# Northern Ireland Rural Development Programme

# 2007-2013



The European Agricultural Fund for Rural Development

Europe investing in rural areas

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**Title of Programme: Northern Ireland Rural Development Programme 2007-2013**

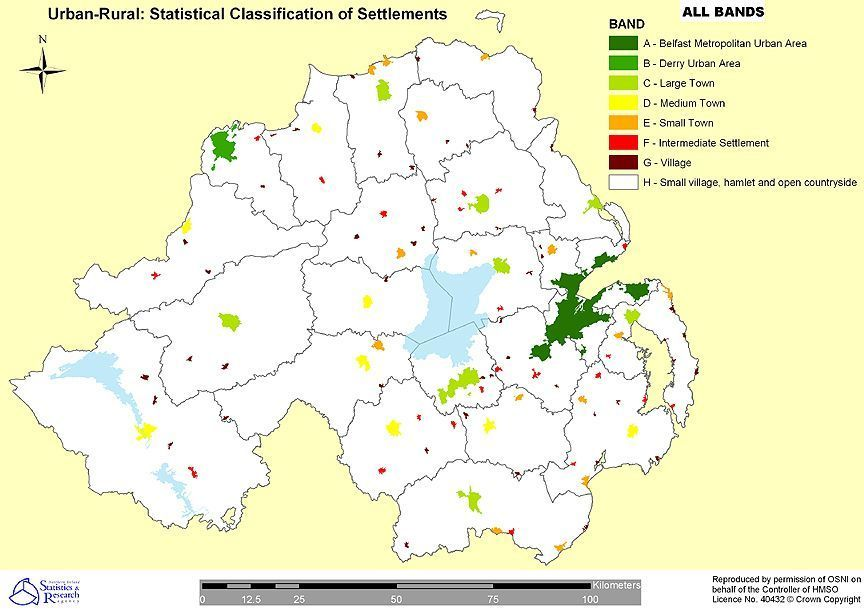
**Geographical Area covered: Northern Ireland**

**Regions Classified as “Convergence Objective”: None**

# Northern Ireland as a region

Northern Ireland is one of four regions in the United Kingdom. It is bounded by the Atlantic Ocean to the North, the North Channel and Irish Sea to the east and shares a land border with Ireland to the South and West.

Northern Ireland covers an area of some 1.4m hectares and has a total population of 1.7m (approximately 2.5% of the UK total). The overall population density is estimated at 125 persons per square kilometre. While around one third of the population lives in the Greater Belfast area, most of the remainder can be found in small towns, villages and more remote rural areas. Approximately 80% of Northern Ireland’s landmass is in agricultural and forestry use.



## Governance of Northern Ireland

As part of the United Kingdom, Northern Ireland is subject to the authority of the UK Parliament. The UK Government retains the power to legislate on constitutional and security matters, and areas such as policing, prisons, criminal justice and relations with the European Union. However, following the Belfast Agreement in 1998, the UK Government transferred certain powers to the Northern Ireland Assembly.

## Regional Government in Northern Ireland

### Northern Ireland Assembly structures

The Northern Ireland Assembly established as a result of the Belfast Agreement in 1998 has 108 members elected by proportional representation. The Assembly is the prime source of authority for all devolved responsibilities. It has full legislative and executive authority.

The executive authority of the Assembly is discharged through an Executive Committee comprising a First Minister and deputy First Minister and up to 10 Ministers with Departmental responsibilities. The membership of the Northern Ireland Executive is drawn from all the main political parties in Northern Ireland.

### Northern Ireland Assembly suspension

In October 2002, a breakdown in trust between Northern Ireland’s political parties led to the suspension of the Northern Ireland Assembly by the UK Government. Direct Rule from the UK Government was re-instated and NI government departments were under the direction of a team of Direct Rule Ministers.

The NI Assembly was recalled by the Secretary of State in May 2006.

In October 2006, the St Andrews’ Agreement provided a timetable for actions leading to the possible restoration of the NI Assembly. Elections took place on 7 March 2007 and the NI Assembly was restored on 8 May 2007.

## Local Government in Northern Ireland

### Current powers

The current system of local government has been in operation in its present form since 1973. It consists of a single tier of 26 district councils that vary considerably in area, resources and population. There are some 580 councillors who are elected for a 4-year term of office under proportional representation.

District councils have responsibility for the provision and management of a range of local services. They can nominate representatives to sit as members of various statutory bodies administering regional services and they represent the views of their areas in consultation exercises on central government matters such as planning, roads and housing.

### Review of Public Administration

In 2002 the Northern Ireland Executive commissioned a major review of public administration in Northern Ireland. The Review of Public Administration (RPA)[[1]](#footnote-1) was a comprehensive and strategic examination of all parts of the public sector in Northern Ireland including local government, health and education, agencies and the delivery functions of the eleven Government departments. Following suspension of devolution in the autumn of 2002, the work has been progressed by Direct Rule ministers taking account of the views of local political parties.

Options and proposals designed to modernise and reform public administration and to deliver citizen-centred services in Northern Ireland were published in March 2005. The proposals were aimed at transforming the way in which public services are developed, organised and delivered, with a view to enhancing both political and financial accountability, as well as improving efficiency and cost effectiveness.

In late 2005 and early 2006, following a period of consultation, Ministers announced the introduction of reforms to radically streamline the public sector in Northern Ireland. This would include significant reductions in the number of local councils, health boards and education boards. The reduction in the number of councils (from twenty-six to seven) would be accompanied by an increase in the functions controlled by local government. The new councils would have greater powers and be responsible for areas of activity currently carried out by regional government. Rural development is one such area and the Department of Agriculture and Rural Development (“the Department”) would agree with councils what responsibilities would transfer and how best to achieve this, given that the expected transfer date would fall within the period of this Programme.

Another strand of the review examined the number of public bodies in Northern Ireland and Ministers announced that these will be reduced from eighty-one to fifty-three. One of the bodies to be affected by this decision was the Rural Development Council for Northern Ireland (RDC). The RDC is an independent organisation established in 1991 as part of the Department’s Rural Development Programme. It works in partnership with a range of rural interest groups and is responsible for delivery of elements of the Programme for Building Sustainable Prosperity and the EU Programme for Peace and Reconciliation. The RDC policy functions would be transferred to regional government and its delivery functions would be transferred to local government.

Following restoration of the NI Assembly in May 2007, NI Ministers noted that the majority of political parties opposed the seven council model proposed by the previous administration and resolved to reach a consensus on the number of councils needed to achieve strong, effective and efficient local government.

### Impact on the Review of Public Administration on the 2007-2013 programme

Implementation of the RPA reforms is expected to have a direct impact on the delivery of the Northern Ireland Rural Development Programme 2007-2013 (NIRDP). This will be on two fronts:

* Elements of the programme previously delivered by the Department could become the responsibility of the new councils mid-Programme; and
* Elements of the programme previously delivered through the Rural Development Council may have to be delivered through different structures.

Given the timing of the transfer of responsibilities, the Department will provide for a delivery mechanism which should enable the transfer of responsibility for elements of the programme to the new councils without undue disruption to the projects and schemes being supported.

# Rationale (analysis of situation, strategy chosen and ex-ante evaluation)

## Current socio-economic situation, strengths/weaknesses

### Current Situation

#### *Definition of “Rural”*

There is no single definition in Northern Ireland of what is meant by the term “rural”. In an attempt to address this issue, the Northern Ireland Statistics and Research Agency (NISRA) published a Report[[2]](#footnote-2) by the Inter-Departmental Urban-Rural Definition Group in February 2005 which considered this question in depth. The report recommended that Government Departments and other users should consider defining urban and rural areas in ways that are appropriate for the specific programmes and projects under consideration. In the absence of a programme-specific definition, it proposes that settlements with a population of 4,500 or less should be defined as rural. On the basis of this definition, approximately 65% of the Northern Ireland’s 1.7 million inhabitants live in urban areas and 35% in rural areas. However, the report stresses that this definition should not be used in a prescriptive way and that policy makers need to consider the appropriateness of settlement and urban/rural classifications to individual policies.

An alternative method of defining “rural” is to designate Local Government Districts (LGDs) as being either rural or urban. Using this method, Belfast, Carrickfergus, Castlereagh, Newtownabbey, North Down and Derry are considered urban. While this approach is less refined that the settlements-based system, a lot of geographical data is only available at the LGD level.

In relation to this programme, unless stated otherwise, the settlements-based definition outlined above will be used. However, drawing on previous experience, the Department recognises that those in rural areas on the periphery of larger settlements could be excluded by such a definition. Therefore, the programme will also support those outside the development limits of settlements with a population greater than 4,500.

An additional classification of rural areas – “accessible” and “less accessible” can also be applied. There are clear differences between the more accessible east and the less accessible west of Northern Ireland. Under the settlements-based definition of rural areas, “accessible rural areas” are settlements with a population of 4,500 or less in the following District Council areas: Antrim, Ballymena, Banbridge, Carrickfergus, Castlereagh, Craigavon, Down, Larne, Lisburn, Newtownabbey, Newtownards and North Down.

#### *Socio-economic situation - general*

The rural population of Northern Ireland, based on the 2001 Census, is 588,651 or 35% of the total population. Of this, 15.5% live in accessible rural areas and 19.5% live in less accessible rural areas.

The age structure of the rural population is similar to that in urban areas.

|  |  |  |  |
| --- | --- | --- | --- |
| **Area** | **<16 years old**  **%** | **16 – 60 years old**  **%** | **>60 years old**  **%** |
| **Accessible rural areas** | **23.3** | **59.4** | **17.3** |
| **Less Accessible rural areas** | **25.4** | **58.2** | **16.4** |
| **Urban areas** | **23.1** | **58.8** | **18.1** |

Based on the 2001 Census, and following the classifications outlined in the report of the Inter-Departmental Urban-Rural Definition Group – ‘Statistical Classification and Delineation of Settlements’, the following gender breakdowns are available.

|  |  |  |
| --- | --- | --- |
|  |  |  |
| NI male population | 821,449 | *48.7%* |
| NI female population | 863,818 | *51.3%* |
| **NI total population** | **1,685,267** | ***100%*** |
|  |  |  |
| Rural male population | 293,121 | *50.6%* |
| Rural female population | 286,689 | *49.4%* |
| **Rural total population** | **579,810** | ***100%*** |

Weekly household income figures for 2002-2003 indicate that the highest levels are found in accessible rural areas at £427 per week, compared to £402 in Belfast Metropolitan Urban area, £382 in Less accessible rural areas and £362 in other urban areas. However it should be noted that rural households tend to be larger than those in urban areas.

When average gross weekly earnings of individuals are compared, a different picture arises with people in rural areas consistently falling below those in urban areas.

***Average gross weekly earnings***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2000** | **2001** | **2002** | **2003** |
| **Urban areas** | **£360** | **£373** | **£386** | **£396** |
| **Accessible rural areas** | **£331** | **£350** | **£356** | **£365** |
| **Less Accessible rural areas** | **£322** | **£323** | **£347** | **£361** |

The percentage of people in full-time employment is higher in urban areas (40%) compared to rural areas (36%) and, while the percentage of people who are self-employed is considerably higher in rural areas (12%) compared to urban areas (5%), the proportion of people who are unemployed is slightly lower in rural areas.

***Unemployment by gender (Working-age) Apr – Jun 2006***

|  |  |
| --- | --- |
|  | Unemployment Rate |
| Northern Ireland | 4.2% |
| Northern Ireland (male) | 5.3% |
| Northern Ireland (female) | 3.1% |
|  |  |
| Rural Rural Northern Ireland | 3.6% |
| Rural Rural Northern Ireland (male) | \* |
| Rural Rural Northern Ireland (female) | \* |

***Unemployment by age (Working-age) Apr – Jun 2006***

|  |  |
| --- | --- |
|  | Unemployment Rate |
| Northern Ireland | 4.2% |
| Northern Ireland (16-24) | 9.1% |
| Northern Ireland (25-49) | 3.1% |
| Northern Ireland (50-64) | \* |
|  |  |
| Rural Rural Northern Ireland | 3.6% |
| Rural Rural Northern Ireland (16-24) | \* |
| Rural Rural Northern Ireland (25-49) | \* |
| Rural Rural Northern Ireland (50-64) | \* |

\* Figures fall below Labour Force Survey (LFS) threshold for publication and disclosure.

In rural areas the agriculture, hunting, forestry and fishing sector make up 7.11% of the people in employment. Wholesale, retail and vehicle repair and the manufacturing industry employ the largest percentage of working people in rural areas.

***Estimated Net Great Britain and International Migration with to/from Northern Ireland over the 2002-2005 period***

Estimated GB inflows 36,644

Estimated GB outflows 34,133

*Estimated Net GB Migration 2,511*

Estimated International inflows 28,897

Estimated International outflows 24,912

*Estimated net International migration 3,985*

Estimated total Inflows 65,541

Estimated total Outflows 59,045

***Estimated Total Migration 6,496***

(source: [Long-term International Migration Estimates for Northern Ireland](http://www.nisra.gov.uk/archive/demography/publications/NI_Migration_Report(2005).pdf) 2004-5)

In rural areas 43.12 % of adults have no qualifications, compared to 40.85% in urban areas. This trend remains the same at all levels of educational attainment. The College of Agriculture, Food and Rural Enterprise (CAFRE) provides most of the training in agriculture and related subjects at the further education level in NI. The number of students enrolled in full time agriculture and food courses has been declining over time, while full time numbers in horticulture and equine studies are increasing over time:

***Full time enrolments by discipline:***

Course 94/95 04/05

Agriculture 383 242

Food 223 114

Horticulture 39 98

Equine 0 132

Communications 16 19

***Enrolments in part time courses are rising over time:***

Course 94/95 04/05

Agriculture 317 413

Food 11 164

Horticulture 113 272

Equine 15 81

Communications 34 66

Enrolments in higher education courses related to agriculture including food studies at Queens University Belfast have fallen over time from 236 in 1994/95 to 180 in 2004/5.

In 2000 87% of farmers in Northern Ireland had only practical experience of farming, with 9% having received basic agricultural training and 4% having full agricultural training. By 2005 (provisional figures) 81% of farmers had only practical experience with 14% having basic agricultural training and 5% having full agricultural training. This represents an improvement over the five year period however is most likely due to those without training leaving the industry.

#### *Socio-economic situation - agriculture*

Agriculture plays a more important role in the economy of Northern Ireland than is the case in the UK as a whole. However, the relative contribution of agriculture to the economy in Northern Ireland has halved during the last 15 years.

Of the total Northern Ireland land area of 1.4 million hectares, approximately 80% is in agricultural and forestry use which defines much of the rural landscape character. The number of farms in Northern Ireland has fallen by a third since 1980, from 42,000 to just over 27,000 in 2005. This reflects the on-going re-structuring of the industry in response to rising labour productivity and the decline in the relative price of agricultural commodities.

Since 1980, the total number of persons recorded in the Agricultural Census as working on Northern Ireland farms has fallen by 25% to 51,000 in 2005. There has also been a shift from full-time towards part-time and casual working patterns. In 2001-2, there were 26,490 active family farms with 107,100 associated dependents[[3]](#footnote-3).

The total labour output, measured in Annual Work Units (AWU), has fallen by 37% over the period. Although the total number of persons working on farms in 2004 was 53,000 many of these have part time or casual involvement and do not record themselves in the Labour Force Survey and the Population Census as having their principal occupation in agriculture. When measured on a basis consistent with that for the rest of the economy, the agricultural workforce is estimated at 32,000 in 2004; this equates to 4.4% of civil employment in Northern Ireland.

The average farm size in Northern Ireland is 38 hectares - smaller than the UK average of 56.6 hectares, but about double the EU15 average of 18.7 hectares. In Northern Ireland, 87% of farms are categorised as small or very small. Dairy farms account for the majority of large farms, whilst most of the very small farms are cattle and sheep farms in Less Favoured Areas.

Agriculture in Northern Ireland is predominantly grass-based, with dairy, beef and sheep production accounting for 81% of Northern Ireland aggregate gross margin. In 1980, cattle were found on 70% of farms, but by 2005, this had risen to 87%. In the case of sheep, the increase was from 18% to 32%. Over the same period, there was a marked decline in the incidence of farms with pigs, falling from 16% in 1980 to 2% in 2005, and the incidence of cereals fell from 21% to 11% of farms.

In 2005, 51% of farmers were aged 55 and over, with only 25% under 45 years of age[[4]](#footnote-4). The age profile of farmers has not changed significantly over the 1993- 2003 period with 29% of farmers 65 years old or over in 1993 and 28% 65 years old or over in 2003. 8% of farmers were under 35 years old in 1993 and 7% were under 35 years old in 2003. The age breakdown of farmers in Northern Ireland is similar to the breakdown at EU-15 level.

The Less Favoured Areas (LFA) (so designated under EU legislation largely as a reflection of their agricultural production characteristics) account for 70% of the farmed land in Northern Ireland. The LFAs are further sub-divided into Severely Disadvantaged Areas (SDA) - 456,000 hectares - and the Disadvantaged Areas (DA) - 264,000 hectares.

There were 19,000 farm businesses in the LFA in 2005, representing 70% of all farms in Northern Ireland. They accounted for 67% of the region’s full-time farmers and 72% of its part-time farmers.

74% of ‘very small’ farm businesses (farms with a Standard Labour Requirement (SLR) of less than 1 full-time worker) and 65% of ‘small’ farms (SLR 1-<2) were found in the LFA. For ‘medium’ sized farms (SLR 2-<3) and ‘large’ farms (SLR 3+), the proportions were 53% and 41% respectively.

There are significant differences between the pattern of farming in lowland areas and that in the LFA. Some 80% of Northern Ireland’s 2.1 million sheep are farmed in the LFA, with a similar proportion of the region’s 297,000 beef cows. However, LFA farms account for only 44% and 59% of the region’s pigs and poultry respectively.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2000** | **2001** | **2002** | **2003** | **2004** | **2005** | **2006** |
| LFA - Suckler Cow/heifer over 24 months | 272,579 | 266,601 | 263,404 | 254,511 | 255,497 | 251,825 | 235,391 |
|  |  |  |  |  |  |  |  |
| LFA - Heifers over 12 months and up to and including 24 months | 160,292 | 159,601 | 159,917 | 169,251 | 167,882 | 163,007 | 166,012 |
|  |  |  |  |  |  |  |  |
| LFA - Breeding ewe | 1,049,114 | 968,441 | 906,754 | 899,016 | 895,626 | 826,013 | 796,991 |
|  |  |  |  |  |  |  |  |
| LFA - Breeding female goat | 1211 | 1207 | 1197 | 1026 | 1071 | 966 | 898 |
|  |  |  |  |  |  |  |  |
| LFA - Total farmed deer | 384 | 520 | 522 | 584 | 621 | 461 | 450 |

Analysis for Northern Ireland carried out jointly in 2005 by the Food and Agriculture Policy Research Institute (FAPRI) and Queens University Belfast projected an 18% decline in suckler cows and a 9% decline in ewes by 2014 when the Fischler reforms (including decoupling) are compared against the CAP regime of Agenda 2000. There is also a marked rise in projected beef and sheep prices, as a result of the associated decline in animal numbers and production levels. Milk prices are projected to fall slightly, but milk production remains unchanged.

*Fertiliser usage in Northern Ireland*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
| Quantity purchased (‘000 tonnes product) | 445 | 414 | 427 | 427 | 391 | 352 | 314 |
| Nutrient content (‘000 tonnes) | 162 | 147 | 152 | 157 | 141 | 125 | 109 |
| Of which: |  |  |  |  |  |  |  |
| Nitrogen | 114 | 102 | 105 | 108 | 99 | 89 | 79 |
| Phosphate | 22 | 20 | 21 | 22 | 18 | 15 | 12 |
| Potash | 27 | 25 | 26 | 27 | 24 | 21 | 18 |

Farm incomes declined steeply in the second half of the 1990s, followed by a period of limited recovery from 1999-2005. The level of aggregate agricultural income is tied very closely to the sterling/euro exchange rate. Other factors contributing to the income decline of the late 1990s were the BSE crisis, falling demand in key export markets and declining world prices for many agricultural commodities. The sharp decline in income after 1995 occurred despite an increase in EU direct support payments to farmers.

In 2001/02, only 28% of farmers relied on farming for all their income, while 44% received half or more of their income from farming.

For farmers in the very small category of farms, the farm was a minor source of income, but was the main source for those in the medium and large farm category.

In 2001/02, three-quarters of dairy farmers received most of their income from the farm compared with less than half for the other types of farmers, including only 30% of DA cattle and sheep farmers. 27% of farmers and business partners received no income from the farm. Therefore, for many farmers, non-farm sources of income are vitally important.

One source of non-farm income is diversification. This covers commercial activities that use farm resources such as land, buildings and machinery for non-agricultural purposes. Reliable data on the popularity of these activities has only been collected since 2000, when 5% of farms were found to have some type of non-agricultural diversification. The most recent information available is for 2005 and shows little change, with 6% of farms recording some non-agricultural use of farm resources. The three most popular diversified activities are tourism, direct sales of farm products, and equine sports. However, the incidence of diversification is considerably lower in Northern Ireland than is the case for England where, using a similar definition, about 20% of farms were found to have some diversified activity in 2005. Analyses of the Northern Ireland data show a weak positive correlation between farm size and the incidence of diversification. Similarly, there is a negative link between farm size and the incidence of off-farm employment. It is possible, therefore, that faced with a limited resource base (and perhaps other disadvantages vis-à-vis counterparts in GB) many farmers in Northern Ireland feel better placed to exploit opportunities for off-farm employment than they do for establishing diversification projects.

Competitiveness will play a large role in the future sustainability and growth of agriculture. The competitive potential of agriculture is assessed using indicators of productivity growth, for example, total factor productivity (TFP). Competitive performance is examined using market share indicators.

The lack of TFP growth in Northern Ireland agriculture between 1985 and 1995 corresponds with the period following the introduction of milk quotas in 1984[[5]](#footnote-5). During that time, milk production in Northern Ireland was constrained by a fixed quota, limiting the overall productivity growth of Northern Ireland agriculture. However, in 1994, the UK milk market was deregulated, allowing the trading of milk quota across the regions of the UK. The net inflow of milk quota into Northern Ireland since then has been reflected in an improved growth in agricultural productivity, though sectors other than dairy may also have contributed to this growth.

Agricultural TFP growth in Northern Ireland appears to have been faster than that of the UK as a whole over the last 20 years. In 1994, Northern Ireland produced 9.4% of the volume of UK milk supplies. By 2004, this had increased to 12.5%, suggesting that milk production and marketing in Northern Ireland is more competitive than in GB. Over the same period, Northern Ireland’s share of UK poultry production increased from 7.1% to 9.4%.

The percentage of UK beef supplies produced in Northern Ireland increased from 15.6% in 1994 to 19.7% in 2004. Good grass growing conditions in Northern Ireland and lower total labour costs probably explain much of this increased competitiveness.

Average stocking rates per grassland hectare in Northern Ireland have not altered significantly between 1989 and 2004. However, the productivity of dairy cows has grown steadily over the past 20 years, increasing by 35% in terms of average milk yield per cow. This has been achieved through improved cow genetics and livestock management practices. Similarly, there has been a steady increase in the cereal yields. These productivity improvements have enabled these agricultural sub-sectors to improve their competitiveness[[6]](#footnote-6).

The agri-food industry comprises agriculture and the food and drinks processing sector.

*Agricultural Sector*

Agriculture plays a more important role in the economy of Northern Ireland than is the case for the UK as a whole and in 2006 provisional figures show a contribution of 1.9% of gross value added compared with 0.5% for the UK. Agricultural Total Factor Productivity (TFP), a volume based productivity measure that takes account of all factors/resources used in production, shows a 12% improvement in Northern Ireland over the five year period 2001-2006. This is a higher rate than was the case for the UK as a whole over the same period.

Agricultural Gross Value Added (GVA) per head is a value based measure of competitiveness. This measure fluctuates considerably from year to year in both the UK and Northern Ireland, because of the influence of market price changes. Nonetheless it is clear that GVA per head in the UK is considerably higher than that for Northern Ireland and this reflects the differing mix of farm enterprises employed due to differences in land quality and economies of scale. Grassland based enterprises have a lower GVA per hectare than field crop enterprises. Northern Ireland has predominantly grassland based enterprises due to less favourable land conditions while field crops are more widely found on mainland UK. Average farm size in Northern Ireland is 39 hectares compared to the UK average of 54 hectares. Provisional figures for 2006 show that GVA per head in Northern Ireland (£9,150 per head) is 47% of the UK figure

*Food and Drinks Sector*

In 2004, which is the most recent year’s data available, the food and drinks processing industry contributed 2.1% of total gross value added in Northern Ireland. The total value of sales from the food and drinks processing sector was £2.4 billion in 2004 with beef and milk product sales accounting for almost 50% of this total. Around 62% of these sales were to destinations outside Northern Ireland, with just under two thirds of these going to Great Britain. Return on Capital Employed (ROCE) is given by sectoral profit as a percentage of the total capital invested by food and drinks processing companies. This figure has stagnated in recent years at around 9-10% which is much lower than for other industries and for the UK as a whole. This reflects the low profitability and rising capital intensity of the sector in Northern Ireland. Sales per employee have increased substantially over the 5 year period 1999-2004 by around £4,600 per annum to £136,355. Gross Value Added (GVA) per employee has increased over the 5 year period 1999-2004 of approximately £850 per annum to a figure of £26,200. Both these measures, however, compare poorly with the equivalent UK figures because of better economies of scale and a wider product range in GB.

#### *Socio-economic situation – the rural economy*

*Rural Population*

In 2001, using the LGD based definition of the rural population, 32 per cent of the total population are less accessible rural, 30 per cent are accessible rural and overall 62 percent are rural. A census of the population takes place every ten years and estimates for the years in-between are produced at the LGD level only. The trends in the Figure below indicate that the urban population is expected to remain close to current levels over the projection period, while the accessible rural and less accessible rural populations are expected to increase.

### TABLE: Population Trends and Projections in NI1

##### Persons



1. The changes in the rural and urban populations from 1981 to 2004 are actual while those for 2005 to 2017 are estimates. Source: NISRA (NINIS website: <http://www.ninis.nisra.gov.uk/>)

*Earnings*

The average gross weekly earnings of people in rural areas were consistently below those of people living in urban areas over the years from 2001 to 2006. There is no strong evidence to indicate that the gap between rural and urban weekly earnings is narrowing (or widening) over time. Nevertheless, although average gross weekly earnings increased in 2006 in urban and rural areas, the lowest rate of growth occurred in ‘less accessible rural’ areas.

##### Average Gross Weekly Earnings per Person1

*£ per week*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **2001** | **2002** | **2003** | **2004**2 | **2005**2 | **2006**2 |
| Urban | 372.80 | 385.58 | 396.27 | 427.60 | 434.80 | 464.25 |
| Accessible Rural | 350.14 | 356.48 | 364.65 | 393.36 | 411.29 | 441.74 |
| Less Accessible Rural | 322.81 | 346.68 | 360.58 | 375.51 | 388.68 | 405.09 |

1. LGD based definition of Rural Areas is used. Source: NISRA (NINIS website: <http://www.ninis.nisra.gov.uk/>)
2. Survey methodology changed in 2004 therefore data previous is not directly comparable. Source: DETI, Annual Survey of Hours and Earnings.

***Rural Businesses***

In 2005, there were around 55,265 businesses in Northern Ireland that were registered for VAT. Businesses are legally obliged to register for VAT once their turnover exceeds £58,000. Approximately 23 per cent of businesses are located, or have their head offices, in urban areas. Agriculture dominates the Accessible Rural and Less Accessible Rural areas, accounting for 29 and 43 per cent of total VAT registered businesses in these zones respectively. Construction and Transport have a slightly higher than average concentration in rural areas. Finance is heavily skewed to the urban zone, but this to some extent reflects the location of head offices in Belfast and takes no account of branch networks across the region.

##### VAT registered enterprises in Northern Ireland by industrial group, Urban – Rural classification, 2005 1,2,3

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Urban** | **Accessible**  **Rural** | **Less Accessible Rural** | **Total** |
|  | % | % | % | Number |
| Agriculture (incl. Fishing) | 5 | 29 | 67 | 16,615 |
| Production | 25 | 31 | 43 | 4,020 |
| Construction | 19 | 33 | 48 | 8,085 |
| Motor Trades | 22 | 34 | 44 | 2,285 |
| Wholesale | 34 | 32 | 34 | 3,175 |
| Retail | 34 | 29 | 38 | 6,040 |
| Hotel & Catering | 34 | 28 | 38 | 3,090 |
| Transport | 19 | 33 | 48 | 2,055 |
| Post & Telecom | 38 | 33 | 25 | 240 |
| Finance | 62 | 19 | 12 | 130 |
| Property & Business Services | 49 | 25 | 26 | 7,350 |
| Education | 48 | 34 | 21 | 145 |
| Health | 33 | 27 | 40 | 260 |
| Public Admin & Other Serv. | 42 | 31 | 27 | 1,785 |
| **All Categories** | **23** | **30** | **47** | **55,265** |

1. Many smaller farm businesses voluntarily register for VAT, as farmers do not charge VAT on most sales and benefit by reclaiming VAT on input costs. In contrast many smaller businesses in other sectors of the economy will not voluntarily register.
2. It should be noted that firms operating from more than one site, are normally only recorded in the area where their head office is located. Coverage includes both companies and the self-employed.
3. Source: Derived from UK Business: Activity, Size and Location, 2006 (National Statistics website: http://www.statistics.gov.uk)

The number of net VAT registrations disaggregated by area from 2003 indicates that rural areas both accessible and less accessible have demonstrated the strongest growth in net registrations, while the Urban area saw a net fall in the number of registered businesses up until 2005.

##### Northern Ireland Net VAT Registrations, 1997 – 2006 1,2

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Urban** | | **Accessible**  **Rural** | | **Less Accessible**  **Rural** | | **NI Annual**  **Net Change** | |
| Year | No. | % of total VAT registered | No. | % of total VAT registered | No. | % of total VAT registered | No. | % of total VAT registered |
| 1997 | -235 | -1.8 | +105 | +0.7 | +370 | +1.5 | +240 | +0.4 |
| 1998 | +115 | +0.9 | +220 | +1.4 | +520 | +2.1 | +855 | +1.6 |
| 1999 | -335 | -2.6 | -5 | 0 | +285 | +1.1 | -55 | 0.1 |
| 2000 | -75 | -0.6 | +65 | +0.4 | +350 | +1.4 | +340 | +0.6 |
| 2001 | -225 | -1.8 | +90 | +0.6 | +365 | +1.4 | +230 | +0.4 |
| 2002 | +430 | +3.5 | -245 | -1.5 | -1,520 | -5.8 | -1,355 | -2.4 |
| 2003 | -70 | -0.6 | +20 | +0.1 | +110 | +0.4 | +60 | +0.1 |
| 2004 | -35 | -0.3 | +30 | +0.2 | +150 | +0.6 | +145 | +0.3 |
| 2005 | +275 | +2.1 | +325 | +2.0 | +730 | +2.8 | +1,320 | +2.4 |
| 2006 | +225 | +1.7 | +410 | +2.4 | +870 | +3.3 | +1,520 | +2.7 |

1. Source: Derived from UK Business: Activity, Size and Location (various years) (National Statistics website: http://www.statistics.gov.uk/)
2. Registration rates provide an indicator of the level of entrepreneurship and of the health of the business population. It should be noted that VAT registrations are not synonymous with business start-ups, as some registrations are the result of changes in ownership. In most cases businesses de-register for VAT because of closure. Closure does not necessarily involve bankruptcy or insolvency proceedings, which make up only around one in four closures throughout the UK.

***Rural Employment***

Northern Ireland is a small business economy, with micro businesses (those with less than 10 employees) accounting for 88 per cent of the total number of firms. Given the importance of agriculture in rural areas (normally farmers are sole traders with few or no PAYE employees), it is a little surprising that the distribution of micro business is not more skewed. In fact while around 90 per cent of rural businesses have fewer than 10 employees, the number of micro businesses, as a share of total businesses in the urban zone, is also very high at 62 per cent. An inverse relationship can be seen to exist between firm size (by number of employees) and location in or near an urban area, however care should be taken in the interpretation of this because of the head office effect noted previously.

##### VAT registered enterprises by employee size-band, Urban – Rural Classification, 20061

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Employee Size Band** | **Urban** | | **Accessible Rural** | | **Less Accessible Rural** | | **Total** | |
|  | Number | % | Number | % | Number | % | Number | % |
| 0-4 | 8,115 | 19 | 12,795 | 30 | 21,785 | 51 | 42,695 | 100 |
| 5-9 | 2,460 | 32 | 2,345 | 31 | 2,865 | 37 | 7,670 | 100 |
| 10-49 | 2,100 | 37 | 1,650 | 29 | 1,965 | 34 | 5,710 | 100 |
| 50-99 | 240 | 43 | 145 | 26 | 175 | 31 | 560 | 100 |
| 100-249 | 135 | 45 | 75 | 25 | 90 | 30 | 300 | 100 |
| 250+ | 75 | 56 | 30 | 22 | 30 | 22 | 135 | 100 |
| **Total** | **13,125** | **23** | **17,040** | **30** | **26,905** | **47** | **57,070** | **100** |

1. Source: Derived from UK Business: Activity, Size and Location, 2006 (National Statistics website: <http://www.statistics.gov.uk/>)

### The Rural Environment

### *Introduction*

Northern Ireland has a land area of 13,542 km2. Lowland landscapes amount to 67% and upland landscapes 33%. Of the Utilisable Agricultural Area (UAA) of 1,028,500 hectares (ha), 70% is designated as Less Favoured Area (compared to an EU average of 44%, and a UK average of 46%). With 80% of the Northern Ireland landmass in agricultural and forestry use, agriculture has a significant impact on the flora and fauna of the rural environment, with much of the rural landscape reflecting centuries of agricultural activity.

