## SRDP 2014 -2020 PROGRAMME MODIFICATION 4

## Recommendation required

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

## **Background**

- 2. Modification 4 will include a number of amendments to the Programme, including the changes to the Less Favoured Area Support Scheme, to reduce the payment to 80% of the current payment rates, as announced by the Cabinet Secretary for Rural Economy and Connectivity in March 2017; and, the changes to the Programme following the closure of the Environmental Co-operation Action Fund. Details of the proposed changes are set out in Annex 1.
- 3. This paper was submitted to the Rural Development Operational Committee for their meeting on 26 October, no comments were received.

## **SRDP 2014 – 2020 MODIFICATION 4**

	Planned Change	Impact
LFASS	Change of payment rates from LFASS 2018 to pay 80% of payments, and introduce degressivity.	Scottish Ministers have decided to implement the option, provided by Article 31(5) of the Rural Development Regulations, to pay 80% LFASS from 2018, rather than change to a new Areas facing Natural Constraint designation and scheme.
		This decision will assist in providing the sector with much needed certainty and limit impacts to LFASS recipients.
		In addition, the Rural Development Regulation required degressivity to be introduced to LFASS payments from 2018 which will reduce payments above an area threshold. It is anticipated that this will only impact on the largest holdings, as the design of LFASS already prevents overcompensation
AECS	<ol> <li>Water-margins in grassland fields</li> <li>Conservation management for small units</li> <li>Heath Management (Coastal, Serpentine, Lowland and Special Interest)</li> </ol>	1. Currently, to meet the Water margins in grassland fields eligibility, the land must be in grass at the time of application and inspection, and to meet the eligibility for Water margins in arable fields, the land must have been cultivated in 3 out of the last 5 years. It has been brought to our attention, that in some parts of the county with longer rotations, land does not meet the criteria for either option, as within the lifetime of the AECS contract a field currently in grass, will become part of the arable rotation. Will help to ensure agricultural ground covering different rotation lengths can meet the eligibility requirements to fence off and manage water margins, thus protecting watercourses from diffuse pollution sources.
		Clarification of compliance rules for staff and applicants. Improved implementation of important operation for small units and crofts.
		This option requires change as stakeholders, have raised concerns over the inability to manage areas of land of significant importance to breeding Curlew and other waders listed as AECS Vulnerable Priority Species (VPS); (lapwing, snipe, oystercatcher, redshank) due to land eligibility issues. This results in some land which cannot be entered under any of the water management options in AECS, as these are aimed at improved/semi-improved grassland and the ground is dominated by unimproved habitat, but also fails to meet the eligibility requirements for the Habitat mosaic option, as the ground is deemed too rough. We want to ensure that appropriate management can be

		funded on these areas of land, many of which fall within key wader project areas, including both the Strathspey and Caithness Wetlands & Wader Initiatives. Curlew was added to Red status (most threatened) on the Birds of Conservation Concern 4 List, published in December 2015. It is imperative that AECS can provide appropriate management options to help preserve nesting habitat required by this species. Curlew require a mosaic of habitats for nesting and feeding, including some heath and rough grassland. We have identified that the Heath management option can be adapted to cover the types of habitat identified as of importance to breeding curlews and other VPS wader species. Ensure sensitive management of key areas of suitable habitat for breeding waders listed as Vulnerable Priority Species in AECS in key parts of upland Scotland.
ECAF	ECAF will no longer be re launching later this year and instead will seek to deliver similar objectives through enhancements to other existing programmes. Therefore the modification will remove this from the programme.	Whilst the amendment will reduce opportunities to fund facilitation for co-operative environmental management through the SRDP, funding opportunities to support the facilitation of and deliver landscape scale environmental management and collaborative approaches are still available through the Agri-Environment and Climate Scheme, Forestry Grant Scheme, Knowledge Transfer and Innovation Fund (KITF), and LEADER, as well as funds out with the SRDP (Peatland ACTION and the Water Environment Fund). Enhancements are being developed for the Agri-Environment and Climate Scheme to further support collaborative or landscape scale applications and it is hoped that this will mitigate the loss of ECAF.