 will support the costs of facilitating landscape-scale management.

The aim of the sub measure is to support a wide range of costs associated with facilitating cooperative action among groups of land managers.

Contribution to focus areas and cross-cutting objectives

Co-operative actions under Article 35 will contribute to Rural Development Priority 5. Within these it will address focus area 5E.

Cross cutting objectives

Support for joint action of landscape scale projects will deliver benefits to land management, water quality and biodiversity and will contribute to climate change adaptation and mitigation. Co-operative projects could also offer the opportunity to test innovative practices to establish best practice for land managers and businesses.

8.2.13.3.6.2. Type of support

Type of support: Grants

Forestry projects will be based on a fixed day rate of £250.

Payments will be made based on claims submitted and relevant supporting evidence. Payments will be staged over the period of the project depending on the agreed contracts.



8.2.13.3.6.3. Links to other legislation

Forestry articles 22, 25 and 34

8.2.13.3.6.4. Beneficiaries

There are no legally based restrictions concerning beneficiaries.

The sub-measure could be open to local authorities and administrations, public bodies, public-private partnerships, NGOs, private companies and organizations, as well as individual farmers, groups of farmers and other land managers.

Applications will be submitted by an individual or appointed facilitator who has identified the need for a landscape-scale environmental project and intends to develop and deliver collaborative action with relevant land holdings and key stakeholders or an organisation that wishes to appoint a facilitator, such as a public or private organisation, a constituted not-for-profit organisation or a constituted group.

8.2.13.3.6.5. Eligible costs

Eligible costs include full costs for facilitating projects.

These can include but are not restricted to, the salary and support costs of facilitators; studies/plans of the project area; and the animation costs, including networking, recruitment of participants, meeting costs, necessary equipment and other relevant costs set out in the application, and forming the approved contract.

The application must demonstrate why all costs that are to be claimed are necessary to deliver the intended environmental outcome.

8.2.13.3.6.6. Eligibility conditions

Applications will be accepted from parties who wish to promote and facilitate landscape/ecosystem scale projects, which will address one of the Scottish Government's environmental priorities.

Applicants must be registered as a business with the Paying agency, though there are no legally based restrictions concerning potential beneficiaries.

The proposal must involve two or more entities.

Applications must be located within the geographically targeted areas for the proposed environmental actions to be implemented under measures 8, 10 and 15 (or have an appropriate endorsement from the relevant agency) or be eligible for an alternative source of public funding at the time of application in order

to implement the landscape scale proposal.

Applications will include a detailed schedule of works which will set out all of the activities proposed to facilitate the landscape scale project. Support will be limited to a maximum period of five years except in duly justified cases.

8.2.13.3.6.7. Principles with regards to the setting of selection criteria

Each application will be assessed against scoring criteria, including (but not limited to) the following:

- effectiveness in delivering priority outcomes
- landscape-scale management delivers clear benefits over individual Forestry applications
- an appropriate spatial scale is proposed
- Forestry projects must be targeted to support priorities within the Scottish Forestry Strategy or important local objectives/strategies.
- the facilitator has relevant expertise
- the proposal will deliver value for money

The Scottish Government will then assesses applications through a system of points allocated on the basis of the quality and value for money of the proposal.

The detailed criteria shall be made available to applicants prior to the call for proposals, and shall be clear, transparent and non-discriminatory.

8.2.13.3.6.8. (Applicable) amounts and support rates

100 % of costs in line with the operations set out in the approved contract.

Forestry projects, will be based on a standard day cost of £400: with a payment rate of £250/day derived using an intervention rate of 62.5% up to a maximum of 40 days.

This measure will be used to facilitate and encourage joint projects where the principal cost is the professional time (ie days) for the facilitator. In practice, applications will be invited to support projects that will require to show breakdown of days required together with clear outputs. The two main reasons for using this approach is a) It keeps administration simple. Measuring projects by days is a practical, cost effective approach that simplifies administration both from an applicant's perspective and from a delivery point of view and b) Using a standard man day rate avoids excessive rates. Standard day rates have been independently verified and would not overcompensate the applicant.

This sub-measure will assist with those costs associated with the facilitation of landscape scale projects. It will not support the costs of subsequent management, for which applications may be made to the relevant forestry schemes.

State Aid

A state aids full notification to cover forestry projects is in place. (United Kingdom State aid SA. 41812 (2015/PN) - Scots Forestry Co-operation Forestry projects).

8.2.13.3.6.9. Verifiability and controllability of the measures and/or types of operations

8.2.13.3.6.9.1. Risk(s) in the implementation of the measures

AEC

R7 – Selection of beneficiaries

R8 – IT System

R9 – Payment claims

Forestry

R7 – Selection of beneficiaries

R8 – IT System

R9 – Payment claims

8.2.13.3.6.9.2. Mitigating actions

AEC

The assessment process will ensure the well documented, transparent and equal treatment of applicants, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development.

As part of a wider review of the managing authority's IT infrastructure the web portal for applicants and all of the supporting guidance and information is also under review.

The scrutiny of payment claims in line with the reasonable costs set out in the approved contract after assessment will be a principle control, along with the submission of an annual monitoring report by beneficiaries.

Forestry

Selection of beneficiaries

- Additional information on all business members requested at registration
- Financial eligibility checks carried out on all application assessments
- Competitive approval process with eligibility criteria being a straight yes/no answer

IT Systems

- Increased validation rules built into IT system from start of programme
- IT system checks beneficiary against holding
- Line manager administrative checks

Payment of claims

- On the spot checks/inspections
- Supporting evidence
- Separation of duties
- Specialist forestry staff undertaking inspections on forestry measures with delegated authority from paying agency

Other Mitigating Actions

- Staff training
- Clear guidance for staff and beneficiaries

8.2.13.3.6.9.3. Overall assessment of the measure

AEC

Green.

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

Forestry

Green.

Beneficiaries eligibility assessment will be recorded and auditable – mitigating against risk

Green.

Improved IT system will mitigate against risk

Green.

Payments will be fully reportable and auditable – mitigating against risk.

8.2.13.3.6.10. Methodology for calculation of the amount or support rate, where relevant

Please see overall measure description.

8.2.13.3.6.11. Information specific to the operation

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

Please see overall measure description.

8.2.13.4. Verifiability and controllability of the measures and/or types of operations

8.2.13.4.1. Risk(s) in the implementation of the measures

Please see individual sub-measure description.

8.2.13.4.2. Mitigating actions

Please see individual sub-measure description.

8.2.13.4.3. Overall assessment of the measure

Please see individual sub-measure description.

8.2.13.5. Methodology for calculation of the amount or support rate, where relevant

The payment rates were calculated using a methodology which is reasonable and consistent with current agricultural and silvicultural systems and practices in Scotland. The rates have all been subject to examination for their adequacy and accuracy of the calculation by Scotland's Rural College, a body of expertise that is functionally independent from the compilers, as confirmed in section 18.2.

8.2.13.6. 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 and local markets involve no more than one intermediary (an intermediary being an entity which buys the product from the farmer for the purpose of selling it on) between the farmer and consumer.

8.2.13.7. Other important remarks relevant to understand and implement the measure

Not applicable.

8.2.14. M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)

8.2.14.1. Legal basis

Articles 32-35 of Regulation (EU) 1303/2013 of the European Parliament and of the Council (Common Provisions Regulation)

Articles 42-44 of Regulation (EU) 1305/2013 of the European Parliament and of the Council

Regulation (EU) No. 1303/2013 – Article 65 (Eligibility)

8.2.14.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The LEADER approach during 2021 – 24 will involve

- Local Development Strategies demonstrating how locally identified and determined priorities will be delivered;
- The development of single Local Development Strategies (where appropriate) covering both coastal and rural areas;
- Local Development Strategies including larger towns;
- Mechanisms being put in place to allow LDSs to work closely with other partners to reinforce alignment of activity and seek opportunities for either party to roll out complementary or joint actions.

LEADER should be able to contribute to all six priorities for rural development, particularly Priority 6, promoting social inclusion, poverty reduction and economic development. LEADER will also contribute to the fostering of innovation as well as knowledge transfer and cooperation.

Local Development Strategies include actions that will allow individuals, communities and businesses to:

- drive community action on climate change;
- enhance rural services and facilities, including transport initiatives;
- enhance natural/cultural heritage, tourism and leisure;
- support food and drink initiatives (e.g. short supply chains, community food);
- build co-operation with other LAGs in Scotland, UK and Europe;
- exchange learning and knowledge with each other, realise their potential, build opportunities for all.

Partnerships implementing the Local Development Strategy will be supported throughout the programming period as necessary by the National Rural Network to help ensure smooth running of the LEADER programme. The National Rural Network will act as a hub for the preparation of co-operation actions acting

as a facilitator to aid the development of co-operation actions by LAGs.

As far as complementarity it is proposed that any multi funded LDS be governed by an overarching partnership that is primarily concerned with overseeing the successful implementation of the Local Development Strategy Within that we anticipate that sub-groups will be established to focus on key areas, e.g Fisheries, enterprise. Whatever approach is adopted the relevant groupings will respect rules governing quorate representation.

Please note that sub-measure 19.1 - preparatory support has not been programmed due to the fact that technical assistance from the 2007-13 SRDP was used as preparatory support for the development of prospective Local Development Strategies.

8.2.14.3. 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

8.2.14.3.1. 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

8.2.14.3.1.1. Description of the type of operation

Support for implementation of operations under the community-led local development strategy.

8.2.14.3.1.2. Type of support

Type of support: Grants

The types of support will be in the form of reimbursement of costs incurred and paid.

Provision may also be made for projects to claim up to 15% of direct staff costs for a project to cover IT, telephony etc based on actual indirect costs. (as per Art. 68 of 1303/2013)

We will also explore the use of simplified cost options by LAGs for staffing of projects with a view to submitting a modification at a future date. For capital items standard costs may be applied (in preference to reimbursement of costs incurred and paid) where such costs are being utilised elsewhere in the SRDP, e.g. for access.

8.2.14.3.1.3. Links to other legislation

Not applicable.

8.2.14.3.1.4. Beneficiaries

- individuals (including self-employed);
- Any organisation, including:
 - community & voluntary organisations (including constituted bodies, e.g. development Trusts, Co-operatives, Community Interest Companies);
 - micro, small businesses (including social enterprises, charities, community interest companies);
 - public bodies;
 - Local Action Group members (e.g. where LAG members are administering or implementing elements of the Local Development Strategy on the LAG's behalf).

8.2.14.3.1.5. Eligible costs

Eligible costs will be in accordance with Articles 45 & 60-61 of 1305/2013 and articles 65-71 of the 1303/2013. Projects will be selected on the basis of their coherence with the Local Development Strategy according to their contribution to meeting LDS aims and objectives.

8.2.14.3.1.6. Eligibility conditions

Actions under LEADER shall be eligible if they contribute to achieving the objectives of the Local Development Strategy.

Local Development Strategies will demonstrate how they will meet one or more of the six Rural Development Programme priority areas, particularly with respect to local development and social inclusion and in doing so identify opportunities to foster innovation, knowledge transfer and cooperation. Local Development Strategies will also include actions that will allow individuals, communities and businesses to:

- drive community action on climate change;
- enhance rural services and facilities, including transport initiatives;
- enhance natural/cultural heritage, tourism and leisure;
- support food and drink initiatives (e.g. short supply chains, community food);
- build co-operation with other LAGs in Scotland, UK and Europe; and;
- exchange with each other, realise their own potential and in doing so build opportunities for all.

Eligibility conditions will be a clear yes/no, relevant and objective, and will be applied in a transparent and

consistent way throughout the whole programming period. Failure to demonstrate eligibility will mean the application for support is rejected.

Existing commitments made under measure 411, 412 & 413 of the 2007-13 SRDP are eligible for payment until December 31st 2015.

8.2.14.3.1.7. Principles with regards to the setting of selection criteria

Project selection will be based on a documented assessment process that demonstrates the soundness and fairness of the decision using consistent and relevant criteria. The procedure for project selection will be clearly set out in the Local Development Strategy and will be publicised.

The selection process will be made public (e.g. through publishing minutes of project selection meetings on the LAG website).

Supplementary Guidance and universal templates will be developed by the MA to support decision making by LAGs.

% verification checks will be made by the MA on applications where organisations sitting on the LAG are applying for funding. In those checks we will consider the rigour of the assessment. All applications to LEADER will be subject to standard rules on dealing with conflicts of interest.

8.2.14.3.1.8. (Applicable) amounts and support rates

Up to 100%, depending on the applicable state aid regime. It is anticipated that projects will be part financed by a public or private source.

LAGs may wish to propose a maximum aid intensity for the certain types of projects based on the strategic role these operations can play (within the limits of the aid intensity rates provided by the legal framework). When fixing the aid intensity, LAGs may take into account such criteria as: contribution to the Local Development Strategy, collective interest, collective beneficiary, public access to the results of the operation, innovative features of the project at the local level, and the budget available. Consequently, operations funded under LEADER may have higher aid intensity than similar types of projects supported via other Rural Development measures.

Any operations funded under LEADER that fit exactly with the types of operations as defined under the "standard" measures in the Rural Development Programme will be funded to the aid intensities of those measures.

8.2.14.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.14.3.1.9.1. Risk(s) in the implementation of the measures

Please see overall measure description.

8.2.14.3.1.9.2. *Mitigating actions*

Please see overall measure description.

8.2.14.3.1.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.14.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Please see overall measure description.

8.2.14.3.1.11. 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

Please see overall measure description

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

Please see overall measure description

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

Please see overall measure description

The procedure and timetable to select the local development strategies

Please see overall measure description

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

Please see overall measure description

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

Please see overall measure description

Possibility or not of paying advances

Please see overall measure description

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

Please see overall measure description

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

Please see overall measure description

8.2.14.3.2. 19.3 - Preparation and implementation of cooperation activities of the local action group

Sub-measure:

- 19.3 - Preparation and implementation of cooperation activities of the local action

8.2.14.3.2.1. Description of the type of operation

Preparation and implementation of cooperation activities of the local action group. Such actions will be supported where their implementation will contribute to the objectives of the Local Development Strategy. The preparation and implementation of co-operation activities will involve more than one Local Action Group.

LAGs will need to be able to develop co-operation actions as a result of interactions between stakeholders and the LAG, stakeholders on the LAG or as a result of interaction between the NRN/LAGs on an idea. LAGs should build on and share their experience of co-operation in the previous programme to develop co-operation actions. The NRN will act as facilitator for the development of LAG proposals.

8.2.14.3.2.2. Type of support

Type of support: Grants

The types of support will be in the form of reimbursement of costs incurred and paid.

Provision may also be made for projects to claim up to 15% of direct staff costs for a project to cover IT, telephony etc based on actual indirect costs. (as per Art. 68 of 1303/2013.)

Provision may also be made for a day rate for participants to prepare co-operation projects.

We will also explore the use of simplified cost options by LAGs for staffing of projects with a view to submitting a modification at a future date For capital items standard costs may be applied (in preference to reimbursement of costs incurred and paid) where such costs are being utilised elsewhere in the SRDP, e.g. for access.

8.2.14.3.2.3. Links to other legislation

Not applicable.

8.2.14.3.2.4. Beneficiaries

Any individual, organisation, Local Action Group (including LAG members).

8.2.14.3.2.5. Eligible costs

Eligible costs for co-operation will be in accordance with Articles 45 & 60-61 of 1305/2013 and articles 65-71 of the 1303/2013.