Characteristic habitats are perennial ryegrass and other agricultural grassland. Covering a smaller area, mainly in the uplands, is the ecologically important wet bog. Other, less widespread habitats of particular importance for their biodiversity are calcareous grassland, species-rich grasslands, broadleaf semi-natural woodland, heath, and fen. Hedges and earth (or ‘sod’) banks are common characteristic elements of the countryside.

Key issues identified by the Northern Ireland Countryside Survey in 2000 and still current include the widespread loss of semi-natural habitats and field boundaries. This has reduced the biodiversity and character of local landscapes, with important consequences for wildlife such as hares, bats, birds and butterflies. Habitats that have decreased most are wet bog, species-rich wet grassland and other agricultural grassland.

*Priority habitats*

Some 40 priority habitats have so far been identified for Northern Ireland. This includes 37 of the UK list, with a few of them being very well represented, e.g. fens and raised bogs. For others, they are less important in overall UK terms as they comprise only a small proportion of the total UK resource. Nevertheless when viewed in a local context, their significance may be greater.

Drainage, peat-cutting and over-grazing are the major factors in the reduction of the extent and quality of peatlands in Northern Ireland. Most have been cut to provide fuel. Overgrazing of blanket bogs has become a problem in recent years due to increase in upland sheep.

Large numbers of non-native species occur in Northern Ireland, particularly flowering species. Many species are so long established they have reached equilibrium with native species and are at this stage beneficial to biodiversity. However some may present a threat to biodiversity when they are in competition with native species or cause the introduction of disease.

*Water quality*

Many of Northern Ireland’s watercourses have been physically altered by drainage schemes, water abstraction, impoundment to create reservoirs, navigation, fisheries management and fish farming. The lowering of water levels in the largest lakes has had an adverse impact on the biodiversity of such sites. Eutrophication is a problem in Northern Ireland’s waters. Eutrophication is the increasing enrichment of natural waters with plant nutrients, typically nitrogen or phosphorous. These nutrients are largely derived from agriculture. The effects are the excessive growth of algae and other aquatic plants, poor water quality and serious disturbances to the balance of aquatic life. The implementation of the Nitrates Directive Action Plan, as well as the expansion of the agri-environment programme in 2005-06, is expected to reduce the impact of agriculture on the water environment.

In Northern Ireland, the percentage of river length classified as being of good chemical quality has increased steadily from 44.2% to 57.6% in the period 1990-2003 while that classed as only fair has decreased from 50.8% to 35.4%. Conversely, however, the river length of good biological quality has fallen from 40.8% to 23.5% while that classed as being of fair quality has increased from 56.6% to 76.1%[[7]](#footnote-7).

*Ammonia emissions*

The recent report ‘Ammonia Monitoring in Northern Ireland (UKPIR04)’ (Scotland & Northern Ireland Forum for Environmental Research, June 2004)[[8]](#footnote-8) suggests that sensitive habitats in Northern Ireland are under significant threat from ammonia emissions from agriculture. The nature of the effects expected include changes in plant species composition, such as increases in grasses and a decline in heather species, sensitive woodland herbs, mosses and lichens.

Slurry contains up to 50% of its nitrogen content in the form of ammonium which is readily lost as ammonia. The amount of nitrogen contained in the slurry and available for swards to utilise will depend on the type of cattle housing, slurry storage facilities and slurry spreading methods. Land spreading is where the largest loss of ammonia occurs from livestock slurry.

Spreading techniques minimising the surface area of the spread slurry exposed to air reduce the loss of ammonia to the atmosphere. Under the Nitrates Directive only certain spreading techniques will be permitted. Actions to further restrict emissions from farms under agri-environment agreement would bring additional improvements.

*Environment and land management*

Economic forces have driven the intensification of agriculture. The average farm size has increased from 28.21 ha in 1995 to 38.04 ha in 2006, while the number of farm businesses has fallen from 33,000 in 1995 to 27,000 in 2005. This has led to a net loss of habitats, and a decline in biodiversity and landscape character. Nevertheless these effects can be halted and reversed through appropriately targeted Government interventions. Monitoring of habitats and species on farmland under agri-environment agreement has shown that ‘plant and invertebrate species richness of sampled habitats under ESA agreement has been maintained’, ‘management prescriptions are having a positive effect on heather moorland’, and that the schemes have ‘been successful in maintaining the condition of semi-natural grasslands.’

The current suite of agri-environment schemes comprises the Environmentally Sensitive Area Scheme, the Countryside Management Scheme and the Organic Farming Scheme. At the end of 2005, 331,014 ha (32%) of farmland were registered in an agri-environmental scheme in Northern Ireland. As a proportion of total farmland, this closely mirrors the UK average[[9]](#footnote-9).

Uptake under the Organic Farming Scheme has been much lower than originally predicted when the Scheme was launched in 2001. Land under organic management in Northern Ireland represented only 0.62% of the utilised agricultural area (UAA) in 2004. The corresponding figure for UK was 4.25% of UAA[[10]](#footnote-10).

*Soil*

In the mostly grass-based agricultural systems of Northern Ireland, the soil organic matter level ranges from 8-20% depending on previous cropping. Soil compaction is not a widespread problem on soils in Northern Ireland and damage can normally be repaired by ploughing or subsoiling.

Soil erosion by wind and water has not been a major problem in Northern Ireland. Wind erosion is confined mostly to the light, sandy soils of Magilligan and Comber. Even in these areas, the presence of hedgerows helps to reduce the severity of any erosion. Hedgerows and small fields in Northern Ireland also help reduce erosion by intercepting water and suspended soil before there is a build up of water volume and flow speed.

Further protection of soil quality on farms could be provided through support for the enhancement and restoration of hedgerows and other field boundaries, and restrictions on the application of inorganic fertilizer and plant protection products.

*Woodland, forestry and energy crops*

In the past most of Northern Ireland’s natural vegetation was woodland and many terrestrial native species are dependant on this habitat. However today Northern Ireland is one of the least wooded areas in Europe with only 8% of the land area under tree cover (85,000 ha, of which 19,000 ha is broadleaved woodland) compared to almost 12% of the UK as a whole.

In Northern Ireland, the area of state forestry has remained relatively constant since 1995 at around 61,000 ha. However, the area of privately owned forest has increased by 26% over the same time period to 24,000 ha. This expansion has been supported mainly by the Woodland Grant Scheme and Farm Woodland Premium Scheme. In 2004-2005, 93% of new plantings in Northern Ireland were of broadleaved tree species.[[11]](#footnote-11)

Forestry and short rotation coppice (SRC) willow have the potential to make a significant contribution to the production of renewable energy from biomass as a means of addressing climate change (i.e. reducing Carbon Dioxide emissions) and broadening the energy supply base. Plantings of SRC willow have been supported in Northern Ireland under the Rural Development Regulation Plan (Accompanying Measures) for Northern Ireland 2000-2006 through the SRC Challenge Fund. To date, the Fund has supported 430 ha of SRC willow establishment, linked mainly to embedded renewable heat projects.

About 3% of Northern Ireland’s electricity is currently generated from renewable sources. The strategic energy framework for Northern Ireland published by the Department of Enterprise, Trade and Investment sets a firm target of 12% of electricity from renewables by 2012, with 15% of this coming from non-wind technologies[[12]](#footnote-12). The agricultural industry will have a key role to play in the achievement of this target.

Other crops that potentially could be grown in Northern Ireland for renewable energy purposes include wheat, oilseed rape and energy grasses (e.g. Miscanthus). All of these offer the opportunity to diversify land use away from food production towards sustainable energy production.

DARD launched its Renewable Energy Action Plan on 29 January 2007. The Plan promotes the opportunities afforded by the sustainable development of renewable energy in the agri-food and forestry sectors and wider rural economy. Under the overall theme of ‘promoting the opportunities afforded by the sustainable development of renewable energy in the agri-food and forestry sectors and wider rural economy’ the Action Plan has two broad objectives:

* to support the exploitation of opportunities for alternative land uses and sustainable management of agri-food waste linked to renewable energy; and
* to underpin knowledge and increase awareness of renewable energy technologies.

Some of the proposed measures of the Renewable Energy Action Plan are subject to EU approval. The draft EU Competitiveness and Employment Programmes 2007-13, recently submitted to the European Commission, contain provision under the European Regional Development Fund (ERDF) to establish an Energy from Agri-food Waste Challenge Fund. This will address both a renewable energy opportunity and a waste disposal problem.

Under the NIRDP, wood-based Short Rotation Coppice (SRC) will be supported under the Modernisation of Agricultural Holdings Measure 1.3.

*Climate change adaptation*

At a Member State level, the UK Government is committed to addressing both the causes and consequences of climate change and has published its proposals for a Climate Change Bill. The proposals include allowing Parliament to monitor UK Government’s proposals and policies for integrating adaptation to climate change into its work by establishing regular reporting to Parliament. DARD will be fully engaged during the finalisation of this legislation.

DARD is represented on the UK-wide Rural Climate Change Forum. This group provides a high level forum for dialogue between rural stakeholders and Government, and authoritative advice and leadership for rural stakeholders on climate change and rural land management.

The Forum's objectives include:

* Advise on the most effective way to deliver relevant commitments to the UK Climate Change programme and to contribute to related policy review, development and implementation;
* Raise awareness among stakeholders at all levels about the impacts of climate change in rural areas through existing and/or new knowledge networks, to help develop and promote appropriate responses to climate change;
* Identify, propose and promote practical actions and policy options, including the uptake of research findings:
  + to reduce and offset GHG emissions from rural land uses
  + on adaptation measures for rural land uses (including for conservation purposes and new agricultural uses).
  + on the potential for managing the impacts of climate change, eg flooding, through changed land management practices;
* Identify relevant research needs and priorities;
* Contribute to relevant policy review and development.

In relation to this rural development programme, climate change adaptation will be addressed in general terms through the forestry measures as well as providing opportunities for adaptation via Axis 1, 3 and 4. All state and new grant-aided woodlands in NI are compliant with the UK Forestry Standard. The Standard is set against a policy of sustainable management of existing forests and the steady expansion of tree cover to increase the many diverse benefits that forests provide. It is compatible with the Helsinki Guidelines and the Pan – European criteria (PEC), although some issues (such as fires and soil erosion) are not usually critical within a UK context. The Helsinki guidelines state that “in the management of existing forests and the development of new forests, the chosen tree species should be well suited to local conditions and be capable of tolerating climatic and other stresses such as insects and diseases, and potential climate changes, throughout the growing period”. The UK Forestry Standard requires evidence, in the form of indicators, for different aspects of sustainable forest management. The creation of new woodlands in Northern Ireland is regulated and controlled by adherence to practices which will deliver the objectives of the UK Forestry Standard.

The following table details the opportunities for climate change adaptation measures at Axis level:

|  |  |
| --- | --- |
| **Axis** | **Opportunities for climate change adaptation** |
| 1 | Under this axis farmers can receive support for farm modernisation, including for example fixed covered tanks for rainwater storage and clean water reusage. This would thus provide farmers with the necessary investment to adapt to climate change such as storage of water in winter for use in drier summers. With regard to the agri food industry aid will be available for capital expenditure on buildings and new equipment that will provide them the opportunity to adapt their facilities in light of climate change. |
| 2 | The agri environment measures aim to encourage and support agricultural production methods which protect and improve the quality of rivers and lakes, and contribute to the mitigation of and adaptation to the impact of climate change. Forestry measures will adhere to Helsinki guidelines and ensure that all chosen tree species can adapt to the effects of climate change. |
| 3 (delivered via Axis 4 local delivery approach) | This axis will provide opportunities for farmers to diversify away from food production to other production opportunities should their current production be incompatible with climate changes. Measures such as basic services for the economy and rural population and village renewal and development will provide local communities the opportunity to identify actions that can be undertaken in their local area to adapt to the effects of climate change such as drier summers, wetter winters and higher incidence of flooding. |

Climate change adaptation policies will be developed through the lifetime of the programme and, were applicable, rural development measures will be revised and updated as climate change adaptation policies are adopted.

### Changes in Rural Society

Rural areas are characterised by a very wide diversity of socio-economic situations. Over the last 20 years, the composition of the rural community has changed considerably, particularly near larger urban centres, as more people choose to live in the countryside and travel longer distances to work. When taken with a rising population, this has increased pressure for improved transport networks and better public services in these accessible areas. It has also created opportunities for more retail outlets, and consumer services.

Less accessible areas have not witnessed these changes to the same extent. However, they also have rising populations and an expectation that public services should be provided in an equally accessible manner and to the same standard as in urban areas while taking due account of the particular needs and circumstances of those living in these areas. Lack of economic opportunities, networks and access to training infrastructure are a particular problem for women and young people in these more remote rural areas.

With high average levels of deprivation in six of the seven domains within the Northern Ireland Multiple Deprivation Measure (i.e. income, employment, health and disability, education skills and training, proximity to services and living environment), less accessible rural areas face particular challenges that need to be targeted.ion,holder Strategic Guidelines for the 2007-13 period.

The Department’s report “*A Study on Rural Policy[[13]](#footnote-13)”* sets out the baseline position and needs of rural areas in Northern Ireland. It speaks of rural areas having faster growing populations than urban areas and of increasing demand for rural housing, although overall, the housing market in rural areas remains weaker than in urban areas. It notes the consequential pressure on the countryside environment and the difficulties associated with an influx of urban dwellers into rural areas. The report also describes that, while there is a healthy community infrastructure in rural areas, there are implicit but strong community divisions.

The contribution of agriculture to the rural economy has halved in the last 15 years with falling numbers of farms and persons working on farms.

In 2001/02, 27% of farmers and business partners received no income from the farm. Agriculture cannot, on its own, meet the economic needs of every rural dweller or every farm family. If the rural economy is to be developed, support is required to assist farm families to diversify and seek alternative sources of income from alternative sectors which can provide sustainable employment and income. Diversification is necessary for growth, employment and sustainable development in rural areas in order to contribute to a better territorial balance in economic and social terms.

Farm families need to re-model and reshape their enterprises including diversifying into non agricultural activities. Diversification away from food production towards sustainable energy production could play a role in the achievement of national targets for energy generation from renewable sources.

In Northern Ireland, micro enterprises[[14]](#footnote-14) account for 88% of the total number of firms in the region and form a vital component of the rural economy providing jobs and underpinning social cohesion. Support for these businesses in rural areas would aid growth, thus creating further employment opportunities in rural areas.

Within Northern Ireland the quality of the rural environment has the potential to attract tourists and inspire economic regeneration. Rural tourism can make a greater contribution to the rural economy at a time when traditional industries such as agriculture are in decline. By using natural and historic resources and maximising the potential of the rural tourism sector, the natural and built rural environment can attract visitors and tourists whose expenditure will create or maintain jobs and provide multiplier effects working through the local economy.

The standard of access to basic infrastructure and services has a significant effect on the quality of life and the attractiveness of rural areas as a place to live.

As previously stated the Noble Deprivation Index is a spatial measure of deprivation in Northern Ireland. Within the Index, the top most deprived wards based on the “access to services” domain are all rural. Consequently, those living in rural areas generally need to have to travel to access services. A community development partnership approach to the delivery of some aspects of key services could create an affordable means of service delivery in rural areas where the critical mass for cost-effective statutory provision is not evident.

In Northern Ireland, there is a high degree of residential segregation in rural areas and up to 87% of rural communities can be classified as “single identity”. The past conflict has increased polarisation between the two main communities and reduced the opportunities for building cross-community relations. An integrated approach, at village level, to assist villages and their surrounding areas to realise the potential of their economic, social, cultural and environmental resources would ensure the areas reach their full potential.

The demand for improved services, recreation and tourism inevitably leads to increasing pressures to use the natural and built environment as the basis for economic growth in rural areas. Such development brings benefits to the rural economy and communities but it also means that the use and management of such resources must be soundly based on the principles of conserving and upgrading Northern Ireland’s heritage. It will therefore be necessary to ensure proper stewardship of environmental resources such as good quality air and water, natural vegetation, wildlife and relatively unspoilt countryside and built heritage.

### Changes in Agriculture

Farming communities are also changing, with fewer farms being economically sustainable without an external source of income and a consequent downward pressure on farming’s level of employment. This is being offset not only by diversification out of traditional farming, but also by the growth of a stronger, more diverse rural economy.

The last few years have witnessed major reform in agricultural support policy: the radical Common Agricultural Policy (CAP) reform agreement of 2003 has fundamentally altered the economics of agricultural production. The decoupling of direct EU support from production has freed farming to respond to the demands of the market place and its customers. This poses a major adjustment challenge to the industry. Over the next few years, this is likely to lead to significant restructuring and drive additional efficiency gains, while demanding greater levels of environmental protection, animal welfare and food safety delivered through cross-compliance. The new Single Farm Payment Scheme should help to create a future in which sustainable land management is an essential ingredient of farming and food production. However, between now and 2013, the possibility of further CAP reform in response to political, economic, budgetary and environmental pressures cannot be ruled out.

### Changes in Markets

Market forces will inevitably shape the development of the agri-food industry in the coming years. Factors such as increased market competition (including cheaper produce from other countries), the growth of retail multiples, the expansion of the food service sector, demographic changes and changes in eating habits and lifestyles will all exert a strong influence on the development of the industry, creating both challenges and opportunities.

The World Trade Organisation (WTO) Doha Ministerial Declaration commits the EU (and all other WTO participants) to comprehensive negotiations aimed at delivering substantial improvements in market access, in the elimination of all forms of export subsidies and substantial reductions in trade-distorting domestic support. Although the WTO negotiations are currently suspended, it is inevitable that further moves towards trade liberalisation will impact on Northern Ireland, with increased competition from agricultural imports and a move away from subsidised exports.

Short of direct intervention, Government can have a role in assisting the industry adapt to changes in the market place and exploiting the opportunities that change brings.

### EU Enlargement

The enlargement of the EU and the restructuring of eastern European economies over the next few years will undoubtedly have an impact on internal EU trade and competition. This, together with the redistribution of EU structural funds, will tend to shift the political and economic centre of gravity of Europe further to the east, perhaps adding to the sense of peripherality for small regional economies such as Northern Ireland on the western margins of the EU.

EU enlargement has created opportunities for local employment and particularly the food processing sector, to address labour and skills shortages. This in itself creates new issues for the integration of migrant workers into rural society.

### Environmental Obligations

Agriculture has a profound influence on the region’s natural flora and fauna, with much of the rural landscape reflecting centuries of agricultural activity.

The need to protect and sustain biodiversity and habitats is becoming of increasing importance to all elements of society. In some areas, the abandonment of farming, or the reversion to very low input agriculture, could create adverse environmental impacts. Although economic forces have driven the intensification of agriculture over many years and led to a net loss of habitats, biodiversity and landscape character, these effects can be halted and reversed through appropriately targeted Government interventions. Within Northern Ireland, land based, agri-environment schemes aimed at supporting environmentally sustainable farming practices form a central pillar of these interventions. High nature-value farming systems will clearly play an important role in preserving biodiversity and habitats, as well as landscape character and soil quality.

EU environmental regulations, in particular the Nitrates Directive[[15]](#footnote-15) and the Water Framework Directive (WFD)[[16]](#footnote-16) in relation to protection of water quality, could have a significant impact on patterns of primary production and necessitate significant structural and process adjustments within the agricultural industry. There is also the likelihood that the future will bring more specific regulations on the use of phosphorous. The Water Framework Directive requires all waters to be considered (rivers, lakes, coastal and transitional waters, groundwaters, artificial and heavily modified waters) and all pressures and impacts identified. Diffuse pollution from agriculture and forestry has been identified as the major reason for water bodies being highly likely to fail to meet WFD objectives.

Demanding EU obligations to reduce the amount of biodegradable municipal waste going to landfill before 2020, the drive to recycle more under the various producer responsibility regulations and reducing the environmental impact of waste management through strict controls on waste treatment and disposal will all require changes to established practices.

Concerns relating to long-term changes in climate will undoubtedly influence future farming and forestry patterns. Current carbon sequestration by Northern Ireland forests represents between 6.5% and 8% of the total for UK forests and is greater per hectare than the other regions of the UK because of the average forest age is younger in Northern Ireland. New possibilities for agriculture and forestry will develop as potential suppliers of renewable energy feedstocks. Forestry and short rotation coppice willow have the potential to make a significant contribution to the production of renewable energy from biomass as a means of both addressing climate change (i.e. reducing CO2 emissions) and broadening the energy supply base.

The Habitats Directive[[17]](#footnote-17) enables the designation of habitats of local, national and European importance and requires them to be brought into favourable conservation status. Because of the importance that Europe places on sites within the Natura 2000 network, this Programme will allow for more appropriate management of such sites on agricultural land.

### Policy obligations

The *Department of Agriculture and Rural Development’s Strategic Plan 2006-2011*[[18]](#footnote-18) sets out the Department’s long-term strategic direction over a period which will be particularly challenging for the agri-food industry and the wider rural community. Sustainable development (“*development that meets the needs of the present without compromising the ability of future generations to meet their own needs*”) is seen as the overarching driver of change. The Plan focuses on a number of goals which will address key issues and contribute to the achievement of the Department’s vision of Northern Ireland as a thriving and sustainable rural community. These include the ability of the industry to be competitive in the market place, the desire to strengthen the social and economic infrastructure of rural areas and the need to develop a more sustainable environment.

“*Shaping our Future*”[[19]](#footnote-19) is a regional development strategy which provides a strategic and long-term framework for the future development of Northern Ireland up to the year 2025. It takes account of key driving forces such as population growth, the increasing number of households, transportation needs, economic changes and the spatial implications of a divided society. The Strategy recognises that policies for physical development have an important bearing on other matters such as developing a strong spatially-based economy, a healthy living environment and an inclusive society which tackles inequalities relating to health, education and living standards. The promotion of sustainable development allied to social and economic cohesion is an integral part of the strategy The Strategy dedicates an entire chapter to the strategic importance of the rural economy in Northern Ireland and, under its theme of “protecting, enhancing and encouraging appreciation of the region’s landscapes” calls for consideration to be given to the establishment of one or more national parks.

“*First Steps towards Sustainability*”[[20]](#footnote-20) is a sustainable development strategy for Northern Ireland which provides a framework to refocus efforts on building sustainable communities. The Strategy’s guiding principles include living within environmental limits, ensuring a strong, healthy and just society, achieving a sustainable economy, promoting good governance, using science responsibly and promoting opportunity and innovation. Priority areas for action include climate change and energy, sustainable consumption and production, protection of natural resources, environmental enhancement, sustainable communities, governance for sustainable development and learning and communication.

In June 2006, the European Council launched its *EU Sustainable Development Strategy[[21]](#footnote-21)*  which sets out a single coherent strategy on how the EU will more effectively live up to its long-standing commitment to meet the challenges of sustainable development. Its overall aim is to identify and develop actions to enable the EU to achieve continuous improvement in the quality of life both for current and for future generations, through the creation of sustainable communities able to manage and use resources efficiently and to tap the ecological and social innovation potential for the economy, ensuring prosperity, environmental protection and social cohesion.

Government recognises the importance of taking action to protect and conserve the landscape, wildlife habitats and species and is fully committed to taking steps to protect and enhance biodiversity in Northern Ireland. The *Northern Ireland Biodiversity Strategy[[22]](#footnote-22)* sets out how Government plans to do this over the period to 2016. Agriculture and forestry can impact significantly on biodiversity and the Department will take account of its commitments on this issue when taking forward new policies. Since the Northern Ireland Biodiversity Strategy, a European target has been set which seeks to halt and reverse the decline of biodiversity by 2010 (“the Göteborg Declaration”).

The aim of “*A Shared Future: A Policy Framework for Good Relations in Northern Ireland[[23]](#footnote-23)*” is to establish, over time, a shared society in which all individuals are considered as equals, where differences are resolved through dialogue in the public sphere and where all individuals are treated impartially. A society where there is equity, respect for diversity and recognition of interdependence. Public Authorities have a statutory duty to have regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group. This framework will provide a mechanism through which government departments can more effectively mainstream good relations considerations into policy development.

*“Lifetime Opportunities[[24]](#footnote-24)”* is government’s Anti-Poverty and Social Inclusion Strategy for Northern Ireland. It is structured around a number of general challenges which become the priorities for future policy and action – eliminating poverty in urban and rural areas, eliminating social exclusion, tackling area-based deprivation, inequality in the labour market, health inequalities and cycles of deprivation and looking towards a Shared Future.

*“Our Children and Young People – Our Pledge*”[[25]](#footnote-25) is a ten year strategy for children and young people in Northern Ireland to ensure that, by 2016, all children and young people are fulfilling their potential.

“*People and Place – a Strategy for Neighbourhood Renewal*”[[26]](#footnote-26) targets those communities throughout Northern Ireland which are suffering the highest levels of deprivation. Drawing on lessons learned, it seeks to focus resources in more effective ways, co-ordinate action to reduce inequalities within and between urban communities and to promote social inclusion. A key element of the Strategy is the establishment of Neighbourhood Partnerships in some of the most disadvantaged urban wards in Northern Ireland to take forward locally-developed programmes for community, social, economic and physical renewal.

Northern Ireland has a very high rate of fuel poverty compared to the rest of the United Kingdom. “*Ending Fuel Poverty: A Strategy for Northern Ireland*”[[27]](#footnote-27) is an important element of Government’s policy of New Targeting Social Need. It identifies the main causes of fuel poverty as low income, poor energy efficiency and high energy costs and sets out a range of actions and delivery mechanisms that will be used to address the problems. It notes that there is little difference in the rate of fuel poverty in rural and urban areas, although fuel poverty can be particularly difficult to address in some isolated rural areas.

The *Investment Strategy for Northern Ireland[[28]](#footnote-28)* launched in December 2005, pledges sustained Government investment in a modern public infrastructure in Northern Ireland over a ten-year period between 2005 and 2015. It includes investment in public transport, roads, water and sewerage, and energy infrastructure to deliver economic returns and environmental benefits and reflects the need to ensure that the investment programme is based on the principles of sustainable development in general.

The *Regional Transportation Strategy 2002-2013[[29]](#footnote-29)* emphasises the vital role of developing sustainable transport networks in order to facilitate economic development and improve quality of life. It provides a framework for developing these transport networks which are crucial to the business community and the wider public both in urban and rural areas.

The NI Government’s three-year strategic plan for *Developing a Successful Social Economy[[30]](#footnote-30)* was launched in 2004 to develop the social economy through increasing awareness of the sector , establishing its value in the local economy, developing the sector and increasing its business strength and creating a supportive and enabling environment.

“*Investing for Health[[31]](#footnote-31)”* recognises that health improvement is largely about acting before people need medial care and calls for action across Government and beyond in addressing a broad range of economic, social and environmental policy issues. Central to the strategy is a commitment to ensuring equality of opportunity and tackling social disadvantage

### Future challenges

The main new challenges faced by the agri-food industry and the wider rural economy in the 2007-2013 period are likely to arise from:

1. a possible WTO agreement on further liberalisation of agricultural support and trade;
2. the consequences of enlargement of the EU to include central and eastern European countries with their significant, and under-developed, agricultural potential;
3. the prospect of further reform of the CAP;
4. balancing the need to create a competitive agri-food industry with the need to respond positively to wider societal concerns relating to environmental stewardship and animal welfare; and
5. creating sufficient jobs, wealth and community capacity to retain and enhance the social, economic and environmental sustainability of rural society.

Against the background of these challenges, a Strengths, Weaknesses Opportunities and Threats (SWOT) analysis is carried out in the following sections.

### Strengths

The region’s main strength is its committed and resilient agricultural workforce with, in particular, a subset of farms that are competitive at EU level. Climatic conditions well suited to the growing of grass and, therefore, to the production of beef, sheep and milk at lower cost than in other EU countries, offer an advantage upon which the region can build.

The region, along with the rest of the island of Ireland and other parts of the UK, can present an attractive ‘clean and green’ rural environment and before the BSE crisis (and closure of export markets), this was used successfully in the marketing of Northern Ireland beef in Europe. With access to international markets restored, this image can again be promoted to positive advantage in the beef sector and more widely in other agri-food sectors.

More broadly, Northern Ireland’s attractive rural landscape is a major asset in heritage and economic terms. There is a need to make use of the economic potential of the natural and built environment while protecting both it and the economic and social infrastructure that sustains it. It has the capacity to attract visitors and tourists whose expenditure will create or retain jobs.

A further strength arises from the accumulated knowledge and social capacity that has been created from previous rural development interventions. The opportunity now exists to build on these to foster economic growth and to strengthen rural communities.

### Weaknesses

The agri-food industry’s main weakness is its structure, with a large number of small (by UK standards) farms, many of which are too small to generate profit equal to the average industrial wage. Although, on many farms, the farm family will have other sources of income, there are more than 6000 where the farmer is under 65 years, and neither the farmer nor spouse has any off-farm employment.

The agricultural processing sector is less well developed than in the rest of the UK, with a greater reliance on bulk commodities. The milk, beef and sheep meat processing sectors account for almost half of gross turnover yet their contribution to value added is only one third. The Department’s Study of Rural Policy underscores in particular that the beef industry’s reliance on a narrow customer base has suffered because of the BSE linked export ban. In future, a successful industry will move from low-tech production to innovatively-based activity and from local markets to high value added activities in niche markets.

Against a background of continued low prices for farm products, low levels of agricultural income and competitive pressures in the food processing sector, improved innovation (in terms of new products and processes) has been identified as a key means of adding value to agricultural output and improving economic returns in rural areas. Improvements in supply chain communication and integration should also benefit both primary producers and processors, helping them to become more competitive by being better placed to meet the demands of consumers and at the same time enable processors to add value to products. Investment is needed to improve the market orientation of food processing companies and to increase exports. The low rates of return on capital obtained by food processors in NI in recent years have acted as a disincentive to investment.

Historically agricultural education and training have been undervalued by farmers and growers, leaving them insufficiently equipped and, therefore, slower to respond to the challenges affecting the industry. Current education and training levels in the agri-food sector in Northern Ireland lag behind national targets. Only 18% of those actively managing farms in Northern Ireland have Level 3 or 4 qualifications against the Northern Ireland target of 48% of working age people qualified at level 3 or above.

Although the area of Northern Ireland that is subject to agri-environment agreements has been expanding (particularly within the last year), there remain significant environmental challenges to be addressed. Biological water quality in Northern Ireland has been eroding slowly over many years and the disciplines of the Nitrates and Water Framework Directives are bringing this issue into sharper focus. Improvements in biodiversity and protecting high nature value habitats also remain as key challenges. Historic sites have often suffered from damage or been removed in the past.

Under the Northern Ireland Multiple Deprivation Measure (2005)[[32]](#footnote-32), less accessible rural areas suffer higher levels of overall deprivation than urban and the more accessible rural areas. They rank particularly poorly in respect of proximity to services. In terms of Economic Deprivation and in Income Deprivation Affecting Older People, less accessible rural areas also perform particularly poorly.

The percentage of people in full-time employment in rural areas is lower than in urban areas. Female rates of unemployment in less accessible rural areas in Northern Ireland are higher than those in urban or the more accessible rural areas. Overall, 79% of employee jobs are located in urban areas, whereas only 67% of employees are located there. Accordingly, at least 33% of employees resident in rural areas commute to urban areas to work.

In terms of employment by standard industrial classification, less accessible rural areas have a much higher level of workers in trades and in processing, plant or machinery operations compared with elsewhere. The proportion in managerial, professional or technical occupations is much lower.

There is a high degree of residential segregation in rural areas and up to 87% of rural communities can be classified as “single identity”. The past conflict has increased polarisation between the two main communities and reduced the opportunities for building cross community relations.

Physical disfigurement of property and sectarian graffiti make visitors feel unwelcome and businesses suffer as a consequence. There is therefore a need to promote village renewal and development to enhance the sense of shared ownership and community.

In 2005, Northern Ireland became the first region in Europe where broadband was available to every home and business at equitable prices and, by March 2009, over 99% of the population in Northern Ireland had access to first generation broadband services via a wire line (i.e. copper telephone lines) technology. However, a characteristic delivered via copper wires is that the speed of service degrades with distance from the exchange. The telephone network in Northern Ireland is such that a small number of copper lines (less than 1%) are not capable of sustaining a broadband (ASDL) service. In such cases, satellite broadband services were offered instead. There are estimated to be some 370,000 broadband accounts in Northern Ireland and, of these, some 800 use satellite technology.

There are a number of service providers currently delivering broadband telecommunications services in Northern Ireland, through fixed networks or wireless networks. Taken as a whole, higher-speed broadband services are only available in the more densely populated areas of Northern Ireland. Lack of higher-speed broadband coverage in less densely populated areas is due, among other things, to some of the economics of the networks industries – broadband networks are more cost effective to roll out and therefore available on cheaper terms when potential demand is higher and concentrated – in densely populated areas. Unit costs escalate significantly as population densities drop. Remoteness also plays a role.

The Department of Trade, Enterprise and Investment currently estimates that 48% of businesses in Northern Ireland are located in rural areas with broadband access speeds of 512 Kbps or less. Although most of Northern Ireland is covered by 2G mobile phone services, there were still sizeable rural areas where coverage is less than 75%. 3G coverage is concentrated mainly around Belfast and other densely populated areas.

### Opportunities

Northern Ireland’s rural areas offer real opportunities in terms of their potential for growth in new sectors, the provision of rural recreation and tourism, their attractiveness as places to invest, live and work, and their role as a reservoir of natural resources and highly valued landscapes. In this context, they will play a central role in contributing to the increasingly important sustainability agenda and represent a valuable asset for the region as a whole.

A major opportunity exists to build on Northern Ireland’s considerable investment to date (mainly through the agri-environment programme) in protecting and enhancing the rural landscape and environment. There is growing interest within the agricultural industry to embrace the agri-environment programme, yielding improvements in farm practices and conserving the natural and built environment and landscape character across a larger proportion of the Northern Ireland land mass. This could be aided by further development of farm woodlands, with the attendant gains in biodiversity and amenity.

There are also opportunities to exploit more effectively the economic opportunities arising from the investment in the environment, for example, through tourism (building on current such initiatives) or in terms of food marketing (linking food products with enhanced environmental stewardship).

An important aspect of this is to maintain, to an extent that is consistent with desirable structural change and a competitive industry, the character of farming and farmed landscapes in particular. This is especially true of hill farming, with its more extensive production systems. So long as this can be done in a way that underpins environmental stewardship, the region will benefit from the cultural and environmental heritage that is conserved and from the presence of a greater number of people engaged in farming in the more remote areas than would otherwise be the case.

The current challenges within agriculture, but particularly the switch to decoupled support, may reduce the opportunity cost of land and create openings for alternative land use.

The level of forest and woodland cover in Northern Ireland at approximately 6% (86,000ha) is below the rest of the UK (12%) and well below the 30% average in the rest of the EU. Almost 75% of Northern Ireland forest and woodland cover is owned by the state.

A recent review of forestry policy in Northern Ireland recognised there was a need for growth in forest and woodland cover and also recognised the economic, environmental and social benefits that additional forests will bring. It was recommended that future afforestation should, however, be largely private sector led. Farmers, as the largest land owning group, are in a unique position to lead this new afforestation, although it should also be possible to support afforestation of agricultural land owned by public authorities.

Timber processing is dominated by a very small number of larger private sector organizations. A key element in improving competitiveness of the forestry sector involves the rapid expansion of private woodland ownership. The Forestry Strategy for NI seeks to address the issue of NI being an area of low forest cover, and recognises the important role of the private sector in achieving the stated ambition of doubling the area of forestry in NI within 50 years, and sets a target of 12% forest cover within that period. The provision of forestry measures which support the establishment of private woodlands is critical to this. The forestry sector in NI has access to an extensive number of accredited training and development courses, several of which lead to nationally recognised qualifications. The majority of these courses are managed by the Department of Agriculture and Rural Development and delivered through its training body. Scheme beneficiaries and individuals seeking to diversify into forestry activities can access these courses.

There is recognition of the potential offered by the production and utilization of woody biomass from NI forests. The Sustainable Development Strategy for Northern Ireland (May 2006) and the DARD Renewable Energy Action Plan (Jan 2007) both identify opportunities in this area. Trials have already taken place across NI, examining the potential for forest biomass harvesting, and the Department has been working with public and private sector organizations to develop this further. Linkages have been created between Axis 2 and Axis 1 measures within the NIRDP which are designed to encourage innovation and development, and offer opportunities for support of renewable energy based initiatives.

Renewable energy also offers the potential to create an alternative land based sector that will offer opportunities for landowners and rural communities (in terms of employment and wealth creation) as well as environmental benefits (ranging from biodiversity to greenhouse gas reduction) and a more broadly based energy supply infrastructure.

Within the agriculture and horticulture sector, the improvement of business management capability is a key pre-requisite to the attainment of enhanced sustainability and competitiveness. The Department’s Vision programme[[33]](#footnote-33) has demonstrated the financial benefits of the physical and financial recording of performance on farm and commercial horticulture production enterprises and of comparing this with other similar business types (“benchmarking”). Effective benchmarking and marketing have a proven capability to improve the competitiveness of agriculture and commercial horticulture businesses and represent a significant opportunity to improve the competitive position of these sectors.

Innovative farm diversification can both improve the performance of the agricultural holding, by diversifying into alternative crops or livestock, or improving performance of the whole business by adding value or diversifying into businesses outside agriculture. In 2003 11% of farms had diversified in Northern Ireland which is on a par with the EU 15 average of 10%. The key areas of diversification have been into contracting/haulage, tourism, food processing and sport (including equine). The PEACE II programme (2000-2006) offered farmers and farm families the opportunity to reskill and seek alternative employment. In this programme some 5844 people in rural areas were trained to develop core skills in a change management programme. 2493 people went on to receive recognised qualifications. 174 income generating diversification projects were established as a result of this programme (provisional figures, DARD PEACE Branch, May 2007).

Northern Ireland can now, following a 10-year ban, export beef and live cattle on the same basis as other Member States. Research findings have identified a number of European countries that present a clear export opportunity. The export market will provide Northern Ireland with the stimulus to reinforce its market profile nationally and internationally and provides a timely opportunity to build further a reputation as a source of quality food.

Next Generation broadband networks offer opportunities to rural businesses, the rural economy and to rural society. They can assist in attracting new businesses, help sustain and grow existing businesses (particularly in rural areas) and improve accessibility to services. Northern Ireland Government is committed to increase the availability of next generation broadband speeds to 85% of businesses by 2011. Realising this potential will require a level of investment in broadband infrastructure, in skills, in innovation and in demonstration. There is an opportunity to encourage and secure provision of next generation broadband services to businesses in rural areas of Northern Ireland where these services are not available or unlikely to be provided by the market in the foreseeable future due to the low density of businesses in their area. This would represent a step change in the specification of broadband services compared to those currently available.

Considerable investment has been made in building the capacity of rural communities in Northern Ireland over the past 15 years. There is considerable opportunity to build on this investment to create jobs and wealth. The number of VAT-registered businesses in rural areas has been growing in recent years (in contrast to urban areas) and a continuation of this trend would help to create a more broadly based rural economy.

Northern Ireland has also commenced a far-reaching exercise in the modernisation of governance - the Review of Public Administration. The overall purpose of the review is to develop an efficient system of public administration, which fully meets the needs of the people in Northern Ireland and is accountable to them. This offers the opportunity to create a public service (and rural development) delivery system that is more attuned to the needs of rural communities and which can achieve better cross-cutting action on delivery issues.

### Threats

The number of people working on farms has fallen 25% since 1980. Action is required to create employment opportunities for all rural dwellers. Rural areas have an over-dependence on the low value added sectors of agriculture and manufacturing which are experiencing major change and are in a period of decline.

Key threats to the agri-food sector are a result of the growing competitive pressures arising from further trade liberalisation and enlargement of the EU, as well as rapidly changing market structures. These are adding to the difficulties already facing the industry as it addresses the challenges of adjusting to decoupled agricultural support.

Meeting the costs of existing and higher environmental standards is also creating significant difficulties for the agri-food industry. These standards may hinder the industry as it seeks to improve its competitive position. This same push for increased competitiveness may also undermine, in part, the desire to improve environmental stewardship.

More widely, climate change is one of the most severe problems the world is facing. The rate at which the climate is changing and warming has increased significantly over the last 30 years. In Northern Ireland, 9 of the 15 warmest years recorded since 1841 have occurred since 1990. The average sea level is now about 10 cm higher than it was in 1900 and over 40,000 properties are currently at risk of flooding. Northern Ireland could experience drier summers, wetter winters, increased flood risk and storm damage. This is likely to impact on our water resources, wildlife, agriculture, infrastructure, transport, and on our health.

Within the broader rural economy, progress on creating jobs and wealth is closely linked to the wider performance of the Northern Ireland economy. In common with agri-food, many of the traditional industries in Northern Ireland are facing increased competitive pressures. Newer, knowledge-based industries and foreign direct investment are more likely to be based in urban locations. This will increase the pressure in rural areas to create new wealth generating opportunities.

## Strategy chosen to meet strengths/weaknesses

### DARD Rural Strategy 2007-2013

In 2004, the Department commissioned a major study of rural policy in Northern Ireland. The study, which was completed in early 2005, examined the rationale for intervention in rural areas, assessed the impact of current policy and made recommendations for change. The study involved consultation with key stakeholders in Northern Ireland and took account of other major government initiatives and strategies such as the Northern Ireland Regional Development Strategy, ‘*Shaping Our Future*’, and the Northern Ireland Review of Public Administration. It also examined the strategic approach taken to rural development in other parts of the UK, EU and beyond.

Subsequently the Department developed a Rural Strategy that drew on the findings of the ‘Study on Rural Policy’ and comments received during a process of public consultation. The Strategy covers the period 2007-2013 and seeks to provide a broad strategic direction and framework for rural development policy in Northern Ireland. It fits within, and is an integral part of, the broader DARD Strategic Plan 2006-11. A significant part of the Rural Strategy will be delivered through the NIRDP.

The overall theme of the Rural Strategy is “*diversifying the rural economy, protecting the rural environment and sustaining rural communities.”* It is structured around four main aims:

1. Creating a rural champion
2. Improving performance in the marketplace
3. Conserving and investing in the rural environment
4. Strengthening the social and economic infrastructure of rural areas

#### *Key Aim 1 (Creating a rural champion)*

This Key Aim recognises that the success of rural development policy and the vitality of rural communities will be critically influenced by the actions of other Government Departments. In this context, the Department will create and develop the role of champion for the rural community in relation to access to public services and in the reflection of rural needs within broader policy initiatives, promoting a cohesive, co-ordinated and equitable approach to rural issues across Government Departments. Integrated approaches involving farmers, farm families and other rural stakeholders can safeguard and enhance local natural and cultural heritage, promote economic and social opportunity and enhance the contribution of rural areas to the sustainable development of the region as a whole. While this Key Aim will not be taken forward directly through the NIRDP, it will play an important role in ensuring the impact in rural areas of other funding streams such as the Cohesion and Structural Funds is maximised.

#### *Key Aim 2 (Improving performance in the marketplace)*

Improving performance in the market place will be achieved by focussing on the priorities of knowledge transfer, modernisation and innovation through investment in physical and human capital.

A more competitive agricultural industry will be achieved through increased business and technical competence, improved market focus and a dynamic approach to innovation and uptake of new technologies. A more competitive food processing industry will be achieved through increased value-added processing, better product development and more effective marketing.

Key actions to improve performance in the marketplace include:

* Modernisation of the agricultural sector
* Improving integration and market focus in the agri-food chain
* Facilitating innovation, technology transfer and access to research and development
* Encouraging the uptake and diffusion of ICT
* Supporting increased value added activities and market development for agricultural, food and forestry products

#### *Key Aim 3 (Conserving and investing in the rural environment)*

Government plays a key role in the conservation of Northern Ireland’s countryside and natural heritage, particularly by helping to maintain an appropriate balance between the need for sustainable and efficient food production and land use and the need to protect and improve the quality of the rural environment.

Environmental sustainability of farming will be enhanced through improved farmland habitats, increased biodiversity and improved water quality. The farmed landscape character can be conserved and enhanced through appropriate land management practices, particularly in the more marginal areas while alternative land use can be promoted through increased conversion of farmland to woodland and exploitation of non-food crop opportunities. Designated sites such as Natura 2000 and Areas of Outstanding Natural Beauty need to be managed in an environmentally sensitive and sustainable manner.

Key actions to conserve and invest in the rural environment include:

* Promoting environmental stewardship (water, air and soil)
* Conserving and enhancing the farmed landscape
* Exploiting opportunities in non-food crop production
* Expanding forest cover

#### *Key Aim 4 (Strengthening the social and economic infrastructure of rural areas)*

The Department recognises the success of rural development programmes in place in Northern Ireland since the early 1990s which, in partnership with local communities, have delivered measures to diversify the economic base and enhance community infrastructure.

Rural areas can remain attractive places for current and future generations to live and work. Greater economic opportunities in rural areas can be provided through business creation and development, diversification of farm businesses into non-agricultural activities, tourism and the increased use of ICT. Strong and vibrant communities and the associated community infrastructure will come through engaging with rural communities to identify and address local problems and opportunities, building community capacity and leadership, conserving and upgrading rural heritage and encouraging village renewal.

Key actions to strengthen the social and economic infrastructure of rural areas include:

* Supporting entrepreneurship, job creation and sustainable economic growth
* Increased exploitation of ICT
* Supporting and strengthening community infrastructure, capacity and leadership
* Village renewal
* Encouraging the development of sustainable tourism and exploiting the environmental/economic interface
* Conserving and upgrading the rural heritage

### Northern Ireland Strategy Plan for implementation of the Rural Development Regulation in 2007-2013

Annex 5 to the UK Rural Development National Strategy Plan covers the region of Northern Ireland. It provides a baseline analysis of the current situation in Northern Ireland, summarises the strengths, weaknesses, opportunities and threats (SWOT) in relation to each axis within the Rural Development Regulation and describes the development potential within each axis.

#### *Axis 1 Development Potential*

The baseline indicators and SWOT analysis suggests that the following key challenges need to be met in order to achieve the objectives of axis 1 in Northern Ireland:

* A more competitive agricultural industry achieved through:
  + Increased business and technical competence
  + Improved market focus
  + A dynamic approach to innovation and uptake of new technologies
  + Improved physical capital
* A more competitive food processing industry achieved through:
  + Increased added value processing
  + Better product development
  + More effective marketing

#### *Axis 2 Development Potential*

The baseline indicators and SWOT analysis suggests that the following key challenges need to be met in order to achieve the objectives of axis 2 in Northern Ireland:

* Delivering environmentally sustainable land management through:
  + Appropriate management of Natura 2000 areas
  + Increasing biodiversity by farmland habitat preservation and creation including investing in High Nature Value farming systems
  + Appropriate management of the environment to ensure an improvement in water quality and a reduction in the emission of greenhouse gases
    - Conserving and enhancing the farmed landscape character through appropriate land management practices, particularly in more marginal areas
    - Promoting alternative land use options through:
  + Increased conversion of farmland to woodland
  + Increased exploitation of renewable energy opportunities

#### *Axis 3: Development Potential*

The baseline indicators and SWOT analysis suggests that the following key challenges need to be met in order to achieve the objectives of axis 3 in Northern Ireland:

* Greater economic opportunities in rural areas through:
  + Supporting the creation and development of micro-businesses
  + Development of innovative products and services
  + Encouraging farm households to diversify into non-agricultural activities to increase their incomes
  + Encouraging the development of activity tourism
  + Sustainable development of the natural and built environment
  + Encouraging greater usage of ICT and broadband
* Improving the quality of life and creating strong and vibrant rural communities and community infrastructure through:
  + Engaging with rural communities to identify and address problems and opportunities
  + Building community capacity and leadership
  + Social and economic regeneration of rural villages and their surrounding areas
  + Improving access to basic services by rural dwellers

#### *Axis 4: LEADER-Type approach*

Benefits arising from the use of the LEADER-type approach to deliver all actions under Axis 3 will include:

* Making best use of the expertise and experience gained from using similar local delivery mechanisms for earlier Northern Ireland programmes such as LEADER, LEADER II, LEADER +, the Special Support Programme for Peace and Reconciliation and the EU Programme for Peace and Reconciliation
* Area-based strategies based on clearly defined local needs will be developed and delivered
* Local people will be involved in the decision making process
* The partnership ethos which is central to the success of rural regeneration will continue to be developed. This approach will also ensure cross-community participation
* Innovative projects will be developed
* Private sector involvement will lead to enhanced economic growth and job creation
* Development and implementation of co-operation programmes and projects

## Summary of ex-ante evaluation (full evaluation and SEA are Annexed)

*[This section is the Executive Summary of the Ex-Ante Evaluation Report completed by BearingPoint. The ex-ante evaluation was finalised and presented to DARD in September 2006. The Department’s responses to the findings of the evaluators are set into the text in textboxes. The full report is at Annex 6. A Strategic Environmental Assessment of the draft Programme was completed as part of the ex-ante evaluation process. The Strategic Environmental Assessment is at Annex 7.*

### *Ex ante process*

*Article 85 of Council Regulation 1698/2005 states that an ex ante evaluation shall be carried out under the responsibility of the Member States. Article 88(4) of the same regulation requires that evaluations shall be carried out by independent evaluators. In April 2006, BearingPoint Inc., in association with ADAS UK Ltd, was appointed to undertake the ex ante evaluation of the Northern Ireland Rural Development Plan 2007-2013 and its accompanying Strategic Environmental Assessment (SEA).*

*Ex ante evaluation forms part of drawing up of a rural development Programme and the aim is to optimise the allocation of budgetary resources and improve programming quality. The reference for the evaluation process is the ‘Common Monitoring and Evaluation Framework - Draft Guidelines for ex ante Evaluation’.*

*The ex ante evaluation has been undertaken in close liaison with DARD policy and Programme managers. The process has been open and frank and DARD has been fully co-operative in terms of provision of data and consultation and has welcomed revisions to the Programme constructively.*

*In the development of the SEA, a Scoping Letter and Environmental Report were produced in consultation with the Environment and Heritage Service (EHS). The Environmental Report was disseminated for formal public consultation for a period of 6 weeks, commencing on 25 July 2006. Responses have been accounted for in the final NIRDP.*

*A meeting of the Consultative Partnership was used as an opportunity to present the outline Northern Ireland Rural Development Plan (NIRDP) and raise some of the key questions on priorities and delivery. This was an excellent opportunity to involve representatives of rural communities and business in the development of the NIRDP and has added to the value of the overall Programme. A sample of Councils was also given an opportunity to comment on the Programme but this has met with a limited response.*

*Secondary evidence from a wide range of sources has been used in the evaluation of the draft NIRDP, relating to the rationale for and cost effectiveness of public intervention in rural areas. This has included previous programme evaluations, Northern Ireland policies relevant to the Programme period, the recent review of rural policy and wider analysis from GB and Europe.*

### *Rural development needs in Northern Ireland*

*The NIRDP should respond to the needs of rural areas in Northern Ireland rather than to the availability of funding. It should account for the following:*

* *The dynamic context for rural development. The needs for the period 2007-2013 will have changed from the previous programming period*
* *Lessons learned from the previous RDP and RDRP in terms of process and impact*
* *At country level, Northern Ireland rural areas are distinct from other parts of the UK and approaches to rural development in GB may not always be appropriate. However, many of the drivers for change are common and the broad policy response is relevant. Development policies in the Republic of Ireland (ROI) will be relevant, especially for cross-border initiatives such as tourism*

*The following economic needs have been identified and evidenced:*

* *Provide for those people no longer employed in farming through development of new business and employment opportunities and associated training*
* *Support those remaining in farming to improve their incomes through increased efficiency by providing effective knowledge and technology transfer*
* *Improve the competitive position of the agri-food sector by encouraging investment in new technology and innovative product development and by taking cost out of the supply chain through better supply chain collaboration*
* *Encourage and facilitate farm diversification into non-agricultural activity as an alternative to expansion, to reduce reliance on commodity markets and meet wider needs of the rural economy such as tourism development*

*The following social needs have been identified and evidenced:*

* *Target job creation to areas of high economic inactivity and make a distinction between ‘Accessible Rural’ and ‘Less Accessible’ rural areas*
* *Provide for those people leaving farming through development of new businesses and jobs*
* *Encourage and facilitate farm diversification into non-agricultural activity as an alternative to expansion, to meet wider needs of the rural economy such as tourism*
* *Manage economic development of rural areas in association with provision of rural housing, transport infrastructure and services*

*The following environmental needs have been identified and evidenced:*

* *Stem the degradation of farmland and other habitats through effective agri-environmental schemes where this is not afforded by regulation and cross-compliance measures*
* *Promote environmental awareness by farmers and provide training/skills to deliver desired environmental outputs*
* *Consider the wider environmental impact of economic development activity and build compliance element into it*
* *Promote the environment as a resource for rural business in terms of landscape and amenity as well as quality of life for rural dwellers*

*In response to these needs and the drivers for change over the programming period, the following opportunities for rural development have been identified:*

* *A more competitive, knowledge-led agriculture sector, using new technology and best practice and focused on developing markets*
* *A more competitive agri-food sector, focused on added value and innovation for domestic and export markets*
* *Environmentally sustainable farming systems producing a premium ‘green’ product and increased links to rural dwellers and visitors for recreation*
* *Development of forestry as a commercial enterprise with environmental and amenity value to rural dwellers and visitors*
* *Diversification of farming to provide services and products for rural dwellers and tourists*
* *Promoting the environmental and heritage assets of the countryside to visitors*
* *Creation of new rurally based businesses which respond to new markets*
* *Improved services and rural infrastructure to support the rural economy and its people*
* *Increased community involvement in economic regeneration and engagement across communities*

### *The draft Northern Ireland Rural Development Plan (NIRDP)*

*The NIRDP 2007-2013 is the single successor to the current Rural Development Programme 2001-2006 and Rural Development Regulation Plan 2001-2006. While the new Rural Development Programme will be funded through a single Rural Fund, which is separate from Structural Funds, there are four distinct themes or ‘axes’ around which rural development Programmes need to operate. These are:*

* *Axis 1: Improving the competitiveness of the agricultural and forestry sectors by supporting restructuring, development and innovation*
* *Axis 2: Improving the environment and countryside by supporting land management; and*
* *Axis 3: Improving the quality of life in rural areas and encouraging diversification of economic activity*
* *Axis 4: The LEADER method*
* *The regulation requires that there is a minimum spend (in terms of EU funds) of 10% on axes 1 and 3 and 25% on axes 2.*

*The draft NIRDP includes the following elements of the EU programme measures:*

* *1.1 Vocational Training and Information Actions*
* *1.2 Adding Value to Agricultural Products & Improving Marketing*
* *2.1 Less Favoured Areas Compensatory Allowances Scheme*
* *2.2 Management of Agricultural Land within Natura 2000 areas*
* *2.3 Agri-Environment Programme*
* *2.4 Animal Health and Welfare Planning Scheme*
* *2.5 First Afforestation of Agricultural Land*
* *2.6 Forest Environment payments*
* *3.1 Diversification into non-agricultural activities*
* *3.2 Business creation and development*
* *3.3 Encouragement of tourism activities*
* *3.4 Basic Services for the economy and rural population*
* *3.5 Village renewal and development*
* *3.6 Conservation and upgrading of the rural heritage*

*Most of these measures already exist under the 2000-2006 Programme. While this offers the benefit of established schemes and processes, the continued relevance of these measures in their current format must be questioned in the context of new environmental regulations, radical reform of the CAP and rapidly changing demographics in rural areas. DARD is following a principle of evolution rather than revolution. While this is administratively less disruptive, the impact of the Programme is likely to be reduced.*

### *Evaluation comments on the Northern Ireland draft programme*

*There is no stated vision of how the Northern Ireland rural areas will be different by 2013 as a result of the Programme. Given the need to ‘complement and work in synergy with other support Programmes’ it is suggested that the vision for the NIRDP should be consistent with wider policy and strategies for rural areas and for the wider Northern Ireland economy. In particular, the draft Rural Strategy 2007-2013 provides the basis for the NI elements of and input to the UK National Strategy Plan. Aims 2-4 relate closely to the RDR axes but three main justifications for intervention in rural areas set out in the Study on Rural Policy (PwC 2005) offer a more aspirational and joined-up statement of what the NIRDP should deliver. These are:*

1. *Facilitating and promoting the restructuring of the wider rural economy and providing support to small businesses.*
2. *Intervention in the rural environment to realise the economic benefits that can be derived from the landscape and ensure that the vital rural environmental resources are properly managed and sustained.*
3. *Intervention on social/community grounds with the emphasis shifting from establishing community infrastructure to the important role of maintenance and enablement.*

The Department’s Vision for the NIRDP is now included in Section 5.1

*The programme needs to lead rural development rather than respond to it. Key weaknesses in the draft NIRDP at programme level include a lack of focus on the new ‘service economy’ and the need to move to a more dynamic and innovative farming and food industry. Similarly in environmental terms it makes limited reference to the need for mitigation of climate change / development of renewable energy or new regulation such as the Nitrates Directive and the Water Framework Directive. In social terms, increasing demands will be placed on the countryside as a resource for amenity and public access.*

The Department recognises the need to move towards more dynamic and efficient farming, forestry and food industries. Since completion of the ex-ante evaluation, Axis 1 of the NIRDP has been refocused to provide support for modernisation of agricultural holdings, processing of forestry products and the development of the food supply chain.

The text of the NIRDP has been expanded to include references to wider environmental issues such as the development of renewable energy, the Nitrates Directive and the Water Framework Directive.

The Department is currently developing a separate Renewable Energy Action Plan for the land based and rural sector which will realise the potential of renewable energy and contribute to its development and delivery in a balanced and sustainable way.

*Target Groups identified by the draft NIRDP for support include landowners, farmers and farm families, food processors and rural dwellers. In practice this includes virtually all those who live and work in rural areas and indeed some who do not (some food processors and landowners). It is essential that the programme is more tightly targeted, both in terms of whom it is promoted to and what it is trying to achieve.*

The Department agrees that, overall, the NIRDP will provide support for a broad range of target groups. Indeed, it could be argued that this demonstrates that the NIRDP will deliver a balanced programme of assistance. However, the Department accepts that some elements of the programme could be better targeted and, since completion of the ex-ante evaluation, Axis 1 has been revised to include support for farm modernisation and supply chain development.

*Specifically, there is a need for ‘area-based’ economic regeneration, which recognises the distinctive needs of ‘less accessible’ and ‘accessible’ rural areas. The former have few economic opportunities beyond farming and have poor access to services; the latter are more economically active and benefit from their location adjacent to urban centres. The needs and solutions for these areas should be recognised in the NIRDP and appropriate targeting statements set.*

The Department recognises that the importance of an area-based approach to rural economic regeneration and has been taking this approach over many years. The NIRDP will continue this through the delivery of Axis 3 Measures by Local Action Groups. The Local Action Groups will be responsible for identifying the areas of greatest need in each of their areas and bringing forward strategies to tackle those needs. While the Department would not wish to be prescriptive in terms of defining how need is to be assessed in each area, it would expect accessibility to be one of the factors that Local Action Groups would take into account.

*A key feature of the Northern Ireland farming industry that needs to be considered and addressed by the NIRDP is that of farm size. Small and part-time farms are both part of the problem – in terms of competitiveness – and part of the solution – in terms of landscape and social infrastructure. While the NIRDP is not an exercise in social engineering, it needs to ensure measures account for this dichotomy in a positive way, and offers relevant support through targeting.*

Small and part-time farms are integral to agriculture in Northern Ireland. Support to improve their competitiveness will be provided under Axis 1 through vocational training and information actions and through two new measures introduced since completion of the ex-ante evaluation - improving the physical capital on farms and supporting a collaborative approach to marketing of produce. It will also support micro projects to develop processing and marketing as well as innovative projects at farm level. In terms of the wider social infrastructure, Axis 3 will support small or part-time farmers wishing to diversify and will support the development of new businesses which could provide additional employment opportunities for part-time farmers.

Outside the remit of the NIRDP, the Department provides support to encourage the establishment of young farmers which, in turn, promotes additional investment in Northern Ireland farms

*In terms of the scope of the Programme, it is essential that wider support programmes are taken into account to avoid duplication. This is a specific concern in the context of rural micro businesses, which might be eligible for support through Invest Northern Ireland (INI). There is also a potential issue of complementarity with other programmes e.g. tourism development by NITB. Measures should be mapped against other NI programmes and policies in terms of scope and expected impact.*

The Department will continue to work closely at official level with those developing parallel NI programmes to ensure there is no duplication and that planned support mechanisms will complement each other to achieve maximum impact.

*The programme needs to recognise that sustainable rural development is a balancing act; competitiveness is often compromised by environmental objectives e.g. limits on inputs or retention of landscape features, while environmental assets are affected by economic development e.g. housing and transport infrastructure. A clear statement of priorities and effective targeting should be used to deliver sustainable rural development and impacts, both positive and negative, stated in explicit terms.*

*The Programme at present is focused on rural issues and solutions. More account needs to be taken of the wider context of rural areas, as a resource for the urban population and economy. The disposable income of those who work outside the rural areas is substantial and where possible, this should be the focus for a market-based solution to economic development in rural areas. The role of market towns and villages as a focus for economic and community development should also be recognised.*

The Department recognises the important role of market towns and larger villages to act as hubs for economic and community regeneration. Following completion of the ex-ante evaluation and the public consultation, Measure 1.2 has been expanded to include support for the development of farmers’ marts to lever investment from the local urban and rural population. The development of integrated plans for village renewal will be supported under Measure 3.5 and this will provide further opportunities for economic regeneration and improvements to the quality of life of rural dwellers.

The Department will also be undertaking some pilot work in the development of rural hubs in partnership with the Department of Social Development. This work will take place outside the NIRDP.

### Evaluation comments on proposed Measures

*Targeting of the Processing and Marketing Grant Scheme (Measure 1.2) is insufficient with a reliance on a competitive process to deliver innovative projects and a shift to added value products and markets. A more strategic approach needs to be taken with a proactive approach to developing distinctive food from NI and facilitation of bids. The latter is especially important for farmers entering food processing and for micro businesses, which should be offered a fast-track, single application process.*

The Department does not agree that targeting of the Processing and Marketing Grant Scheme is insufficient or that there is solely a reliance on the competitive process to deliver innovative projects and a shift to added value. The department has been and continues to be proactive. Through the Food Strategy Implementation Partnership with industry and, in tandem with the work on innovation at the College of Agriculture, Food and Rural Enterprise, it is seeking to drive the industry forward to develop new products and regional distinctiveness. Also, without this scheme, the local food industry would not have been able to meet the challenge presented by the multiple retailers to improve the standard of processing and presentation as well as introducing new products. Indeed, the Northern Ireland Food and Drink Association has recently celebrated this success by distributing awards for those engaged in innovation.

In relation to farmers entering food processing and the development of micro businesses, the NIRDP processing and marketing grant scheme will be open to these target groups. Also, specific resources will be allocated to work closely with smaller farm-based food businesses to sign-post them towards appropriate sources of advice and support. The Department will consider how best to take forward a single simplified application process for all applicants.

*The rationale for the Less Favoured Areas Compensatory Allowances Scheme (Measure 2.1) is weak. The basis of the intervention is to maintain traditional farming and avoid land abandonment. However, the mid term evaluation indicated that in the absence of financial support, most farmers would remain living on their farmstead and let land to neighbours. It also stated that any environmental outputs were not additional. This scheme should be much more tightly targeted on areas where farming is marginal and the impact of loss of farming on the environment and community would be significant. It is debatable whether this is best done using an EU designation of disadvantage such as the LFA; an area-based approach to targeting at a local level would be more effective and could take account of alternative land uses such as forestry.*

The Department will be undertaking a far-reaching and fundamental review of the Less Favoured Areas Compensatory Allowances Scheme in 2006/2007 and will consider the views of the evaluators as part of that process.

*There is also a weak rationale for the Animal Health and Welfare Planning Scheme (Measure 2.4). In the context of a generally very good reputation for animal welfare in Northern Ireland, delivering a sustainable improvement relies on regulatory compliance or a visible market premium. Neither of these currently applies. The voluntary nature of the scheme also indicates that it is unlikely to address those farmers with a poor record on animal welfare. A more effective approach would be to encourage best practice through the Focus Farms (Measure 1.1).*

The Department accepts the evaluator’s findings in relation to the rationale for the proposed Animal Health and Welfare Planning Scheme. Following completion of the ex-ante evaluation, the NIRDP has been revised and will no longer provide support for animal health and welfare planning under Axis 2 but will, instead, encourage best practice in this area through the Focus Farms Scheme under Measure 1.1.

*Producing renewable energy as a means of climate change mitigation is supported to some extent in the Programme through an opportunity to receive Woodland Grant Scheme grant for establishment of renewable energy crops (under Axis 2) and farm diversification into wind or hydro generation (under Axis 3). However, the policy objective is largely addressed outside the Programme and this needs to be more explicitly stated. In addition, the opportunity to deliver renewable energy, as part of a wider supply chain or as a community project should be better promoted in the NIRDP.*

The NIRDP has been revised to include reference to Government’s Renewable Energy Policy and how it will contribute to those objectives (see Forestry Measures 2.4 and 2.5). Links have also been developed between the Forestry Measures and Measures within Axes 1 and 3 in relation to renewable energy.