The costs eligible under preparatory technical support for co-operation will include:

Support for application development, engagement within local stakeholders and potential co-operation partners e.g.

- venue/equipment hire
- catering
- travel
- publicity
- accommodation
- subsistence
- translation/interpreters' fees
- participation
- feasibility studies
- consultation/publicity

Existing commitments made under measure 421 of the 2007-13 SRDP are eligible for payment until 31st December 2015.

8.2.14.3.2.6. Eligibility conditions

Actions under LEADER shall be eligible if they contribute to achieving the objectives of the Local Development Strategy and the objectives of the RDP.

Local Development Strategies will demonstrate how they will meet one or more of the six Rural Development Programme priority areas, particularly with respect to local development and social inclusion and in doing so identify opportunities to foster innovation, knowledge transfer and cooperation. Local Development Strategies will also include actions that will allow individuals, communities and businesses to:

- drive community action on climate change;
- enhance rural services and facilities, including transport initiatives;
- enhance natural/cultural heritage, tourism and leisure;
- support food and drink initiatives (e.g. short supply chains, community food);
- build co-operation with other LAGs in Scotland, UK and Europe; and;
- exchange with each other, realise their own potential and in doing so build opportunities for all.

Eligibility conditions will be a clear yes/no, relevant and objective, and will be applied in a transparent and consistent way throughout the whole programming period. Failure to demonstrate eligibility will mean the application for support is rejected.

8.2.14.3.2.7. Principles with regards to the setting of selection criteria

To ease the co-operation process and to ensure consistency of approach the Managing Authority will develop a common framework for co-operation.

Project selection will be based on a documented assessment process that demonstrates the soundness and fairness of the decision using consistent and relevant criteria. The procedure for project selection will be clearly set out in the Local Development Strategy and will be publicised.

Supplementary Guidance and universal templates will be developed by the MA to support decision making by LAGs.

8.2.14.3.2.8. (Applicable) amounts and support rates

Up to 100%, depending on the applicable state aid regime. It is anticipated that projects will be part financed by a public or private source.

LAGs may wish to propose an aid intensity for this type of project based on the strategic role that co-operation projects (within the limits of the aid intensity rates provided by the legal framework). When fixing the aid intensity, LAGs may take into account such criteria as: collective interest, collective beneficiary, public access to the results of the operation, potentially innovative features of the project at the local level, and the budget available.

8.2.14.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.14.3.2.9.1. Risk(s) in the implementation of the measures

Please see overall measure description

8.2.14.3.2.9.2. Mitigating actions

Please see overall measure description.

8.2.14.3.2.9.3. Overall assessment of the measure

Please see overall measure description.

8.2.14.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Please see overall measure description.

8.2.14.3.2.11. 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

Please see overall measure description.

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

Please see overall measure description.

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

Please see overall measure description.

The procedure and timetable to select the local development strategies

Please see overall measure description.

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

Please see overall measure description.

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

Please see overall measure description.

Possibility or not of paying advances

Please see overall measure description.

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

Please see overall measure description.

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

Please see overall measure description.

8.2.14.3.3. 19.4 - Support for running costs and animation

Sub-measure:

- 19.4 - Support for running costs and animation

8.2.14.3.3.1. Description of the type of operation

Support for running costs and animation.

8.2.14.3.3.2. Type of support

Type of support: Grants

The types of support may be in the form of reimbursement of costs incurred and paid.

Provision may also be made for Accountable Bodies to claim up to 15% of direct staff costs to cover IT, telephony etc based on actual indirect costs. (as per Art. 68 of 1303/2013.)

We will also explore the use of simplified cost options by LAGs for running costs/animation with a view to submitting a modification at a future date.

8.2.14.3.3.3. Links to other legislation

Not applicable.

8.2.14.3.3.4. Beneficiaries

Any individual, organisation contracted or employed by the Accountable Body to support implementation of the Local Development Strategy on behalf of the Local Action Group.

The Local Action Group (including LAG members).

8.2.14.3.3.5. Eligible costs

- management of the implementation of the Local Development Strategy including: operating costs, personnel costs, training costs, costs linked to communications, public relations as well as the costs linked to monitoring and evaluation of the strategy;
- animation of the Local Development Strategy e.g. facilitating exchanges between stakeholders, to provide information, to promote the strategy and to support potential beneficiaries with a view to developing projects and preparing applications

- existing commitments made under the 2007-13 SRDP are eligible for payment until successor local accountable bodies are in place before December 31st 2015.

8.2.14.3.3.6. Eligibility conditions

Eligibility conditions will be a clear yes/no, relevant and objective, and will be applied in a transparent and consistent way throughout the whole programming period.

8.2.14.3.3.7. Principles with regards to the setting of selection criteria

Not applicable.

8.2.14.3.3.8. (Applicable) amounts and support rates

100%, administration and animation costs will not exceed 25% of the total public expenditure incurred within the Local Development Strategy.

8.2.14.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.14.3.3.9.1. *Risk(s) in the implementation of the measures*

Please see overall measure description.

8.2.14.3.3.9.2. *Mitigating actions*

Please see overall measure description.

8.2.14.3.3.9.3. *Overall assessment of the measure*

Please see overall measure description.

8.2.14.3.3.10. Methodology for calculation of the amount or support rate, where relevant

Please see overall measure description.

8.2.14.3.3.11. 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

Please see overall measure description.

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

Please see overall measure description.

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

Please see overall measure description.

The procedure and timetable to select the local development strategies

Please see overall measure description.

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

Please see overall measure description.

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

Please see overall measure description.

Possibility or not of paying advances

Please see overall measure description.

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

Please see overall measure description.

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

Please see overall measure description.

8.2.14.4. Verifiability and controllability of the measures and/or types of operations

8.2.14.4.1. Risk(s) in the implementation of the measures

Measure descriptions, and any additional operation (option) descriptions, have been developed in consultation with paying agency, with changes made to ensure verification and control is possible. This has helped to ensure that the actions and obligations we are placing on beneficiaries are considered from both an outcome and implementation perspective, helping to mitigate the risk of errors and reducing the prospect of future disallowance and penalties.

8.2.14.4.2. Mitigating actions

LEADER Local Development Strategies will be scrutinised by the PA and MA prior to approval to ensure that the proposals are eligible. Eligibility of individual projects will be determined by the Local Action Group on a case by case basis with consideration of alignment with the relevant Local Development Strategy, with approvals being made according to the decision making framework laid out in each respective Local Development Strategy.

LEADER implementation will be managed through a service level agreement between the Paying Agency and the accountable bodies charged by Local Action Groups with financial responsibility for implementation of the Local Development Strategy. The Service Level Agreement will set out the respective obligations of the accountable body, the Paying Agency and the Managing Authority.

Capital and revenue expenditure will be controlled and verified through physical checks (e.g. inspections of facilities) and administrative checks (e.g. tenders, delivery/receipt notes, invoices, receipts, bank statements). This will be undertaken through ongoing monitoring and on the spot checks by both the PA and MA with safeguards also built into the new IT system.

8.2.14.4.3. Overall assessment of the measure

The measure descriptions have been drafted in such a way as to ensure the implementation of operations will be as straightforward as possible, and all will be possible to verify and control.

8.2.14.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.14.6. 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

Sub-measure 19.1 Preparatory Support

Please note that sub-measure 19.1 - preparatory support has not been programmed due to the fact that technical assistance from the 2007-13 SRDP was used as preparatory support for the development of prospective Local Development Strategies.

Sub-measure 19.2 Implementation of operations under Local Development Strategy

Eligible Costs

Actions under LEADER shall be eligible if they contribute to achieving the objectives of the Local Development Strategy.

Local Development Strategies will demonstrate how they will meet one or more of the six Rural Development Programme priority areas, particularly with respect to local development and social inclusion and in doing so identify opportunities to foster innovation, knowledge transfer and cooperation. Local Development Strategies will also include actions that will allow individuals, communities and businesses to:

- drive community action on climate change;
- enhance rural services and facilities, including transport initiatives;
- enhance natural/cultural heritage, tourism and leisure;
- support food and drink initiatives (e.g. short supply chains, community food);
- build co-operation with other LAGs in Scotland, UK and Europe; and;
- exchange with each other, realise their own potential and in doing so build opportunities for all.

Beneficiaries

- individuals (including self-employed);

- Any organisation, including:

- community & voluntary organisations (Constituted bodies, e.g. development Trusts, Co-operatives, Community Interest Companies);
- micro businesses (including social enterprises, charities, community interest companies);
- public bodies;
- Local Action Group members (e.g. where LAG members are administering or implementing elements of the Local Development Strategy on the LAG's behalf).

Selection Criteria

Selection criteria for actions which make a demonstrable contribution to the Local Development Strategy and wish to be funded by the Local Action Group will be defined in the Local Development Strategy

Project selection will be based on a documented assessment process that demonstrates the soundness and fairness of the decision in terms of consistent and relevant criteria. The procedure for project selection will be clearly set out in the Local Development Strategy and will be publicised.

The selection process will be made public (e.g. through publishing minutes of project selection meetings on the LAG website).

Supplementary Guidance and universal templates will be developed to support decision making by LAGs.

Aid Intensity

Up to 100%, depending on the applicable state aid regime. It is anticipated that projects will be part financed by a public or private source.

LAGs may wish to propose a maximum aid intensity for certain types of projects based on the strategic role these operations can play (within the limits of the aid intensity rates provided by the legal framework). When fixing the aid intensity, LAGs may take into account such criteria as: contribution to the Local Development Strategy, collective interest, collective beneficiary, public access to the results of the operation, innovative features of the project at the local level, and the budget available. Consequently, operations funded under LEADER may have higher aid intensity than similar types of projects supported via other Rural Development measures.

Any operations funded under LEADER that fit exactly with the types of operations as defined under the "standard" measures in the Rural Development Programme will be funded to the aid intensities of those measures. Full justification will also have to be made as to why such operations are applying to LEADER and not the relevant scheme within the Rural Development Programme.

Type of Support

The types of support will be in the form of reimbursement of costs incurred and paid.

Provision may also be made for projects to claim up to 15% of direct staff costs for a project to cover IT, telephony etc based on actual indirect costs. (as per Art. 68 of 1303/2013)

We will also explore the use of simplified cost options by LAGs for staffing of projects with a view to submitting a modification at a future date For capital items standard costs may be applied (in preference to reimbursement of costs incurred and paid) where such costs are being utilised elsewhere in the SRDP, e.g. for access.

Sub-measure 19.3 Preparation and implementation of cooperation activities of the LAG

Eligible Costs

Preparatory work for potential inter-territorial or trans-national co-operation projects.

Co-operation projects within a Relevant Authority (inter-territorial co-operation)

Beneficiaries

Any individual, organisation, Local Action Group (including LAG members)

Eligible Costs

Eligible costs for co-operation will be in accordance with Articles 45 & 60-61? of 1305/2013 and articles 65-71 of the 1303/2013.

The costs eligible under preparatory technical support for co-operation will include:

Support for application development, engagement within local stakeholders and potential co-operation partners e.g.

- venue/equipment hire
- catering
- travel
- publicity
- accommodation
- subsistence
- translation/interpreters' fees
- participation
- feasibility studies
- consultation/publicity

Selection criteria

To ease the co-operation process and to ensure consistency of approach the Managing Authority will develop a common set of criteria that all can share.

Project selection will be based on a documented assessment process that demonstrates the soundness and fairness of the decision using consistent and relevant criteria. The procedure for project selection will be clearly set out in the Local Development Strategy and will be publicised.

Supplementary Guidance and universal templates will be developed by the MA to support decision making by LAGs.

Aid Intensity

Up to 100%, depending on the applicable state aid regime. It is anticipated that projects will be part financed by a public or private source.

LAGs may wish to propose an aid intensity for this type of project based on the strategic role that co-operation projects (within the limits of the aid intensity rates provided by the legal framework). When fixing the aid intensity, LAGs may take into account such criteria as: collective interest, collective beneficiary, public access to the results of the operation, potentially innovative features of the project at the local level, and the budget available.

Type of support

The types of support will be in the form of reimbursement of costs incurred and paid.

Provision may also be made for projects to claim up to 15% of direct staff costs for a project to cover IT, telephony etc based on actual indirect costs. (as per Art. 68 of 1303/2013.)

Provision may also be made for a day rate for participants to prepare co-operation projects.

We will also explore the use of simplified cost options by LAGs for staffing of projects with a view to submitting a modification at a future date For capital items standard costs may be applied (in preference to reimbursement of costs incurred and paid) where such costs are being utilised elsewhere in the SRDP, e.g. for access.

19.4 Running costs and animation of the Local Development Strategy

Eligible Costs

- management of the implementation of the Local Development Strategy including: operating costs, personnel costs, training costs, costs linked to public relations as well as the costs linked to monitoring and evaluation of the strategy;
- animation of the Local Development Strategy e.g. facilitating exchanges between stakeholders, to provide information, to promote the strategy and to support potential beneficiaries with a view to developing projects and preparing applications.
- existing commitments made under the 2007-13 SRDP are eligible for payment until successor local accountable bodies are in place before December 31st 2015.

Aid Intensity

Up to 100%, with support for running costs and animation not exceeding 25% of the total public expenditure incurred within the LDS.

Type of support

The types of support may be in the form of reimbursement of costs incurred and paid.

Provision may also be made for Accountable Bodies to claim up to 15% of direct staff costs to cover IT, telephony etc based on actual indirect costs. (as per Art. 68 of 1303/2013.)

We will also explore the use of simplified cost options by LAGs for running costs/animation with a view to submitting a modification at a future date.

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

Not applicable.

The procedure and timetable to select the local development strategies

- Work on preparation for LEADER 2021-24 commenced in June 2013 when Scottish Government invited expressions of interest (Stage 1) for the preparation of Local Development Strategies (LDS) in 2021/24. 22 Expressions of Interest were received from across coastal and rural Scotland. The Expressions of Interest were required to outline their: proposed area, population, scope, partners, priority needs in the area, including high level aims and objectives; and, proposals for the participation of business, public, third sector, community, partnerships and others with an interest.
- In Autumn 2013 twenty one areas covering almost all of rural and much of coastal Scotland were invited to prepare an LDS (Stage 2). 14 of those LDSs were prepared on the basis of a multi funded approach.

Local Development Strategies were required to include:

- 1) Area covered by the strategy and population number.
- 2) Analysis of the development needs and opportunities of the area including through a SWOT analysis: strengths, weaknesses, opportunities, threats.
- 3) Description and objectives of the strategy.
- 4) Description of the process for engagement in LDS preparation and implementation.
- 5) Actions setting out how the LDS will be implemented.
- 6) Business Plan: Arrangements for the management, delivery and monitoring of the strategy
- 7) Equalities Impact Assessment

Stage 2 was completed at the end of March 2014 with all 21 areas submitting a first draft to Scottish Government for feedback LDSs were subsequently submitted for consideration and approval at end September 2014 (in some cases October 2014) The LDSs based their strategies on guidance published

online, through workshops (e.g. fisheries, enterprise, monitoring & evaluation, Structural Funds) and through informal discussions with relevant MA leads to help ensure that LDS priorities and actions fit with the approved programmes in terms of scale, scope and complementarity.