*Public access for rural dwellers and tourists is not addressed in the NIRDP. This is likely to be an increasing need as the rural population increases and leisure time becomes more significant. It needs to be seen as an economic opportunity for landowners and farmers rather than a threat. While development of rural tourism is still modest, this is likely to increase and with it the scope to provide a range of services based around attractive landscape, water features and woodland. All rural dwellers can benefit from access to the countryside in terms of health and it can also maintain and develop positive relationships between farmers and a rural population that is increasingly urban focused. It is recommended that an access option is included in the agri-environment and forestry measures.*

The Department accepts the evaluator’s recommendation. The agri-environment programme (Measure 2.2) will provide support for special environmental projects which may include public access. The Forestry Measures (Measures 2.3 and 2.4) will support the provision of woodland for public access and the enhancement of the public amenity value of existing forests. Measures 3.3 (Tourism activities) and 3.6 (conservation and upgrading of the rural heritage) can also provide support to projects providing public access and/or creating public amenity sites

*There is a lack of targeting across all 3 axes. Key issues include:*

* *Food businesses supported by the programme under Measure 1.2 need to deliver innovation but in the past the focus has been on adapting to existing markets. Targets will need to be set for the 2007-13 Programme in terms of new products (result indicator).*
* *The LFACAS (Measure 2.1) aims to avoid ‘marginalisation and land abandonment’ but this threat is only relevant to a portion of the area under LFA designation.*
* *There is continued loss of important habitat and landscape features but not all support under the agri-environment schemes or the LFA schemes is relevant to the EU definition of high nature value (HNV) farming.*
* *There are ambitious targets for expansion of private sector forestry but not all-new planting will deliver the same public benefit. The Forest Service has published a commitment to review the Woodland Grant Scheme and has undergone several consultations to improve targeting of grant aid*
* *The Animal Health and Welfare Planning Scheme (Measure 2.4) is targeted at all livestock farmers (excluding pigs and poultry); it is difficult to see how a voluntary scheme will address issues of poor welfare.*
* *Measures 3.1 (Diversification into non-agricultural activities) and 3.3 are not targeted on an area basis or at specific markets*

The Department does not accept the statement about past activities. Significant work on innovation is being undertaken by the College of Agriculture, Food and Rural Enterprise (CAFRE) and previous schemes equivalent to NIRDP Measure 1.2 have provided the necessary support for subsequent capital investment in both buildings and equipment, as well as support for key staff to take forward the marketing of such products. As a result, the level of added value activity has increased year-on-year. Also, one of the CMEF results indicators relates to the number of holdings introducing new products.

*There is a need to enhance linkages between the measures within and between axes. These need to be promoted internally between programme managers and externally to scheme applicants. Potential synergies include:*

* *Innovative food products and protected landscapes or organic status. Also a link to tourism development through local produce.*
* *Diversification into non-agricultural activities and Adding Value to Agricultural Products. Also links to tourism development*
* *Protected landscapes and tourism development. Also a strong association with less accessible rural areas and LFAs which have economic development needs.*
* *Business Creation and the development of Basic Services and Village renewal. A more attractive environment and good services are significant drivers for business location.*
* *Forestry measures and Basic Services for the economy and rural population, through amenity and development of local energy schemes*

The Department recognises the benefits that will accrue from well-developed linkages between Measures. To this end, the Department has reviewed its processes and has reassigned to one Division the responsibility for the implementation of Axes 1 and 3. This will ensure maximum complementarity and avoid duplication of effort or financial support. Linkages between Axis 2 and Axes 1 and 3 are developed through Departmental Working groups established to guide the development of the new programme. For example, links have been developed between the Forestry Measures and Measures within Axes 1 and 3 in relation to renewable energy.

The Department, principally through the Monitoring Committee, will continue to consider how further linkages can be developed.

*It is proposed that Axis 3 measures will be delivered by the LEADER approach, nominally through a number of LAGs linked to the new Super Council structures, while Axis 1 and 2, which will be delivered by DARD or sub-contracted bodies. Given this range of delivery bodies, it will be essential to build linkages between them to ensure all measures are promoted across axes. In principle, LAGs could bid to deliver other measures but the timescale for establishing these needs to be consistent with tendering for delivery of other measures. All delivery bodies should be brought together at the start of the programme and introduced to strategic objectives and protocols.*

The Department, in its role as Managing Authority, will ensure that all delivery bodies are aware of the NIRDP’s strategic objectives and protocols. The NI Rural Network will have a central role in promoting the measures within the programme.

*The balance between the measures should reflect the needs and priorities of rural areas. In practice, the majority of funding is directed to Axis 2 measures on environmental protection (agri-environment and LFACAS). While this would appear to be an imbalanced reflection of rural development needs, it must be remembered that payments to farmers for land management measures has a significant socio-economic impact, acting as an additional income stream with multiplier impacts on the wider rural economy. Given the reliance of rural areas on farming in Northern Ireland, the overall balance of the measures is considered to be reasonable. However, there appears to be insufficient focus on delivering a cultural change in farming to a more dynamic and market-focused outlook and in terms of linking wider economic opportunities to the land resource.*

*Expected impacts from the Programme are largely neutral or positive. It is considered that economic development activities under measures 3.2 (Business creation) and 3.3 (Encouragement of tourism activities) could have a negative impact in terms of climate change through additional transport infrastructure and activity.*

*Potential conflicts do exist in terms of economic development and environmental protection but sensitive development should largely mitigate these. There is also conflict between improving competitiveness in the farming and food sectors and job creation and it is essential that the latter should focus on new markets. Finally, the various schemes in Axis 2 compete with each other to some degree; while land can be under an agri-environment scheme and receive LFA support, it is not available for forestry or energy crops.*

*Farmers and farm households will be most strongly impacted by the Programme through direct engagement with schemes. However, rural dwellers will also benefit from the enhanced environment around them, improvement to village infrastructure and better rural services. In principle, all rural dwellers have an opportunity to receive support to start a new business. However, this may impact on those businesses, which do not seek support or are ineligible, through displacement.*

### *Evaluation comments on proposed indicators*

*Impact indicators need to be reviewed in terms of relevance, availability of data and usefulness. They do not always reflect Programme input but rather, wider structural changes e.g. labour productivity in agriculture. This also applies to water quality where a separate programme under the Nitrates Directive will have a much more significant impact. Combating climate change is an indicator for Axis 2 measures but is largely addressed outside the NIRDP.*

*The baseline position for most indicators is available but baseline change is not always a useful measure of Programme impact. It is recommended that CMEF objective related indicators are used as baseline and impact indicators where data is available and the cost of recording is proportionate to its value. CMEF context related indicators are also helpful in terms of the NIRDP proposed baseline*

*Result indicators have not been well specified; in many cases they are in fact output indicators rather than measures of intermediate impact (notably Axis 1 and 2).*

*The intervention logic linking measure outputs to impacts is generally sound but there are significant issues around the usefulness of some indicators. Result and Impact indicators for some measures have not been available in the draft. For measures 3.4 to 3.6, the indicators do not relate to the output.*

All Indicators included in the draft NIRDP considered by the evaluators were extracted from the draft Common Monitoring and Evaluation Framework. The Department intends to review the relevance of these to the NIRDP and, where necessary, substitute others or provide additional indicators which better reflect the NI programme. The evaluator’s comments will be considered as part of this process.

### *Added Value of Community Involvement*

*The draft programme as currently formulated shows that some 23% of funding will come from the EC and 77% from devolved UK funds. The degree of subsidiarity is wholly consistent with this split of funds. It is clear that without the EC funds, the programme would be considerably smaller.*

*As the programme is currently drafted, the spirit of proportionality is being met and the programme does focus on using funds effectively and efficiently to achieve the stated objectives. As the programme evolves with the adjustments in public administration arrangements and taking account of the recommendations made in (Section 4) it should be increasingly met in regard to the practice.*

*The NIRDP is designed to complement and work in synergy with these other support programmes to provide rural areas and rural populations with a broad and integrated support mechanism. There is some concern that the Measures in Axis 3 need to be made more distinctive or better targeted to area based development, in terms of the contribution made by this programme through addressing issues or groups which are not eligible for funds for other sources.*

*Overall the programme was viewed as having a broadly positive impact on the environment that might be improved by consideration of the detailed rules of particular measures and through closer targeting.*

*Significant marginal effects are anticipated in terms of job creation and capacity building within rural communities, especially in relation to the wider effects of Axis 2 and 3 measures.*

### *Evaluation comments on Management and delivery of the NIRDP*

*As the NIRDP moves into delivery phase there is a need for the Rural Policy Branch to develop new systems and procedures, in line with a Programme Management Office to support this move. There is an opportunity for the Rural Policy Branch to take an active role in agreeing delivery schedules and targets at Measure head level and then collecting information and data on progress against these targets. The Rural Policy Branch should provide this information into the Project Board, which should be linked to the Departmental Board, so that they can be updated on how the NIRDP is contributing to DARD overall strategic objectives and targets. We recommend that the management of NIRDP should be further strengthened through the establishment of a PMO, Project Board and the Monitoring Committee.*

The Department’s Rural Policy Branch will assume the role of Managing Authority for the NIRDP. As such, it will have responsibility for oversight of the programme and will develop systems and processes to ensure the programme is managed in an efficient, effective and correct manner. In doing so, it will draw on lessons learnt from previous programmes. It will be responsible for collating data to measure progress against targets and for reporting to the NIRDP Monitoring Committee. The Departmental Board will be kept fully informed of progress.

*As Departments generally within Northern Ireland consider their functions and seek to focus mainly on policy, evaluation of policy, impact analysis and benefits realisation, there is an opportunity for DARD to reconsider its role in delivering the Programme over time. With a potential refocusing of existing resource on policy functions and strategic leadership, then the opportunity exists to consider alternative mechanisms for delivery those parts of the Programme currently being delivered by DARD. Some aspects of the Programme (for example under Axis 2) lend themselves better to centralised delivery, given that they involve an uniform scheme to be delivered across the region. Axis 1 measures however would lend themselves to being delivered through local delivery groups, such as those that will operate for Axis 3.*

The introduction of new systems of local governance, as a result of the Review of Public Administration, could have a major impact on delivery of elements of the NIRDP. The development of these new systems will provide the Department with an opportunity to revisit delivery mechanisms mid-programme and consider the possibility of alternatives. Considerations can feed into the mid-term evaluation of the programme due to be carried out in 2010.

*Work is underway at present within DARD to set up one stop shop front for clients and potential clients to use in order to get the information on the complete range of services from DARD. We would recommend that the Programme is integrated into this work and that applicants are provided with an integrated process based on their needs and the opportunities that exist.*

The Department will consider the scope for using the new DARD Direct service to promote the NIRDP and the opportunities open to customers.

*The suggested redevelopments to the Measures should help provide opportunities for cost savings. These include the using the local delivery groups to deliver wider than Axis 3 measures and also looking for opportunities to streamline the processes involved from receiving the application to checking the claim.*

*The Local Action Groups are clearly key to the successful delivery of Axis 3 under the current Programme. There are risks to using these Groups and experience highlights that the Groups may not be established quickly enough, or that they do not have the skills, capacity or systems in place to deliver the Programme. Once it has been agreed by DARD which measures the LAGs will deliver on and when, then we recommend that a detailed review be completed into the structure and resourcing requirements of LAGs and that this information is communicated to interested parties so that the process of building the LAGs can start to happen. In addition DARD needs to have a project plan in place for how the LAGs will be set up by the start of the Programme.*

The Department has a project plan in place to ensure LAGs are established without delay.

*Finally, our analysis has highlighted that a number of the schemes experience low demand in the last Programme. In order to ensure that monies are not allocated to schemes and then don’t get distributed due to low demand, we recommend that an element of competition for Programme resources is brought in for schemes, and this is supported through the effective targeting and promotion of schemes to where they are most needed.*

There will be some competition for resources at scheme level but most will occur at project level. The Department will avoid under-use of funds within Measures by having close monitoring of resources against targets, by reporting progress to the Monitoring Committee and by recommending revision of Measure-level allocations where necessary.

### Strategic Environmental Assessment

In order to assess the environmental impact of the proposed NI Rural Development Programme, DARD undertook a Strategic Environmental Assessment (SEA) in line with the requirements of European Directive 2001/42/EC and also the Environment Assessment of Plans and Programmes Regulations (Northern Ireland) 2004.

The consultation draft of the SEA was completed in July 2006 having evaluated the draft NI RDP that was consulted upon from June-August 2006. The consultation exercise on the SEA ran for six weeks until 5 September 2006 with nine responses being received from a range of stakeholders including the NI Statutory Consultee. The issues raised within the responses were discussed with both the NI Consultative Partnership Group and with stakeholders. The Department is currently summarising these views and developing a Departmental response to the issues raised. The responses (in full), the summary and the Department’s response will be made available on the DARD Website[[34]](#footnote-34).

Following the consultation exercise on the draft NIRDP, and in a context of strict funding parameters, the Minister for Agriculture and Rural Development decided to amend the draft NIRDP. The changes can be summarised as follows:

* Measures/Schemes removed from the draft NIRDP:
  + Animal Health & Welfare Measure
  + Entry-level Countryside Management Scheme (ELCMS) (part of agri-environment measure)
* Measures added to the NIRDP:
  + Farm Modernisation
  + Supply Chain Development

In order to minimise the impact of removing the ELCMS, it was agreed to broaden the scope and participation levels of the Northern Ireland Countryside Management Scheme to incorporate many of the principles of an equivalent entry-level scheme. It was also felt that increased environmental benefit would be derived by encouraging farmers to participate in a higher level environmental scheme.

The removal of the Animal Health & Welfare Measure is to be mitigated by the encompassing of improved animal health and welfare practices within the Focus Farms Scheme (Vocational Training & Information Actions measure)

The Farm Modernisation measure is a small scale capital grant scheme that includes enhancing the environmental status of farms as one of its underpinning principles.

The Supply Chain Development measure is designed to facilitate collaboration in the supply chain in order to develop mutually beneficial supply chain improvements.

The overall conclusion of the SEA was that the NIRDP should have a generally positive impact on the environment, although some measures may have some potential to create negative impacts, for example, increased localised traffic flows, intrusion in the landscape and potential for damage to cultural heritage assets. However, it was felt that the positive effects upon the environment would outweigh the negative effects.

Positive impacts stem from the focus of the largest part of the programme on environmental improvement on farms, assistance with farm business adjustment and rural diversification and strengthening the underlying socio-economic aspects of rural communities. The programme has also identified and specified a range of mitigation measures focussed on the requirements of applicants to demonstrate regulatory compliance, positive environmental outcomes or (in some cases) to carry out a full site specific Environmental Impact Assessment.

In order to fully exploit the benefits of completing a Strategic Environmental Assessment, DARD has agreed to follow the process as shown in this flowchart. It shows that, following approval of the NIRDP (and therefore its accompanying Ex Ante Evaluation & SEA), DARD will draft an environmental statement documenting how the final NIRDP has been shaped by the SEA process, including the rationale for any amendments on environmental grounds. This will be developed in close consultation with the NI Statutory Consultee[[35]](#footnote-35).



## Impact from the 2000-2006 period and other information

### EAGGF-funded measures

During the 2000-2006 period, Northern Ireland had four programmes with at least some co-financing from the European Agricultural Guidance and Guarantee Fund (EAGGF). These were:

* The Northern Ireland Programme for Building Sustainable Prosperity (BSP)
* The EU Programme for Peace and Reconciliation in Northern Ireland and the Border Regions of Ireland (PEACE II)
* The Rural Development Regulation Plan (Accompanying Measures) for Northern Ireland
* The Northern Ireland LEADER+ Programme

A mid-term evaluation of the EAGGF-funded Measures of the Northern Ireland Programme for Building Sustainable Prosperity (BSP), the EU Programme for Peace and Reconciliation in Northern Ireland and the Border Regions of Ireland (PEACE II) and the Rural Development Regulation Plan (Accompanying Measures) for Northern Ireland was completed at the end of 2003. The evaluation was completed using the European Commission’s Common Evaluation Questions.

Overall, the evaluation found that programmes were performing well, particularly given circumstances such as the outbreak in Northern Ireland of Foot and Mouth Disease and the uncertainties over CAP Reform. The timing of the evaluation meant that the evaluators were unable to assess the impact of the second pillar of the CAP due to delays at the start of some programmes while other impacts would only become clear over a longer time period.

The evaluators found strong evidence that funds had been used to good effect based on sound rationale, taking account of the relevant frameworks, the views of stakeholders and benefiting from sound management and implementation.

The Mid-term Evaluation of the Northern Ireland LEADER+ Programme was updated in 2006. The NI LEADER + Programme focussed on micro-enterprise development in the private sector and the evaluators found that this was appropriate and broadly complemented other interventions in rural areas. In terms of programme management, advisory and delivery structures, the evaluators noted the time taken to implement the programme but felt, in broad terms that the structures in place were working effectively. However, they felt that the Northern Ireland Leader Network needed further support by the Department. In relation to progress within the programme, the evaluators noted that while there had been substantial financial and physical progress under Action 1, progress under Actions 2 and 3 had been slower. The narrow focus of the Northern Ireland programme had made it difficult for NI Local Action Groups to find suitable partners elsewhere. The narrow focus also meant that benefits deriving from participation in the UK LEADER Network were also limited.

### ERDF-funded Measures

The Department provided support for rural tourism through the Natural Resource Rural Tourism Initiative. It was co-financed by the European Regional Development Fund under the EU Programme for Peace and Reconciliation in Northern Ireland and the Border Regions of Ireland (PEACE II). It was delivered by five local tourism partnerships, each developing a rural tourism strategy for their specific target area.

In the mid-term evaluation of the Department’s Rural Development Programme, completed in February 2006, evaluators noted that Natural Resource Rural Tourism measures had not performed strongly at that stage in relation to outputs, partly due to the time taken to set up the delivery partnership structures. However, the evaluators continued to see a need for the development of rural tourism to help with the restructuring of rural economies.

### The LEADER-type approach to rural development in 2000-2006 period

In Northern Ireland, the Department has been supporting bottom-up rural development initiatives since the early 1990s.

In the 2000-2006 period, local rural development has been supported through a number of EU co-financed programmes and has been delivered through a range of different mechanisms:

Under the *Programme for Building Sustainable Prosperity,* the Department supported Area-based Programmes and projects to address both the needs and the opportunities of specific geographical areas. The programme supported 8 area-based strategies, covering approximately 350,000 hectares with a population of 650,000. An example is the Faughan Valley Area Based Programme, located in the rural wards of Derry City Council area, to protect and enhance the environment and sustainable tourism infrastructure of the area around the Faughan River.

Under the *EU Programme for Peace and Reconciliation*, the Department established five Natural Resource Rural Tourism Partnerships to help Northern Ireland’s disadvantaged rural areas take advantage of particular opportunities presented by their natural resources. The partnerships developed and delivered actions to increase the rural tourism potential arising from peace. The five partnerships covered a total area of over 500,000 hectares.

Finally, under the Northern Ireland LEADER+ Programme, 12 Local Action Groups, covering 94% of the total eligible area and 43% of the population, developed and implemented local development strategies that addressed the needs and potential for micro-business in their areas.

# Justification of chosen priorities and expected impact

## Justification of priorities chosen (with regard to Community Strategic Guidelines and UK National Strategic Plan

### The tables on the following pages outline the level of complementarity between Community Strategic Guidelines and the regional objectives for Northern Ireland at both axis and measure level.

**Axis 1**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **European Commission guidelines Axis 1** | **To contribute to a strong and dynamic European agri-food sector by focusing on the priorities of knowledge transfer, modernisation, innovation and quality in the food chain and priority sectors for investments in physical and human capital** | | | |
| **Northern Ireland Strengths, Weaknesses Opportunities and Threats for Axis 1** | **Strengths:**   * **Committed and resilient agricultural workforce** * **climate suited for meat and milk production** * **100% broadband coverage within NI** | | | |
| **Weaknesses:**   * **Large number of small farms** * **Agri-food processing less well developed that rest of UK** * **High dependence on commodity-type products and export markets** * **Poor supply chain communication and integration** * **Low incomes within sector** * **Education and training levels not meeting national targets** * **Reluctance to invest in agri-food businesses** | | | |
| **Opportunities:**   * **Potential for growth in new sectors** * **Improvement in business management capability** * **Investment to create jobs and wealth** * **Increased innovation in products and processes** * **Increased export potential within EU** | | | |
| **Threats:**   * **Overdependence on low value added sectors** * **Low product prices threaten sustainability of many farm businesses** * **Growing competitive pressures from trade liberalisation and enlargement of EU** * **Increasing energy costs** | | | |
| **Northern Ireland objectives for**  **Axis 1** | **A more competitive agricultural industry achieved through:**  **(a) Increased business and technical competence**  **(b) Improved market focus**  **(c) A dynamic approach to innovation and uptake of new technologies** | | **A more competitive food processing industry achieved through:**  **(a) Increased value-added processing**  **(b) Better product development**  **(c) More effective marketing** | |
| **Northern Ireland RDP Measure Objectives (Axis 1)** | **To improve the competitiveness of farm and horticulture businesses in Northern Ireland through the provision of a range of innovative and focused training and information actions.** | **To contribute to the competitiveness of agricultural and horticultural businesses in Northern Ireland** | **To improve the economic performance and international competitiveness of the agri-food and forestry processing sectors** | **To increase the number of successful new collaborative initiatives in the agri-food and forestry sectors which lead to more effective and sustainable supply chains and to compare farm and horticulture businesses thro’ benchmarking** |
| **Proposed Measures** | **1.1 Vocational Training and Information Actions** | **1.3 Modernisation of Agricultural Holdings** | **1.2 Adding Value to Agric and Forestry Products Improving Marketing Capability** | **1.4 Supply Chain Development Programme** |

**Axis 2**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **European Commission guidelines for Axis 2** | To protect and enhance the EUs natural resources and landscapes in rural areas, contributing to three EU-level priority areas:   1. biodiversity and the preservation and development of high nature value farming and forestry systems and traditional agricultural landscapes 2. water 3. climate change | | | | |
| **Northern Ireland Strengths, Weaknesses Opportunities and Threats for Axis 2** | Strengths:   * attractive “clean and green” rural environment * rural areas acting as reservoirs of natural resources and high value landscapes * current agri-environment schemes contributing significantly to local biodiversity targets | | | | |
| Weaknesses:   * Significant environmental challenges remain to be addressed * Biological water quality decreasing * Existing agri-environment commitments restricting resources available for new schemes * Large proportion of land on NI farms in less favoured areas | | | | |
| Opportunities:   * Further investment to protect and enhance the rural landscape and environment * Development of farm woodlands to improve biodiversity and amenity value * Preservation of extensive production systems and farmed landscapes * Promotion of alternative land uses such as increasing forest and woodland cover, renewable energy | | | | |
| Threats:   * Drive towards increased competitiveness may impact on environmental stewardship * Climate changes could impact significantly on agriculture, horticulture and biodiversity * Increase in part-time farming due to demographic changes * Insufficient funding to deliver optimum levels of support | | | | |
| **Northern Ireland objectives for Axis 2** | The Measures are designed to meet the Axis 2 objective of improving the environment and the countryside through:   1. Promoting environmental services and animal-friendly farming practices 2. Preserving the farmed landscape 3. Encouraging the development of new and existing forests and woodlands 4. Supporting the growth of organic farming | | | | |
| **Northern Ireland RDP Measure Objectives (Axis 2)** | To improve the environment and the countryside through land management |  | To support the sustainable development of rural areas by encouraging farmers and other land managers to apply agricultural production methods compatible with the protection and improvement of the environment, the landscape and its features, natural resources, the soil and genetic diversity. | To support afforestation and encourage an increase rate of new planting. | To secure significant environmental benefits through the enhancement of biodiversity.  To improve the public amenity of woodlands while preserving high value forest ecosystems, by reinforcing the protective value of forests in respect of soil, water and natural hazards.  To assist in achieving the expansion, maintenance, enhancement restoration targets set out in the native woodland Habitat Action Plans, or benefit to the habitat of those woodland species covered by the Species Action Plan | |
| **Proposed Measures** | 2.1 Less Favoured Areas Compensatory Allowances Scheme |  | 2.2 Agri-Environment Programme | 2.3 First Afforestation | 2.4 Forest Environments | |

**Axis 3**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **EC guidelines for Axis 3** | To contribute to the overarching priority of the creation of employment opportunities and conditions for growth | | | | | |
| **Northern Ireland Strengths, Weaknesses Opportunities and Threats for Axis 3** | Strengths:   * Attractive rural landscape major asset in heritage and economic terms * Previous rural development interventions have resulted in knowledgeable and well developed social capacity * Established local infrastructure used to the LEADER-type approach * 100% broadband availability * Established culture of self-employment | | | | | |
| Weaknesses:   * Less accessible rural areas have high levels of deprivation * Lower rates of full-time employment in rural areas * Over-dependence on traditional industries such as agriculture and manufacturing * High degree of residential segregation in rural areas * Higher costs of transport and communication in rural areas | | | | | |
| Opportunities:   * Potential for further development of rural recreation and tourism * Using IT to reduce the remoteness of rural locations, improving access to services, creation of networks, developing business opportunities * Building on previous investment in developing the capacity of rural communities to create jobs and wealth | | | | | |
| Threats:   * Creation of jobs and wealth in rural areas is closely linked to the wider NI economy * Declining farm incomes could restrict investment in diversification | | | | | |
| **Northern Ireland objectives for Axis 3** | The Axis 3 objective of improving the quality of life in rural areas and diversification of the rural economy is to be met through:   1. Increasing economic activity and employment rates in the wider rural economy through encouraging on-farm diversification into non-agricultural activities 2. Increasing economic activity and employment rates in the wider rural economy through encouraging on-farm diversification into non-agricultural activities 3. Supporting the creation and development of mirco enterprises in the broader rural economy 4. Encouraging the entry of women into the labour market through addressing inadequate childcare and eldercare facilities 5. Regenerating villages and their surrounding areas by improving their economic prospects and the quality of life 6. Encouraging rural tourism built on the sustainable development of natural resources, cultural and natural heritage 7. Maintaining, restoring and upgrading the natural and built heritage | | | | | |
| **Northern Ireland RDP Measure Objectives (Axis 3)** | To maintain or increase the income of the farm households through the creation of employment opportunities in non-agricultural activities and services. | To create employment opportunities through promoting entrepreneurship and developing the economic infrastructure in rural areas. | To use the natural resources in Northern Ireland’s rural areas to create new employment opportunities and develop the rural economy. | To improve or maintain the living conditions and welfare of those living in rural areas and to increase the attractiveness of such areas through the provision of more and better basic services for the economy and the rural population. | To support integrated village initiatives which promote community development and regeneration. | To use the natural resources in Northern Ireland’s rural areas to create new employment opportunities and develop the rural economy through supporting local village initiatives to preserve and upgrade their rural heritage. |
| **Proposed Measures** | 3.1 Diversification into non-agricultural activities | 3.2 Support for Business Creation and Development | 3.3 Encouragement of Tourism Activities | 3.4 Basic Services for the Economy and Rural Population | 3.5 Village renewal and development | 3.6 Conservation and Upgrading the Rural Heritage |

## Expected impacts as per ex-ante evaluation

### Expected impacts of the measures to be applied (social, economic and environmental)

## [This section is an extract from Ex-Ante Evaluation Report completed by BearingPoint. The full report is at Annex 6]

***The expected impact of individual measures by EU Impact Indicator is assessed in the table overleaf.***

***Table: Expected impact of NIRDP measures by EU Impact Indicator[[36]](#footnote-36)***

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***MEASURE*** | ***IMPACT INDICATOR*** | | | | | | |
| ***Economic growth*** | ***Employment creation*** | ***Labour productivity*** | ***Reversing biodiversity decline*** | ***Maintenance of HNV farming*** | ***Improvement in water quality*** | ***Contribution to combating climate change*** |
| ***1.1 Vocational Training and Information*** | ***1*** | ***1*** | ***2*** | ***1*** | ***0*** | ***1*** | ***0*** |
| ***1.2 Adding Value to Agricultural Products & Improving Marketing*** | ***2*** | ***2*** | ***1*** | ***0*** | ***0*** | ***0*** | ***1*** |
| ***2.1 Less Favoured Areas Compensatory Allowances Scheme*** | ***0*** | ***0*** | ***0*** | ***0*** | ***1*** | ***0*** | ***0*** |
| ***2.2 Management of Agricultural Land within Natura 2000 areas*** | ***0*** | ***0*** | ***0*** | ***2*** | ***2*** | ***2*** | ***0*** |
| ***2.3 Agri-Environment Programme*** | ***0*** | ***0*** | ***0*** | ***2*** | ***2*** | ***2*** | ***1*** |
| ***2.4 Animal Health and Welfare Planning*** | ***0*** | ***0*** | ***0*** | ***0*** | ***0*** | ***0*** | ***0*** |
| ***2.5 First Afforestation of Agricultural Land*** | ***1*** | ***1*** | ***0*** | ***2*** | ***0*** | ***1*** | ***2*** |
| ***2.6 Forest Environment payments*** | ***0*** | ***1*** | ***0*** | ***2*** | ***1*** | ***0*** | ***0*** |
| ***3.1 Diversification into non-agricultural activities*** | ***2*** | ***3*** | ***1*** | ***0*** | ***0*** | ***0*** | ***-1*** |
| ***3.2 Business creation and development*** | ***2*** | ***3*** | ***0*** | ***0*** | ***0*** | ***0*** | ***-1*** |
| ***3.3 Encouragement of tourism activities*** | ***3*** | ***3*** | ***1*** | ***0*** | ***0*** | ***0*** | ***-2*** |
| ***3.4 Basic Services for the economy and rural population*** | ***0*** | ***1*** | ***0*** | ***0*** | ***0*** | ***0*** | ***0*** |
| ***3.5 Village renewal and development*** | ***0*** | ***1*** | ***0*** | ***0*** | ***0*** | ***0*** | ***1*** |
| ***3.6 Conservation and upgrading of the rural heritage*** | ***0*** | ***1*** | ***0*** | ***0*** | ***0*** | ***0*** | ***0*** |

*The wider analysis of expected impacts at Axis and Programme level is considered in terms of the Draft Rural Strategy aims outlined in section 3, as these represent the drivers for the Programme actions. Against these, the impact of each Axis (and Measure) is mapped as appropriate.*

#### *Improving performance in the market place*

*Axis 1 measures relate to this objective, which is concerned with ‘Promoting the anticipation of change within the agricultural sector in the context of restructuring and modernisation and developing a proactive approach to training and re-skilling’. While measure 1.1 (Vocational Training and Information Actions) will encourage farmers to change and adapt, the absence of capital grants will not leverage any investment in modern technology, although benchmarking can encourage the uptake of new techniques and there will be some help with investment in ICT.*

The Department notes the evaluator’s comments in relation to the absence of capital grants. Following completion of the ex-ante evaluation, the NIRDP has been revised to a measure which will support Farm Modernisation (Measure 1.3). It should be noted that Measure 1.2 already provides support towards capital expenditure for processing and marketing of agricultural and forestry products.

Whilst not a capital grant *per se* and not part of the NIRDP, the current New Entrants Scheme provides assistance for the start-up of young farmers under the age of 40 who possess adequate skills and competences and who are setting up as the head of a holding for the first time. The assistance, in the form of an interest rate subsidy, promotes additional farm investment, generates new activities and adds value to existing activities.

Finally, again outside the remit of the NIRDP, the Department provides capital grant support through the Farm Nutrient Management Scheme to assist farmers to comply with the Nitrates Directive.

*Restructuring relies on some farms getting bigger and requires other farmers to stop actively farming; this is addressed to some degree in the Farm Family Options, which will focus opportunities outside farming for part-time farmers. This is considered to be a relevant and valuable package of support for farmers who should also be able to access grant funding for diversified enterprises such as food processing (Measure 1.2) and tourism (Axis 3). This relies on a high level of facilitation and good linkages to other measures.*

*Measure 1.2 (Adding Value to Agricultural Products & Improving Marketing Capability) is targeted at the food chain, with farmers benefiting as part of the supply chain. In the context of global competition in the commodity markets on which Northern Ireland is so reliant, the measure needs to achieve a balance between supporting investment in new technologies to improve competitiveness in existing markets and funding innovative projects, focused on high value added product for an increasingly discerning public and a growing tourism sector. It is not clear from the draft how this measure will deliver the culture change needed for the latter; a LEADER approach may be more effective in delivering this through encouraging a large number of small businesses to develop into food processing, based around short supply chains and premium export markets. In summary, Measure 1.2 is expected to improve the competitive position in the short term by leveraging private sector investment but may not maximise longer-term benefits unless it delivers a substantive shift in the industry towards value added markets.*

In previous programmes, support was targeted at the food chain but this is not true for the NIRDP as farmers with a farm-based project will be able to avail of assistance – a farmer could be either part of the supply chain or operate as the complete chain. Culture change will be realised by providing specific additional resources to work with farmers and by continuing work at CAFRE on product innovation and development.

*Axis 2 can contribute to this objective through provision of produce from an environmentally friendly system e.g. organic or a niche product such as rare breed meat or high welfare meat for export.*

*Axis 3 can contribute to this objective through its rural tourism measure (Measure 3.3); this should drive up visitor numbers and demand for quality and local produce. Development of local supply chains and processing and distribution infrastructure are also key. This should be facilitated under Measure 1.2.*

#### *Conserving and Investing in the Rural Environment*

*Axis 2 measures relate to this objective, as does Axis 3 Measure 3.6 (Conservation and Upgrading of the Rural Heritage). It is concerned with:*

* *Enhancing the environmental sustainability of farming*
* *Conserving and enhancing the farmed landscape character through appropriate land management practices, particularly in more marginal areas.*
* *Encouraging the adoption of higher animal welfare standards.*
* *Promoting alternative land use options*

*These objectives can be linked closely with the NIRDP Axis 2 measures. While some impact is expected across all objectives, the vast majority of the budget is committed to the agri-environment schemes and the LFACAS. As a result, many LFA farms will be buffered from economic drivers and will continue to farm as they have in the past with modest adjustment to fulfil scheme commitments. There is little indication of substantial uptake of the Organic Farming Scheme and many intensive units will continue to stay outside these schemes. There is also a limited uptake of alternative land use options such as woodland and renewable energy crops. Woodland is an expensive option and needs to deliver on a number of fronts to justify spend e.g. biodiversity, economic activity and amenity. Renewable energy will only become significant if a sustainable market is developed and this requires additional actions e.g. under the recently announced Environment and Renewable Energy funding package (£59m).*

*Measure 2.4 (Animal Health and Welfare Planning Scheme) is an anomaly in delivering on this objective although it is cited in the Rural Strategy and is a DARD Strategic Goal. The impact of the measure is expected to be a modest increase in the use of formal animal health plans but the impact on animal welfare is uncertain. It may be that this measure is linked to producers of specialist food such as organic or high welfare livestock. Targeting would be effective in this regard.*

*Axis 1 measures can contribute to this environmental objective through more efficient use of inputs and adoption of new, environmentally friendly techniques as appropriate. Environmentally friendly product development may also contribute to this objective through Measure 2.1 investments driving a ‘green’ supply chain, both in terms of production standards and through distribution and packaging requirements.*

*Axis 3 measures can contribute to this environmental objective directly through Measure 3.6 (Conservation and upgrading of the rural heritage) but also through the establishment of new environmental service businesses and by improving access to local services.*

#### *Strengthening the Social and Economic Infrastructure of Rural Areas*

*Axis 3 measures relate to this objective which aims to ‘promote employment opportunities, community capacity, skills acquisition and organisation for local strategy development, thereby helping to ensure that rural areas remain attractive places for current and future generations to live and work.’ The package of measures in the NIRDP is expected to make a useful contribution to both economic regeneration and community capacity through the LEADER approach. The key issue is one of extent of impact; how much can be achieved with the budget available and the delivery structures and how sustainable are the new businesses and services created?*

*Axis 1 will make a contribution to this objective indirectly through retaining the local spend of farming families in their local areas and directly as key components of that community. Local food can also engender a sense of community and place and help link rural dwellers to the wider farming community.*

*Axis 2 also contributes to farm incomes and subsequently to the local economy and the service businesses. A major opportunity is for farmers and landowners to embrace public access and encourage local people as well as tourists to use land for its amenity value. At present there is not an access option in the CMS scheme and this is a significant gap. While the Forestry Service aims to ‘promote the use of forests for informal public recreation’ there is no overt encouragement for it in the schemes. Encouraging the appropriate development of recreational land use including forests around settlements or landscape features represents a major opportunity for strengthening the social and economic infrastructure of rural areas.*

The Department accepts the evaluator’s comments in relation to access. The agri-environment programme (Measure 2.2) and the forestry measures (2.3 and 2.4) will provide support for projects which include public access.

*Measure 3.1 is the only Axis 3 Programme targeted at farming families and in principle the only link to the rest of the NIRDP which is heavily focused on farmers as deliverers off rural development. There is a danger that a separate delivery mechanism (LEADER) and a separate target group will lead to a lack of joined-up development. A wider role for Local Action Groups (LAGs) which will be tasked with delivering Axis 3 measures could be extremely helpful in this context and in terms of delivering impacts for the overall Programme. This might work on the basis that delivery agencies for Axis 1 and Axis 2 measures are tasked with working with LAGs to promote scope for new enterprises to farmers and in turn LAGs dealing with farm families under Measure 3.1 are tasked with promoting Axis 1 and 2 measures. As policy owners and delivery contract managers, DARD has ultimate authority to make this happen.*

### *Impacts expected over time*

*Many of the impacts of the NIRDP are medium-long term, notably sector competitiveness, biodiversity change and community capacity. In terms of result indicators, which will be used to measure the effectiveness and potential impact of the NIRDP during the course of the Programme, there are major issues over what will be measured. However, the actual impact over time needs to be measured against a vision for rural areas, which has not yet been clearly defined.*

*At this point, the following longer-term impacts of the NIRDP can be expected:*

* *Smaller, more-informed and technically efficient full-time farming sector competing on export markets but also relying on secondary income streams from Single Payment or agri-environment schemes to remain viable*
* *Most LFA farms relying to some extent on agri-environment payments and as such maintaining the existing farmed landscape, subject to planning controls*
* *Large number of small and part-time farms with main employment off-farm but with many continuing to farm to secure Single Payment and agri-environment payments. This will limit the ability of full-time farms to expand but will retain the traditional high reliance on part-time farming in N Ireland*
* *More competitive agri-food sector but with limited innovation and small-scale processing (at farm level). Reliance on a small number of larger companies to process and market produce, with increased use of imported primary produce as local farm output reduces in response to CAP reform*
* *No land abandonment*
* *Improved status of Natura 2000 sites*
* *Increased area under agri-environment schemes and as such improved biodiversity and water quality, with a small contribution to climate change due to forest planting, renewable energy and reduced livestock numbers but a continued loss of priority habitats and landscape features, albeit at a lesser rate.*
* *Small increase in the area of afforestation in response to competitive timber markets and limited land offered for planting*
* *More diverse rural economy in terms of new businesses created in the service sector and niche manufacturing. Scale limited by high failure rate of new businesses due to absence of scale, weak links to markets and limited capacity to manage growth. Tourism as a growth opportunity for farm-families and providing employment for others indirectly*
* *Strong communities based around villages and market towns as hubs for employment and services*

### *Potential conflicts between different impacts*

*The most significant area of conflict under the NIRDP is the twin strategy of facilitating socio-economic change and environmental protection. The latter has the effect of slowing change by helping existing farmers to continue to farm, often in a traditional way while the former aims to get farmers to focus on market drivers and expand or diversify. For this reason it is critical that environmental protection measures are well targeted, ideally to HNV farming only so that those farms outside these areas are fully market focused.*

*More competitive farming, forestry and agri-food sectors will employ fewer people. This is at odds with the need to create more rural jobs in inaccessible rural areas and highlight the need to focus Axis 3 measures 3.1, 3.2 and 3.3 on an area basis.*

*There is also a conflict in terms of land use. Paying farmers in the LFA to continue to farm as they have in the past through LFACAS is at odds with encouraging them to plant trees or renewable energy crops or use land for amenity use. Indeed the income forgone calculation used to establish payment rates includes the income forgone from LFA compensation and as such costs the taxpayer more. Land under agri-environment schemes is also less available for forestry and not available to mitigate climate change.*

*More rurally located business and a larger-scale tourism sector may conflict with climate mitigation and landscape protection in terms of increased car journeys and facilities for tourists. These can be mitigated with careful planning controls and an effective transport network.*

### *Stakeholders who are (positively or negatively) affected by the Programme*

#### *Farmers and land owners*

*The farming community is a key beneficiary of the Programme as land managers, in view of the emphasis on Axis 2 measures. Measure 1.1 is also targeted at farmers and Measure 3.1 at farm households. While the increasing emphasis on environmental protection is at odds with the priorities of some farmers, it is consistent with wider EU and UK regulation, which in itself adds costs to the business of farming. Agri-environment schemes help offset this cost but are area based and as such are differentially more beneficial to less intensive farms.*

*Farmers wishing to diversify into non-farm activities will benefit from the Programme through grants and support to establish new enterprises e.g. food processing (Measure 1.2) and tourism (Measure 3.3).*

#### *Rural dwellers*

*Rural dwellers wishing to start a new business are positively affected by the Programme on the basis that they can receive support to do so through Axis 3 measures 3.2 and 3.3.*

*All rural dwellers will benefit to some degree from the increased level of environmental protection under the NIRDP in terms of the environment they live in and the quality of the landscape around them. The latter is subject to planning policies for rural housing, tourism development and new business facilities. All rural dwellers should also benefit to some extent from improved service provision, funded under Measure 3.4.*

*A significant gap exists in the provision of amenity access for local people and tourists to farmland, which would need to be actively encouraged through options in Axis 2 measures, given the reluctance of farmers to go down this route.*

#### *Small businesses*

*Tourism business will benefit by maintenance of the rural landscape and heritage through the impact on the attractiveness of the area to visitors. Food-based businesses and service-based businesses may also benefit subsequently if they serve the tourism market.*

*Small businesses in rural areas, which are not beneficiaries of the Programme, and adjacent urban areas which are not eligible may be negatively impacted by the business support measures in Axis 3 through displacement. The Axis 3 measures offer capital grants which other businesses cannot access through e.g. Invest Northern Ireland.*

#### *Other stakeholders*

*Non-farming people in Northern Ireland who wish to enter farming are negatively affected by the support Programme as a whole as it supports the existing farm economy, slowing down the pace of restructuring and maintaining land and rental values. The recent increase in the rural population provides a latent source of future farmers and rural entrepreneurs; they may be frustrated by a lack of opportunity to enter the industry.*

While not provided directly under the NIRDP, the Department operates a scheme to encourage the establishment of young farmers.

### *Recommendations from the analysis of impacts expected.*

* *Measure 1.2 needs to focus on funding innovation and value added in addition to existing businesses and markets. This is part of the development of a ‘regional food’ identity for NI added value products, which will help develop premium markets at home and abroad*

Measure 1.2 is focussed and additional specific resource has been allocated to assist the development of projects by farmers. This, combined with the continuing work at CAFRE on innovation and the development of new products, will assist the industry to continue to realise increased added value year-on-year. The Measure will be complemented by activity to develop regional food being taken forward under the Department’s Food Strategy Implementation Partnership.

* *The presence of Animal Health and Welfare Planning in AXIS 2 which is focused on ‘ Conserving and Investing in the Rural Environment’ requires a stronger link with the objectives of the AXIS if impacts are to be measured. One option to consider is targeting the measure to producers of specialist food, which has marketing links to the environment.*

Direct support for Animal Health and Welfare Planning will not be taken forward under the NIRDP.

* *An access option within the CMS scheme should be considered which would make explicit the link between the agri-environment measure and their contribution to strengthening the social and economic infrastructure of rural areas.*

An access option has been included under the Agri-Environment Measure (Measure 2.2)

* *Consider a wider role for LAGs beyond delivering AXIS 3 so that delivery agents for AXIS 1 and 2 could be tasked to work with them to promote scope for new enterprises to farmers, and LAGs working with farm families under Measure 3.1 are tasked with promoting AXIS 1 and 2 measures. A process to ensure this happens should be made explicit in the NIRDP.*

The introduction of new systems of local governance in 2009, as a result of the Review of Public Administration, will have a major impact on delivery of elements of the NIRDP. The development of these new systems will provide the Department with an opportunity to revisit delivery mechanisms mid-programme and consider the possibility of alternatives. Considerations can feed into the mid-term evaluation of the programme due to be carried out in 2010.

* *Careful planning controls are needed to ensure that economic development and environmental protection are not in conflict. DARD should be proactive in liaising with other departments and the Councils to ensure a coherent approach with RDP objectives and measures under AXIS 3.*

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All projects supported under the NIRDP will be required to have full statutory planning and environmental approvals in place. The Department will continue to work with other departments and the local councils to ensure a coherent approach.

# Consultation

## Consultative Partnership Group

In accordance with Article 6 of Council Regulation (EC) No 1698/2005, the Department has established a Consultative Partnership Group to help guide the preparation of the Northern Ireland input to the UK National Strategy Plan and the Northern Ireland Rural Development Programme (NIRDP).

The Consultative Partnership Group comprises representatives of the Department’s economic and social partners, local government, environmental organisations and the Equality Commission. A full list of organisation represented on the Group is given at Annex 2. The European Commission has been kept fully informed during the period in which the Group met.

The Consultative Partnership Group held its first meeting on 26 March 2006. Following agreement of the Group’s role in relation to the preparation of the NI elements of the UK National Strategy Plan and the new NIRDP, discussions included the latest position in relation to the Department’s Rural Strategy 2007-2013, possible measures for inclusion in the new programme and options for delivery of those measures.

The Consultative Partnership Group met again on 23 June 2006, following the launch of the formal 8-week public consultation period for the draft programme. In addition to discussing the draft programme, the Group received an overview of progress on developing the 2007-2013 round of Structural Fund programmes (which was happening in parallel with the development of the NIRDP) and an update on the European Commission’s debate on the use of Voluntary Modulation.

The third Consultative Partnership Group meeting was held on 1 September 2006, following the completion of the formal public consultation exercise. The meeting considered the main outcomes of the consultation and how the programme might be revised to take these on board. The Group received an update of progress on the 2007-2013 round of Structural Fund programmes and had initial discussions on the structure, role and function of the NIRDP Monitoring Committee to be established by the Managing Authority on approval of the programme.

A fourth meeting of the Consultative Partnership Group was held on 29 November when members reviewed recent amendments to the draft programme and received an update on the development of structural fund programmes for the 2007-2013 period. The group also discussed how best to minimise any negative impacts caused by delays in obtaining approval for the NIRDP.

The final meeting of the Consultative Partnership Group was held on 7 February 2007. Members were given an update on the NIRDP and discussed issues associated with delivery of the programme. They heard about progress in relation to the structural funds programmes. Finally, it was agreed that this would be the last meeting of the Group and that the Group should be replaced by the NIRDP Monitoring Committee.

## List of those consulted, dates, time given to comment/contribute

In developing proposals for inclusion in this Programme, the Department has engaged in consultation at various levels.

At Measure-level, those engaged in developing proposals have engaged with their main stakeholders to ensure the Department took account of the needs of the specific sectors being targeted. These discussions were on an ongoing basis with no formal deadlines for comments.

At Programme-level, the Department met individually with key stakeholders represented on the Consultative Partnership Group to discuss policy issues. The first round of such meetings was held in April/May 2006. These were informal discussions where stakeholders were encouraged to explain their current policy positions, areas of concern and their thoughts on objectives for the incoming period of funding.

On 19 June 2006, the Department published the draft NIRDP for an 8-week formal consultation process. The consultation sought comments on the content and balance within the draft programme and on delivery and funding options. The consultation pack was made available on the Department’s website and around 300 individuals or organisations informed electronically. Those contacted electronically included local authorities, elected representatives, NGOs, agri-food, environmental, livestock and farming organisations and those in the community and voluntary sector. The opening of the consultation was announced in the regional and agricultural press to ensure wide publicity and hard copies of the consultation pack were made available upon request. The public consultation exercise closed on 14 August 2006. Some 80 responses were received and are available individually and in summary form on the DARD [website](http://www.dardni.gov.uk/index/consultations/archived-consultations/consultations-ni-rural-development-programme-2007-2013/consultations-ni-rural-development-programme-responses-to-consultation.htm) along with the Department’s comments.

The Department held a second round of individual meetings with key stakeholders during July/August 2006 to discuss any concerns or queries they had in relation to the formal consultation on the Programme. The Department felt that this series of meetings proved to be extremely useful in focussing stakeholders on key issues and enabling informed and thoughtful responses to the formal consultation.

## Summary of results and extent to which views were taken on board

Individual responses received during the public consultation exercise on the NIRDP are available on the Department’s website[[37]](#footnote-37). A summary of the comments received and the Department’s response to those comments is also available on the website and at Annex 3.

# Axes/Measures

## Introduction

The Department’s vision for the Northern Ireland Rural Development Programme 2007-2013 is for a programme which protects and enhances our rural environment and which contributes to the development of competitive and sustainable rural businesses and thriving rural communities.

In the previous 2000-2006 funding period, the Department offered support to the agriculture, food, forestry and broader rural economic sectors under a range of EU-funded programmes such as the Rural Development Regulation Plan (Accompanying Measures) for Northern Ireland, the Programme for Building Sustainable Prosperity, the NI LEADER+ programme and the EU Programme for Peace and Reconciliation. The simplification of EU funding streams in 2005 means that support can now be provided through one programme, the NIRDP, and one fund, the European Agricultural Fund for Rural Development (EAFRD).

This does not, however, preclude rural areas and rural populations benefiting from measures taken forward under other funding streams such as the Structural Funds and the European Fisheries Fund. The NIRDP is designed to complement and work in synergy with these other support programmes to provide rural areas and rural populations with a broad and integrated support mechanism.

This rural development programme will contribute to each of the three objectives detailed in Article 4 of the Council Regulation (EC) No 1698/2005, namely,

* Improving the competitiveness of agriculture and forestry by supporting restructuring, development and innovation (Axis 1);
* Improving the environment and the countryside by supporting land management (Axis 2); and
* Improving the quality of life in rural areas and encouraging diversification of economic activity (Axis 3).

The Department is aware of the drive towards delivery of the programme through local delivery mechanisms. Northern Ireland has been engaging in community-led rural development since the early 1990s and has already acquired valuable experience and expertise in this field. The NIRDP will draw on this local community-based capacity and on the knowledge acquired through managing three LEADER Programmes. This Programme has been designed to exceed the EU requirements of delivering at least 5% of the EAFRD contribution through local public-private partnerships.

There are a number of constraints imposed on the new programme which impact on the level of activity which can be taken forward under each of the axes:

* Under certain measures which provide support through multi-annnual commitments (such as agri-environment schemes), there will be commitments made under the 2000-2006 Rural Development Regulation Plan (Accompanying Measures) for Northern Ireland which need to be paid out of the NIRDP funding package
* To ensure Member States develop broad and balanced programmes, the EU has imposed minimum levels of expenditure under each Axis
* Actions must be identified as priority areas for intervention in the Community Strategic Guidelines, the UK National Strategy Plan, the Department’s Strategic Plan 2006-2011 and the Department’s Rural Strategy 2007-2013.

Against this background, the Department has developed a balanced and focussed rural development programme to assist those living and working in rural areas. It will protect and enhance the rural environment, will enable those engaged in rural activities, whether in agriculture, food, forestry or the wider rural sectors to take advantage of new approaches and emerging technologies and it will invest in the key resources of human and social capital, allowing rural areas to look to the future with increased confidence.

The programme will provide an opportunity to deliver some of the Department’s obligations under “First Steps towards Sustainability – a Sustainability Strategy for Northern Ireland”. Measures under all three Axes should help to address some of the Strategy’s objectives. It will also provide a vehicle to help address some of the priority areas identified in “Lifetime Opportunities” – Government’s anti-poverty and social inclusion strategy such as eliminating poverty in rural areas, tackling deprivation and eliminating social exclusion.

## Axis 1: Improving the competitiveness of the agricultural and forestry sector

### Axis 1 objectives

Under this Axis, Measures are designed to meet the objective of improving the competitiveness of the agriculture and forestry sectors through:

* Providing farmers and farm families with bespoke and innovative vocational training and information actions
* Adding value to agricultural products through the application of appropriate technology together with sound manufacturing and environmental management practices;
* Encouraging greater integration and collaboration between producers, processors and others in the food chain, improving the application of technology within the supply chain and improving the marketing capability of businesses;
* improving the application of technology in the forestry sector, encouraging greater integration and collaboration between producers, processors and others in the wood supply and renewable energy chains and improving the marketing capability of businesses
* Improving the competitiveness of agricultural and horticultural businesses through investment
* Supporting new collaborative initiatives in the agri-food and forestry sectors, leading to more effective and sustainable supply chains; and
* Comparing farm and horticulture businesses in NI through benchmarking

### Axis 1 Measures

The NIRDP will meet these objectives by providing support under the following Measures:

|  |  |
| --- | --- |
| **Measure 1.1** | **Vocational Training and Information Actions** |
| **Measure 1.2** | **Adding Value to Agricultural and Forestry Products and Improving Marketing Capability** |
| **Measure 1.3** | **Modernisation of Agriculture Holdings** |
| **Measure 1.4** | **Supply Chain Development Programme** |

More details of the type and level of support, target groups and Measure indicators is given in the individual measure sheets in Annex 4.

Measures within Axis 1 will feed into and complement each other. Measure 1.3 (Farm Modernisation) will link with and complement Measure 1.1: Vocation Training and Information Actions and Measure 1.4: Supply Chain Development, through enabling participants to better exploit the support provided. For example, in the case of the Focus Farms element of Measure 1.1, the capability of participants to invest in modernisation is a significant rate-limiting factor in technology adoption/innovation. Likewise, in the Family Farm Options element of Measure 1.1, those that make a commitment to continue farming will, due to low incomes, need support to modernise their agricultural holdings. Those farmers considering part-time or diversification alternatives will also need support to facilitate subsequent re-structuring on their holdings.

Support provided under Measure 1.4 (Supply Chain Development Programme) will help “embryonic” supply chain partnerships to progress to a stage where they are able to apply for support under Measure 1.2 (Adding Value to Agricultural and Forestry Products and Improving Marketing Capability).

## Axis 2: Improving the Environment and the Countryside

### Axis 2 Objectives

Under this Axis, Measures are designed to protect and enhance Northern Ireland’s natural resources and landscapes in rural areas. In so doing, they will contribute to the EU priority areas of:

* Biodiversity and the preservation and development of high nature value farming and forestry systems and traditional agricultural landscapes;
* Water; and
* Climate change

The Measures will contribute to the implementation of the agricultural and forestry Natura 2000 network, to the Göteborg commitment to reverse biodiversity decline by 2010, to the objectives laid down in Directive 2000/60/EC establishing a framework for Community action in the field of water policy[[38]](#footnote-38) and to the Kyoto Protocol targets for climate change mitigation.

The Measures are designed to meet the Axis 2 objective of improving the environment and the countryside through:

* Promoting environmental services and practices
* Preserving the farmed landscape
* Encouraging the development of new and existing forests and woodlands
* Supporting the growth of organic farming

### Axis 2 Measures

The NIRDP will meet these objectives by providing support under the following Measures:

|  |  |
| --- | --- |
| **Measure 2.1** | **Less Favoured Areas Compensatory Allowances Scheme** |
| **Measure 2.2** | **Agri-Environment Programme** |
| **Measure 2.3** | **First Afforestation (Forest expansion)** |
| **Measure 2.4** | **Forest Environments** |

More details of the type and level of support, target groups and Measure indicators is given in the individual measure sheets in Annex 4.

Some of the Measures in Axis 2 provide support in the form of compensation for costs incurred or income foregone by those who have entered into agri-environment or forestry commitments. The rates of such support are calculated by officials from the Department of Agriculture and Rural Development and the adequacy and accuracy of these calculations will be checked by Department of Finance and Personnel officials with appropriate expertise.

The Department of Finance and Personnel is functionally independent from the Department of Agriculture and Rural Development.

Throughout the development of Measures under Axis 2, there has been close liaison between Departmental officials to ensure that support under the NIRDP will complement but not duplicate support under Pillar 1 of the Common Agricultural Policy.

### Operations addressing the new challenges identified in the Common Agricultural Policy Healthcheck

In 2008, the European Commission undertook a review of the Common Agricultural Policy (CAP). This so called “Healthcheck” of the CAP introduced a range of measures to further reform, simplify and streamline the CAP and remove restrictions on farmers, thus helping them to respond better to signals from the market and to face new challenges.

The review identified a number of new and ongoing challenges facing the agricultural sector such as climate change, risk management, bio-energy, water management, biodiversity and restructuring of the dairy sector and identified the rural development policy as one of the possibilities to deal with these changes.

To allow Member States to support the increasing need to meet these new challenges, the European Commission increased the rates of Compulsory Modulation. As UK programmes were already delivering significant environmental benefits through the use of Voluntary Modulation, it was agreed that the latter should be decreased by an amount equivalent to the increase in Compulsory Modulation, resulting in no change to the UK’s rural development budget.

The NIRDP will address the new challenges through existing schemes in the programme. For example, the agri-environment programme and first afforestation measures under Axis 2 will support actions to improve biodiversity, climate change adaption/mitigation and water management. The Modernisation of Agricultural Holdings measure in Axis 1 will contribute to renewable energies, climate change adaption/mitigation and measures accompanying restructuring of the dairy sector.

Annex 5 provides details of the types of operations being undertaken to address the new challenges which will be funded by the increase in Compulsory Modulation.

## Axis 3: The quality of life in rural areas and diversification of the rural economy

### Axis 3 Objectives

The Department has been involved in delivering broader rural development in Northern Ireland since the early 1990s. In 1991 it established its first rural development programme to build capacity within local communities and provide support for community economic development in the most disadvantaged rural areas. This work has been continued and developed in the subsequent EU funding rounds and carries forward in the 2007-2013 period under this Axis. A core principle of the approach to broader rural development in Northern Ireland has been and continues to be that the communities which most closely experience problems should be involved in the design and delivery of projects and programmes to tackle such problems and, thus, improve their quality of life.

Under this Axis, Measures are designed to:

* Strengthen the social and economic infrastructure of rural areas.
* Build on the successes of the Northern Ireland Rural Development Programme 2000-2006
* Create employment opportunities and conditions for the creation and development of rural micro businesses.
* Optimise the use of Northern Ireland’s natural, human and historic assets through sustainable economic and social development.

The Measures will meet the Axis 3 objective of improving the quality of life in rural areas and diversification of the rural economy through:

* Increasing economic activity and employment rates in the wider rural economy through encouraging on-farm diversification into non-agricultural activities, off-farm diversification and re-skilling
* Supporting the creation and development of micro-enterprises in the broader rural economy
* Encouraging rural tourism built on the sustainable development of Northern Ireland’s natural resources, cultural and natural heritage
* Improving the access by rural dwellers to basic services for the economy and rural population
* Regenerating villages, other rural settlements and their surrounding areas by supporting the development of integrated action plans and integrated village initiatives to improve economic prospects, community relations and the quality of life
* Maintaining, restoring and upgrading the natural and built heritage

### Axis 3 Measures

The NIRDP will meet these objectives by providing support under the following Measures:

|  |  |
| --- | --- |
| **Measure 3.1** | **Diversification into non-agricultural activities** |
| **Measure 3.2** | **Business creation and development** |
| **Measure 3.3** | **Encouragement of tourism activities** |
| **Measure 3.4** | **Basic services for the economy and rural population** |
| **Measure 3.5** | **Village renewal and development** |
| **Measure 3.6** | **Conservation and upgrading of the rural heritage** |

More details of the type and level of support, target groups and Measure indicators is given in the individual measure sheets in Annex 4.

All Axis 3 Measures, with the exception of support for rural broadband infrastructure, will be delivered through an Axis 4 LEADER-type approach. Consequently, the setting of financial allocations and targets are indicative. Final targets will depend on the needs and opportunities identified in the Local Development Strategies and on the subsequent allocation of funds to implement those strategies.

### European Economic Recovery Package

At the March 2009 meeting of the European Council, agreement was reached on a €5bn European Economic Recovery Plan. Funding was allocated to the rural development budget line for rural broadband and/or for meeting the new challenges as defined in the CAP Health Check.

The Northern Ireland allocation will be used to encourage and secure the provision of next generation broadband services to rural businesses. The scheme will be managed by DARD in partnership with the Department of Trade, Enterprise and Investment.

## Axis 4: Implementation of the Leader approach

### Axis 4 Objectives

In the Community Strategic Guidelines, the overall strategic objective for the Leader Axis is to build local capacity for employment and diversification. While contributing to the priorities of the other Axes in the Programme, it will also play an important role in improving governance and mobilising the endogenous development potential for rural areas.

Key features of the leader approach include:

* Area-based local development strategies
* Bottom-up development and implementation of strategies
* Local pubic-private partnerships
* Integrated and multi-sectoral actions
* Innovation
* Co-operation
* Networking

This Axis will meet these objectives by:

* Promoting an area-based strategic approach to improving the quality of life in rural areas and the diversification of the rural economy; and
* Encouraging the identification of sectors or issues which could benefit from a co-operation approach

### Measures to be delivered by a LEADER-type approach

NIRDP Axis 3 Measures, with the exception of support for rural broadband infrastructure, will be delivered using the LEADER-type approach.

More details of the type and level of support is given in the individual measure sheets in Annex 4.

# 

# Financing Tables

## Financing Plan by year

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | TOTAL |
| Non convergence regions | 24,015,363 | 25,345,955 | 24,496,960 | 24,690,812 | 24,375,877 | 24,114,248 | 23,793,845 | 170,833,060 |
| Voluntary Modulation |  | 16,272,918 | 21,697,224 | 19,724,801 | 20,602,256 | 21,496,137 | 18,798,166 | 118,591,502 |
| Additional funds from Reg (EC) No 1698/2005  Article 69(5a) – non-convergence |  |  | 811,800 | 6,156,887 | 8,327,376 | 11,049,699 | 13,747,670 | 40,093,432 |
| **Total** | **24,015,363** | **41,618,873** | **47,005,984** | **50,572,500** | **53,305,509** | **56,660,084** | **56,339,681** | **329,517,994** |
|  |  |  |  |  |  |  |  |  |

## Financing Plan by Axis

**Financial Plan by axis (EAFRD)**

Euros

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Public contribution** | | | |
|  | **Total Public** | **EAFRD Contribution rate (%)** | | **EAFRD amount** |
|  | **Average** | **Applicable rate** |
| Axis 1 | 19,153,161 | 50.28 | 50.00 | 9,629,870 |
| Axis 2 | 181,836,457 | 58.62 | 55.00 | 106,587,362 |
| Axis 3 | 6,970,000 | 50.00 | 50.00 | 3,485,000 |
| Axis 4 | 102,313,688 | 49.55 | 50.00 | 50,695,828 |
| Technical Assistance | 1,012,493 | 42.96 | 50.00 | 435,000 |
| **TOTAL** | **311,285,799** |  | | **170,833,060** |

**Financial Plan by axis (Voluntary Modulation (VM))**

Euros

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Public contribution** | | | |
|  | **Total Public** | **VM Contribution Rate (%)** | | **EAFRD amount** |
|  | **Average** | **Applicable rate** |
| Axis 1 | 24,483,536 | 94.20 | 100.00 | 23,064,667 |
| Axis 2 | 123,309,468 | 58.61 | 100.00 | 72,267,721 |
| Axis 3 | 0 |  |  | 0 |
| Axis 4 | 18,424,128 | 100.00 | 100.00 | 18,424,128 |
| Technical Assistance | 4,834,986 | 100.00 | 100.00 | 4,834,986 |
| **TOTAL** | **171,052,118** |  | | **118,591,502** |

**Financial Plan by axis (Additional funds from Article 69(5a) of Regulation (EC) No 1698-2005 – non convergence**

Euros

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Public contribution** | | | |
|  | **Total Public** | **EAFRD contribution rate (%)** | | **EAFRD amount** |
|  |  | **Average** | **Applicable rate** |  |
| Axis 1 | 0 | 0 | 0 | 0 |
| Axis 2 | 84,431,848 | 45.85 | 55.00 | 38,713,372 |
| Axis 3 | 1,840,080 | 75.00 | 75.00 | 1,380,060 |
| Axis 4 | 0 | 0 | 0 | 0 |
| Technical Assistance | 0 | 0 | 0 | 0 |
| **TOTAL** | **86,271,928** |  | | **40,093,432** |

**Financial Plan by axis (EAFRD and Voluntary Modulation)**

Euros

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Public contribution** | | |
|  | **Total Public** | **EAFRD/VM Average Contribution rate (%)** | **EAFRD/VM amount** |
| Axis 1 | 43,636,697 | 74.92 | 32,694,537 |
| Axis 2 | 389,577,773 | 55.85 | 217,568,455 |
| Axis 3 | 8,810,080 | 55.22 | 4,865,060 |
| Axis 4 | 120,737,816 | 57.25 | 69,119,956 |
| Technical Assistance | 5,847,479 | 90.12 | 5,269,986 |
| **TOTAL** | **568,609,845** |  | **329,517,994** |

## Indicative budgets related to operations referred to in Article 16a of Regulation (EC) No 1698/2005 between 1 January 2009 and 31 December 2013 (Article 16a(3b) up to the amounts specified in Article 69(5a) of Regulation (EC) No 1698/2005)

euro

|  |  |
| --- | --- |
| **Axis/Measure** | **EAFRD Contribution for 2009-2013** |
|  |  |
| **Axis 2** |  |
| Measure 214 | 36,741,297 |
| Measure 221 | 1,972,075 |
| **Total Axis 2** | **38,713,372** |
|  |  |
| **Axis 3** |  |
| Measure 321 | 1,380,060 |
| - Related to priorities listed in Article 16*a*(1), points (a) to (f) of Regulation (EC) No 1698/2005 | 0 |
| - Related to priorities listed in Article 16*a*(1), point (g) of Regulation (EC) No 1698/2005 | 1,380,060 |
| **Total Axis 3** | **1,380,060** |
| **- Related to priorities listed in Article 16*a*(1), points (a) to (f) of Regulation (EC) No 1698/2005** | **0** |
| **- Related to priorities listed in Article 16*a*(1), point (g) of Regulation (EC) No 1698/2005** | **1,380,060** |
|  |  |
| **Total Programme** | **40,093,432** |
| **Total under Axes 1, 2, 3 and 4 related to priorities listed in Article 16*a*(1), points (a) to (f) of Regulation (EC) No 1698/2005** | **38,713,372** |
| **Total under Axis 3 and 4 related to priorities listed in Article 16*a*(1), point (g) of Regulation (EC) No 1698/2005** | **1,380,060** |

## Indicative breakdown by measure

Euros

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Measure** | **Title** | **Public expenditure** | **Private expenditure** | **Total cost** |
| 111 | Vocational training and information actions | 5,338,000 |  | 5,338,000 |
| 121 | Modernisation of agricultural holdings | 19,145,536 | 11,487,322 | 30,632,858 |
| 123 | Adding value to agric and forestry products | 17,320,816 | 10,392,490 | 27,713,306 |
| 124 | New products, processes and technologies | 1,832,345 | 62,000 | 1,894,345 |
| **Total Axis 1** | **Competitiveness** | **43,636,697** | **21,941,812** | **65,578,509** |
| 212 | LFA other than mountain areas | 185,340,999 |  | 185,340,999 |
| 214 | Agri-environment payments | 192,860,140 |  | 192,860,140 |
| 221 | First afforestation of agricultural land | 11,361,644 |  | 11,361,644 |
| 222 | First establishment of agroforestry systems on agricultural land | 0 |  | 0 |
| 223 | First afforestation on non-agricultural land | 0 |  | 0 |
| 225 | Forest environment payments | 5,618 |  | 5,618 |
| 227 | Forest environments – non productive investments | 9,372 |  | 9,372 |
| **Total Axis 2** | **Improving the environment and the countryside** | **389,577,773** |  | **389,577,773** |
| 311 | Diversification into non-agricultural activities |  |  |  |
| 312 | Development of micro-businesses |  |  |  |
| 313 | Encouragement of tourism activities |  |  |  |
| 321 | Basic services for the economy | 8,810,080 |  | 8,810,080 |
| 322 | Village renewal and development |  |  |  |
| 323 | Conservation of the rural heritage |  |  |  |
| **Total Axis 3** | **Diversification and life quality** | **8,810,080** |  | **8,810,080** |
| 413 | Quality of life/diversification | 100,818,299 | 50,409,150 | 151,227,449 |
| 421 | Co-operation | 374,033 |  | 374,033 |
| 431 | Running costs, skills acquisition, animation | 19,545,484 |  | 19,545,484 |
| **Total Axis 4** | **LEADER** | **120,737,816** | **50,409,150** | **171,146,966** |
| 511 | Technical Assistance  Of which amount for the national rural network1 (where relevant)  running costs  (b) action plan | 5,847,479  0 | 0 | 5,847,479  0 |
| **GRAND TOTAL** |  | **568,609,845** | **72,350,962** | **640,960,807** |

1. Rural Network will be funded solely from national sources

## Additional national financing

**Additional National financing**

Euros

|  |  |  |
| --- | --- | --- |
|  |  | **Additional national funding** |
| Axis 1 | Competitiveness |  |
| Measure 111 | Vocational Training and Information Actions | 83,000 |
| Measure 121 | Modernisation of Agricultural Holdings | 13,102,250 |
| Axis 2 | Improving the environment and the countryside |  |
| Measure 212 | LFA other than mountain areas | 41,178,000 |
| Axis 3 | Diversification and life quality | 0 |
| Axis 4 | LEADER |  |
| Measure 413 | Quality of Life/Diversification | 852,000 |
| Axis 5 | Technical Assistance | 2,694,000 |
| **TOTAL** |  | **56,445,250** |

# Management and Implementing Provisions

## Designation of Competent Authorities and bodies responsible

### Managing Authority

The Department of Agriculture and Rural Development is the Managing Authority designated by the Member State in accordance with Article 74(2)(a) of Council Regulation (EC) No 1698/2005 to be in charge of the management of the Northern Ireland Rural Development Programme (NIRDP).