- Full details of the entire process (including guidance to LAGs) are available on: www.scotland.gov.uk/LEADER2014
- The LDSs were considered by an independent panel in November 2014 made up of MA reps from marine, rural and structural funds as well as individuals from Highlands & Islands Enterprise, Carnegie Trust, Seafood Scotland, Crown Estate & University of Newcastle. The panel membership were chosen because of their expertise and knowledge about rural development and fisheries. Their work was supported by an expert on CLLD, and expert on community engagement as well as the LEADER MA, PA, Scottish Government Internal Audit and social research.
- The Panel recommended approval of 17 LDSs subject to issues identified by the panel being resolved, agreed and signed off by the MA (s). A further 4 LDSs were invited to resubmit a new LDS & Business Plan for consideration at a future panel in March 2015.

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

One LAG (Highland) has proposed an area with a population of 156,000. The coverage is the same as the 2007-13 area and excludes Inverness. Keeping the same geographic area as the previous programme, will allow the LAG to continue to support rural development across the region using existing and clearly defined boundaries where interdependencies between the more remote rural and accessible rural parts of the area require a coherent territorial response.

Three further LAGs have confirmed populations post LDS approval that are just above the 150,000 threshold for each of the areas concerned. They are Ayrshire LDS (151,399) Tyne Esk LDS (154,760) & Dumfries & Galloway LDS (150800). The higher limit will apply following the approval of the derogation request under the Partnership Agreement. The related modification of the UK Partnership Agreement will be submitted before August 2016.

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

- single Local Development Strategies will be developed (where appropriate) covering both coastal and rural areas;
- local Development Strategies will include larger towns (where LDSs can demonstrate rationale for inclusion);

Possibility or not of paying advances

Advances will be made to support the running costs of one LDS where the lead partner is a third sector

organisation (civic society).

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

Scottish Government (SGRPID) will be the single designated paying agency for the new Rural Development Programme for Scotland, responsible for all the tasks specified in Article 1 of Regulation (EU) 907/2014. The Managing Authority for Leader will be responsible for the functions foreseen in Article 66 of Regulation 1305/2013. Local Action Groups (LAGs) will be treated as beneficiaries in their own right but will also be responsible for awarding project grants within the framework approved by the Managing Authority. All claims for reimbursement will be authorised, submitted and disbursed by SGRPID. Further detail on the general demarcation between MA and PA is set out in Section 15.2.1. and in the following paragraph.

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

Non-agricultural activities and support for businesses will both be delivered through the LEADER approach, to ensure consistency with Local Development Strategies and overall coherence with the wider approach to business support in Scotland (through both European and domestic funds). This is assured through the participation of other relevant funders in Local Action Groups. This will maximise the cohesive existing structures at local level and so support rural enterprise and increase social inclusion.

8.2.14.7. Other important remarks relevant to understand and implement the measure

Not applicable.

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, and to ensure that data needed for RDP evaluation are available.

The aim of this evaluation plan is to ensure that sufficient and appropriate evaluation activities are undertaken for the 2021-24 SRDP and that appropriate resources are available to support these activities.

Specifically, this evaluation plan identifies how:

- The information needed for programme steering will be provided and how it will feed into the Annual Implementation Reports;
- Data required for evaluation purposes will be available at the right time in the appropriate format;

To fulfil these objectives, it is helpful to identify a clear set of overarching principles which will help guide the activity and help achieve its objective. The following principles underpin the Scottish Government's evaluation plan:

1. Proportionate: the scale of the monitoring and evaluation activity on different parts of the programme needs to be appropriate to the size of the different elements within the programme.
2. Diverse: different techniques will need to be deployed for monitoring and evaluating different aspects of the programme. Therefore a one-size-fits-all approach is not appropriate.
3. Timely: ensure the monitoring and evaluation activity is undertaken at the right time in order to inform programme managers/Ministers/stakeholders of the impact and effectiveness of the programme.
4. Targeted: linked in with the need for the monitoring and evaluation activity to be proportionate, it should also be targeted on capturing whether the programme is delivering on the policy priorities. The more clearly defined the strategic objectives of the programme, the easier it will be to focus on whether these objectives are being achieved.

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.

The Rural and Environmental Science & Analytical Services (RESAS) Division within the Scottish Government will be responsible for overseeing the monitoring and evaluation activities for the SRDP. Within the Scottish Government different divisions fall under the functions of the "Managing Authority" (MA) and the "Paying Agency" (PA). Although it is the MA who is responsible for delivering monitoring and evaluating outputs to the RDOC, the Paying Agency will support the process by being responsible for the IT systems that underpin programme operations. For the outlines of who will be involved

in undertaking specific functions see : **Roles and Responsibilities for SRDP see Figure 20.**

- Rural and Environmental Science & Analytical Services (RESAS) Division;
- Rural Payments & Inspections Division (RPID);
- Agriculture Policy Division (APD) ;
- Natural Resources Division (NRD);
- Food, Drink & Rural Communities Division (FDRC);
- Scottish Forestry (SFNature Scot (NS).

Activities internal to the Scottish Government

The different roles and responsibilities are outlined in **figure 20**. It shows that the analytical division, RESAS, is responsible for overseeing monitoring and evaluation activities and ensuring that colleagues in the Managing Authority and Paying Agency have the building blocks in place to provide effective evaluation. They are also responsible for advising policy colleagues on setting targets at the outset of the programme.

APD is the policy branch in the managing authority that leads on the development of the 2021-24 SRDP and also has overall responsibility for submitting the Annual Implementation Reports (AIR). RESAS will provide support to APD by providing the statistical information required in the reports.

RPID, FDRC, FS and NS are the main delivery partners responsible for the operational delivery of the programme. They are responsible for the application and claims forms for their respective schemes, which will be the main vehicle for capturing the majority of output and result indicator information. RPID is also the Paying Agency and is responsible for setting up the computer systems that payments are processed through and that will hold information relating to the applications and claims.

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.

A number of evaluation topics will be examined over the programming period to support the effective implementation and achievement of objectives. These include topics which are of particular interest and have been identified in the needs assessment as priority areas for the 2021 – 2024 programme. Where appropriate, these activities will examine the socio-economic impact of the programme activities. They include assessing:

- the result and impact indicators and to identify the net effects from the programme;
- the resource efficiency of Scottish agriculture;
- the viability of farms across different regions and sectors, specifically in Less Favoured Areas;

- the environmental impact of the programme, with particular focus on biodiversity and the contribution this support has had on national objectives for Greenhouse Gas (GHG) emissions, increasing energy efficiency and climate change adaptation;
- the added value of the LEADER approach and support for evaluation activity undertaken at the Local Action Group (LAG) level;
- the effectiveness of the Scotland National Rural Network (SNRN);
- for all applicants, age and gender information will be recorded to allow diversity monitoring;

In addition, research will be taken forward to develop methodologies for filling data gaps (see next section for further detail).

Research will also be undertaken to assess the impact of the programme on the three cross-cutting objectives: innovation; environment; and climate change. This will involve both qualitative and quantitative research, drawing on the wide range of data which currently exists (such as the baseline indicators and the Strategic Environmental Assessment).

For climate change, the methodology developed for measuring GHG emissions from agriculture within the 2007-2013 programme will be utilised.

Agri-environment monitoring

The agri-environment monitoring programme will build on the information gathered to date for the 2014-20 programme. It will assess changes in biodiversity, connectivity of natural habitats and enhancements in the rural landscape. This work will also examine which agri-environment options are having the biggest impact, drawing on the research from the Scottish Government's funded Strategic Research Programme.

The agri-environment monitoring programme will establish a baseline using remote sensing derived habitat maps and analyses of landscape statistics. This will be supported by habitat structure and plant and wildlife field data.

Agri-environment and forestry options will be assigned criteria for success which include factors such as presence of indicator species, biodiversity indices and landscape diversity indices. While it is always difficult to accurately estimate what would have happened without the intervention (i.e. the counterfactual), comparisons will be made against indicators at the national level. This will provide an indication of the extent to which the intervention has led to an improvement in performance in the specific area supported relative to the national level.

While use will be made on quantitative data where possible, it is clear that qualitative data can also provide an insight into the impact of the interventions from the agri-environment programme.

Forestry

The Forest Grant Scheme contributes to three key focus areas, namely enhancing biodiversity (4A), fostering carbon conservation (5E) and facilitating diversification, creation and development of small enterprises and job creation (6A).

In addition to having forestry options included in the agri-environment monitoring programme, Scottish Forestry (SF) has a number of other data sources that could potentially be exploited for the purposes of evaluating the impact on biodiversity. These sources include the Native Woodland Survey of Scotland results, which provide a rich source on the state of Scotland's native forests and the National Forest

Inventory (NFI) which will provide information on all woodlands and forestry when completed in 2014. FCS will consider the best way to utilise these data sources as a baseline and evaluate impact following RDP intervention.

With respect to fostering carbon conservation and sequestration it is envisaged that SF could use a variety of sources including the NFI, the annual greenhouse inventory and operational information on the extent of options uptake to estimate how much RDP options are contributing to climate change mitigation. SF also undertakes on-going evaluation case studies into the social benefits of woodlands, building on the Woods In And Around Towns scheme. These types of evaluations will continue into the 2021-2024 programme.

Scottish Rural Network (NRN)

In 2019 an evaluation was carried out to assess the operational effectiveness of the SRN under the the 2014-2020 SRDP. It is anticipated that the methods used in this study could be used to run similar assessments in the future, particularly in running self-assessment evaluation to feed into the enhanced annual implementation reports.

Following on from the evaluation the delivery of the Network Support Unit has been brought in-house for the 2021-2024 programme to replace external contractors who currently manage an annual events programme and the dissemination of information via the NRN website, Weekly newsletter and social media channels. Scottish Government officials will consider whether the NRN is a suitable vehicle to disseminate wider evaluation findings of the programme as well as running specific events to support beneficiaries or LAGs on their analytical needs.

On a more routine basis, records of NRN activity will be maintained to record the mandatory EC output indicators and other performance indicators that will be developed in due course.

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.

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 **Data Sources to capture monitoring and evaluation data see figure 37.**

In general, output indicators will be measured through information collected at the point of delivery, generally through administrative records though there will be occasions when the information is better obtained by carrying out surveys. Application and claims forms will be designed for each scheme's operational needs with questions added to satisfy monitoring and evaluation needs. Result and complementary result indicators will be measured either through administrative records or through evaluation methods such as sample surveys.

By contrast Impact indicators are more likely to be determined at the evaluation stage, using other tools and wider sources of data to build up a picture of the net impact of the programme on its wider strategic objectives. However, evidence of some of the impacts will be collected through the on-going evaluation

activities where possible.

Supply of data by beneficiaries

As outlined in the governance and co-ordination section, beneficiaries will be obliged to provide information for monitoring and evaluation as part of their rural development contract. This will include submission of information not only via the applications and claims process, but also via bespoke surveys as outlined above. The Scottish Government will look to build on this established methodology, which captures the net impact of the programme, and will use this to examine the socio-economic impact of elements of the 2021-24 programme.

Links with existing data sources and bespoke surveys

The Scottish Government will use existing data sources where they can be exploited. As a unique Business Reference Number (BRN) will be added to application and claim forms for SRDP recipients it will be possible to link to routine sources such as the agricultural census and farm accounts survey. This will facilitate monitoring and evaluation, particularly in relation to the result and impact indicators and to examine performance of those with and without SRDP support.

In addition, the Scottish Government will build on previous bespoke surveys commissioned to SRDP recipients which aim to capture how the support has impacted on their business.

Given the diverse nature of the programme, there are a number of potential sources of information which may be drawn on to help inform the performance and impact of the programme. In addition to the applications for schemes and claims forms, information will be gathered from:

- statistical collections by the Scottish Government (e.g. the census, farm structure survey and farm accounts). Where appropriate, the Scottish Government will include additional modules to existing surveys to track specific issues of interest which will inform the effectiveness of the programme;
- undertake additional surveys of recipients in order to capture broader impacts for the schemes. The results from these surveys will be compared to data gathered at the national level from existing surveys so as to compare the results against non-beneficiaries;
- draw on evidence from the Main Research Providers in Scotland from the Strategic Research Programme and other research by academics/NGOs on the programme;
- other monitoring contracts which may be put in place ;
- commission independent reviews of the programme (e.g. to support the enhanced implementation reports).

Transition

The 2021-24 programme will be open to applications in January 2021 . Transition arrangements will be in place for the calendar year 2020 for on-going commitments under the previous programme and procedures have been put in place to monitor activity for this period. There will be a staggered profile across the programme with funding switching to the 2021-2024 budget at different times for different measures.

figure 23

Impact Indicator

Indicator Type	Indicator	Proposed Approach to Address Data
Impact Indicator	GHG emissions from agriculture	Method being devised under the 2007-2013 programme ongoing evaluation contract will be utilised going forward.
Impact Indicator	Water abstraction in agriculture	Will use the Survey on Agricultural Production Methods (SAPM) to capture this information.
Impact Indicator	Water quality	Method being devised under the 2007-2013 programme ongoing evaluation contract, which will be implemented going forward.
Impact Indicator	Soil quality	EC recommend utilising the Land Use/Cover Area frame statistical (LUCAS) survey, but will also need to draw on expert advice.
Impact Indicator	Soil erosion	EC recommend utilising the Agro-environmental indicator, but it is likely we would require expert advice as well.

figure 23

Figure 37

Data Sources to capture monitoring and evaluation data

	Data source	Key indicators/ monitoring information
1	The application form, claims form or Integrated Administration and Control System (IACS) for land use information on agri-environment and forestry options	Will capture the majority of information required for the output indicator suite. Will also capture some result and impact indicator information.
2	Existing surveys administered by the Scottish Government such as the agricultural census, structure survey and farm accounts	These existing data sources will be utilised and potentially amended to capture the information required for monitoring, linking to other datasets to enhance the analysis where necessary.
3	Bespoke surveys and other data sources.	These surveys are more likely to be targeted at collecting information for impact indicators and evaluation of the programme. They will be designed to address any data gaps.

figure 37

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.

A more detailed internal evaluation plan has been developed which provides greater information on the range of work planned over the course of the programme. Central to this plan is the development of a multi-annual work programme, drawing on the guidelines for “Establishing and Implementing the Evaluation Plan for 2014-2020 RDPs”. This gives a clear picture of the timeline for monitoring and evaluation work and is an essential tool in assisting advance planning to ensure the right information is collected at the right time to inform the performance of the programme and meet EC reporting requirements .

Baseline

The Baseline will:

- draw on the work undertaken for the ex-ante evaluation of the 2014-20 programme (including the Strategic Environmental Assessment) and the ex-post evaluation of the 2007-13 programme.

- ensure that sufficient level of detail is captured in the application and claims form so as to inform future monitoring;
- include specific questions on a module in the annual surveys (such as the census) so we can obtain a baseline picture on key indicators;
- utilise information held by independent sources (academics, NGOs);
- draw on the monitoring data previously submitted to the EC.

Annual Implementation Reports

The Managing Authority requires that Annual Implementation Reports (AIR) are submitted in order to inform progress of the programme and to identify areas of improvement for a Relevant Authority. The first AIR is due in mid-2022, covering the 2021 calendar year. Subsequent AIRs are required annually, reporting updated progress.

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.

As illustrated in section 15, the Scottish Government will have an Information and Publicity Strategy in place for the whole of the SRDP, which will include the need to share information on how the programme is progressing against its objectives, and its contribution to European Union objectives.