### Accredited Paying Agency

The Department of Agriculture and Rural Development is the Paying Agency designated by the Member State in accordance with Article 6(2) of Council Regulation (EC) No 1290/2005 to be in charge of making all payments under the NIRDP. There will be a clear allocation and separation of functions between personnel undertaking the roles and responsibilities of the Managing Authority and those in the other designated bodes.

### Co-ordinating Body

The UK Co-ordinating Body is designated by the Member State in accordance with Article 6(3) of Council Regulation (EC) No 1290/2005 and will be responsible for collecting the information to be made available to the Commission, sending that information and promoting harmonised application of Community rules.

### Certification Body

The Northern Ireland Audit Office is the Certification Body designated by the Member State in accordance with Article 7 of Council Regulation (EC) No 1290/2005 to certify the truthfulness, completeness and accuracy of the accounts of the Accredited Paying Agency.

### Summary of management and control structure

#### *Member State*

The Department for the Environment, Food and Rural Affairs (DEFRA) has overall responsibility for fulfilling the role of Member State in accordance with Article 74 of Council Regulation (EC) No 1698/2005.

As such, DEFRA will ensure:

* All legislative, statutory and administrative provisions in accordance with Article 9(1) of Regulation (EC) No 1290/2005 are adopted to ensure effective protection of the Community’s financial interests;
* The Northern Ireland Rural Development Programme has the relevant management and control systems in place to ensure separation of functions between the Managing Authority and other bodies; and
* The Northern Ireland Rural Development Programme’s management and control systems function effectively throughout the programme period.

The Member State is responsible for designating the authorities listed at paragraphs 7.1.1 – 7.1.4 above.

#### *Managing Authority*

The Department of Agriculture and Rural Development is the Managing Authority designated by the Member State in accordance with Article 74(2)(a) of Council Regulation (EC) No 1698/2005.

The Managing Authority is responsible for the efficient, effective and correct management and implementation of the Northern Ireland Rural Development Programme. In particular, the Managing Authority will ensure:

* operations are selected for funding in accordance with agreed criteria;
* there is an IT system to record and maintain data for monitoring and evaluation;
* beneficiaries and other bodies involved know their obligations and maintain a separate accounting system or use adequate accounting codes for all transactions funded under this Programme;
* programme evaluations are carried out within the required time limits and conform to the Common Monitoring and Evaluation Framework;
* compliance with the Commission’s publicity requirements; and
* the Paying Agency receives all necessary information on procedures and controls.

The Managing Authority is responsible for chairing and providing secretariat functions for the Programme Monitoring Committee. It will draw up the annual progress reports and, after approval by the Monitoring Committee, will submit them to the Commission.

There will be a clear allocation and separation of functions between Departmental personnel undertaking the roles and responsibilities of the Managing Authority and those in the Paying Agency.

With regard to fraud and irregularity prevention the Department has in place a Counter Fraud Strategy and in addition have published guidance on identifying irregularities.

Irregularity reports are requested on a quarterly basis from DARD business areas.  All new reports and updates are checked, collated and subsequently forwarded to the Department of Finance and Personnel, for onwards transmission to Department of Trade and Industry and the European Commission.

#### *Accredited Paying Agency*

The Department of Agriculture and Rural Development has been accredited as a Paying Agency in accordance with Article 6 of Regulation (EC) No 1290/2005.

The Accredited Paying Agency is responsible for making all payments of eligible expenditure under this Programme. In respect of these payments, it will ensure that:

* the eligibility of requests for and the procedures for allocating aid and their compliance with Community rules are checked before payment is authorised
* accurate and exhaustive accounts are kept of payments made
* checks laid down in EU legislation are made
* documentation is presented in a timely manner and in the form requested
* documentation is accessible, complete, valid and legible

#### *Certifying Body*

The Northern Ireland Audit Office will be the Certifying Body for the Northern Ireland Rural Development Programme within the meaning of Article 7 of Council regulation (EC) No 1290/2005.

The Certifying Body is responsible for certifying the truthfulness, completeness and accuracy of the accounts of the Accredited Paying Agency.

#### *Co-ordinating Body*

The UK Co-ordinating Body has been designated in accordance with Article 6(3) of Council Regulation (EC) No 1290/2005.

The Co-ordinating Body is responsible for collecting information from the UK Accredited Paying Agencies, sending that information to the Commission and for promoting harmonised application of the Community Rules.

#### *7.1.5.6 Body responsible for validation of costings associated with compensation for costs incurred or income foregone*

## Department of Finance and Personnel

**Branch Name:** Public Expenditure, Economic Research and Briefing Branch

**Key Business Objectives of Branch:**

* To provide economic input to policy development for the public sector and regional economy.
* To provide professional economic advice, guidance and support to the customers and stakeholders of the Branch.
* To develop and implement pay policy.

**Staff (Qualifications):**

* Peter Jakobsen, Principal Economist (BSc Economics)
* Michelle McGoldrick, Deputy Principal Economist, (BA Economics, Post Graduate Diploma Applied Economics)
* William Dickson, Deputy Principal Economist, (BA Economics, MSc Applied Economics)
* Stephen McConville, Assistant Economist (BSc Economics)
* Deirdre McMullan, Assistant Economist (BSc Economics)

**Recent Relevant Work:**

***Lead Branch:***

* Socio-economic analysis relating to the draft European Development Fund Competitiveness Programme 2007-2013.
* Socio-economic analysis relating to the draft European Social Fund Employment Programme 2007-2013.
* Northern Ireland Draft Regional Economic Strategy.

***Quality Assuring Role:***

* Assessing the case for a lower R&D Tax Credit in Northern Ireland (research Project).
* Cost of Division in Northern Ireland (research project).
* Comparable spending on children and young people (research project).
* Evaluation of Selective Financial Assistance (research project).
* Competitiveness: Cost of Doing Business (research project).
* Competitiveness: Competitiveness Indicators (research project).

## Monitoring and Evaluation Systems

### *Monitoring and evaluation systems formed on the basis of the Common Monitoring and Evaluation Framework*

Monitoring and evaluation will ensure the NIRDP is implemented in an efficient and effective manner through the regular assessment of progress against targets.

Monitoring and evaluation will take account of the guidance contained in the Commission’s Common Monitoring and Evaluation Framework (CMEF) and will monitor progress against the common indicators relating to the baseline situation as well as the inputs, outputs, results and impact of the programme. The common indicators will be supplemented, where relevant, with additional indicators specific to the Northern Ireland programme.

### *Monitoring of the programme*

Monitoring of the programme will be overseen by the Department, as Managing Authority, and the programme’s Monitoring Committee.

The Managing Authority will engage an independent body to manage the monitoring and evaluation process throughout the lifetime of the programme. Initial work for the body is likely to include quality-assuring programme indicators, ensuring the required data is being collected and identifying any gaps in monitoring or data collection. This body will provide the Managing Authority and the Monitoring Committee with updates, using Common Monitoring and Evaluation Framework indicators and Programme-specific indicators and will report progress against targets.

Progress will also be reported to the Commission annually through an annual progress report, in accordance with Article 82 of Council Regulation (EC) No 1698/2005, prepared by the Department based on data collated by the independent body. The Annual Report will be approved by the NIRDP Monitoring Committee.

### *Monitoring Committee*

A programme Monitoring Committee has been established by the Department in accordance with Article 77 of Council Regulation (EC) No 1698/2005.

The NIRDP Monitoring Committee is chaired by a representative of the Department and includes representation from:

* Economic and social partners
* Competent regional, local and other public authorities
* Other appropriate bodies representing civil society, non-governmental organisations (including environmental organisations and those responsible for promoting equality)

The NIRDP Monitoring Committee will be responsible for overseeing the effective implementation of the programme in accordance with Article 78 of Council Regulation (EC) No 1698/2005.

The European Commission may participate in the work of the NIRDP Monitoring Committee in an advisory capacity.

### *Evaluation of the programme*

Evaluation of the programme will serve as an important management and control tool to better focus programming on needs, better identify programme process and the need for change. Evaluation work will be undertaken in accordance with the Common Monitoring and Evaluation Framework and will be organised on a continuous basis leading from the *ex-ante* evaluation to the mid-term evaluation in 2010 and the *ex-post* evaluation in 2015 in accordance with Articles 85, 86 and 87 of Council Regulation (EC) No 1698/2005.

An ex-ante evaluation of this programme was prepared by BearingPoint. It is summarised in section 2.3 and the full report is attached at Annex 6.

As outlined in paragraph 6.2.2 above, The Managing Authority will engage an independent body to manage the monitoring and evaluation process throughout the lifetime of the programme. The independent body will undertake ongoing evaluation throughout the lifetime of the programme to examine progress, improve the quality of the programme and its implementation and examine proposals for substantive changes to the programme.

From 2008 onwards, the independent body will be required to report to the Managing Authority and the NIRDP Monitoring Committee on the outcomes of its ongoing evaluation activities.

This ongoing evaluation will prepare the ground for and feed into the formal mid-term and ex-post evaluations of the programme, also undertaken by the independent body.

## Complementarity

### With other Common Agricultural Policy instruments

Measures operated under this programme will comply with Community policies laid down in the Treaties.

The Department administers the measures implemented under the other instruments of the Common Agricultural Policy and will ensure consistency between them and the rural development measures in this programme.

All the actions to be supported under this programme are consistent with the Common Agricultural Policy and no support will be granted under this programme for measures falling within the scope of the support schemes under common market organisations.

Specific Measure-level complementarity issues are addressed in the detailed Measure sheets in Annex 4.

### With Economic and Social Cohesion Policy and Common Fisheries Policy

Support under this programme is complementary to the objectives of EU’s Cohesion and Regional Policy and those of the Common Fisheries Policy.

Northern Ireland Ministers determine all public expenditure priorities and allocations in Northern Ireland, including available EU resources, in an annual Budget process. This includes a formal public consultation with social partners and ensures that resources from domestic and EU funding streams are used in a coordinated and complementary manner and that they are delivered on a basis that promotes good relations and provides equality of opportunity in line with Section 75 of the Northern Ireland Act.

To ensure this complementarity and coherence, there has been close liaison between officials during the development of the UK National Strategy Plan, the UK National Strategic Regional Framework, the UK Fisheries Strategy Plan and the subsequent development of Northern Ireland programmes providing support through the Economic and Social Cohesion Funds, the European Agricultural Fund for Rural Development and the European Fisheries Fund.

### Synergy within the programme

As well as ensuring complementarity with other EU funds, the NIRDP was developed to take advantage of synergies within the programme.

Within Axis 1, elements of Measure 1.1 Vocational Training and Information actions will have linkages to other measures within Axis 1 and Axis 3:

* Benchmarking training under this Measure will support and feed into the process of benchmarking being supported under Measure 1.4;
* Focus Farms and Farm Family Options will link into Measures 3.1 and 3.2 (Diversification into non-agricultural activities and Business creation and development);
* Farm Family Options will also link with the Agricultural and Forestry Marketing Development Grant Scheme in Measure 1.2, with Measure 1.4 Supply Chain Development and with the other Axis 3 Measures.

Measure 1.1 Vocational training and Information actions will also link to the Farm modernisation programme under Measure 1.3 with applicants benefiting from advice and training to inform future choices for their farm business.

Measure 1.4 (Supply Chain Development) will complement the Agricultural and Forestry Marketing Development Grant Scheme being proposed under Measure 1.2. The support proposed under the Supply Chain Development measure would help move “embryonic” supply chain partnerships to a stage where they are confident to adopt a new supply chain process leading to greater tangible and intangible benefits. It would increase the capacity of producers to take costs out of the supply chain, improve marketing capability and ensure future sustainability.

Under Axis 2, Measure 2.1 (Less Favoured Area Compensatory Allowances scheme) provides enhanced payments for cattle-based or mixed grazing systems. Controlled grazing by cattle helps maintain biodiversity and the ecological stability of upland pastures. This measure will therefore complement the actions undertaken under Measure 2.2 (the agri environment programme).

Furthermore ensuring continued agricultural land use will contribute to the maintenance of a viable rural society, thus providing synergy with the aims of Axis 3 in terms of improving the quality of life in rural areas.

Measure 2.2 (the agri environment programme) supports sustainable development of rural areas and the application of agricultural production methods compatible with the protection and improvement of the environment, the landscape and its features, natural resources, the soil and genetic diversity.

These actions will enhance Northern Ireland’s natural resources and underpin the support provided under Axis 3 in respect of encouragement of tourism activities and conservation and upgrading of the rural heritage.

The afforestation actions under Measures 2.3 and 2.4 will complement the aims of both axis 1 and axis 3 in terms of improving the competitiveness of the forestry industry and providing diversification opportunities for farmers. Farmers, as the largest agricultural land-owning group can undertake new afforestation or adopt agro-forestry systems. It will also be possible to support afforestation of agricultural land owned by public authorities thus reinforcing conservation and renewal schemes for villages under Axis 3.

In Axis 3, the local delivery (Axis 4) approach to all of these measures will ensure both complementarity between the measures and exploit synergies through an integrated approach to the development and delivery of local strategies.

There are clear linkages and synergies in the Farm Diversification measure and Axis 1 vocational training measure and it is anticipated that support will be provided to beneficiaries too assist them to progress through measures in al logical and supportive fashion.

The Department is mindful of the need to maximise synergies between axes and measures throughout the duration of the programme. Synergies will be kept under review by the Monitoring Committee with amendments to the programme as necessary to make improvements. Synergy between measures and axes is also likely to be a focus of the Rural Network.

### Demarcation criteria for Axes 1, 2 and 3 measures –v- Structural Funds & EFF

**Demarcation in Northern Ireland with other EU funding sources.**

While, it is a regulatory requirement that a clear demarcation is established between the European Agricultural Fund for Rural Development (EAFRD) and other funding sources, there is no doubt however, that a carefully managed co-ordination between funds will prevent overlap and duplication, promote complementarity and therefore optimise value for money.

There are several closely linked EU funding streams and this section discusses how the Northern Ireland Rural Development Programme, funded with the European Agriculture Fund for Rural Development (EAFRD) will complement other EU funded actions in Northern Ireland.

This Programme takes account of the local priorities and level of funds available through other programmes.  The table displays an analysis of how the following Programmes will complement each other and avoid duplication:

The Northern Ireland Rural Development Programme (the European Agricultural Fund for Rural Development, EAFRD);

The Sustainable Competitiveness Programme for Northern Ireland (European Regional Development Fund , ERDF) ;

The Northern Ireland European Social Fund Programme (The European Social Fund , ESF) ;

The Northern Ireland Section of the UK European Fisheries Fund Programme (The European Fisheries Fund, EFF).

The **Northern Ireland Rural Development Programme (EAFRD) € 170 million EU contribution** is designed around the 4 regulatory axes:

Axis 1: Improving the competitiveness of the agricultural and forestry sector

Axis 2: Improving the Environment and the Countryside

Axis 3: The quality of life in rural areas and diversification of the rural economy

Axis 4: The LEADER axis

The LEADER axis concerns all those interventions that will be delivered by the LEADER i.e “bottom–up” partnership methodology. In the Northern Ireland Programme all the Axis 3 interventions will be delivered by the LEADER methodology.

The **Sustainable Competitiveness Programme for Northern Ireland (ERDF) €306 million EU contribution** has three priorities:

Priority 1. Sustainable Competitiveness and Innovation;

Priority 2. Sustainable Enterprise and Entrepreneurship;

Priority 3. Improving accessibility and Protecting and enhancing the Environment.

Without considering the national contribution to the programmes, it is notable that there is a substantial difference with regard to the available EU funding for the ERDF programme, €306 million while the EAFRD programme has an EU contribution of €170 million. Even with substantial national co-financing the Rural Development programme will be much smaller than the Competitiveness programme. The immediate impact of this is that the ERDF programme can be more ambitious in terms of the scale of its interventions which will in general comprise generic Northern Ireland wide interventions or large capital structures. The EAFRD will be focused on the farming and agri-food sector and rural communities with much of the support at individual farm, business or village area. The ERDF programme has different objectives with regard to NI wide sustainable enterprise and innovation particularly targeting SMEs.

Priority 1 of the ERDF programme will focus on support for increased participation in research and development thus embedding a creative and innovative ethos in the Northern Ireland manufacturing and services sector. This will help to ensure that particularly SMEs realise the benefits of expenditure on innovation, RTD and design. E.g. Research into agri-food technologies will be supported. As the EAFRD programme does not support research or provide other support for R&D, there is no scope here for overlap. However the EAFRD programme does support agri-food businesses and farmers who wish to introduce new technologies demonstrating a clear complementarity with the ERDF programme.

Priority 2, however, has scope to overlap both with Axis 1 and Axis 3 of the EAFRD programme. While marketing support is common to both programmes, under the ERDF programme, marketing support is targeted on non agricultural sectors. The area of business creation and support is also common to both Axis 3 and Priority 2. However, the ERDF programme will provide the business creation infrastructure ensuring access to services while the EAFRD will provide grant aid towards capital and resources costs at individual business level. This is another way in which the two programmes will work together in a complementary fashion.

Axis 3 in the EAFRD programme is delivered by the LEADER method and there will be clear separation of instruments at the local level to ensure no overlap between ERDF funds and EAFRD funds.

Priority 3 includes actions supporting renewable energy. These will be large scale interventions such as supporting research into the capacity for renewable energy as a fuel for electricity with the aim of enhancing the long term stability of the NI energy system. In contrast the EAFRD could only support small scale renewable energy projects coming forward under Axis 3.

EAFRD funding will be used to provide support for projects to provide next generation broadband to certain targeted communities in rural areas. The areas to be supported by the EAFRD will be selected using the following objective criteria:

(i) low population (communities with a rural population of at most 4,500)

(ii) lack of availability of a 2 Mbps minimum download service

(iii) remoteness and rurality (based on the settlements-based definition described in section 2.1.1.1 above)

Within these areas, support will not be available for similar projects under the ERDF. The existence of clearly defined zones of EAFRD intervention will ensure that EAFRD funding is used to maximum effect and is complementary to other NI telecommunications support co-financed by the ERDF. The implementation of EAFRD and ERDF projects will be coordinated by one body, the Department of Enterprise, Trade and Investment, which has overall responsibility for telecommunications in Northern Ireland and will be responsible for the appointment of a service provider and for management of the contract.

The **Northern Ireland European Social Fund (ESF) Programme €165 million EU contribution** has 3 priorities:

Priority 1: Helping people into sustainable employment.

Priority 2: Improving workforce skills

Priority 3: Technical assistance.

Priority 1 will support activities to extend the employment opportunities of unemployed, long-term unemployed and inactive people by helping them to enter remain and make progress in sustainable employment.

Priority 2 will focus on support for activities to raise the skills levels and thereby the adaptability of the workforce through lifelong learning and ensure the right workforce skills for future employment opportunities. While clearly these priorities will cover needy populations in rural areas as well as urban areas, there will be no overlap with actions under the EAFRD programme. The only area of commonality in the programmes is that of training. The training supported under EAFRD is aimed at providing sophisticated knowledge transfer schemes to ensure that farm businesses and individuals in a farm household are up-to-date and are able to maximize returns through employing the latest techniques. Training will also be supported at individual business level under EAFRD where is necessary to the development of a new business and is not available elsewhere. This is in contrast to the training provided under ESF which is aiming to help develop a skilled and adaptable workforce by improving the qualifications and skills of workers without essential (basic) skills and low or no qualifications. The Northern Ireland ESF Programme will not support specific sectoral activities for which other funding instruments are more appropriate.

The **European Fisheries Fund (EFF) Programme €18 million EU contribution** will support the overall aim for fisheries management in the UK which is to achieve a fishing sector that is sustainable, profitable and supports strong local communities, managed effectively as an integral part of coherent policies for the marine environment. It will focus on providing a long-term sustainable future for the fishing industry through promoting investment in innovation and technology, ensuring environmental best practice, developing efficient supply chains with strong links between fishermen, growers, processors and customers and improving port infrastructure and operations. It will also help to tackle social exclusion and promote long term prosperity in communities traditionally dependent on the fishing industry where this support cannot be provided elsewhere.

Demarcation between EFF and EAFRD will be achieved by the concentration of the former on the fisheries sector, which will not be supported through the EAFRD.  In the event that overlap exists between communities targeted by Axis 3 (The quality of Life in Rural Areas and Diversification of the Rural Economy), as this is delivered by the LEADER method, there will be clear separation of instruments at the local level to ensure no overlap between EFF funds and EAFRD funds.

**Administrative arrangements for demarcation**

Each Programme Monitoring Committee will include representatives from the other Monitoring Committees with the express remit of ensuring that the actions under each programme complement each other and that there is no scope for duplication.

Local Councils will be developing community plans under the enterprise strategy in the ERDF programme. The Local Action Groups delivering AXIS 3 will work closely with each local council, thus ensuring delineation at the project level. Criteria will be established to ensure that actions eligible for ERDF support will not be provided under EAFRD. However, Local Action Groups will still retain the ability to be innovative.

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| Northern Ireland RDP AXIS | EAFRD interventions | ERDF | ESF | EFF |
| 1 :Improving the competitiveness of the agricultural and forestry sector | Vocational training targeted at members of the farm household and linked to knowledge transfer in the agriculture, horticulture and agri-food sectors  Establishment on farm of short rotation coppice for energy use. (see further energy support under Axis 3).  Support provided to processing and marketing of annex 1 products and forestry products into annex 1 or non annex1 products  Only Market Research will be supported but support will be provided for the application of new technologies.  Supply chain development is targeted at primary producers | Assistance given to businesses to allow investment in training and development.  Large scale renewable energy programmes will be supported (excludes on-farm short rotation coppice)  Support provided for processing and marketing for non agricultural, agri-food\*, forestry , fishing and aquaculture enterprises (\*excludes processing and marketing of annex 1 products into annex 1 products and annex 1 products into non annex 1 products and rural micro businesses)  Support for research into innovative agri-food technologies  Business supply chain expansion will be targeted at new firms other than primary producers of agricultural products | Training provided as part of the Northern Ireland employment policy to assist people into sustainable employment and improve workforce skills | Training limited to fisheries and aquaculture sectors  Support provided only to processing and marketing within the fisheries sector |
| Northern Ireland RDP AXIS | EAFRD interventions | ERDF | ESF | EFF |
| 2: Improving the Environment and the Countryside | Less favoured areas scheme is targeted on  Farmers with breeding herds  Agri-environment schemes are targeted on land mangers and will include actions to maintain and enhance biodiversity.  First afforestation and improvement of the forest environment is targeted at landowners. | Promotion of knowledge of biodiversity of the region, including identification and promotion of protected landscapes. |  | Promotion of adoption of fuel efficient methods of fishing.  Promoting sustainable fishing practices |

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| Northern Ireland RDP AXIS | EAFRD interventions | ERDF | ESF | EFF |
| 3 The quality of life in rural Areas and diversification of the rural economy | Creation of tourism and service industries and adding value to the tourist product in rural areas with a maximum grant aid of €200,000 to private business and £250,000 to public/community sector.  Business creation and business support for micro businesses (as per Commission Recommendation 2003.361.EC) and support for farm diversification projects on-farm through the provision of grants for capital and resource costs.  Small scale renewable energy projects at the level of the farm or rural communities with a population of less than 4,500  Areas for broadband operations will be selected in which support Is granted from the EAFRD and in those areas support will not be available from the ERDF. | Larger scale capital tourism projects will be supported except those in rural areas that meet EAFRD eligibility.  Provision of business start-up infrastructure. Assistance given to businesses to allow investment in training and development.  Larger scale renewable energy programmes outside the scope of EAFRD support will be supported  Research into renewable energies as an electricity resource  Areas for broadband operations will be selected in which support is granted from the ERDF and in those areas support will not be available from the EAFRD. |  | Axis 4 of the EFF programme will support projects within fishing-dependent communities that will strengthen the competitiveness of these areas, restructure and redirect economic activities (e.g. by promoting eco-tourism), diversify activities including creating additional jobs outside the fisheries sector and to add value to fisheries products. By this Axis 4 of the EFF will contribute among others to strengthening the competitiveness and employment base of fisheries areas, improving and protecting coastal and marine environments, protecting and enhancing the natural, architectural and cultural heritage in fisheries areas and building the capacity of local fisheries areas actors to encourage greater active participation in local area groups and developing their skills in preparing local development strategies. |

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| Northern Ireland RDP AXIS | EAFRD interventions | ERDF | ESF | EFF |
| 4. LEADER | All axis 3 measure will be delivered using the LEADER methodology.  Demarcation criteria will be established between Local Action Group (LAG) activities identified under Axis 3 above and other actions funded by the Community.  In order that the LEADER approach is respected, criteria will established to ensure that ERDF support does not overlap with EAFRD support whilst ensuring that LAGs still have responsibility for innovative actions.  All LAGs will work closely with local councils to ensure that rural economic development under the EAFRD and ERDF is complementary. | Local Councils will take forward a locally driven economic and enterprise development component seeking to develop imaginative local solutions to local environmental and access issues. |  |  |

## Publicity provisions

### Communication Plan

#### *Aim*

* To promote the role of the Community in helping to develop sustainable rural development through the European Agricultural Fund for Rural Development.

#### *Target Groups*

The Managing Authority will be responsible for undertaking a series of publicity and information measures that will raise public awareness of the UK National Strategy Plan, the NIRDP and the role played by the European Union in the assistance concerned.

The measures will provide transparency and inform the following groups of the opportunities offered by the EAFRD Programme:

* Potential and final beneficiaries
* Economic and social partners
* Trade and business organisations
* Regional, local and public authorities
* Non-governmental organisations, especially:
* bodies to promote equality between men and women;
* bodies working to protect and enhance the environment; and
* bodies working to promote equality of opportunity
* Project promoters
* The European Commission Office in Northern Ireland
* The general public

#### *Measures to be taken*

DARD has drawn up a Communication Plan which outlines the various roles to be played by those engaged in management and implementation of the programme, including the NI Rural Network.

Publicity and information activity will inform the public of the possibilities for funding and the role played by the Community in such funding. It will be targeted at individual sectors of the target audience, sectoral groupings or the entire audience. The nature of the message will determine how best it should be communicated.

Communication channels will use both printed and electronic formats and will include press releases and articles in national and local press, publication of information on relevant websites, publicity at national and local agricultural shows and events and in the Department’s local offices.

It is envisaged that the Northern Ireland Rural Network will also have an important role in publicising and promoting the programme, providing a “one-stop-shop” for enquiries from potential beneficiaries and the general public.

Programme-level information and publicity actions will commence on approval of the programme. As well as Programme-level publicity and information, more detailed information at Measure-level will be available from those delivering the individual schemes. Such information will be advertised widely but is likely to be more focused on the needs of the specific sectors being targeted. Again, such information will inform the target audience of the role played by the Community. It will be available through a range of communication channels such as press releases, leaflets, booklets, scheme brochures, information of websites, open evenings and workshops.

As individual Measures open for applications, they will be advertised and application forms and notes for the guidance of applicants will be available electronically and in printed form. Successful projects will be informed of the Programme and Axis under which it has been successful and the level of Community contribution included in grant awarded. It will be a condition of grant that project promoters meets the Community’s requirements in relation to publicising the Programme and the level of Community contribution to them.

The Managing Authority will ensure that all information and publicity actions meet the technical requirements of the Community as outlined in Regulation (EC) No 1974/2006, Annex VI.

#### *Access to information*

In order to ensure compliance with Section 75 of the Northern Ireland Act 1998[[39]](#footnote-39), access to information about the Programme has been and will continue to be made available to all sectors of the Community. The approval of the NIRDP will be announced by the Minister of Agriculture and Rural Development. Press Releases will be given wide circulation. The programme will be made available on the DARD website and a summary will be prepared and will be available on the DARD website and in hard copy. Revisions to the NIRDP, Annual Reports, and the results of ongoing and formal evaluations will be placed on the DARD website. It is also planned to publish the NIRDP Monitoring Committee minutes on the DARD website.

#### *Responsibility for Evaluation of the impact of information and publicity measures*

The NIRDP Monitoring Committee will be responsible for overseeing publicity measures across the programme and will assess the impact of such measures. Criteria used to evaluate success will be agreed by the Monitoring Committee.

## Gender Equality and non-discrimination

### Promotion of gender equality and prevention of discrimination during implementation

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In accordance with Articles 5, 16(g) and 60 of Council Regulation (EC) No 1698/2005 and consistent with Section 75 of the Northern Ireland Act 1998, operations part-financed by the Community will comply with and, where appropriate, contribute to Community policy on promotion of equal opportunities for men and women and non-discrimination.

Section 75 of the Northern Ireland Act 1998 requires the Department to have due regard to the need to promote equality of opportunity:

* Between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
* Between men and women generally;
* Between persons with a disability and persons without; and
* Between persons with dependents and persons without.

The Department is also required to have regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group.

All of the Department’s policy areas are screened to ensure that they meet Section 75 obligations. If it is considered that a policy is likely to have an adverse impact in terms of equality, it is subject to a rigorous equality impact assessment. Consequently, actions within this programme have been designed to ensure equality of opportunity and minimise potential for any negative impact. Similarly, implementation of the Programme will take account of the potential for differential impacts and for enhancing equality of opportunity.

Monitoring: Where relevant, the Common Monitoring and Evaluation Framework indicators require data to be collected on the numbers of males and females participating in/benefiting directly from the Programme. This data will be reported to and monitored by the Monitoring Committee to ensure promotion of gender equality and prevention of discrimination.

Evaluation: Post-project evaluations, and programme-level evaluations will measure the extent to which the principle of promoting equal opportunities has been taken into account in the implementation of the project, measure or programme. Particular regard will be paid to the involvement of women.

Where possible, the Managing Authority will ensure that there is equality of participation in the Programme Monitoring Committee, working groups and selection panels. Equality of participation will also be encouraged at project level, where possible.

## Elements needed for the appraisal under competition rules and, where applicable, the list of state aid schemes authorised under Articles 87, 88 and 89 of the Treaty to be used in the implementation of the programme

Additional National funding permitted under Article 89 of Regulation (EC) No 1698/2005 will only be paid under two Measures – Measure 1.3: Modernisation of Agricultural Holdings – and Measure 2.1: Less Favoured Areas Compensatory Allowances Scheme (further details are provided in the relevant Measure Sheets in Annex 4 and in Annex 5).