To this end the Scottish Government will ensure that the results of the on-going monitoring and evaluation activities are made publically available through the SRDP area of the Scottish Government website, the RDOC and other means as appropriate e.g. the Scottish Rural Network. This will include the Annual Implementation Reports, alongside any additional reports produced by the Scottish Government which capture the impact of the programme (e.g. other evaluations and the Ex-Post Evaluation).

These results will be presented in a user-friendly way to enable a wide range of stakeholders to easily access information on how the programme is performing and what monitoring and evaluations are planned for the future.

Furthermore, through regular dialogue with key stakeholders, the Scottish Government will be able to promote greater awareness of the results from the various monitoring and evaluation activities. Scottish Government officials will also consider whether the NRN is a suitable vehicle to disseminate wider evaluation findings of the programme, possibly via workshops.

Monitoring and evaluation results will also be shared internally to facilitate effective delivery of the programme. This will be in the form of a Newsletter or short report on the results from the latest monitoring and evaluation activity. In addition, as the information services provided through the IT Futures Programme develop, strategic information on the impact of SRDP will be made available to key system users. The system has been set up, consulting a wide number of users on their needs and will allow these people to access the management information in an intuitive manner. Ultimately this will allow users to make informed decisions for the programme.

Furthermore, regular updates will be provided to the Rural Development Operational Committee of the results from the monitoring and evaluation activities so that the findings will help inform decisions over

potential changes to the programme or the delivery of the programme. This feedback-loop is crucial in order to maximise the use of the results from the monitoring and evaluation activity to ultimately improve the performance of the programme.

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 Scottish Government recognises the crucial importance of ensuring that monitoring and evaluation activities are properly resourced so that they can be effective to not only supporting enhancements throughout the programme, but also to identify the overall impact of the programme.

As outlined in the governance and coordination sections, different areas within the Scottish Government and other delivery partners will contribute to the monitoring and evaluation process. Within RESAS, there will be dedicated staff who will focus on monitoring and evaluation activity for the SRDP and will coordinate these activities with colleagues in both the paying agency and policy colleagues in the managing authority. The staff have extensive experience of monitoring and evaluation and were involved in such activities for the 20014-2020 Programme and therefore it has been judged that there is sufficient capacity to meet the monitoring and evaluation requirements of the 2021-2024 programme.

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)(c) of Regulation (EU) No 1305/2013 - Transition regions other than those referred to in Article 59(3)(b)								
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions								
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								
Regulation (EC) No 73/2009 - Article 10b and Article 136								
Total								
Out of which performance reserve (Article 20 of Regulation (EU) No 1303/2013)								

Total indicative amount of support envisaged for climate change objectives

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)(c) of Regulation (EU) No 1305/2013 - Transition regions other than those referred to in Article 59(3)(b)			
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions			

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 Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(c) of Regulation (EU) No 1305/2013 - Transition regions other than those referred to in Article 59(3)(b)	Main						
	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						
	Regulation (EC) No 73/2009 - Article 10b and Article 136						
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main						
	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						

	Regulation (EC) No 73/2009 - Article 10b and Article 136							
Total							0.00	

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 Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(c) of Regulation (EU) No 1305/2013 - Transition regions other than those referred to in Article 59(3)(b)	Main						
	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						
	Regulation (EC) No 73/2009 - Article 10b and Article 136						
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main						
	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						
	Regulation (EC) No						

	73/2009 - Article 10b and Article 136							
Total							0.00	

10.3.3. M03 - Quality schemes for agricultural products and foodstuffs (art 16)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(c) of Regulation (EU) No 1305/2013 - Transition regions other than those referred to in Article 59(3)(b)	Main						
	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						
	Regulation (EC) No 73/2009 - Article 10b and Article 136						
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main						
	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						
	Regulation (EC) No						

	73/2009 - Article 10b and Article 136							
Total							0.00	

10.3.4. M04 - Investments in physical assets (art 17)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(c) of Regulation (EU) No 1305/2013 - Transition regions other than those referred to in Article 59(3)(b)	Main						
	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						
	Regulation (EC) No 73/2009 - Article 10b and Article 136						
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main						
	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						
	Regulation (EC) No						

	73/2009 - Article 10b and Article 136							
Total							0.00	

Total Union contribution reserved for operations falling within the scope of (EU) No 1305/2013 Article 59(6)	
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10.3.5. M06 - Farm and business development (art 19)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(c) of Regulation (EU) No 1305/2013 - Transition regions other than those referred to in Article 59(3)(b)	Main						
	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						
	Regulation (EC) No 73/2009 - Article 10b and Article 136						
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main						
	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						
	Regulation (EC) No						

	73/2009 - Article 10b and Article 136							
Total							0.00	

10.3.6. 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 Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(c) of Regulation (EU) No 1305/2013 - Transition regions other than those referred to in Article 59(3)(b)	Main						
	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						
	Regulation (EC) No 73/2009 - Article 10b and Article 136						
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main						
	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						
	Regulation (EC) No 73/2009 - Article 10b and						

	Article 136							
Total							0.00	

10.3.7. 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 Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(c) of Regulation (EU) No 1305/2013 - Transition regions other than those referred to in Article 59(3)(b)	Main						
	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						
	Regulation (EC) No 73/2009 - Article 10b and Article 136						
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main						
	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						
	Regulation (EC) No						

	73/2009 - Article 10b and Article 136							
Total							0.00	

10.3.8. M10 - Agri-environment-climate (art 28)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(c) of Regulation (EU) No 1305/2013 - Transition regions other than those referred to in Article 59(3)(b)	Main						
	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						
	Regulation (EC) No 73/2009 - Article 10b and Article 136						
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main						
	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						
	Regulation (EC) No						

	73/2009 - Article 10b and Article 136							
Total							0.00	

10.3.9. M11 - Organic farming (art 29)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(c) of Regulation (EU) No 1305/2013 - Transition regions other than those referred to in Article 59(3)(b)	Main						
	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						
	Regulation (EC) No 73/2009 - Article 10b and Article 136						
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main						
	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						
	Regulation (EC) No						

	73/2009 - Article 10b and Article 136							
Total							0.00	

10.3.10. M13 - Payments to areas facing natural or other specific constraints (art 31)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(c) of Regulation (EU) No 1305/2013 - Transition regions other than those referred to in Article 59(3)(b)	Main						
	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						
	Regulation (EC) No 73/2009 - Article 10b and Article 136						
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main						
	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						
	Regulation (EC) No						

	73/2009 - Article 10b and Article 136							
Total							0.00	

10.3.11. M14 - Animal welfare (art 33)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(c) of Regulation (EU) No 1305/2013 - Transition regions other than those referred to in Article 59(3)(b)	Main						
	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						
	Regulation (EC) No 73/2009 - Article 10b and Article 136						
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main						
	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						
	Regulation (EC) No						

	73/2009 - Article 10b and Article 136							
Total							0.00	

10.3.12. 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 Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(c) of Regulation (EU) No 1305/2013 - Transition regions other than those referred to in Article 59(3)(b)	Main						
	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						
	Regulation (EC) No 73/2009 - Article 10b and Article 136						
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main						
	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						
	Regulation (EC) No						

	73/2009 - Article 10b and Article 136							
Total							0.00	

10.3.13. M16 - Co-operation (art 35)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(c) of Regulation (EU) No 1305/2013 - Transition regions other than those referred to in Article 59(3)(b)	Main						
	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						
	Regulation (EC) No 73/2009 - Article 10b and Article 136						
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main						
	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						
	Regulation (EC) No						

	73/2009 - Article 10b and Article 136							
Total							0.00	

10.3.14. 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 Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(c) of Regulation (EU) No 1305/2013 - Transition regions other than those referred to in Article 59(3)(b)	Main						
	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						
	Regulation (EC) No 73/2009 - Article 10b and Article 136						
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main						
	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						
	Regulation (EC) No						

	73/2009 - Article 10b and Article 136							
Total							0.00	

10.3.15. M20 - Technical assistance Relevant Authority (art 51-54)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) 2014-2020 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4)(d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(c) of Regulation (EU) No 1305/2013 - Transition regions other than those referred to in Article 59(3)(b)	Main						
	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						
	Regulation (EC) No 73/2009 - Article 10b and Article 136						
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main						
	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						
	Regulation (EC) No						

	73/2009 - Article 10b and Article 136							
Total							0.00	

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)

Target indicator name	
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)	
Total RDP planned public expenditures	
Public expenditures (focus area 1A)	

Planned output indicator(s)

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)	
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	

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)

Target indicator name	
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)	

Planned output indicator(s)

Measure name	Indicator name	Value
M16 - Co-operation (art 35)	Nr of EIP operational groups to be supported (establishment and operation) (16.1)	
M16 - Co-operation (art 35)	Nr of other cooperation operations (groups, networks/clusters, pilot projects...) (16.2 to 16.9)	

11.1.1.3. 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors

Target indicator(s)

Target indicator name	
T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 (focus area 1C)	

Planned output indicator(s)

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	

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)

Target indicator name	
T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	
Number of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	

Planned output indicator(s)

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	
M04 - Investments in physical assets (art 17)	Nr of holdings supported for investment in agricultural holdings (4.1)	
M04 - Investments in physical assets (art 17)	Total public expenditure for investments in infrastructure (4.3)	
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	
M04 - Investments in physical assets (art 17)	Total public expenditure € (4.1)	
M04 - Investments in physical assets (art 17)	Total public expenditure €	
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving start up aid development small farms (6.3)	
M06 - Farm and business development (art 19)	Total investment € (public + private)	
M06 - Farm and business development (art 19)	Total public expenditure €	
M13 - Payments to areas facing natural or other specific constraints (art 31)	Area (ha) - mountain areas (13.1)	
M13 - Payments to areas facing natural or other specific constraints (art 31)	Area (ha) - other areas with significant NC (13.2)	
M13 - Payments to areas facing natural or other specific constraints (art 31)	Area (ha) - areas with specific constraints (13.3)	

M13 - Payments to areas facing natural or other specific constraints (art 31)	Total public expenditure (€)	
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	

11.1.2.2. 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal

Target indicator(s)

Target indicator name	
T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	
Number of agriculture holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	

Planned output indicator(s)

Measure name	Indicator name	Value
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving start up aid young farmers (6.1)	
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving support for investments in non-agric activities in rural areas (6.4)	
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving transfer payment (6.5)	
M06 - Farm and business development (art 19)	Total investment € (public + private)	
M06 - Farm and business development (art 19)	Total public expenditure € (6.1)	
M06 - Farm and business development (art 19)	Total public expenditure €	

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)

Target indicator name	
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)	
Number agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)	

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	

Planned output indicator(s)

Measure name	Indicator name	Value
M03 - Quality schemes for agricultural products and foodstuffs (art 16)	Nr of holdings supported (3.1)	
M03 - Quality schemes for agricultural products and foodstuffs (art 16)	Total public expenditure (€) (3.1 to 3.2)	
M04 - Investments in physical assets (art 17)	Nr of operations supported for investment (e.g. in agricultural holdings, in processing and marketing of ag. products) (4.1 and 4.2)	
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	
M04 - Investments in physical assets (art 17)	Total public expenditure €	
M14 - Animal welfare (art 33)	Nr of beneficiaries	
M14 - Animal welfare (art 33)	Total public expenditure (€)	
M16 - Co-operation (art 35)	Nr of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)	
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	

11.1.3.2. 3B) Supporting farm risk prevention and management

Target indicator(s)

Target indicator name	
T7: percentage of farms participating in risk management schemes (focus area 3B)	
Number of agricultural holdings participating in risk management scheme (focus area 3B)	

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	

Planned output indicator(s)

Measure name	Indicator name	Value
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	

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

Agriculture

Planned output indicator(s)

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	
M04 - Investments in physical assets (art 17)	Nr of operations of support for non productive investment (4.4)	
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	
M04 - Investments in physical assets (art 17)	Total public expenditure €	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Area (ha) to be afforested (establishment - 8.1)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.1)	
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)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.2)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.3)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.4)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.5)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.6)	
M10 - Agri-environment-climate (art 28)	Area (ha) under agri-environment-climate (10.1)	
M10 - Agri-environment-climate (art 28)	Public expenditure for genetic resources conservation (10.2)	
M10 - Agri-environment-climate (art 28)	Total public expenditure (€)	
M11 - Organic farming (art 29)	Area (ha) - conversion to organic farming (11.1)	
M11 - Organic farming (art 29)	Area (ha) - maintenance of organic farming (11.2)	
M11 - Organic farming (art 29)	Total public expenditure (€)	
M13 - Payments to areas facing natural or other specific constraints (art 31)	Area (ha) - mountain areas (13.1)	
M13 - Payments to areas facing natural or other specific constraints (art 31)	Area (ha) - other areas with significant NC (13.2)	
M13 - Payments to areas facing natural or other specific constraints (art 31)	Area (ha) - areas with specific constraints (13.3)	
M13 - Payments to areas facing natural or other specific constraints (art 31)	Total public expenditure (€)	
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	

Forest

Planned output indicator(s)

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)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.2)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.3)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.4)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Nr of beneficiaries for preventive actions (8.3)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.5)	
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)	
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)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.6)	
M15 - Forest environmental and climate services and forest conservation (art 34)	Areas under forest environment contracts (15.1)	
M15 - Forest environmental and climate services and forest conservation (art 34)	Total public expenditure (€)	
M15 - Forest environmental and climate services and forest conservation (art 34)	Public expenditure for genetic resources actions (15.2)	

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)

Target indicator name	
T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)	
Agricultural land under management contracts supporting biodiversity and/or landscapes (ha) (focus area 4A)	

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	

Forest

Target indicator(s) 2014-2020

Target indicator name	
T8: percentage of forest/other wooded area under management contracts supporting biodiversity (focus area 4A)	
Forest/other wooded area under management contracts supporting biodiversity (ha) (focus area 4A)	

Context Indicator used as denominator for the target

Context Indicator name	Base year value
29 Forest and other wooded land (FOWL) (000) - total	

11.1.4.2. 4B) Improving water management, including fertiliser and pesticide management

Agriculture

Target indicator(s)

Target indicator name	
T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)	
Agricultural land under management contracts to improve water management (ha) (focus area 4B)	

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	

Forest

Target indicator(s)

Target indicator name	
T11: percentage of forestry land under management contracts to improve water management (focus area 4B)	
Forestry land under management contracts to improve water management (ha) (focus area 4B)	

Context Indicator used as denominator for the target

Context Indicator name	Base year value
29 Forest and other wooded land (FOWL) (000) - total	

11.1.4.3. 4C) Preventing soil erosion and improving soil management

Agriculture

Target indicator(s)

Target indicator name	
T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	
Agricultural land under management contracts to improve soil management and/or prevent soil erosion (ha) (focus area 4C)	

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	

Forest

Target indicator(s)

Target indicator name	
T13: percentage of forestry land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	
Forestry land under management contracts to improve soil management and/or prevent soil erosion (ha) (focus area 4C)	

Context Indicator used as denominator for the target

Context Indicator name	Base year value
29 Forest and other wooded land (FOWL) (000) - total	

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

No measures have been selected in the strategy for this focus area.

11.1.5.2. 5B) Increasing efficiency in energy use in agriculture and food processing

Target indicator(s)

Target indicator name	
T15: Total investment for energy efficiency (€) (focus area 5B)	

Planned output indicator(s)

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	

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

No measures have been selected in the strategy for this focus area.

11.1.5.4. 5D) Reducing green house gas and ammonia emissions from agriculture

Target indicator(s)

Target indicator name	
LU concerned by investments in live-stock management in view of reducing GHG and/or ammonia emissions (focus area 5D)	
T17: percentage of LU concerned by investments in live-stock management in view of reducing GHG and/or ammonia emissions (focus area 5D)	
T18: percentage of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (focus area 5D)	
Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (focus area 5D)	

Context Indicator used as denominator for the target

Context Indicator name	Base year value
21 Livestock units - total	
18 Agricultural Area - total UAA	

Planned output indicator(s)

Measure name	Indicator name	Value
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	
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)	
M04 - Investments in physical assets (art 17)	LU concerned by investment in livestock management in view of reducing GHG and ammonia emissions	
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	
M04 - Investments in physical assets (art 17)	Total public expenditure €	
M10 - Agri-environment-climate (art 28)	Area (ha) (e.g. green cover, catch crop, reduced fertilisation, extensification...)	
M10 - Agri-environment-climate (art 28)	Total public expenditure (€)	

11.1.5.5. 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Target indicator(s)

Target indicator name	
T19: percentage of agricultural and forest land under management contracts contributing to carbon sequestration and conservation (focus area 5E)	
Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (focus area 5E)	

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	
29 Forest and other wooded land (FOWL) (000) - total	

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)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.1)	
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)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.2)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.3)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.4)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.5)	
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)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.6)	
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	

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)

Target indicator name	
T20: Jobs created in supported projects (focus area 6A)	

Planned output indicator(s)

Measure name	Indicator name	Value
M04 - Investments in physical assets (art 17)	Nr of beneficiaries of support for investment (in processing and marketing of ag. products) (4.2)	
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	
M04 - Investments in physical assets (art 17)	Total public expenditure €	
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)	
M06 - Farm and business development (art 19)	Total investment € (public + private)	
M06 - Farm and business development (art 19)	Total public expenditure €	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.1)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.2)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.3)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.4)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.5)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.6)	
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)	
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total investment € (public + private) (8.6)	

11.1.6.2. 6B) Fostering local development in rural areas

Target indicator(s)

Target indicator name	
T21: percentage of rural population covered by local development strategies (focus area 6B)	
Rural population covered by local development strategies (focus area 6B)	
T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)	
T23: Jobs created in supported projects (Leader) (focus area 6B)	
Net population benefiting from improved services	

Context Indicator used as denominator for the target

Context Indicator name	Base year value
1 Population - rural	
1 Population - intermediate	
1 Population - total	
1 Population - specific rural definition used for targets T21; T22 and T24 (if relevant)	

Planned output indicator(s)

Measure name	Indicator name	Value
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)	
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)	
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)	
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for investments in recreational/tourist infrastructure (7.5)	
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)	
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)	
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations Others (7.8)	
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)	
M07 - Basic services and village renewal in rural areas (art 20)	Total public expenditure (€)	
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Number of LAGs selected	
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Population covered by LAG	
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)	

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)	
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)	
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)	

11.1.6.3. 6C) Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas

Target indicator(s)

Target indicator name	
Net population benefiting from improved services	
T24: percentage of rural population benefiting from new or improved services/infrastructures (ICT) (focus area 6C)	

Context Indicator used as denominator for the target

Context Indicator name	Base year value
1 Population - rural	
1 Population - intermediate	
1 Population - total	
1 Population - specific rural definition used for targets T21; T22 and T24 (if relevant)	

Planned output indicator(s)

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)	
M07 - Basic services and village renewal in rural areas (art 20)	Population benefiting from new or improved IT infrastructures (e.g. broadband internet)	
M07 - Basic services and village renewal in rural areas (art 20)	Total public expenditure (€)	

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																	
	Training/skills acquisition (1.1) - Total public for training/skills																	
	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)																	
M02	Nr of beneficiaries advised (2.1)																	
	Total public expenditure € (2.1 to 2.3)																	
M03	Nr of holdings supported (3.1)																	
	Total public expenditure (€) (3.1 to 3.2)																	
M04	Total investment € (public + private)																	
	Total public expenditure €																	
M06	Total investment € (public + private)																	
	Total public expenditure €																	
M07	Total public expenditure (€)																	
M08	Total public expenditure (€) (8.1)																	
	Total public expenditure (€) (8.2)																	
	Total public expenditure (€) (8.3)																	
	Total public expenditure (€) (8.4)																	
	Total public expenditure (€) (8.5)																	
	Total public expenditure (€) (8.6)																	

	CLLD strategy (19.2)																		
	Total public expenditure (€) - preparation and implementation of cooperation activities of the local action group (19.3)																		
	Total public expenditure (€) - support for running costs and animation (19.4)																		

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			P		X					X							
	M02 - Advisory services, farm management and farm relief services (art 15)				P														
	M04 - Investments in physical assets (art 17)				P		X		X	X	X			X					
	M06 - Farm and business development (art 19)				P														
	M13 - Payments to areas facing natural or other specific constraints (art 31)				P														
	M16 - Co-operation (art 35)				P		X												
2B	M02 - Advisory services, farm management and farm relief services (art 15)					P													
	M06 - Farm and business development (art 19)					P													
3A	M03 - Quality schemes for agricultural products and foodstuffs (art 16)						P												
	M04 - Investments in physical assets (art 17)						P									X			
	M14 - Animal welfare (art 33)						P												
	M16 - Co-operation (art 35)						P				X			X			X		
3B	M02 - Advisory services, farm management and farm relief services (art 15)						P												
5B	M01 - Knowledge transfer and information actions (art 14)											P							
	M02 - Advisory services, farm management and farm relief services (art 15)											P							
	M16 - Co-operation (art 35)											P							
5D	M02 - Advisory services, farm management and farm relief services (art 15)													P					
	M04 - Investments in physical assets (art 17)													P	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
Agri-Environment Climate commitments	Others							
Agri-Environment Climate commitments	Others							
Agri-Environment Climate commitments	Others							

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
11.2 - payment to maintain organic farming practices and methods							
11.1 - payment to convert to organic farming practices and methods							

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							
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
15.1 payments for forest environmental commitments					

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					

11.5. Programme-Specific Target and Output

Specific Target indicator(s)

Code	Target indicator name	Focus Area	Target value 2023	Unit
PSTI2A	Number of participants trained under Article 14 of Regulation (EU) No 1305/2013	2A		
PSTI3A	Percentage of total agri-food businesses supported under Article 17 of the Regulation (EU) No 1305/2013	3A		
PSTI5B	Number of participants trained under Article 14 of Regulation (EU) No 1305/2013	5B		

Specific Output indicator(s)

Code	Output Indicator Name	Measure	Focus Area	Planned output	Unit
PSOI3A	Cumulative number of holdings supported	M03	3A		
PSOI5B	Nr of beneficiaries advised	M02	5B		
PSOI3B	Nr of beneficiaries advised	M02	3B		

12. 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,. 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 Relevant Authority 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)					
M02 - Advisory services, farm management and farm relief services (art 15)					
M03 - Quality schemes for agricultural products and foodstuffs (art 16)					
M04 - Investments in physical assets (art 17)					
M06 - Farm and business development (art 19)					
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)					
M13 - Payments to areas facing natural or other specific constraints (art 31)					

M14 - Animal welfare (art 33)					
M15 - Forest environmental and climate services and forest conservation (art 34)					
M16 - Co-operation (art 35)					
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)					
Total (€)		255,206,556.00	267,233,549.00	36,000,000.00	558,440,105.00

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

Title of the aid scheme:

National Cofinancing (€):

Additional National Funding (€):

Total (€):

12.1.1.1. Indication:*

1.1 Support for vocational training and skill acquisition actions article 14 (1)

No additional state aid cover required.

1.2 Support for demonstration and information actions article 14 (1)

No additional state aid cover required.

12.2. M02 - Advisory services, farm management and farm relief services (art 15)

Title of the aid scheme: Advisory Services, farm management and farm relief services

National Cofinancing (€):

Additional National Funding (€):

Total (€):

12.2.1.1. Indication:*

(2.1) Support for providing advisory services Article 15(1)(a)

No additional state aid cover required

(2.2) Support for setting up farm management, farm relief and farm advisory services

Article 15(1)(a)

No additional state aid cover required.

(2.3) Support for training of advisers Article 15(1)(c)

Commission regulation (EC) No 1407/2013 of 18 December 2013 Industrial de-minimis

12.3. M03 - Quality schemes for agricultural products and foodstuffs (art 16)

Title of the aid scheme:

National Cofinancing (€):

Additional National Funding (€):

Total (€):

12.3.1.1. Indication:*

Not applicable.

12.4. M04 - Investments in physical assets (art 17)

Title of the aid scheme: Investment in physical assets

National Cofinancing (€):

Additional National Funding (€):

Total (€):

12.4.1.1. Indication:*

(4.1) Support for investments in agricultural holdings Article 17(1)(b)

No additional state aid cover required

(4.2) Support for investment in processing /marketing and/or development of agricultural products Article 17(1)(b)

SA.41654 FPMC Grants Scheme

Commission Regulation (EC) No 1407/2013 of 18 December 2013 Industrial de-minimis

(4.3) Support for investments related to development, modernisation or adaptation of agriculture and forestry Article 17(1)(c)

SA.41767 Forestry Grants Scheme

Commission Regulation (EC) No 1407/2013 of 18 December 2013 Industrial de-minimis

(4.4) Support for non-productive investments linked to the achievements of agri-environment-climate objectives Article 17(1)(d)

No additional state aid cover required.

12.5. M06 - Farm and business development (art 19)

Title of the aid scheme:

National Cofinancing (€):

Additional National Funding (€):

Total (€):

12.5.1.1. Indication:*

(6.1) Business start-up aid for young farmers Article 19(1)(a)(i) and (6.3) development grant for small farms.

No additional state aid cover required

12.6. M07 - Basic services and village renewal in rural areas (art 20)

Title of the aid scheme: Basic services and village renewal in rural areas

National Cofinancing (€):

Additional National Funding (€):

Total (€):

12.6.1.1. Indication:*

(7.3) Support for broadband infrastructure Article 20(1)(c)

SA.40720 - National Broadband Scheme for the UK for 2016 - 2020

Commission Regulation (EC) No 1407/2013 of 18 December 2013 Industrial de-minimis

(7.5) Support for recreational and small-scale tourism infrastructure Article 20(1)(e)

Commission Regulation (EC) No 1407/2013 of 18 December 2013 Industrial de-minimis

12.7. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

Title of the aid scheme: Investments in forest area development and improvement of the viability of forests

National Cofinancing (€):

Additional National Funding (€):

Total (€):

12.7.1.1. Indication:*

(8.1) Support for afforestation/creation of woodland establishment costs and maintenance premium per ha Article 21(1)(a)

SA.41767 Forestry Grants Scheme

(8.2) Support for the establishment of agroforestry systems Article 21 (1)(b)

SA.41767 Forestry Grants Scheme

(8.4) Support for prevention of damage and restoration to forests from forest fires and natural disasters and catastrophic events Article 21(1)(c)

SA.41767 Forestry Grants Scheme

(8.5) Investments improving the resilience and environmental value of forest ecosystems Article 21(1)(d)

SA.41767 Forestry Grants Scheme

(8.6) Support for investments in forestry technologies, processing, mobilising and marketing of forestry products Article 21(1)(e)

SA.41767 Forestry Grants Scheme

Commission Regulation (EC) No 1407/2013 of 18 December 2013 Industrial de-minimis

12.8. M10 - Agri-environment-climate (art 28)

Title of the aid scheme:

EAFRD (€):

National Cofinancing (€):

Additional National Funding (€):

Total (€):

12.8.1.1. Indication:*

(10.1) Payment for agri-environment-climate commitments Article 28(1)

Commission Regulation (EC) No 1407/2013 of 18 December 2013 Industrial de-minimis

12.9. M11 - Organic farming (art 29)

Title of the aid scheme:

EAFRD (€):

National Cofinancing (€):

Additional National Funding (€):

Total (€):

12.9.1.1. Indication:*

(11.1) Payment to convert to organic farming practices and methods Article 29 (3)

No additional State aid cover is required.

(11.2) Payment to maintain organic farming practices and methods Article 29 (4)

No additional State aid cover is required

12.10. M13 - Payments to areas facing natural or other specific constraints (art 31)

Title of the aid scheme:

National Cofinancing (€):

Additional National Funding (€):

Total (€):

12.10.1.1. Indication:*

(13.2) Compensation payment for other areas affected by specific constraints Article 31

No additional state aid cover required.

12.11. M14 - Animal welfare (art 33)

Title of the aid scheme:

National Cofinancing (€):

Additional National Funding (€):

Total (€):

12.11.1.1. Indication:*

Not applicable.

12.12. M15 - Forest environmental and climate services and forest conservation (art 34)

Title of the aid scheme:

National Cofinancing (€):

Additional National Funding (€):

Total (€):

12.12.1.1. Indication:*

(15.1) Forest Environment commitments Article 34

SA.41767 Forestry Grants Scheme

12.13. M16 - Co-operation (art 35)

Title of the aid scheme: Co-operation

National Cofinancing (€):

Additional National Funding (€):

Total (€):

12.13.1.1. Indication:*

(16.1) support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability

No additional state aid cover is required.

(16.2) support for pilot projects and for the development of new products, practices, processes and technologies

Commission Regulation (EC) No 1407/2013 of 18 December 2013 Industrial de-minimis

(16.3) co-operation among small operators, including for developing / marketing tourism Article 35(2)(c)

Commission Regulation (EC) No 1407/2013 of 18 December 2013 Industrial de-minimis

(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 of activities in a local context Article 35(2)(h)

Commission Regulation (EC) No 1407/2013 of 18 December 2013 Industrial de-minimis

(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 Article 35(2)(g)

SA.41812 Forestry Co-operation

Commission Regulation (EC) No 1407/2013 of 18 December 2013 Industrial de-minimis

16.0 – others

No additional state aid required

**12.14. M19 - Support for LEADER local development (CLLD – community-led local development)
(art 35 Regulation (EU) No 1303/2013)**

Title of the aid scheme: LEADER

National Cofinancing (€):

Additional National Funding (€):

Total (€):

12.14.1.1. Indication:*

(19.1) Preparatory support

No additional state aid cover required

**(19.2) Support for implementation of operations under the Community-led local development strategy
and**

(19.3) Preparation and implementation of cooperation activity of the local action group

SA.41930 SRDP: LEADER (GBER) scheme

SA.41968 SRDP: LEADER (ABER) scheme

Commission Regulation (EC) No 1407/2013 of 18 December 2013 Industrial de-minimis

Commission Regulation (EU) No 360/2012 of 25 April 2012 SGEI de minimis

(19.4) Support for running costs and animation

No additional state aid cover required

13. INFORMATION ON COMPLEMENTARITY

13.1. Description of means for the complementarity and coherence with:

13.1.1. Other Union instruments and, in particular with Pillar 1, including greening, and other instruments of the common agricultural policy

Complementarity with Pillar 1

Scotland's proposals for delivery of Pillar 1 from 2015 have been developed along similar timescales to our proposals for our Rural Development Programme, allowing for complementarity between the two pillars. This has ensured that Scotland's proposals to support the farming industry, and wider rural development, have been designed in tandem to ensure the best package of support will be available to meet Scotland's unique needs, along with Scottish Government and EU priorities.

Consultations on our proposals for both Pillar 1 and 2 were carried out in late 2013/early 2014 so our stakeholders could also consider the full CAP package when providing us with feedback.