In accordance with Commission regulation (EC) No 1974/2006, Annex II, Paragraph 9:

1. ***For measures and operations falling within the scope of Article 36 of the Treaty***

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| **Measure code** | **Name of the aid scheme** | **Indication of the lawfulness of the scheme** | **Duration of the scheme** |
| 111 | Vocational training and information actions | Support under this operation will be in compliance with EC Regulation 794/2004 and has been approved under Article 89 of the Council Regulation 1698/2005.  Additional National Financing under this measure in compliance with SA.43214 | 2007-2015 |
| 121 | Modernisation of Agricultural Holdings | Support under this operation will be in compliance with EC Regulation 794/2004 and has been approved under Article 89 of the Council Regulation 1698/2005. | 2007-2015 |
| 212 | Less Favoured Areas Compensatory Allowances Scheme | Support under this operation will be in compliance with EC Regulation 794/2004 and has been approved under Article 89 of the Council Regulation 1698/2005. | 2007-2015 |

***B. For the measures pursuant to Articles 25, 27 (for the latter only for additional funding referred to in Article 89 of Regulation (EC) No 1698/2005) and 52 of Regulation (EC) No 1698/2005 and operations under the measures pursuant to Articles 28 and 29 of that Regulation which fall outside the scope of article 36 of the Treaty.***

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| **Measure code** | **Name of the aid scheme** | **Indication of the lawfulness of the scheme** | **Duration of the scheme** |
| 123 | Agricultural and Forestry Processing and Marketing Grant Scheme | Support under this operation will be in compliance with *de minimis* Regulation (EC) No 1998/2006 or Regulation (EU) No 1407/2013 from 1 January 2014:  **or with**  EC regulation 70/2001 (as amended by 1857/2006) [registration number: XA 7039/2007];  EC Regulation 800/2008 [registration number SA 37434 (2013X)] | 2007-2014  2007-2013  2014 - 2015 |
| 124 | Cooperation for development of new products, processes and technologies in agriculture and food sector and in the forestry sector | Support under this operation will be in compliance with de minimis Regulation (EC) No 1998/2006 or Regulation (EU) No 1407/2013 from 1 January 2014: | 2007-2015 |
| 221, 222 and 223 | First afforestation (forest expansion) | Support under this operation will be in compliance with EC regulation 1998/2006 (*de minimis*) or Regulation (EU) No 1407/2013 from 1 January 2014 | 2007-2015 |
| 225 and 227 | Forest Environments | Support under this operation will be in compliance with de minimis Regulation (EC) No 1998/2006 or Regulation (EU) No 1407/2013 from 1 January 2014 | 2007-2015 |
| 311 | Diversification into non-agricultural activities | Support under this operation will be in compliance with de minimis Regulation (EC) No 1998/2006 or Regulation (EU) No 1407/2013 from 1 January 2014 | 2007-2015 |
| 312 | Support for the creation and development of micro-enterprises | Support under this operation will be in compliance with de minimis Regulation (EC) No 1998/2006 and will be adapted to comply with new de minimis rules that will come into force from January 2014. | 2007-2015 |
| 313 | Encouragement of tourism activities | Support under this operation will be in compliance with de minimis Regulation (EC) No 1998/2006 or Regulation (EU) No 1407/2013 from 1 January 2014 | 2007-2015 |
| 321 | Basic services for the economy and rural population | Support under this operation will be in compliance with EC regulation 1998/2006 (de minimis) or approved State Aid Numbers:   * N418/2009 (next generation broadband project) or * SA 33671 (National Broadband scheme for the UK – Broadband Delivery UK)   where applicable | 2007-2015  2009-2013  20.11.2012 – 30.6. 2015 |

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| --- | --- | --- | --- |
| **Measure code** | **Name of the aid scheme** | **Indication of the lawfulness of the scheme** | **Duration of the scheme** |
| 322 | Village renewal and development | Support under this operation will be in compliance with de minimis Regulation (EC) No 1998/2006 or Regulation (EU) No 1407/2013 from 1 January 2014:. | 2007-2015 |
| 323 | Conservation and upgrading of the rural heritage | Support under this operation will be in compliance with de minimis Regulation (EC) No 1998/2006 or Regulation (EU) No 1407/2013 from 1 January 2014:. | 2007-2015 |

The Managing Authority will ensure that any cases of application of the above schemes for which individual notifications are required under State aid rules or under conditions and commitments laid down in the respective State aid approval decision will be notified individually pursuant to Article 88(3) of the Treaty.

## Technical Assistance Operations

The Managing Authority will utilise a proportion of NIRDP funding for Technical Assistance activities, in accordance with Articles 66(2) and 68 of Regulation (EC) No 1698/2005. This funding will be used to support core activities relating to the delivery, management, monitoring, evaluation and control of the NIRDP and for information and publicity actions. Technical assistance funding will also support the costs associated with the Northern Ireland Rural Network and a share of costs associated with the UK Rural Network. Preparatory work for the NIRDP 2014-20 may be eligible for support under the current RDP if there is a genuine link between the preparatory activities and the activities of the current Programme, and it is justified by the need of continuity of the policy

The Technical Assistance budget will be managed by the Managing Authority and expenditure incurred will be reported to the NIRDP Monitoring Committee.

Further details of actions to be funded from Technical Assistance are outlined in the measure sheet in Annex 4.

**LIST OF ANNEXES**

1. **ABBREVIATIONS USED IN DOCUMENT**
2. **ORGANISATIONS REPRESENTED ON CONSULTATIVE PARTNERSHIP GROUP**
3. **SUMMARY OF RESPONSES TO CONSULTATION ON DRAFT NORTHERN IRELAND RURAL DEVELOPMENT PROGRAMME 2007-2013**
4. **MEASURE DETAILS**
5. **ADDITIONAL INFORMATION ON STATE AID**
6. **EX-ANTE EVALUATION (FULL DOCUMENT)**
7. **STRATEGIC ENVIRONMENTAL ASSESSMENT**

# ANNEX 1

**ABBREVIATIONS USED IN THIS DOCUMENT**

|  |  |
| --- | --- |
| AONB | Area of Outstanding Natural Beauty |
| ASSI | Areas of Special Scientific Interest |
|  |  |
| BAP | Biodiversity Action Plan |
| BSE | Bovine Spongiform Encephalopathy |
|  |  |
| CAFRE | College of Agriculture, Food and Rural Enterprise |
| CAP | Common Agricultural Policy |
| CMEF | Common Monitoring and Evaluation Framework |
| CMS | Countryside Management Scheme |
| CO2 | Carbon Dioxide |
|  |  |
| DA | Disadvantaged Area |
| DARD | Department of Agriculture and Rural Development |
| DETI | Department of Enterprise, Trade and Investment |
| DEFRA | Department for the Environment, Food and Rural Affairs |
|  |  |
| EAFRD | European Agricultural Fund for Rural development |
| EAGGF | European Agriculture Guidance and Guarantee Fund |
| EC | European Commission |
| ELCMS | Entry Level Countryside Management Scheme |
| EFF | European Fisheries Fund |
| EHS | Environment and Heritage Service |
| ESA | Environmentally Sensitive Area |
| ESU | European Size Unit |
| EU | European Union |
|  |  |
| FBS | Farm Business Survey |
| FWPS | Farm Woodland Premium Scheme |
|  |  |
| GAEC | Good Agricultural and Environmental Conditions |
| GHG | Greenhouse Gas |
| GVA | Gross Value Added |
|  |  |
| HNV | High Nature Value |
|  |  |
| IACS | Integrated Administration and Control System |
| ICT | Information and Communication Technology |
| IT | Information Technology |
|  |  |

|  |  |
| --- | --- |
| LAG | Local action group |
| LEADER | LEADER Community Initiative |
| LFA | Less Favoured Area |
| LFACAS | Less Favoured Areas Compensation Allowances Scheme |
| LGD | Local Government District |
| LU | Livestock Units |
|  |  |
| MOSS | Management of Sensitive sites |
|  |  |
| NI | Northern Ireland |
| NIBS | Northern Ireland Biodiversity Strategy |
| NIRDP | Northern Ireland Rural Development Programme |
| NISRA | Northern Ireland Statistical Research Agency |
| NNR | National Nature Reserve |
|  |  |
| RDC | Rural Development Council |
| RPA | Review of Public Administration |
|  |  |
| SAC | Special Area of Conservation |
| SDA | Severely Disadvantaged Area |
| SEA | Strategic Environmental Assessment |
| SGM | Standard Gross Margin |
| SLR | Standard Labour Requirement |
| SMR | Statutory Management Requirements |
| SRC | Short Rotation Coppice |
| SPA | Special Protection Area |
| SWOT | Strengths, Weaknesses, Opportunities and Threats |
|  |  |
| TFP | Total Factor Productivity |
| The Department | Department of Agriculture and Rural Development |
|  |  |
| UAA | Utilised Agricultural Area |
| UK | United Kingdom |
|  |  |
| VAT | Value Added Tax |
|  |  |
| WFD | Water Framework Directive |
| WGS | Woodland Grant Scheme |
| WTO | World Trade Organisation |
|  |  |

# ANNEX 2

**ORGANISATIONS REPRESENTED ON CONSULTATIVE PARTNERSHIP GROUP**

* Council for Nature Conservation and the Countryside
* Countryside Alliance
* Equality Commission
* Local Government
* National Trust
* Northern Ireland Agricultural Producers’ Association
* Northern Ireland Food and Drink Association
* Northern Ireland LEADER Network
* Royal Society for the Protection of Birds
* Rural Community Network
* Rural Development Council
* Ulster Farmers Union
* Ulster Wildlife Trust
* Worldwide Fund for Nature

ANNEX 3

**SUMMARY OF RESPONSES TO CONSULTATION ON DRAFT NORTHERN IRELAND RURAL DEVELOPMENT PROGRAMME 2007-2013**

The draft Northern Ireland Rural Development Programme (NIRDP) was released for an eight week consultation period (19 June – 14 August) with the Department receiving 81 responses. The broad categorisation of the respondents is shown in the chart below. It demonstrates a wide range of contributors from across many different sectors.



The consultation focussed on the type of activities that might be taken forward under the NIRDP and asked a number of specific questions in relation to a number of key areas.

This summary gives a brief overview of the responses in relation to the various key areas of the consultation. Some of the questions and responses (eg finance questions 9-11) have been combined in an attempt to give a clearer indication of the responses.

A number of respondents offered specific comments in relation to the implementation of measures or the context of the Programme. These comments will not be reflected within this summary but will be considered when finalising the detailed Programme document for submission to the European Commission.

**Response Summaries**

**Q1: Bearing in mind the EU requirements for minimum spend per axis and the financial constraints outlined in Paragraph 5 of Annex A, do you think these Measures will provide a balanced programme compatible with sustainable development?**

The broad tone of the responses in respect of the Programme’s balance was that of qualified support. Responses indicated an understanding of the reasons for Axis 2 receiving the majority of available funding and the limitations on Programme breadth due to existing contracts.

There was clear desire for the NIRDP to be compatible with the principles of sustainable development and the Sustainable Development Strategy.

A number of contributors felt that there should be a more equitable balance of funding between Axes 1 and 3, while others wanted the funding for Axis 3 maintained or increased.

A small number of respondents advocated a reduction in funding for Axis 2.

***Response: The Department welcomes confirmation from stakeholders that the broad shape of the draft NIRDP is correct. Whilst financial issues have still to be clarified, some reduction in the allocation to Axis 2 has been made whilst retaining the broad shape and value of Axes 1 and 3. The context of the NI Sustainable Development Strategy has been recognised in the revised draft.***

**Q2: Are there any other areas of activity that the Department should support to ensure synergy and complementarity between this programme and those being developed under other funding streams (Structural Funds and European Fisheries Fund)?**

A number of respondents believed that the Department should be making stronger efforts to secure funding from other funding streams; for example, Peace III and the Department of Social Development’s Local Community Fund. It was the Axis 3 measures in particular that some respondents felt could be financed from other programmes.

Although, in general, responses advocated limiting the scope of the NIRDP and focusing on key areas, it was felt that the NIRDP didn’t make explicit the links that it would have with other Northern Ireland Strategies such as the Sustainable Development Strategy, A Shared Future and the National Strategic Reference Framework.

A small number of respondents suggested other areas of activity that the NIRDP should be supporting, mainly related to Axis 1, but the majority feeling was that the further spreading of already scarce resources would endanger the potential effectiveness of the programme as a whole.

***Response: The Department continues to explore what possibilities might exist to support rural areas under the other EU programmes. As requested, additional references to other key NI Strategies have been inserted. Axis 1 of the NIRDP has been significantly refocused to provide more targeted support and to take on board the need for additional measures to contribute towards improving the competitiveness of the agriculture and forestry sectors.***

**Questions 3 & 4 have a combined summary.**

**Q3: In what locations in Northern Ireland should afforestation (forest expansion) be especially encouraged, and why?**

**Q4: Are there any special actions that should be taken to achieve larger blocks of woodland?**

Responses to these questions largely considered which criteria should be applied to afforestation locations rather than suggesting specific locations or actions. There was great diversity in the responses in terms of which factors should determine future afforestation locations. Examples included:

* the environmental impact of planting
* the use of designated less favoured areas
* proximity to renewable energy plant works
* potential for significant recreational and/or tourism use
* economic potential of the land
* current land usage eg old derelict industrial sites

There was therefore no consensus on the optimal locality of future afforestation. In terms of community woodlands, there was general agreement that any decisions should be carried out in close consultation with local authorities and communities.

A number of respondents felt that forestry measures should be taken out of the NIRDP and funded by central government funding on the basis that the NIRDP wouldn’t offer sufficient support to deliver an effective afforestation programme.

There was general agreement amongst respondents that the promotion of broad-leaved species rather than coniferous plantations would be desirable. However the use of short-rotation coppice was popular amongst those promoting the use of planting for renewable energy purposes.

The promotion of crops grown for renewable energy purposes was a recurrent theme within responses, with a common desire for closer links to other government work in this area outwith the NIRDP.

There was considerable comment about the levels of funding available to applicants and barriers to application. Many respondents believed that there was insufficient funding available to attract landowners.

***Response: Forest Service is currently undertaking a review of the Woodland Grant Scheme to support the objectives of the recently published NI Forestry Strategy. Amongst other issues, the review will consider funding levels, targeting of locations for woodland expansion, public access and woodland with high environmental value. Forest Service recognises the consensus view that the planting of broad-leaved species should be promoted but notes that benefits exist in planting both broadleaved and coniferous woodlands. Forest Service will continue working to further develop links with strategies which support wider renewable energy objectives. It is considered unlikely, given the competing priorities for public funding, that the previously agreed forestry programme as expressed in the 2006 Forestry Strategy, could be delivered outwith the structures of the NIRDP.***

**Q5: Do you agree with the methodology used for the calculation of eligible costs and income foregone?**

Although only a small number of consultation respondents offered views on this question, the majority of those felt that the methodology required further examination. Although there was little explicit criticism of the current method, some felt that it was appropriate to consider the methodology against specific aims of the Forest Strategy.

***Response: Forest Service has noted the comments made by respondents and will consider them as part of the review of the Woodland Grant Scheme.***

**Q6: Are there likely to be public gains from provision of advice and support to forest owners in drawing up plans to secure compliance with voluntary conditions of the UK Forestry Standard?**

There was widespread support for the concept of advice provision leading to the creation of plans which effect compliance with the voluntary conditions of the UK Forestry Standard and lead to the improvement of forest management. However there was concern over whether this should be funded from the NIRDP when resources were limited.

***Response: Forest Service welcomes confirmation that the provision of advice is necessary and appropriate. The comments in relation to alternative sources of funding are noted. It is considered unlikely, given the competing priorities for public funding, that this could be provided outwith the structures of the NIRDP.***

**Q7: What actions are needed to promote efficient wood supply chains that allow timely intervention in young plantations to protect future value and support new markets e.g. for wood-based energy?**

A common theme amongst responses was for the need to take a long-term view on this issue. No respondents suggested short-term actions, instead favouring actions such as:

- research and development (both market and scientific)

- implementing a government-wide strategy on renewable energy production

- supporting market diversification

- promotion of UK Forestry Standard

***Response: Forest Service’s Strategy for Northern Ireland provides a long-term objective in terms of forest expansion and this will be achieved through optimising the funding available under the NIRDP. Forest Service recognises the potential of Short Rotation Coppice as a resource, capable of supporting wood-based energy production and encouraging market development.***

**Questions 8-11 have a combined summary**

**Q8: If sufficient income was available to fund the indicative programme in Appendix 1 of the Finance Paper at Annex A, do you consider that the balance between the different Axes of the programme is correct? If not, what realignment would you suggest?**

**Q9: If potential income is some £500m less that that required to run the indicative programme in Appendix 1 of the Finance Paper at Annex A, which of the options in Section 8 of that paper would you prefer to see used to bridge the funding gap?**

**Q10: If potential income is some £300m less that that required to run the indicative programme in Appendix 1 of the Finance Paper at Annex A, which of the options in Section 8 of that paper would you prefer to see used to bridge the funding gap?**

**Q11: In a situation where income is less than that required to run the indicative programme in Appendix 1 of the Finance Paper at Annex A, and bearing in mind that existing commitments already account for £270m of the programme, which of the remaining measures do you see as a priority?**

**Finance related comments – general:**

The responses regarding funding were particularly demonstrative of the differing priorities shown by the various sectors. There was no clear consensus amongst respondents in relation to the funding aspects of the NIRDP.

Representatives of agricultural interests and political parties were against the use of voluntary modulation. However, many organisations felt that if voluntary modulation were to be used, it should be at a very low level, should be used to fund agri-related measures and should be co-financed by central government.

Representatives of environmental interests, although largely sympathetic to the problems that using voluntary modulation can bring, believed that its use could be the only realistic way of ensuring a balanced and meaningful programme. They were also in favour of government co-financing of voluntary modulation. Axis 2 measures were broadly considered to be the highest priority with the agri-environment schemes receiving most support. There were mixed views on the future of the Less Favoured Areas Scheme with several proposals that it should be more tightly linked to environmental improvements similar to those in the agri-environment schemes.

Those representing broader rural interests were largely of the opinion that a number of the Axis 3 measures should take priority alongside increased marketing support with some respondents also favouring the Less Favoured Areas Scheme. They were not supportive of using voluntary modulation and some proposed the Less Favoured Areas Scheme being funded outside the NIRDP with its funding allocation being redistributed within the NIRDP.

In general terms, agri-environment schemes, the Less Favoured Areas Scheme and Axis 3 measures were seen as the most important areas of the programme with several respondents feeling that the Animal Health & Welfare Planning Measure was of a lower priority.

***Response: The Department has reduced funding pressure by removal of some measures (Entry Level Countryside Management Scheme and Animal Health and Welfare Planning Scheme). The Department will aim to simplify the main agri-environment scheme and will make promotion of animal health and welfare a key element of the Focus Farms activity in Axis 1. Agri-environment actions remain a key priority. DARD intends to carry out a review of the LFA scheme, but in the interim, LFA support will continue as part of the NIRDP. The Department intends to maintain the funding proposed for Axis 3, keeping it on a par at least with the 2000-06 programme. The Department has signalled its intention to use Voluntary Modulation, but only at the level needed to run a targeted and balanced programme which meets the needs of all rural dwellers.***

**Q12: Do you agree that a gradual and planned approach to setting up new delivery structures provides the best way forward?**

The majority of respondents believed that it was appropriate to transfer delivery powers to new local council structures in a gradual and planned approach. It was believed that using such a methodology would enable the new structures to take on their new role in a more seamless way than would be the case if powers were transferred immediately. This approach would therefore minimise the disruption and difficulties experienced by the end customer during a hand-over period.

A number of respondents were concerned that delays in implementing new structures might create a ‘vacuum’ in the interim which could inhibit effective delivery, and believed that new delivery structures should be functioning within 12 months.

***Response: With the consultation having signalled its agreement to the concept of a planned and gradual approach to delivery the Department will move rapidly to engage stakeholders in advance of the formation of new local delivery structures. The Department plans to deliver all Axis 3 measures through new Local Action Groups. The Department will begin the process of establishing new Local Action Groups over the coming months, with the aim of local strategies to come forward as early as possible in 2007.***

**Q13: What is your view on the number, composition and geographical areas to be covered by any new delivery structures?**

A majority of respondents believed that the new delivery structures should be co-terminous with the new council structure as proposed within the Review of Public Administration. There was widespread support for this proposal amongst many different sectors.

A smaller number of respondents favoured a single delivery body for Northern Ireland. Within these, opinions were divided as to whether such a body should deliver some or all axes within the programme. Some respondents advocated the maintenance of current delivery structures until the Review of Public Administration decisions take full effect.

***Response: The Department will proceed to engage with stakeholders with a view to establishing Local Action Groups which are co-terminous with new RPA structures.***

**Q14: Do you agree that new structures should initially deliver Axis 3 measures and, perhaps in time, take on delivery of some elements of Axes 1 and 2 measures? What measures might these be and how would you envisage the local delivery of these measures taking place?**

**Delivery related comments – general:**

There was a strong consensus that Axis 3 should be delivered using a locally-based LEADER-type approach. The success of this delivery methodology in delivering similar measures under the current Rural Development Programme (2001-2006) has developed a level of experience and competence that should be maintained and further exploited under the new NIRDP.

A large majority of respondents felt that Axis 2 measures should continue to be delivered at a regional level by DARD. A number of respondents outlined how it was essential that such measures were delivered using a consistent and uniform approach rather than tailoring to more local circumstances as would be the case under Axis 3.

The main difference of opinion amongst respondents was how the Axis 1 measures should be delivered. Some respondents believed that some measures within Axis 1 (e.g. training measures) would lend themselves to local delivery, however others felt that DARD had been successful in delivering all axis 1-type measures in the past and therefore should continue to do so.

Respondents representing local councils and LEADER+ local action groups were the strongest supporters of local delivery for most/all measures.

Although there were advocates for the delivery of all measures being transferred to local structures as quickly as possible, there was a sizable majority that believed that Axis 3 measures should transfer as soon as is practicable with elements of Axes 1 and 2 possibly transferring over time.

***Response: Axis 3 of the NIRDP will be delivered by Local Action Groups from the beginning of the programme. Axis 2 of the NIRDP will continue to be delivered by the Department. Axis 1 will be delivered by the Department or secondary delivery organisations. The Department will continue to look at the possibility for other NIRDP measures to be delivered locally as the programme develops.***

**Q15: Should the local action groups engage in inter-territorial and transnational co-operation projects? If yes, what type of projects should be supported?**

There was a strong belief that inter-territorial and transnational co-operation projects should be both encouraged and supported as a way of harnessing the benefits of working closely with similar groupings, both within the UK and with other member states.

However, in a climate of finite resources, some respondents felt that although such projects were worthy of support, they should be treated as a low priority.

***Response: The Department will encourage Local Action Groups to bring forward ideas on inter-territorial and transnational co-operation projects as part of their integrated local strategies.***

**Questions 16-18 have a combined summary**

**Q16: What type of body or structure would provide the most effective National or Regional Rural Network and how would it fit in with other structures of public administration in NI?**

**Q17: What should the priorities be for the NI Rural Network?**

**Q18: Are there additional actions that the NI Rural Network could usefully undertake?**

All those who responded to these questions welcomed the establishment of a network where all key stakeholders would be involved. It was felt that it was important to establish linkages between Central Government and other Regional and European Networks.

Suggested priorities for the Network included:

* Liaising with Central Government on policy and the Managing Authority on processes and financial management of the programme.
* Collation of information for the Monitoring Committee
* Rural proofing
* National and Regional Network liaison

Additional actions the Network could undertake included

* Being a contact point for all information advice and support on accessing rural development funding
* Conducting rural research to supply evidence for policy making
* Monitoring LAGs to ensure funding is being delivered effectively

***Response: The Department is currently looking at the structure, support, activities and priorities for the NI Rural Network and will continue to engage with key stakeholders in this process.***

**Q19: Should the Technical Assistance facility be used and, if so, for what should it be used?**

There was considerable support for the use of Technical Assistance, however almost all respondents felt that it should be kept as low as possible.

Suggestions for how this funding would be optimally used included funding a new NI Rural Network, funding research studies, funding a publicity campaign for the NIRDP and funding for independent monitoring/evaluation.

***Response: Technical Assistance funding will be used for programme management and the NI Rural Network. The Department will ensure that Technical Assistance funding is kept to the minimum necessary to support effective programme management***

**Questions 20 & 21 have a combined summary**

**Q20: Do you have a view as to the potential impact of this programme on equality groups such as those relating to gender, ethnicity, disability, sexual orientation, age, religious belief, political opinion, marital status or those with or without dependents?**

**Q21: What additional actions can the Department take to ensure equality of opportunity in relation to this programme?**

There were no significant problems identified in terms of equality of opportunity. Some respondents felt that the NIRDP would have a positive effect on disadvantaged areas and groups.

It was noted that actions such as a broadly-based and accessible publicity campaign would help promote the assistance available to, for example, those who may have difficulty completing forms.

It was also suggested that the Department consider equality implications to ensure that there is no adverse effect on section 75 groups.

***Response: The Department will look closely at the equality issues related to the programme. Equality considerations will be examined at individual measure level to ensure the Department is complying with all statutory duties.***

**Q22: What additional publicity or information actions can the Department take to raise public awareness of the programme?**

There were a number of suggestions of how awareness of the NIRDP could be maximised. A popular suggestion was that this could be taken forward through the new NI Rural Network.

There was also a desire for publicity to be targeted at a local level to the groups/areas where greatest benefit could be derived.

A number of respondents outlined a strong desire for information and application forms to be more user-friendly, both in terms of the language used and the volume of paperwork involved.

***Response: The Department will ensure it meets its responsibilities to raise awareness of the programme, including giving consideration to the possibility of promotional activities being carried out by the NI Rural Network***

# ANNEX 4

**MEASURE DETAILS**

#### Measure 1.1: Vocational Training and Information Actions

#### Articles 20(a)(i) and 21 of Regulation (EC) No 1698/2005

#### Point 5.3.1.1 of Annex II of Regulation (EC) No 1974/2006

#### Measure Code: 111

#### Rationale for intervention

Northern Ireland’s farm families face unprecedented challenges with pressure on end-prices from world markets, increased animal health and welfare and environmental controls and the decoupling of production support through the Single Farm Payment. The increasing pace and potential impact of current changes means that farmers will require a broader range of management skills to allow them to adapt more quickly and compete more successfully. On the other hand, it is recognised that the decoupling of production support provides farm families with an opportunity to re-model and reshape their farming enterprises.

There is a strong correlation between education and training levels and business competitiveness[[40]](#footnote-40). It is also recognised that the agri-food sector is becoming increasingly technical and there is a need for sophisticated knowledge transfer systems to ensure that businesses and individuals are up to date and are able to maximise returns through employing the latest techniques.

Current education/training levels in the NI agriculture and horticulture sectors lag behind national targets and conventional methods of provision of learning support have been characterised by poor uptake. This Measure will support the innovative approaches to design and delivery of training that are required to increase participation.

Within the agriculture and horticulture sectors, improvement of business management competence is a key pre-requisite to the attainment of enhanced sustainability and competitiveness. Benchmarking is a valuable tool to highlight the strengths and weaknesses of a business when reviewed against comparable businesses. In many other countries, the level of farmer participation in benchmarking programmes is significantly higher, allowing more timely business-focussed decisions to be taken on-farm, leading to increased competitiveness.

#### Objective

* To improve the competitiveness of farm and horticulture businesses in Northern Ireland through the provision of a range of innovative and focussed training and information actions.

#### Scope and Actions

This Measure will comprise four schemes delivering training and information actions:

1. The Benchmarking scheme will provide assistance and support to innovative benchmark learning programmes. The learning programmes will contribute to the accurate collection and collation of farm business data (supported under Measure 1.4), which will enable effective benchmarking of Northern Ireland’s agricultural and horticultural businesses. Benchmarking has proven potential to improve business competitiveness and sustainability.
2. Focus Farms scheme will assist in the development of selected farm businesses as Focus Farms to communicate to visiting farmers a range of new and emerging technologies and to provide a coaching /mentoring facility. A Focus Farm Centre will also be required to promote and deliver the scheme.
3. Farm Family Options will assist farmers and farm family members to analyse their present position and determine their options for the future. This assistance will cover economic, technical and social issues and will support farm families to effectively adapt to change.
4. Supply Chain partnerships will be encouraged through training. Farmers and Growers will be helped to develop a collaborative approach to marketing of agricultural and horticultural products.

#### Beneficiaries

Members of the farm household

#### Description of the operations

Each scheme will provide training using the vehicles best suited to that particular scheme. These could include:

* Information sessions
* Information collection and dissemination
* Demonstration projects
* Workshops
* Coaching/mentoring
* Individual facilitation
* E-learning
* Courses
* Seminars

#### Details on coverage of support

The schemes will cover a range of topics including:

* Technical issues (including modern technologies)
* Economic issues
* The value of ICT in farm management
* Social issues
* Cross-compliance issues such as animal health and welfare and countryside management
* Environmental issues
* Animal Health and Welfare issues e.g. Bovine Viral Diarrhoea (BVD)

Some of the schemes will also provide financial support towards the costs of small items of capital expenditure and professional fees which are linked to the provision of information and training and/or are necessary to enhance the training or to maximise its impact.

For the Benchmarking scheme, the cost of data collection is included under Measure 1.4.

The cost of training in Supply Chain participation is included in this Measure whereas all other aspects of the Supply Chain Development Programme are supported under Measure 1.4.

#### Definition of bodies providing the training and information actions

The training and information actions under this measure will be provided by external bodies selected through a competitive process. Costs incurred by the external bodies in relation to administration and management of the schemes will be supported under Technical Assistance.

#### Rate of Support

|  |  |
| --- | --- |
| **Activity** | **Rate of support** |
| Training, mentoring and information collection | Up to 100% |
| Specialist assistance to implement farm family strategy plan | Up to £250 |

#### Demarcation role with other EU financial instruments (ESF)

This Measure will not support any training or development activity which would be eligible for ESF funding.

The four elements of this Measure will complement and feed into each other. There will also be linkages with other Measures/Axes. The Benchmarking element will link with the Agricultural and Forestry Processing and Marketing Grant Scheme in Measure 1.2 (Adding Value to Agricultural and Forestry Products and Improving Marketing Capability). Focus Farms and Farm Family Options will link into Measures 3.1 and 3.2 (Diversification into non-agricultural activities and Business creation and development) while Farm Family Options will also link with the Agricultural and Forestry Marketing Development Grant Scheme in Measure 1.2, with Measure 1.4: Supply Chain Development and with the other Axis 3 Measures.

The training programmes in this Measure complement the work of the DARD advisory services. Benchmarking reports of agricultural businesses provide very valuable information for an adviser to discuss with a farmer or grower with a view to improving profitability from that holding.

Focus farms are a method of cascading advice through a very credible person (the focus farmer) to a greater number of farmers than any one adviser could hope to influence.

This Measure will not support any instruction or training that form part of the normal programmes or systems of agricultural or forestry education at secondary or higher levels.

#### Financing

Total Cost €5,395,000

Public Expenditure €5,395,000

#### Transitional arrangements

There are no ongoing operations to be funded from the NIRDP. No expenditure will be claimed in this measure prior to approval

#### Quantified Targets for EU Common indicators

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target 2007-2013 |
| Output | Number of people participating in training:   * Gender * Age * Type of training * Type of participant | 19,120 |
|  | Number of training days received | 15,960 |
| Result | Number of participants that successfully ended a training activity related to agriculture and/or forestry:   * Gender * Age * Type of successful result * Type of participant | 8,620 |
| Impact | Change in gross value added per full time equivalent | Not applicable |

#### Additional programme-specific indicators and quantified targets

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target 2007-2013 |
| Outputs | Number of farm businesses participating in data collection training | 8,100 |
| Results | Number of farm businesses that successfully completed benchmarking training | 8,000 |
|  | Number of individuals that successfully completed a Focus Farm visit | 6,000 |
|  | Number of participants that successfully produced a farm family strategy plan | 1,000 |
| Impact | Number of farm businesses adopting better practices | 50% |
|  | Number of participants indicating that the Measure has had a financially positive effect on their farm business | 50% |
|  | Increase in labour productivity | 2% |

#### Measure 1.2: Adding Value to Agricultural and Forestry Products and Improving Marketing Capability

#### Article 20(b)(iii) and 28 of Regulation (EC) No 1698/2005

#### Article 19 and point 5.3.1.2.3 of Annex II of Regulation (EC) No 1974/2006

#### Measure Code: 123

#### Rationale for intervention

The agri-food and forestry industries in Northern Ireland account for a substantial proportion of economic activity. They have therefore a vital role to play in the evolution and restructuring of the Northern Ireland economy.

Following the reform of the Common Agricultural Policy, recent EU enlargement and developments in World Trade Organisation negotiations, the agri-food sector faces a number of fresh challenges including new decoupled support arrangements, a need to broaden its market base and to increase value-added activity.

Northern Ireland’s agri-food processing sector is less well developed than in the rest of the United Kingdom, particularly in terms of added value. If Northern Ireland is to develop a more successful and competitive agri-food processing sector, it needs to move from low-tech production to innovative production methods and from local markets to high value-added activities in niche markets.

Against a background of continued low prices for farm products and low levels of agricultural income in Northern Ireland, the improved processing and marketing of agricultural products has been identified as a key means of adding value to agricultural output and improving economic returns in rural areas.

Investment is needed to support the move to increased competitiveness, to improve the market orientation of agri-food processing companies and to increase exports.

It is further recognised that forestry policy in Northern Ireland has, as an objective, the aim of promoting sustainability and increasing the diversity of benefits provided by forests.

#### Objectives of the measure

To improve the economic performance and international competitiveness of the agri-food and forestry sectors by:

* adding value to agricultural products through the application of appropriate technology together with sound manufacturing and environmental management practices;
* encouraging greater integration and collaboration between producers, processors and others in the food chain, improving the application of technology within the supply chain and improving the marketing capability of businesses; and
* improving the application of technology in the forestry sector, encouraging greater integration and collaboration between producers, processors and others in the wood supply and renewable energy chains and improving the marketing capability of businesses.

#### Priorities of the Measure

As outlined in section 2.1.1.3 of the programme, the food and drinks sector in Northern Ireland is poorly developed compared to the UK as a whole. Gross Value Added per head in the UK is considerably higher than that for Northern Ireland. In the Food and Drinks Sector the Return on Capital Employed (ROCE) is much lower than for other industries and for the UK as a whole and this reflects the low profitability and rising capital intensity of the sector in Northern Ireland. Sales per employee and Gross Value Added per employee also compare poorly with the equivalent UK figures because of better economies of scale and a wider product range in the other regions of the UK.