Specific areas where there is complementarity between the two Pillars are:

- Agricultural activity – the minimum activity requirements for Pillar 1 will apply to the relevant aspects of Pillar 2, namely agri-environment-climate, organics and areas facing natural constraints;
- Minimum size threshold for claim – a threshold of 3 hectares will apply to Pillar 1 and Pillar 2 support under Areas facing Natural Constraint.
- Flexibility – there will be a rate of 9.5% transferred from Pillar 1 to Pillar 2 to strike the best possible balance of support for farmers and rural development in Scotland;
- Regionalisation – The main income support for farmers and crofters in Scotland is through Pillar 1, and Less Favoured Area support through the Pillar 2 ANC articles and it is important that these are complementary. The regions to be used for Pillar 1 consider the LFA designation and the variation of the constraint within this designated area through use of the LFA Land Quality categories to delineate the rough grazing into two regions for Pillar 1 support;
- Areas facing Natural Constraints – will be delivered solely through Pillar 2, the Pillar 1 provision will not be used. However, support under the Pillar 2 ANC articles will be reviewed, taking account of changes in Pillar 1 support, to ensure the overall package provides the necessary level of income support without over- or under-compensation.
- Small farms - the design of our support for small farms and crofts which operate in rural and remote areas. Alongside our support for LFA we have considered how best to support these particularly vulnerable businesses through our Pillar 2 support for crofts and small farms, while ensuring they receive an appropriate level of support under Pillar 1, although the specific Small Farmer Scheme in Pillar 1 was not deemed appropriate for Scotland;
- Young farmers – a priority area for Scotland so there is a package of support for young new entrant farmers across Pillars 1 and 2, along with support under Pillar 2 for new entrant farmers;
- Voluntary Coupled Support - coherence across both Pillars to ensure that vital support to the beef sector in Scotland continues to support improved efficiency and modernisation, targeted assistance for the beef sector through the Advisory Service, Knowledge Transfer and Innovation fund and Food and Drink Fund, along with voluntary coupled support under Pillar 1;
- Cross Compliance - will be applied and enforced for relevant land management actions in the same

way across both Pillars, and will provide additional environmental benefits for Pillar 2 through ensuring any agri-environment agreements go beyond this baseline;

- at this time we do not intend to use EU Regulation 1305/2013 Article 36 Risk Management; Article 37 Crop, animal, and plant insurance; Article 38 Mutual funds for adverse climatic events, animal and plant diseases, pest infestations and environmental incidents; or, Article 39 Income Stabilisation as it is more appropriate for Pillar 1 to provide basic levels of income protection. This will allow Pillar 2 to be targeted to the areas of need for rural development.

Greening

Scotland will implement the standard Greening requirements in 2015, but we intend to seek Commission approval to implement Greening through an environmental certification scheme from 2016, including a combination of basic and equivalent practices. These will be notified to the Commission in 2015.

In 2015, the following standard Greening requirements will apply:

- Permanent Grassland: the requirement to maintain the ratio of permanent grassland will be applied at national level. Environmentally sensitive grassland areas, subject to a ban on ploughing or conversion, will be designated on Natura sites only.
- EFA: the following areas will count as EFA in Scotland: fallow, buffer strips, field margins, catch crops and nitrogen-fixing crops (subject to management conditions, see below).
- A weighting of 1.5 will be applied when calculating the area of EFA buffer strips and field margins, but conversion factors will not be applied. Mandatory weightings will be applied to catch crops (0.3) and nitrogen-fixing crops (1).
- EFA fallow must have no agricultural production between 15th January and 15th July. Maintenance such as drainage, topping, and application of fertiliser or herbicide must not be carried out during this period.
- EFA buffer strips must have no agricultural production, although cutting is permitted. Fertiliser and herbicide must not be applied.
- EFA field margins must have no agricultural production and fertiliser and herbicide must not be applied.
- EFA catch crops must be established between 1st March and 1st October and may be either under-sown grass or mixtures of two or more of the following crops: rye, vetch, phacelia, barley, mustard, oats or alfalfa.
- EFA nitrogen-fixing crops may be one of more of the following crops: alfalfa, beans, birdsfoot trefoil, chickpea, clover, faba bean, lentil, lupin, pea or vetch. Nitrogen-fixing crops must meet the following management conditions in order to count as EFA:
 - ensuring that there are at least two different nitrogen fixing crops on the EFA area, to extend the flowering period for pollinators. The main nitrogen-fixing crop must not exceed 75% of the total area of nitrogen-fixing crops declared as EFA [we currently intend to introduce this requirement from 2016]
 - not harvesting nitrogen-fixing crops on the EFA area before 1st August, in order to protect ground-nesting birds
 - ensuring that nitrogen-fixing crops on the EFA area are surrounded by a field margin, where adjacent to the edge of a field.

- Regional and/or collective implementation of the EFA requirement will not be permitted.

Where practices supported under measures Article 28 are of a similar nature to Pillar 1 greening requirements, the payment rate will be adjusted to ensure no double funding (except for beneficiaries who are exempt from greening obligations) – see below.

Scotland will not make use of the option to allow Pillar 2 measures to count as equivalent practices to Pillar 1 greening. Support under Article 29 will not be subject to a double funding payment reduction. Article 30 is not utilised in Scotland.

Double Funding

To ensure there is no double funding between the two CAP Pillars Scotland has identified the Pillar 2 options that are of a similar nature to EFA practices in Pillar 1 and if paid through Pillar 2, without reduction, would be in breach of the double funding rules. There needs to be a method of reducing payments to avoid double funding to cover land managers claiming an Agri Environment measure (that is of a similar nature to an EFA practice) to meet either their EFA requirement. Organic land managers who are exempt from undertaking EFA activities due to land being certified as Organic, who would be required to carry out an EFA activity on 5% of their arable land if not organic, and who also manage an option that is of a similar nature to an EFA activity - the double funding rules do not affect the land managers conversion or maintenance payments.

The Agri Environment options in Scotland that are equivalent to EFA measures are wild bird seed for farmland birds and beetlebanks where the equivalent EFA measure is Fallow, and the Direct Payments weighting factor is 1.

In situations where a land manager is not exempt from greening and is required to undertake an EFA activity, and the land manager chooses to use an EFA activity that is of a similar nature to an Agri Environment option that they manage under a Pillar 2 management agreement. We will calculate the area required to meet the Pillar 1 requirement (after corresponding weighting factor) and remove the income foregone element from the Agri Environment payable area accordingly. If the compatible AEC to EFA options includes additional costs associated with the management these will be paid regardless if claimed for EFA or not. Any additional Agri Environment commitments of a nature similar to EFA practise for this land manager will not be reduced.

For organic farms who, without the Greening exemption, would otherwise be required to carry out Ecological Focus Areas activity we will calculate the area that would have been required to meet the Pillar 1 EFA requirement (after corresponding weighting factor) and reduce the income foregone element from the Agri Environment payable area.

Land managers who receive the “Green” element of Pillar 1 support but are not required to undertake an EFA or are not in receipt of direct payment support under Pillar 1, will not have their Pillar 2 Agri Environment payments reduced as there is no risk of double funding.

As the SRDP does not intend to provide funding for producer organisations there is therefore no potential of

double funding in this respect.

13.1.2. Where a Relevant Authority 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

13.2. Where relevant, information on the complementarity with other Union instruments, including LIFE

Not Applicable.

14. PROGRAMME IMPLEMENTING ARRANGEMENTS

14.1. The designation by the Relevant Authority 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)

14.1.1. Authorities

Authority	Name of the authority	Name of the person responsible for the authority	Address	Email
Managing authority	Scottish Government, Agriculture Policy Division	John Kerr		John.Kerr@gov.scot
Certification body	National Audit Office (NAO)	Amyas Morse	157/197 Buckingham Palace Road	ACraik@audit-scotland.gov.uk
Accredited paying agency	Scottish Government Rural Payments and Inspections Division	Tracy McIntyre		DDRPID@gov.scot
Coordination body	UK Co-ordinating Body	Michael Cooper	Room 100 North Gate House, 21-23 Valpy Street, Reading RG1 1AF	Michael.cooper-official@ukcb.gsi.gov.uk

14.1.2. Summary description of the management and control structure of the programme and arrangements for the independent examination of complaints

14.1.2.1. Management and control structure

We recognised early on that establishing the implementation and delivery mechanisms for the new programme will be challenging and must be properly resourced. We are drawing on the experience of staff who were involved in implementing the current SRDP to ensure we build on what worked well last time, while identifying where key improvements can be made this time. We recognised the need to boost capacity in our central administrative teams and have recruited additional staff to oversee administration of both Pillar 1 and Pillar 2 of the new CAP. We are confident we will have the human resources and administrative capacity in headquarters and in our area office network to manage the programme effectively.

We have a long established governance framework for administering the existing SRDP programme, with a proven ability to provide robust oversight and management of the existing programme. An inter-locking matrix of governance groups monitor on a monthly basis audit, compliance and accreditation issues, as well as resourcing and IT delivery issues. Our governance systems have well established processes for identifying new risks, considering and initiating action to mitigate risks, and ensuring such risks are regularly reviewed until the risk has been extinguished.

We have supplemented this existing governance system by establishing new working groups to focus specifically on development of the new programme and controls required, reporting through a new SRDP Pillar 2 Co-ordination Group into the existing governance framework.

This new co-ordination group is responsible for ensuring:

- a) all elements of SRDP implementation come together in a coherent way that makes sense to customers and staff.
- b) implementation plans meet all regulatory, financial control and audit requirements, as well as policy aims.
- c) development of a coherent implementation plan, with realistic delivery deadlines, and effective monitoring of its delivery.

While the over-arching management and control system is therefore fully established, work on individual aspects of the different new schemes continues, building on audit lessons from the past to ensure all options in the programme are fully verifiable. In this regard we have a professional, agriculturally trained and qualified inspection team, used to administering and inspecting SRDP programmes. We also have clerks of works to assist with inspection of non-agricultural projects.

We have a major new project – Futures – underway, which is building an improved IT system and redesigning our business processes to make administration of the new programme more efficient for our staff and also easier for our customers. There is a particular focus on making it easier for customers to engage with us on-line, with improved levels of customer support, with the aim of getting 80% on line by 2016. An integrated approach is being adopted to planning the IT and business changes required to implement the new programme.

A communications strategy for customers is being developed for the new SRDP programme, along with a comprehensive training programme for staff in Headquarters and all local area offices on the new schemes and new IT system to facilitate consistent and effective administration of the new programme across the country.

14.1.2.2. Arrangements for the examination of complaints

1. If the complaint is clearly based on an alleged failure to apply the regulations or scheme rules on eligibility or other such issue correctly this will be reviewed by an appointed competent person. We will ensure whoever reviews the complaint was not in any way involved in the original handling of the application or processing of the case. They will independently review whether to uphold or reject the complaint, seeking legal advice where necessary.

2. If the complaint relates to an alleged failure to assess an application for funding correctly (i.e. scoring the application too low as a result of allegedly not taking appropriate account of all the information supplied with the application), then the scoring and assessment of the application will be reviewed by an appointed competent person and not involved in the original assessment decisions. However the reviewing officer must only take account of the evidence originally supplied by the applicant (or their agent), as it would not be fair to other customers whose applications have been rejected to now take account of new information not available or submitted at the time of the original application. If the reviewing officer upholds the complaint then the scoring and assessment will be revised and the applicant (or their agent) informed of the revised position (and whether their application has now been successful). If the review does not uphold the

complaint, or the revised score is still not sufficient to be successful in securing funding, the applicant (or their agent) will be provided with constructive feedback on what they would need to do to strengthen their application should they wish to apply again in a future round. The business area will provide written feedback for the applicant (or their agent), and meet with them to talk through the feedback if requested. However where it is known to be the last opportunity for the applicant (or their agent) to secure funding (no further rounds of applications are anticipated) then a more formal independent review of the scoring and assessment will be conducted, if necessary involving independent re-scoring. In relation to measure 19 (LEADER), a similar procedure will be established in relation to decisions taken by Local Action Groups (LAGs) in Scotland to enable the review of decisions by LAG members (whether in the same or another LAG) who were not involved in the original assessment decisions. Further details will be set out by the Managing Authority in guidance to LAGs.

3. If the complaint is not related to either (1) or (2) above but to allegations against individual members of staff about alleged mistreatment or unsatisfactory service then the existing Scottish Government procedures for dealing with such type of complaints will apply, including the appointing of independent people to investigate and report their findings or in the case of LEADER, the applicable Accountable Body procedures pertaining to LAG lead partners.

14.2. The envisaged composition of the Monitoring Committee

The Rural Development Operational Committee (RDOC) will review and monitor the quality of the implementation of the Scottish Rural Development Programme (SRDP) for 2021-2024.

The Committee is required to carry out a wide set of duties, set out in the Common Provisions Regulations Article 47-49; and 110; and the EAFRD Regulations Article 74. These span a range of technical (e.g. Guidance, selection criteria for operations) and strategic (evaluation of the overall effectiveness of the programmes) topics.

Rural Development Operational Committee (RDOC)

The role of the RDOC will be to monitor progress towards the overall strategic direction set out in the partnership agreement (PA), and advise Scottish ministers and the managing authorities on any adjustments required to programmes, schemes or strategic interventions in order to ensure and maintain performance towards the targets and objectives of the PA.

To carry out this role, the RDOC will

- Be consulted and shall issue an opinion on the selection criteria for financed operations.
- Examine the activities and outputs related to the implementation of the evaluation plan of the programme, including suggesting any further evaluation if required.

- Examine the implementation of the information and publicity strategy.
- Examine actions relating to the implementation of any ex ante conditionalities which are unfulfilled at the start of the Operational Programmes.
- Explore actions to promote sustainable development.
- Examine actions to promote equality between men and women, equal opportunities and non-discrimination, including accessibility for persons with disabilities.
- Consider and approve the Annual Implementatoon Report (AIR).
- Examine and offer recommendations on amendments to the programme proposed by the Managaing Authority which fall under the scope of the Regulation (EU) No 1305/2013 Article 11(a)(ii) (changes in EU contribution rate), (b)(i) - the introduciton or withdrawal of measures or types of operations), (ii) - changes in the decription of measures, including eligibility conditions and (iii) - a transfer of funds between measures implemented under different contribution rates.
- Participate in the National Rural Network to exchange information on programme implementation.

The RDOC will continue to have the same representation as the Monitoring Committee for the 2007-2013 SRDP, expanded to reflect a desire to broaden and deepen the engagement of stakeholders:

External Stakeholders

- National Farmers Union Scotland;
- Scottish Land & Estates;
- Convention Of Scottish Local Authorities;
- Scottish Crofting Federation;
- Environment Link;
- Local Action Group representative;
- CONFOR;
- Community Woodlands Association;
- Scottish Council for Voluntary Organisations;
- Highlands & Islands Enterprise;
- Scottish Enterprise;
- Scottish Environmental Protection Agency;
- Highlands & Islands Agricultural Support Group;
- National Trust for Scotland;
- New Entrants Group;
- Scottish Rural Network;
- Islands Authorities representative.

Programme Delivery Partners

- Nature Scot;
- Scottish Forestry;
- SGRPID (Paying Agency).

Secretariat

- Managing Authority.

15.2.1 Demarcation between MA, PA and other bodies in the delivery of the SRDP

The functions of the MA are essentially as foreseen in Article 66 of Regulation 1305/2013, that is to say the MA will undertake the various functions associated with developing and securing approval to the Programme including the ex-ante evaluation and thereafter overseeing its effective implementation including:

- Ensuring the efficacy of the systems, processes, indicators and data for monitoring and evaluation and programme reporting purposes;
- Supporting the programme monitoring committee
- Publicising the programme and reporting outcomes
- Defining the selection criteria for programme operations
- Establishing the National Rural Network and procuring the Advisory Service
- Vetting and approving the Local Development Strategies and the operational and control frameworks within which Leader will function
- Apprising the Paying Agency of the procedures and controls operated under the auspices of the Managing Authority including these for approving aid applications

Whilst working closely together the MA within the Scottish Government's governance structures to ensure efficient and effective delivery and control of expenditure, the key Paying Agency functions are essentially those envisaged in Article 1 of Regulation (EU) 907/2014, i.e.:

- Managing and controlling payments, expenditure and debtors;
- Keeping accounts of payments made including financial reporting in accordance with Commission regulations and guidelines;
- Ensuring the thorough checking of eligibility and compliance before authorising expenditure;
- Maintaining the Land Parcel Identification and IACS databases required to control beneficiaries of aid and to manage and monitor aid area based measures;
- Maintenance, evaluation and reporting the outcome of administrative and on the spot controls;

Oversight and monitoring of delegated bodies including the Local Action Groups under the Leader programme and the forestry and natural heritage bodies engaged in AEC and Forestry measures.

14.3. 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

An Information and Publicity Strategy (IPS) will be prepared in advance of the planned launch of the SRDP in early 2015, subject to Commission approval, as detailed in Article 13 and Annex III of the Implementing Regulation. It will be approved by the Monitoring Committee within six months of the adoption of the SRDP.

The primary aim of the IPS will be to promote the benefits that the SRDP brings to rural communities, the

rural economy and natural environment of Scotland, the role of the European Union in this, and to help achieve the outcomes of the SRDP. It also aims to encourage participation, ensuring that potential beneficiaries have access to the relevant information along with highlighting key priorities at certain times in certain areas.

Target groups will include beneficiaries; potential applicants; Scottish Government staff and delivery partners; LEADER LAGs; key farming, community and environmental stakeholders; third sector; local authorities; media; MSP's, MPs and MEPs along with the general public. These groups will be looking for accessible, clear and accurate information, advice and guidance at varying levels of detail. It is essential that we have clear and consistent messaging about the SRDP, but also provide the right type and level of information for these varying needs.

The IPS will ensure that appropriate information is clearly available for potential beneficiaries, including the application procedures, eligibility and selection criteria, contact details and complaints procedure. It will also explain the responsibilities of the beneficiaries to acknowledge support from the Rural Development.

A key part of the IPS is to deliver communications in a consistent and co-ordinated way across Pillar 1 and 2 of the CAP. Internally we looking to improve our staff communication and training for those that deliver the land based schemes under Pillar 1 and 2 to allow clear and consistent engagement with staff. Externally, we will improve our scheme guidance, improve customer support, and develop a single access point on the Scottish Government website.

The Scottish Rural Network (SRN) will be an integral part of delivering the aims of the IPS and a new SRN will be launched with a stronger identity, clearer remit and greater stakeholder input. The network will have a key role in communicating information about the Programme and wider rural development policy to stakeholders and members of the public, and a communications plan will be developed. It will be responsible for a network website, preparation of case studies, dissemination of information and organisation and facilitation of national, regional and local events.

The Advisory Service and the Knowledge Transfer and Innovation Fund also have a key role in communication and these will also fall under the wider IPS to ensure consistency of communications. In addition the Advisory Service and SRN will interface with the European Innovation Partnership Network and the European Network for Rural Development to help disseminate good practice and innovative approaches internationally.

14.4. 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.

Article 35 builds on the co-operation approach available under the LEADER measure by providing a targeted scheme for farmers and land managers in order to implement projects that deliver landscape scale improvements for the environment and climate. This approach has been implemented using experience of the previous LEADER measure, where landscape scale projects were enabled through facilitation and animation. To allow LEADER to continue to focus on rural communities in terms of social inclusion, village renewal and promotion of economic development, and on demonstrating other innovative

approaches, Article 35 will now fund these type of initiatives (although this does not restrict LEADER from doing additional activity in this area if identified as having merit through LDS process).

Article 35 also allows for co-operative approaches in the food-processing sector, delivered through the targeted Food and Drink scheme within the SRDP. This ensures that these types of initiatives are considered as part of the overall package of support available to the food and drink sector, including from domestic funds.

Article 20 and Article 35 can both provide funding towards plans and strategies, in addition to those enabled through LEADER. Scotland has a comprehensive approach to strategic planning across all areas of the public sector, led by our approach to Community Planning where all public bodies (and where relevant community and private sectors) in administrative areas come together to ensure coherence and coordination in strategic planning. The LEADER LDS process builds on this for rural areas by devolving planning to a lower level and ensuring wider community support is facilitated. Based on this comprehensive approach further strategies are not required for Scotland, although effective planning and identification of potential outcomes are facilitated through the advisory service.

To ensure as wide a scope as possible for LEADER use of Article 20 has been restricted to provision of broadband infrastructure and footpaths. This ensures LEADER funds those other activities permitted through Article 20, and that there is no duplication of effort elsewhere in programme. Broadband is to be funded through Article 20, rather than through LEADER, to ensure effective complementarity with the wider broadband provision in Scotland. However LEADER can seek to add to this provision if identified as appropriate through the LDS process, and there is clear additionality in terms of what is on offer through other elements of the programme. Footpaths will be funded through Article 20, and separate from LEADER, to ensure the most strategic walking routes were selected and that provision of these was built into the overall national strategy. Again, LEADER can add to this provision if duly justified and there was clear additionality.

14.5. Description of actions to achieve a reduction of administrative burden for beneficiaries referred to in Article 27(1) of Regulation (EU) No 1303/2013

A significant amount of activity has taken place to ensure the administrative burden for beneficiaries is kept to an absolute minimum. One of the guiding principles in programme development was to ensure the process was as simple as possible for beneficiaries, and that the objectives of the programme were clear to all.

Initially a set of eight working groups across a range of areas was set up with part of their remit to look at the past programme, and make recommendations for improvement. All papers and final reports of these eight groups were placed on the Scottish Government public website, so others could consider and take account of the work. As part of this process recommendations that arose from previous reviews (including the Mid Term Evaluation) were considered, and following completion of this development phase a table was prepared listing all relevant recommendations so they could be considered throughout the development stage.

Building on this work, a review was then initiated which looked at the options texts from the previous programme. It was these texts that beneficiaries (and assessors and inspectors) had to consider when deciding what to apply for, and to understand the actions they were required to take. This was a lengthy process, involving policy, delivery, audit and stakeholders. Substantial improvements have been made to the length, clarity and outcome focus of all texts as a result of this work.

The Scottish Government has also reviewed its CAP customer support arrangements, and is funding a significant new IT system to better administer CAP, enhancing online service provision and improving support and guidance, as explained previously in section 15. This will improve beneficiary's access to the system, and the ongoing administration and reporting of CAP. Customers and staff are involved in the developments to the new approaches through panels and focus groups.

Potential beneficiaries will be able to access all of the relevant information and guidance relating to SRDP via an online portal. For the larger measures i.e. forestry and AECS, applicants will be able to transfer all documents and information via the portal. For the smaller schemes it is intended that this functionality will be developed in the first few years of the programme.

In order that beneficiaries have a clear idea of what they have to do, guidance will be presented in plain language and will clearly explain for each measure/sub-measure:

- the aim of the measure
- what makes an applicant eligible
- what makes an application eligible
- the management requirements (if appropriate)

Considerable effort has been made to ensure that all measures in the SRDP are verifiable and controllable and are designed in such a way that they do not create an undue risk of error.

Selection criteria are currently being finalised for all measures in the SRDP in order that the most suitable applications are accepted for admission. Due to the previously high error rate for some AECS sub-measures, all potential beneficiaries who pass the initial selection criteria will be visited or contacted via telephone to ensure that they understand the exact commitments that they are signing up for. Following this process applications will be re-assessed as required, with contracts then being issued to all successful applicants.

Lastly, the support the public sector partners involved in delivery of the SRDP provide potential beneficiaries will be enhanced in order to assist their understanding of requirements and objectives. Part of this will be through visits to potential beneficiaries to ensure their understanding; part will be through public sector partners (and where relevant with assistance from NGOs) working together to directly promote the outcomes we want in certain areas to certain potential beneficiaries, and part through an enhanced advisory service.

Over time further significant improvement in customer experience is expected along with the outcomes secured.

14.6. 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

The Technical Assistance budget will be used to fund these key areas:

- Monitoring and evaluation activities for the programme, as set out in section 9. These activities will help to inform the performance of the programme and enable enhancements to ensure that we deliver the greatest impact from the programme. In addition, these activities will help meet the monitoring and evaluation reporting requirements set out by the EC.
- The Scottish Rural Network (SRN) as outlined in section 17. We anticipate that at least half of the indicative SRN budget will be used for staffing costs for the Network Support Unit (NSU) and the remaining budget will be used for: organising and running events and project visits; publicity materials; contracting external experts (where the necessary skills or knowledge does not exist in the NSU); participation in ENRD, EIP and other European level activities, groups and events; contributing towards UK NRN activities; and technical hosting and help-desk support for website.
- Nature Scot (NS) to be funded to carry out periodic internal audits of compliance with delegated scheme functions. Audit frequency to be risk based..
- Crucial additional resourcing for the required new IT system for applications, monitoring and controlling of the programme, which underpin the delivery of payments and services.
- Provision of a Food Industry Adviser to support the Food Processing, Marketing and Co-operation Scheme (under measures 4 and 16) National Project Assessment Committee.

The beneficiaries are:

- The Scottish Government Agriculture Food and Rural Communities (AFRC) Directorate
- Nature Scot (NS)
- Scottish Rural Network (SRN)
- External individuals/firms who are contracted to undertake work or provide services (eg the evaluations of the SRDP). External contractors cannot be identified at this point as these actions will be subject to Scottish Government procurement procedures.

The majority of staff delivering the SRDP objectives will be core Scottish Government or Agency staff and these actions which form part of the normal business, which will be funded domestically and not through Technical Assistance.

Technical Assistance will be used to pay for staff costs, who are otherwise employed by the Scottish Government or relevant Agency, for:

- NS staff who undertake scheme audit requirements. Accurate time records will be maintained to clearly identify the specific actions to ensure only the costs of these actions are met.
- Network Support Unit staffing costs, which are part of the operational costs of the SRN.

Technical Assistance will be used to pay for services including the appointment of external contractors for:

- Monitoring and evaluation of the SRDP 2021-2024 which requires external contractors, to provide an independent appraisal of the programme, will be appointed through a tendering process which will follow Scottish Government procurement procedures.
- The costs associated with operating Scottish Rural Network, which will include events, publicity and the contracting of external experts, which will follow Scottish Government procurement procedures.
- The appointment of a Food Industry Adviser, who will be contracted through a tendering process which will follow Scottish Government procurement procedures. The role, which is likely to last for 2 years with the possibility of a further year's extension, will be monitored and answerable to the Managing Authority.
- The IT Programme expenditure which is monitored via a Programme Governance Structure which is provided with details of spend to date against budget; forecast expenditure against an annual and five year horizon; identified funding pressures and variance from agreed tolerance levels for scrutiny on a monthly basis. Lower level monitoring arrangements are also in place to ensure accurate details of spend are recorded and any anomalies are resolved. The IT system under the Futures Programme is modular and will support both Pillar 1 and 2 schemes. Estimated costs for the inclusion of Pillar 2 schemes within the Futures Programme currently amount to approximately £19 million. Requested Technical Assistance funding has been restricted to £10 million which should therefore avoid any potential cross-over with Pillar 1 costs.

Procurement procedures

The Scottish Government is committed to open, fair, transparent and competitive procurement of the goods and services it consumes. Scottish Procurement, a department within the Scottish Government, design, implement and oversee the application of procurement best practice within the Scottish Government

Any Procurement of goods or services using RDP funds will respect the Public Contracts (Scotland) regulations 2012 and the EU public procurement rules, in particular (i) Directives 2004 /18/EC and 2004/17/EC, (ii) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU once transposed into national legislation, (iii) directive 2007/66/EC [amending 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.

Governance, verifiability and measurability

In order to comply with the general principles of sound financial management of funds, Technical Assistance expenditure will be based on SMART operational objectives following the appropriate needs assessment. Each of the workstreams funded through Technical Assistance will be planned and will have to meet key deliverables:

- The monitoring and evaluation assessments will be undertaken to meet the requirements of the Rural Development Regulation. Following a tendering process the contract will clearly set out the requirements of the assessment to be carried out by the successful bidder.
- An Action Plan for the SRN with clear outputs and targets will be set out, this will be reviewed and updated through the Programme period. External services will be procured following Scottish Government procurement procedures.

- NS internal audits must be carried out in accordance with UK Public Sector Internal Audit Standards. NS must be able to demonstrate conformance with the Standards through a programme of regular internal and external quality assessments as required by UK Public Sector Internal Audit Standards.
- The role of the Food Industry Adviser will be clearly defined in the tendering process and the outcomes to be achieved. The role and actions of the adviser will be monitored by the Scottish Government.
- The IT programme planning is well advanced, with deliverables, dependencies, milestone dates and checkpoints all identified. These are subject to detailed scrutiny by the Scottish Government at Programme management level and via the Governance structure. Deliverables are subject to rigorous testing criteria to ensure that they are fit for purpose prior to live operational running. A Programme Assurance Strategy and Plan is also in place to provide a level of confirmation to Programme and Scottish Government Governance that the Programme is being delivered in a controlled manner. The Programme is also in the process of procuring an independent assurance partner to further embed the assurance processes

Expenditure under the Technical Assistance budget will be monitored. Payments will be made and recorded through existing secure internal systems, and where appropriate copies of invoices and evidence of payment will be kept on file by the appropriate sections of the Scottish Government. Costs from each area will be submitted quarterly to the SG Rural Development Policy team who will undertake administrative checks and submit a claim form to the Paying Agency.

Expenditure under Technical Assistance will be reported to the Rural Development Operational Committee as part of the SRDP governance arrangements.

As there are a number of workstreams being funded through Technical Assistance, administrative and on the spot checks will be undertaken by separate parts of the Scottish Government. The 5% check of expenditure to be carried out under Article 62 will be carried out by SG AFRC Accreditation, Assurance and Finance.

15. LIST OF ACTIONS TO INVOLVE PARTNERS

15.1. April – June 2012: 8 Stakeholder Working Groups

15.1.1. Subject of the corresponding consultation

Each subject specific group held a series of meetings to take forward the initial development of consultation proposals.

15.1.2. Summary of the results

Recommendation reports were produced by the Working Groups. These recommendations were then developed into initial proposals

15.2. December – February 2014: 2nd consultation

15.2.1. Subject of the corresponding consultation

Final proposals for public consultation including RD priorities, budgets, delivery mechanisms and equalities, environmental and business impact assessments.

15.2.2. Summary of the results

947 responses which have informed final decisions on the SRDP. Broad agreement, we have taken action to modify proposals or explain our reasoning for areas of disagreement.

15.3. March 2012: 1st Stakeholder Programme Development Event

15.3.1. Subject of the corresponding consultation

Overview of strategic context, governance for development of the SRDP and discussion on high level approaches to the SRDP.

15.3.2. Summary of the results

Feedback from the event and breakout groups informed the development of the 8 Working Groups and their remit.

15.4. May/June 2013: 1st consultation

15.4.1. Subject of the corresponding consultation

Initial outline proposals for public consultation.

15.4.2. Summary of the results

Consultation had over 150 responses. 14 roadshows attracted over 500 attendees. General agreement with our initial proposals, allowing development of the 2nd consultation.

15.5. October 2012: 2nd Stakeholder Programme Development Event

15.5.1. Subject of the corresponding consultation

Update on development of the SRDP to date and latest proposals. Breakout groups were held to discuss further development of the proposals.

15.5.2. Summary of the results

Stakeholders informed of progress and output from Working Groups. Feedback to allow development of proposals for stage 1 consultation.

15.6. Ongoing - Quarterly CAP Stakeholder Group meetings

15.6.1. Subject of the corresponding consultation

Regular meetings to discuss progress with CAP and specific issues.

15.6.2. Summary of the results

Ensuring key stakeholders are informed of progress of regulations in Europe, and Scotland's proposals for implementation.

15.7. (Optional) explanations or additional information to complement the list of actions

The first stakeholder event took place in March 2012 and stakeholder involvement has continued to be a key element throughout the two years of SRDP development. To formalise this, a Communications Plan outlining how we would communicate with internal and external stakeholders has been in place throughout the development of the SRDP as outlined in the table.

The main target audiences for the communications plan included:

- potential applicants/beneficiaries;
- local and regional authorities;
- trade and business organisations;
- economic and social partners;
- equality groups through the Equalities and Human Rights Commission;
- stakeholder organisations and NGOs, including:
 - National Farmers Union Scotland (NFUS)
 - Environment LINK
 - RSPB
 - Scottish Enterprise
 - HIE
 - Highlands & Island Agricultural Support Group
 - Scottish Environment Protection Agency (SEPA)
 - Scottish Land and Estates
 - Scottish Crofting Federation
 - Crofting Commission
 - Quality Meat Scotland
 - CONFOR
 - Scottish Council for Voluntary Organisations (SCVO)
- Scottish Government senior management, delivery partners and key policy areas including - European Structural Funds Division; Food, Drink and Rural Communities Division; Agricultural & Rural Development Division; Natural Resources Division; Tourism and Major Events Division; Forestry Commission Scotland; Scottish Natural Heritage (SNH); Historic Scotland;
- the Scottish Cabinet;
- other customers not represented by the organisations above;

Partners in terms of climate actions are included in the above list, in particular Environment LINK covers a wide range of interests, including climate; SNH and SEPA have a direct interest in climate issues, along with the relevant Government departments that were involved throughout the development of the SRDP.

Stakeholders have been kept informed of progress with the negotiations of the regulations in Europe; relationship between the SRDP and the other European Structural Investment Funds; and progress with development of the proposals for the SRDP. They have been provided with opportunities to feed into the proposals throughout the development phase. In addition to the formal events outlined above we have had regular informal discussions with key stakeholders to discuss progress and key issues.

The Scottish Government website has also been a key resource for stakeholders, providing up to date information including all the papers and reports from the above events outlined.

Feedback from meetings, events and consultations has been used to inform the next stage of the development of the SRDP. Generally there has been support for the proposals which has allowed them to be developed further. Where there has been clear disagreement proposals have been re-considered and amended where possible within the regulatory framework. An example is support for crofters, the initial proposal was that this would be merged with support for other small farms. However there was clear feedback that this caused concerns with crofters due to reduced opportunity for them to have access to crucial support, so the proposals have been amended to provide a stand-alone crofting scheme.

There have been some cases where it has not been possible to address feedback, for example various stakeholder interests have sought greater funding for their area. However, as the budget is set, a balance is needed across the programme to allow delivery towards all the outcomes within the finite budget. Therefore, where it has not been possible to amend our proposals in light of feedback, the reasons have clearly explained to stakeholders.

In addition to the extensive work with external stakeholders, there has been continual work with internal policy teams and delivery partners to ensure that all relevant policies are fed into the SRDP, and that schemes being proposed are deliverable and verifiable while ensuring the administrative burden beneficiaries is kept to a minimum.

At all stages of programme development partners were involved, including for the issues foreseen in Art. 8 of the European code of conduct on partnership in the framework of the European Structural and Investment Funds.

16. NATIONAL RURAL NETWORK

16.1. The procedure and the timetable for establishing the National Rural Network (hereinafter NRN)

A new Scottish NRN with a stronger identity, a clearer remit and greater stakeholder input will be launched in early 2015.

A series of stakeholder workshops will be held annually to design the NRN Action Plan and work programme. This will be reviewed by the Managing Authority and the Rural Development Operational Committee.

A ring-fenced Network Support Unit (NSU) will be set up in Scottish Government to provide a dedicated staff resource for the successful delivery of the Action Plan and work programme as well as individual activities. This represents a significant change from the NRN in 2007-13, which was primarily delivered through two external contracts.

The NSU team will have the skills and expertise to facilitate programme networking and communications, supplemented by a flexible resourcing policy to enable specialists to be contracted in or seconded. A separate unit in Scottish Government will operate as the Managing Authority, with responsibility for monitoring the successful delivery of the NRN.

A project plan has been developed to establish the NSU and NRN governance arrangements by early 2015. An internal Steering Group has been established for the project and a small project team will deliver the key tasks, including: stakeholder needs assessment; NSU team structure; appointment of NSU manager and staff; development of monitoring and evaluation framework; and the public launch of new NRN.

Once the NSU has been set up, the NRN Action Plan will be developed and agreed. The Action Plan will be reviewed and updated annually.

16.2. 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

The Network will be open to all parties with an interest in rural development. The NSU will use the existing network to build on (e.g. website members, newsletter subscribers, contacts from previous events and social media contacts). Stakeholder mapping will be undertaken once the NSU is set up, but as a minimum, it is expected that NRN partners will include: organisations signed up to the 'Partnership Agreement'; SRDP Delivery Partners; and LEADER Local Action Groups.

The NSU will facilitate networking activities, which will be complementary to the communication activities of all the SRDP Delivery Partners.

The NSUs of England, Scotland, Wales and Northern Ireland will undertake a shared programme of activity to collaborate on UK level networking priorities and participation in the European Network for Rural Development.

16.3. A summary description of the main categories of activity to be undertaken by the NRN in accordance with the objectives of the programme

The priorities for the first two years of the NRN will be set out in the Action Plan, which will include the delivery of all of the activities set out in Article 54(3)(b) of Regulation 1305/2013. The NRN's activities to achieve the aims set out in the Regulation will include:

Aim 1 - Increase the involvement of stakeholders:

- establish and maintain a central "network of networks" relating to rural development.;
- organise and facilitate national, regional and local initiatives and events to inform policy development and programme implementation .

Aim 2 - Improve the quality of RDP implementation:

- establish and coordinate thematic working groups and dissemination of outputs ;
- establish and manage a national LEADER network, including a training programme and regular networking activities.
- Dissemination of monitoring and evaluation findings.

Aim 3 - Inform public and potential beneficiaries about policy and funding opportunities (as per the Information and Publicity Strategy):

- promote best practice in rural development through the use of case studies, best practice competitions and peer-to-peer learning;
- gather information, photos and videos showing good examples of projects covering all priorities of the SRDP;
- provide a new or refreshed NRN website;
- disseminate information to the public through newsletters, website articles, videos, social media and public events.

Aim 4 - Foster innovation in agriculture, food production, forestry and rural areas (complimentary with the support under measures 1 and 2):

- organise project visits to encourage co-operation and the sharing of knowledge and experience;
- facilitate cooperative working between LAGs in Scotland, the UK and Europe by bringing them together to share ideas, identify common objectives, develop proposals and agree roles;
- facilitate the establishment of Operational Groups;

- disseminate outputs from Operational Groups and the EIP Network to stakeholders in Scotland.

The NRN will also work closely with other key organisations in the UK and Europe including:

- active participation in and contribution to the activities of the European Network for Rural Development (ENRD);

regular exchanges and collaborative initiatives with the other UK NRNs.

16.4. Resources available for establishing and operating the NRN

In order to deliver the above activities, the NSU is likely to consist of around six full-time equivalent staff, funded under Technical Assistance, and utilising at least half of the budget on the staffing costs. This will be supplemented by additional staff-time funded by Scottish Government, as necessary.

The remaining budget will be used to fund the additional costs of delivering NRN activities and the contracting of external specialists, where the necessary skills or knowledge do not exist in the core NSU team.

17. EX-ANTE ASSESSMENT OF VERIFIABILITY, CONTROLLABILITY AND ERROR RISK

17.1. Statement by the Managing Authority and the Paying Agency on the verifiability and controllability of the measures supported under the RDP

Statement:

The Managing Authority and Paying Agency have worked collaboratively within the Scottish Governments's governance structures and through a series of discussions and meetings, including stakeholders, to develop measures and options which seek to strike an appropriate balance between the effectiveness of the measures on one hand and the verifiability and controllability on the other. In undertaking this collective consideration, full account has been taken of the need for measures and options to be developed in such a way that they bear down on the level of errors manifest across Europe in the predecessor programme whilst providing an effective vehicle for meeting policy objectives in regard to rural development. Account has been taken therefore of

- the Commission's Guidance Fiche on the assessment of the risk of errors,
- the Commission working document on the root causes of errors
- the presentations from the Commission and ECA services at the various special RDC meetings covering the actions necessary to reduce error rates
- the finding of Commission and EC audits in the previous programming period. Specifically the ECA DAS audit of 2010 and the Commission audit of Measures 212 and 214 in 2011
- recommendations contained in the consecutive reports of the Certifying Body for improvements in the area of rural development expenditure
- the Action Plan developed at the request of the Commission in January 2013, as updated in September 2014 following a bilateral meeting with the Commission on 3 September and the need to maintain that Action Plan as a dynamic document to manage and react to risks of errors
- the need for better and more timely management information on error levels so that early remedial action can be taken in regard to the options which are proving most problematic from an error standpoint

As a consequence of this collective consideration, the objective has been to develop measures, options and controls which:

- clearly delineate between eligibility criteria and commitments;
- are both measurable and controllable;
- are clearly understood by beneficiaries;
- are simplified from the previous programme and rendered less prone to errors through greater use of standard costs or 'lump sum' style

payments

- benefit, where appropriate, from input from agronomists and/or a farm advisory service
- provide for robust assessment of value for money/reasonableness of costs and ensure compliance with public procurement rules
- require land managers to maintain effective records of their undertakings/commitments through farm diaries
- focus OTS checks from a risk standpoint on the options where the risk to verifiability is greatest
- ensure OTS controls are applied at the most relevant time pertaining to the prescription being controlled
- optimise the collective application of administrative and on the spot controls to prevent, detect and reduce error levels and where appropriate, the use of photographic evidence to demonstrate compliance

please see figure 26, the undernoted table, summarises the action plan agreed with the Commission in order to address audit recommendations made in relation to RD expenditure by ECA/Commission during the 2007-13 programming period. Following a meeting the PA had with Commission on 3 September, the Action Plan fully reflects the audit criticisms (EC, ECA and Certifying Body) during the 2007-13 period. The Action Plan is being actively monitored through the Scottish Government's Accreditation Committee (chaired by Director of the PA) and also by the UK Coordinating Body. Progress against the plan is already significant; with many of the audit issues and root causes of errors already addressed prior to the Commission requiring us to develop an Action Plan. Even once the actions are all complete the Action Plan will continue as a dynamic document that will be updated as needed.

figure 26			
Audit Recommendation	Action undertaken or planned		
Use of farm diaries	All new agri-environmental contracts issued under the 2014-2020 programme period will include a requirement for a farmer diary. This diary will detail, by LPID, the agri-environmental management requirements which the beneficiary must undertake to fulfil the contract commitments. It will contain sections which allow the beneficiary to enter information which confirms the actions he has taken. It will be mandatory for this diary to be satisfactorily completed and presented at any subsequent on the spot check. Failure to comply with this requirement will lead to appropriate sanctions.		In addition arrangements have been introduced whereby contracts containing Stock Disposal and Away Wintering of Sheep options will be compared against the annual stock inventory which SGRPID receives from Livestock Businesses in January each year and data held by the Scottish Animal Movement Unit. Any inconsistent/irregular cases are followed up. Annual Records are required to be completed by beneficiaries for Away and Off Wintering of Sheep and Mammal and Bird Control options. Administrative checks are in place in RPID's IT system so that it is recorded that Annual Records are received before payments are made.
Carry out further detailed analysis of the error rates in control statistics submitted in July 2014 and consider the need for consequential action	Further detailed analysis is currently being undertaken on error rates in the control statistics which were submitted in July 2014. If it is established that significant errors are highlighted for a particular population, SGRPID will issue a targeted communication and further guidance to the beneficiaries involved.	Control Statistics	Scottish Authorities are cognisant of the importance of submitting accurate control statistics and have introduced procedures to allow the return to be completed earlier. This in turn, gives more time for quality checks to be carried out before the return is submitted.
Introduce LFASS prepayment admin checks to scrutinise "naked claims"	Checks have been introduced covering LFASS 2010 payments onwards, ensuring that payments calculated take account of the results of these checks and is carried out on the basis of a systematic report and payment stops put in place until investigation complete. This now prevents beneficiaries receiving payment prior to completion of all administrative checks and thus protects the Fund.	Timeliness of cattle movement notification to central traceability database	More extensive movement documentation checking is planned at the time of OTS cattle x-c inspections to check compliance with requirements in relation to the timeliness of movement notification. Essentially the administrative element of check will now cover all animals that had been on the holding from 1 January of the year in question rather than simply those present at the time of the OTS.
Introduce 5 year activity check LFASS prior to payment	Complete 2004-2009 back check complete and recoveries actioned where appropriate. Since 2010 these checks have been completed in advance of payments	Numerous Certifying Body recommendations included in reports of 2009-2012 CB audits	The recommended actions were implemented and followed up in subsequent CB audits. Recommendations were primarily focussed on EAFRD non-IACS measures
LPIS database update	There is currently a resource intensive (40 new staff) LPIS exercise underway which has updated all beneficiary maps identifying and deducting ineligible areas. This information is included in an ineligible feature layer in the RPID GIS system and will be used for cross checking purposes. A maintenance system has been introduced to ensure the information is kept up to date.		
Review of measurement tolerances	This was discontinued by RPID in 2010 and since then all parcels are now checked in inspected cases		
100% inspection of fields	Prior to 2010 50% of parcels were subject to initial inspection and subject to findings this may have increased to all parcels. This was discontinued by RPID in 2010 and since then all parcels are now checked in inspected cases		
Capital Claim Checklist & Guidance	Further to the application eligibility checklist introduced in spring 2010 A revised capital claim checklist and guidance note was issued to local area offices on 3 October 2011. This provides for a step by step detailed process from receipt of claim, through a series of validation checks and, if these are successfully completed, on to certification and authorisation. It also takes into account inspections where appropriate and line manager review. This has strengthened our control procedures and provides a clear audit trail.		

figure 26

17.2. Statement by the functionally independent body from the authorities responsible for the programme implementation confirming the adequacy and accuracy of the calculations of standard costs, additional costs and income forgone