Since all of the input sectors contribute to the food and drinks sector in Northern Ireland, structural disadvantage and need fall across all sectors. Therefore, all sectors will be open to support from this measure. However, priority will be given to those investments which improve the economic performance and competitiveness of the Northern Ireland agri-food sector.

To ensure value for money and maximum returns from investment, it is anticipated that the Schemes will be competitive. During initial assessment of the applications, projects will be prioritised, inter alia, on the basis of whether the investment:

* improves competitiveness through the uptake of technology/innovation;
* encourages the development of added value and niche products;
* encourages better use/elimination of by-products and waste; and/or
* impacts positively on anti-poverty measures in rural areas.

Applications in relation to the horticulture sector will be cross-checked against support available for producer organisations in the common market organisation for fruit and vegetables to ensure the correct source of funding is being used.

Through such a prioritisation process, the measure will be targeted towards those businesses that have the best chance of achieving long term profitability and contribute to increased competitiveness and added value in the Northern Ireland agri-food sector. In recognition of the lack of support for micro-businesses in the previous scheme, some preference will also be given to micro enterprises seeking to diversify into the processing and marketing of agricultural products.

#### Scope and actions

This Measure will provide support for the agri-food and forestry sectors through the Agricultural and Forestry Processing and Marketing Grant Scheme. The Scheme will provide support towards capital expenditure on buildings and equipment (including computer software), the cost of a business plan/feasibility study for the project, and directly related general costs such as architects’, engineers’ and consultants’ fees (to a maximum of 10% of total eligible costs).

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#### Type and size of beneficiary enterprise

|  |  |
| --- | --- |
| Scheme | Targeting |
| Agricultural and Forestry Processing and Marketing Grant Scheme | Micro, small and medium sized agri-food enterprises[[41]](#footnote-41) and enterprises with less than 750 employees or with a turnover of less than €200m involved or wishing to become involved in processing and marketing including food processors, groups of collaborating producers and individual producers who want to process and market their own produce. In the case of forestry, support shall be limited to micro enterprises |

#### Description of the requirements and targets with regard to the improvement of the overall performance of the enterprises

It is intended that the Measure will enable each enterprise to increase the value of sales and improve its economic performance. Targets will be included in the application form.

#### Primary production sectors

The Scheme will cover the following input sectors: red meat, pig meat, poultry meat, eggs, milk and milk products, potatoes, horticulture (including flowers, fruit and vegetables), cereals and forestry.

#### Type of investments (tangible-intangible)

Under the **Agricultural and Forestry Processing and Marketing Grant Scheme,** the types of investments that will benefit from aid are as follows:-

* Livestock: to increase the level of added value processing, to improve packaging, to prepare new products and to assist small processors to meet the requirements to engage in public procurement;
* Eggs: to invest in new processing facilities in line with technology advances or to improve efficiency at egg packing centres;
* Milk and Milk Products: to encourage innovation and the development of higher value dairy products particularly for the growing market for speciality cheeses;
* Potatoes: to invest in storage, packing and processing facilities to meet market/customer demand including the requirements of the large supermarkets and public procurement contracts;
* Horticulture: to improve processing facilities and added value outputs in line with health initiatives to improve consumption and to meet increasing customer requirements for pre-prepared products;
* Marts: to improve facilities at livestock marts for animal welfare/effluent handling and to develop infrastructure for initiatives such as farmers’ marts/farm shops;
* Forestry: to encourage innovation and investment in wood and other renewable energy markets including utilising new technologies relating to the processing of biomass and wood materials.

To be eligible for support:

* Each project must contribute to one or more of the following aims:
* guide production in line with foreseeable market trends;
* encourage greater collaboration between producers and the rest of the supply chain;

- improve the uptake of technology/innovation which will make the business more competitive;

* encourage the better use/elimination of by-products/waste;
* encourage the development of added value products;
* promote the production and processing of renewable energy.
* Projects must comply with legislation on hygiene, animal welfare and the environment (including demonstrating compliance with Planning Service requirements).
* Projects must benefit primary producers
* Projects must primarily (at least 90%) concern the processing and/or marketing of products covered by Annex 1 to the Treaty of Rome (other than fishery products) or forestry products.
* Applicants must be financially viable and need grant for the project to proceed.
* Applicants must declare compliance with UK and EU law on equal opportunities.
* Applicants must provide adequate information to demonstrate that a commercial market exists for the products.
* Applicants must demonstrate that the business has the necessary technical skills and competence to undertake the project.
* Applicants proposing to purchase second-hand equipment must be a micro, small or medium sized enterprise[[42]](#footnote-42)

###### *Exclusions:-*

* enterprises in difficulty within the meaning of the Community guidelines on State aid for rescuing and restructuring firms in difficulty
* projects receiving other public/EU support
* research projects and projects to eradicate animal diseases
* projects to promote agricultural/forestry products
* projects which are upgrades purely to meet statutory requirements
* projects relating to intervention stores or retail outlets (except farmers’ marts or where farm-based)
* projects relating to normal farm-based production and storage activity
* projects relating to the processing and marketing of products which imitate or substitute for milk and milk products
* cold stores except where part of the normal processing operation
* slaughtering facilities for pigs, cattle, sheep or poultry unless equivalent capacity is abandoned or a shortage of capacity in the sector is proven
* projects relating to farm animal feed production
* projects to replace items grant-aided in the previous 5 years
* value added tax on eligible project costs except where it cannot be reclaimed from the Commissioners of Customs and Excise
* projects commenced before receipt of written approval

The Scheme brochure will set out ineligible items of project expenditure.

The purchase of second-hand equipment by micro, small or medium sized enterprises will only be eligible in circumstances where:

* the equipment has not been grant-aided in the previous 7 years;
* the second-hand equipment is fit for the proposed project activity;
* the equipment is good quality and with enough working life to be able to meet the 5 year asset durability test; and
* it represents a sufficient advantage in terms of value for money when compared with new equipment

#### Designation of the standards for which a period of grace can be granted to micro-enterprises in order to comply with a newly introduced standard

Not applicable

#### Type of support

Support will be provided through grant aid. No advance payments will be available.

#### Aid Intensities

|  |  |
| --- | --- |
| Scheme | Level of support |
| Agricultural and Forestry Processing and Marketing Grant Scheme | 1. *Projects with Annex 1 input and Annex 1 output:-* grant will be in conformity with Article 28.2 and 28.3 Council Regulation (EC) No 1698/2005 2. *Projects with Annex 1 input and non-Annex 1 output:-* any aid granted will be in conformity with *de minimis* Commission Regulation (EC) No 1998/2006 or the SME block exemption Commission Regulation (EC) No 70/2001 as amended by 1857/2006 3. *Forestry Projects;*- any aid will be in conformity with *de minimis* Commission Regulation (EC) No 1998/2006 4. Maximum rate of grant payable under (a) to (c) above will be 40%.   *(e)* Maximum grant for projects under (a) and the SME block exemption at (b) will be £500,000 |

#### Financing

Total Cost €29,999,491

Public Expenditure €18,749,682

#### Transition arrangements

There are no ongoing operations under this Measure to be funded from the NIRDP. No applications for grant will be accepted and no expenditure will be claimed under this Measure prior to approval of the NIRDP.

Similar schemes to the scheme in this Measure were supported under Council Regulation (EC) No 1257/1999 through the Northern Ireland Programme for Building Sustainable Prosperity 2000-2006. Support was limited to the agri-food sector and any such projects approved before 31 December 2006 under Council Regulation (EC) No 1257/1999 will be completed by 31 December 2008 and all such expenditure will be declared under the Northern Ireland Programme for Building Sustainable Prosperity 2000-2006. Expenditure incurred on projects approved after 1 January 2007 [or after approval of this Programme] under Council Regulation (EC) No 1698/2005 will be declared under this Programme.

#### Coherence with first pillar

This Measure will not support operations listed in Annex I of Regulation (EC) No 1974/2006 which are supported by other relevant instruments of the Common Agricultural Policy.

#### Quantified targets for EU common indicators

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target 2007-2013 |
| Output | Number of enterprises supported:   * Type of enterprise (micro/small/medium) * Sector * Type of activity (marketing and processing or development) | 100 |
|  | Total volume of investment   * Size of company * Type of sector * Type of activity | €66.5m |
| Result | Number of enterprises introducing new products and/or techniques:   * Type of redeployment of production | 95 |
|  | Gross value added in supported holdings | 29082 |
| Impact | Economic growth | Increase by 2% |
|  | Labour productivity | Increase by 2% |

#### Programme-specific indicators and quantified targets

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target 2007-2013 |
| Results | Level of exports from supported holdings | 2% increase |

#### Measure 1.3: Modernisation of Agricultural Holdings

#### Measure Code: 121

#### Article 20(b)(i) and 26 of Regulation (EC) No 1698/2005

#### Article 17 and point 5.3.1.2.1 of Annex II of Regulation (EC) No 1974/2006

#### Rationale for intervention

Farm modernisation programme

Northern Ireland farm families face unprecedented challenges with negative pressure from world markets on end prices, increased animal health and welfare and environmental controls, more demanding quality assurance/food safety controls and the decoupling, through the Single Farm Payment, of production support from actual production of animal and crop products on the farm.

Farm incomes are low, relative to other sectors of the economy, and future income prospects are unpromising. In addition rates of return on investment in agriculture are low and this, coupled with the reduction in farm incomes that have prevailed since the BSE crisis during 1996, has prevented many farmers from making significant capital investments on their farms over the last decade.

Given these challenges, the Northern Ireland farm sector faces a very uncertain future. Consequently, the capability and confidence of the farm sector to invest is low and rate-limiting to the future competitiveness of the sector.

Agriculture plays an important role in the Northern Ireland economy; accounting for 30% and 44% of VAT registered businesses in accessible and less accessible rural areas respectively, compared to the UK average of 8.8%. The total number of persons recorded as working on Northern Ireland farms has been falling while an increase in part-time farmers has been evident. Poor returns have impacted negatively in farmers’ ability to pay for labour and as such many need to adapt their on-farm facilities to compensate for the lack of available manual assistance. Investment to reduce labour input is also needed to support the expected continued restructuring associated with part-time farming and should also make farming more attractive to young farmers.

Against this backdrop, there is a clear need for farmers to be provided with support to modernise their holdings to improve their production techniques through the introduction of new technologies and innovations and/or improving the animal health and welfare, hygiene, occupational safety and efficiency and environmental status of their farms.

The Industry representative bodies have consistently identified modernisation as a priority underpinning the future competitiveness of the industry.

There has already been significant investment by Government and the industry in improved slurry and manure storage facilities through the Farm Nutrient Management Scheme which falls outside the NIRDP. However, there is an opportunity to increase further the environmental benefits which have accrued under the scheme through using the NIRDP to encourage farmers to invest in advanced slurry and manure spreading systems.

The baseline for aid under the Farm Modernisation Programme will be the minimum standards required for cross-compliance under CAP Pillar 1.

Short Rotation Coppice (SRC) programme

The SRC programme is designed to assist in developing the wider renewable energy market, by increasing the amount of SRC grown for an energy use in Northern Ireland.  The Energy Strategy for Northern Ireland published a number of key strategic drivers and associated targets on energy which complement aspects of the Sustainable Development Strategy for Northern Ireland.  In particular, the Energy Strategy aims to reduce emissions by seeking to maximise the efficiency of power generation and reducing demand for energy through improved energy efficiency in homes and businesses.  These measures will be supplemented by increasing the use of renewable energy for heat and power generation, which are two key challenges for the Northern Ireland energy sector.  The Energy Strategy includes a target which aims to promote centralised and embedded generation which is fully integrated into the rural economy, offering enhanced opportunities for diversification and wealth creation.

#### Objective of the measure

* To contribute to the competitiveness of agricultural and horticultural businesses in Northern Ireland.

#### Scope and actions

Support will be provided for investments which improve the overall performance of the farm business.

Those receiving support must respect the Community standards applicable to the investment concerned.

#### Description of the requirements and targets with regard to the improvement of the overall performance of the agricultural holdings

Farm modernisation programme:

The programme will provide financial support to existing farmers to improve their overall performance through:

* Introducing new technologies and innovation;
* Improving animal health and welfare;
* Increasing hygiene control and product storage;
* Enhancing occupational safety and business efficiency;
* Enhancing the environmental status of farms; and
* Increasing energy efficiency

Short Rotation Coppice Programme:

* Enhancing the environmental status of farms
* Increasing energy efficiency
* Enhancing security and diversity of supply of electricity generation
* Supporting the Sustainable Development Strategy for Northern Ireland

#### Type of investments

Farm modernisation programme:

Support will be targeted at:

* Investments to introduce new technologies and innovation eg electronic livestock identification readers;
* Investments to improve animal health and welfare eg automatic animal feeding systems, rubber matting;
* Investments for hygiene control and product storage eg provision of ventilation, refrigeration and sterilisation equipment;
* Investments to improve occupational safety and business efficiency eg mobile livestock handling facilities;
* Investments for positive environmental impact eg automatic slurry scrapers; and
* Investments in energy efficiency eg wood chipping, rain water harvesting, adoption of energy efficiency technologies.

Selection between eligible investments will be made on the basis of their contribution to the objectives of the Measure.

Ineligible activities will include the purchase of agricultural production rights, animals, annual plants and their related planting costs. Farm business overheads, insurance charges, running costs, interest charges, leasing and finance costs will be ineligible for assistance.

As this will operate as a small grant scheme, a business plan for each investment will not be required. Essential eligibility selection criteria will be used to ensure investments are additional and meet appropriate quality standards.

The Farm Modernisation Programme will be delivered by an external body selected through a competitive process. Costs incurred by the external bodies in relation to administration and management of the scheme will be supported under Technical Assistance.

All payments to beneficiaries will be issued by DARD. The DARD payments database system will be used to ensure that operations supported under this measure are not supported by other instruments.

Short Rotation Coppice (SRC) programme:

Support will be targeted at:

* The establishment of wood-based SRC crops

#### Definition of the type of beneficiaries

* Farm businesses

#### Designation of the newly introduced Community Standards (and of existing standards in the case of young farmers receiving setting up support) for which support may be granted, justification related to specific problems involved in complying with these standards and duration and justification of the grace period per standard concerned

Not applicable

#### Type of support. In case of using interest rate subsidies as well as of financial engineering systems, the arrangements in accordance with Articles 49 to 52 of the Implementing regulation. In case of advanced payments, description of the arrangements required by article 56 of the implementing rules (rate of advance, guarantee covering advances, conditions for releasing the guarantee)

Support will be provided through grant aid. No advance payments will be available. The Measure will not provide support through interest rate subsidies.

#### Aid intensities

Farm modernisation

|  |  |
| --- | --- |
| **Activity** | **Level of support** |
|  |  |
| Investment in LFA areas | Up to 50% of eligible investment (or up to 60% for young farmers) |
| Investment in other areas | Up to 40% of eligible investment (or up to 50% for young farmers) |
|  | Maximum grant available under the Farm Modernisation measure:   * Investment in advanced slurry and manure spreading equipment– maximum £10,000 * Other eligible investments - maximum £10,000 |

Short Rotation Coppice

|  |  |
| --- | --- |
| **Activity** | **Level of support** |
| Investment in LFA areas | Up to 50% of eligible investment (or up to 60% for young farmers) |
| Investment in other areas | Up to 40% of eligible investment (or up to 50% for young farmers) |

#### Financing

Total cost €30,601,390

Public Expenditure €19,125,869

#### Transition Arrangements

There are no ongoing operations or contracts from the 2000-2006 period.

#### Coherence with first pillar

The baseline for aid will be the minimum standards required for cross-compliance under CAP Pillar 1.

Under this measure DARD is not seeking an exemption from the general demarcation principle provided for in Article 5(6) of Regulation 1698/2005. Producer organisations recognised under Regulation 2200/1196 will not be granted access to this rural development measure.

The Farm Modernisation measure will complement the DARD Farm Nutrient Management Scheme but a beneficiary will receive support for a given operation only under one scheme.

#### Quantified targets for EU Indicators

Farm modernisation programme:

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Output | Number of farm holdings that received investment support:   * Gender * Legal status * Age category * Type of investments (FADN) * Type of agricultural branch   Total volume of investment:   * Type of investment (FADN) * Type of agricultural branch | 6709  €63.4m |
| Result | Number of holdings introducing new products and/or techniques:   * Type of redeployment of production | Not applicable |
|  | Increase in gross value added in supported enterprises | 3,998 |
| Impact | Economic growth | 2% increase |
|  | Labour productivity | 2% increase |

Short Rotation Coppice programme:

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Output | Number of beneficiaries receiving investment support:   * Age category * Type of scheme * Area of land * Type of land * Species planted   Total volume of investment:   * Type of investment | 45  €1.3m |
| Result | Increase in gross value added in supported enterprises | Not applicable |
| Impact | Net additional value expressed in PPS | Not applicable |
|  | Change in the gross value added per full time equivalent | Not applicable |

#### Additional programme-specific indicators and quantified targets

##### Farm modernisation programme

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Result |  |  |
|  | Number of farm businesses adopting new plant, machinery and equipment to introduce new IT systems; improved animal welfare investments; increased hygiene control or product storage standards; systems to enhance business efficiency; enhanced environmental systems; or improved energy efficiency systems | 6461 |
| Impact | Number of participants indicating the Measure had a financially positive effect on their farm business | 5170 |

Short Rotation Coppice programme:

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Result | Number of farm holdings receiving investment support that have participated in schemes funded under NIRDP Measure 1.1 | Not applicable |
|  | Areas under successful management contributing to:   * Northern Ireland Renewable Energy Obligations | 500 ha |
| Impact | Number of participants indicating the Measure had a financially positive effect on their farm business | 23 |

#### Measure 1.4: Supply Chain Development Programme

#### Measure Code: 124

#### Articles 20(b)(iv) and 29 of Regulation (EC) No 1698/2005

#### Article 20 and point 5.3.1.2.4 of Annex II of Regulation (EC) No 1974/2006

#### Rationale for intervention

The need for increased co-operation in the Northern Ireland agri-food industry is well established in both of the Department’s Vision[[43]](#footnote-43) and Fit for Market[[44]](#footnote-44) strategies. In addition, recent reform of the Common Agriculture Policy (CAP), EU enlargement and developments in World Trade Organisation negotiations has compounded the need for change. Moreover with the continued backdrop of low prices for farm produce and falling agricultural incomes, improved co-operation is recognised as a key means of increasing economic returns in rural areas. Co-operation is also likely to be a feature of any successful attempts to introduce energy crops as a viable alternative to food production on many farms and could be crucial in meeting renewable energy targets.

A key ingredient in the improvement of co-operation is increased communication and integration between supply chain partners. While previous EU supported programmes have focused on improving the marketing of agricultural products, there remains a need to nurture a collaborative ethos between primary producers and with processors/end users. Creating an effective culture of collaboration and integration with stakeholders will add considerable value to the supply chain.

Collaboration has never been a cornerstone of NI agriculture and more specifically agricultural marketing. Any move to bring this about, no matter how obviously beneficial it may seem, is inevitably faced with some scepticism at best. Despite producers often being willing in principle to collaborate together and work closely with processors, a major cultural shift needs to take place to permit progress.

Schemes under previous Structural Funds programmes to support processing and marketing of agricultural products have experienced difficulty in attracting the target audience most in need i.e. primary producers collaborating to improve the marketing of their produce. In the main, direct beneficiaries have been processors and packers with well established administrative systems and support and more control over resources, whereas producers are not maximising the benefits under such schemes.

The support proposed under this Measure would help move “embryonic” supply chain partnerships to a stage where they are confident to adopt a new supply chain process leading to greater tangible and intangible benefits. It would increase the capacity of producers to take costs out of the supply chain, improve marketing capability and ensure future sustainability. This Measure will complement the Agricultural and Forestry Marketing Development Grant Scheme being proposed under Measure 1.2.

This measure will also cover benchmarking. Benchmarking is a business tool that allows farmers to review the strengths and weaknesses of their business and compare against counterparts in the same business area. The scheme will ensure the accurate collection and collation of farm business data, which will enable effective benchmarking of Northern Ireland’s agricultural and horticultural sectors. Benchmarking has proven potential to improve business competitiveness and sustainability.

#### Objective of the measure

* To increase the number of successful new collaborative initiatives in the agri-food and forestry sectors which will lead to more effective and sustainable supply chains.
* The comparison of farm and horticulture businesses in Northern Ireland through the provision of a benchmarking scheme.

#### Scope and actions

Support under this Measure will facilitate collaboration in the supply chain and promote the development of new supply chain partnerships. It will be provided to producers working together or along with a processor/ end user to establish a new and more effective supply chain process/ relationship. Support will also be given to producers in order to benchmark their businesses within their sector.

The Measure will be delivered by an external body selected through a competitive process. Costs incurred by the external bodies in relation to administration and management of the scheme will be supported under Technical Assistance.

#### Definition of sectors covered

The Measure will cover the following input sectors: red meat, pig meat, poultry meat, eggs, milk and milk products, potatoes, cereals, horticulture (including flowers, fruit and vegetables), renewable energy and forestry (including short rotation coppice).

#### Definition of the types of partners involved in the co-operation projects

Primary producers in the agri-food and forestry sectors co-operating with each other and with partners further along their respective supply chains, for example processors, retailers and other end users.

#### Definition of any distinction between co-operation projects in the fields of new products/new processes/new technologies

Not applicable

#### Types of eligible costs

Support will include:

* Facilitation/ Mentoring – provision of a facilitator and/or mentor
* Use of business tools such as benchmarking, lean manufacturing or value chain analysis by all or some of the group members
* Co-operation support to cover costs of cooperation such as those incurred for legal/ professional/ expert services and advice.

Groups could receive support from this programme for a maximum of 2 years. It is proposed that the support be provided at up to 100% of costs incurred.

Support is specifically designed to assist farmers and growers in developing a collaborative, supply chain-focussed initiative. Support will not be provided for the establishment of producer groups generally or for other forms of group activity. In particular, applicants to this programme will not be supported under Article 69 of Regulation (EC) No 1782/2003. Administrative checks will be incorporated into the application process to screen for any potential funding overlap.

#### Support will be limited to preparatory operations such as design, product, process or technology development and tests and other tangible and/or intangible investments related to the cooperation before the use of the newly developed products, processes and technologies for commercial purposes.

#### Rate of Support

Successful groups can receive support worth a maximum of £35,000 under the following categories:

|  |  |
| --- | --- |
| **Activity** | **Level of support** |
| Facilitation/Mentoring | Up to a maximum of 50 days facilitation/mentoring within the following limits:  Facilitation – Up to a maximum of 5 day per month  Mentoring – Up to a maximum of 10 days per year |
| Benchmarking data collection | Up to 100% of costs |
| Other Business Tools | Up to 100% of costs (excluding travel & subsistence) to a maximum of £5,000 |
| Co-operation support | 50% grant up to £2,500 |

#### Type of support. In case of using interest rate subsidies as well as of financial engineering systems, the arrangements in accordance with Articles 49 to 52 of the Implementing regulation. In case of advanced payments, description of the arrangements required by article 56 of the implementing rules (rate of advance, guarantee covering advances, conditions for releasing the guarantee)

Support will be provided through grant aid. No advance payments will be available. The Measure will not provide support through interest rate subsidies.

#### Financing

Total cost €1,890,052

Public expenditure €1,828,052

#### Quantified target for indicators

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Output | Number of cooperation initiatives supported:   * Sector * Type of co-operation initiative | 60 |
| Result | Number of enterprises introducing new products and/or techniques:   * Type of redeployment of production | 20 (techniques)\* |
|  | Increase in gross value added in supported enterprises | 600,470 |
| Impact | Economic growth | 2% |
|  | Labour productivity | 2% |

\*Technique in this instance refers to changes in the supply chain process i.e. expecting 20 new functional supply chain initiatives to emerge.

#### Additional programme-specific indicators and quantified targets

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Output | No. of businesses participating in data collection | 1800 |
| Result | Number of groups producing an action plan | 45 |
|  | Number of groups submitting applications to NIRDP Measure 1.2 following support under this measure | 25 |
|  | Number of farm businesses that successfully completed benchmarking | 1500 |

#### Measure 2.1: Less Favoured Areas Compensatory Allowances Scheme

#### Article 36(a)(ii) of Council Regulation (EC) No 1698/2005 and Council Regulation (EC) No 1257/1999 Articles 13(a), 14(1) and the first two indents of Article 14(2), Articles 15, 17 to 20, 51(3) and 55(4) and the part of Annex 1 which specifies amounts under Articles 14(1) and 15(3) and which remain applicable until 31 December 2009

#### Measure Code: 212

#### Rationale

The Less Favoured Areas Compensatory Allowances Scheme (LFACAS) is a compensation measure to support those who farm in naturally less favoured areas in Northern Ireland. It is a continuation of the scheme co-financed under Council Regulation (EC) No 1257/1999 through the Rural Development Regulation Plan (Accompanying Measures) for Northern Ireland 2000-2006.

Compared with those in lowland areas, farmers in Less Favoured Areas (LFA) usually face significant handicaps deriving from factors such as remoteness, difficult topography and poor soil conditions. In these conditions, sheep and/or suckler cow production are among the few farming enterprises that can be sustained. Thus these farmers tend to have fewer farming alternatives. LFA farmers also tend to have lower farm productivity and, often, higher unit production costs than farmers in lowland areas.

Without financial support, LFA farmers would experience lower returns from farming, leading to economic hardship and a significant threat to the future viability of these farming communities.

There is also a substantial body of evidence to support the view that cattle-based or mixed grazing systems in Less Favoured Areas should be maintained to achieve maximum levels of biodiversity. Controlled grazing by cattle helps maintain biodiversity and the ecological stability of upland pastures.

Given the particular socio-economic and environmental contribution that cattle-based and mixed farming makes in NI’s disadvantaged rural areas, there are concerns that, without intervention, cattle production will fall significantly as a result of the decoupling of subsidy payments.

Support under this scheme will contribute to:

* Ensuring continued agricultural land use and, thereby, contributing to the maintenance of a viable rural society
* Maintaining the countryside
* Maintaining and promoting sustainable farming systems which in particular take account of environmental protection requirements.

The LFACAS will be subjected to a full review in 2006/2007, the outcome of which will feed into the Commission’s review of LFAs in 2009.

#### Objective

* To improve the environment and the countryside by supporting land management

#### Type of support

The Scheme will provide support for farmers in Less Favoured Areas (LFAs) to compensate for additional costs and income foregone related to maintaining agricultural production in such areas.

The Scheme will operate on an annual basis and, to qualify for compensation, farmers must:

* undertake to adhere to environmental protection requirements consistent with their statutory obligations;
* undertake to farm in the LFA for five years from the first payment of a compensatory allowance;
* adhere to the requirements of Council Regulation (EC) No 1782/2003 on cross-compliance;
* farm 3hectares or more of LFA land; and
* maintain suckler-cow beef herds or sheep breeding flocks on their eligible land at a stocking density of at least 0.2 LU/hectare.

#### Level of support

Aid will be differentiated to reflect the differing levels of severity of permanent handicap experienced within the LFAs. LFA land is sub-divided into three land classification categories as follows:

* Common land
* Other Severely Disadvantaged Area (SDA) land
* Disadvantaged Areas land (DA)

Levels of payment will be based on eligible forage area declared in the Department’s Integrated Administration and Control System (IACS). Payment rates will be set on an annual basis and will remain between the minimum and maximum levels permitted by Article 37(3) of Council Regulation (EC) No 1698/2005.

Minimum rates of grant will be as follows:

|  |  |
| --- | --- |
| Land classification | Minimum grant rates |
| Common land | £20 per hectare or the equivalent of €25 per hectare, whichever is the greater |
| Severely Disadvantaged Area (SDA) | £40 per hectare |
| Disadvantaged Area (DA) | £20 per hectare or the equivalent of €25 per hectare, which ever is the greater |

This support will be enhanced for producers who have 25% or more of their eligible livestock units as suckler cows or heifers. Such producers will have their basic compensatory allowance payment increased by 25%. This will be determined annually from the data used to confirm that the ongoing minimum stocking density requirement is met. While this additional financing is tied into headage, the environmental benefits to be gained from such support outweigh the arguments for complete decoupling. This element of support will be provided from National funding and a supplementary information sheet on aid is at Annex 5.

#### Justification for Additional National financing

The enhanced payment is designed to recognise the particular socio-economic and environmental contribution of cattle-based and mixed farming enterprises to Northern Ireland’s disadvantaged rural areas.

**Socio-economic considerations:**

Beef production is the mainstay of farming activity in the LFA in Northern Ireland and is well suited to the majority of the available land. Out of 14,500 farms in the LFA, 7,500 are engaged solely in suckler cow production, while a further 2,500 are predominantly engaged in this sector. Some 2,800 producers keep only sheep, with a further 1,500 being predominantly in sheep production. A major concern is that cattle production will fall significantly as a result of the decoupling of subsidy payments, both within the LFA support arrangements and the general subsidy regime following CAP reform.

This view is supported by the economic modelling which was undertaken to inform the NI decision on decoupling under CAP reform. Those estimates suggest that beef cow numbers in NI would fall by about 30% from 2004 to 2011 (around 20% being attributable to the impact of decoupling). In contrast, the estimate is that over the same period, sheep numbers would fall by only about 8% (this being the net effect of an estimated 2% recovery, offset by a reduction of around 10% in response to decoupling). Such a major shift is a matter of concern in terms of the implications for businesses and communities in the LFA and for current habitats.

Recent trends in beef and sheep numbers have shown a fall in both sectors, but with a greater fall in sheep. However, it is considered that this reflects a response by the industry to the significant reduction in the value of the sheep premium between 1998 (£15.99 plus LFA supplement of £4.72) and 2001 (£5.62 plus LFA supplement of £4.11). It has since received a major uplift and this has been consolidated in the historic entitlements under CAP reform. While the payment is no longer to be linked to animal numbers, its general level helps to underwrite the overall viability of marginal enterprises which might otherwise scale down or opt out and thereby tends to maintain existing sheep production indirectly.

There is further support for the imbalance in support for beef and sheep in the DTZ-PIEDA mid-term review of the scheme, conducted for the European Commission. This report includes estimates of the contribution of LFA support to compensating for the lower business margin per hectare in the LFA compared with lowland production. While the methodology used is somewhat rough and ready, it does indicate that the LFA support compensates suckler producers to a lesser extent than sheep producers for the natural disadvantages they face. For 2002, the percentage by which the premium compensates for the lower business margin is estimated at 7% in Disadvantaged Area (DA) suckler enterprises and 9% in Severely Disadvantaged Area (SDA) suckler enterprises, compared with 53% in DA sheep enterprises and 14% in SDA sheep enterprises.

**Environmental considerations:**

There is a substantial body of scientific evidence to support the view that cattle-based or mixed grazing systems in the LFA should be maintained to achieve maximum levels of biodiversity. A considerable amount of research has been devoted to studies of the impact of grazing animals on upland vegetation (e.g. Ball et al 1982, Murray 1985, Frame, J., 1980, 1985). While most of this work has been carried out in Scotland and Wales, studies specific to Northern Ireland (e.g. McAdam 1983, 1987, 1995) have led to the same conclusions. In all studies it has been clearly shown that a level of controlled grazing by cattle helps maintain biodiversity and ecological stability of upland pastures. In the absence of cattle it has been found that:

A dense mat of sward forms which prevents growth of more sensitive plant species through competition for light and nutrients.

Scrub (e.g. whins, bramble) ingression can prevent access and regeneration and allows the invasion of aggressive species such as bracken.

A rank mat of ungrazed herbage causes build up of soil acidity (thus reducing the range of plants which can grow) and restricts the range and species numbers of ground-dwelling invertebrates and nesting birds.

In Northern Ireland, McAdam (1983) found that land on hill farms had typically only 20% of the potential of lowland pastures to support stock and that more diverse hill pastures were associated with grazing which included cattle. Cattle grazing in particular can prevent the build up of aggressive and invasive species such as bracken. There is clear evidence for this from agri-environment monitoring in the Slieve Gullion Environmentally Sensitive Area where bracken has increased considerably as suckler cow numbers decreased. Moderate trampling by cattle also creates gaps and bare soil patches in vegetation, which allows seeds of a diverse range of plants to germinate. While there is the potential for cattle to damage sensitive habitats such as wet heath, blanket bog and species-rich wet grasslands, this can be monitored and controlled through the annual inspection regime as part of the assessment for compliance with the requirements of Cross Compliance.

These arguments for the environmental benefits of cattle production are applicable to the majority of habitats in the NI LFA, regardless of whether or not sheep are also present. From the environmental perspective, there are therefore strong arguments for supporting exclusively cattle-based regimes as well as mixed enterprises in most locations, particularly as the stocking density of cattle enterprises in the LFA in NI are little different to that of sheep enterprises.

**Conclusion:**

Taking all this evidence together, it is considered that there are strong socio-economic and environmental arguments for providing added support to the beef sector in the NI LFA, in accordance with the stated objectives of the LFA Measure, and that is what this modification seeks to achieve. The adoption of a minimum requirement for cattle at 25% of livestock units is intended to ensure that the enhancement is focused on those enterprises where cattle make a significant contribution to the business; otherwise the opportunity may be created for producers to adopt a token presence of cattle to secure enhanced support.

# Implications for the Financing and Verification of Commitments

This has no implications for the financing and verification of commitments. The enhancement will be funded by redistribution within the total budget, made possible by reducing the basic payment rates.

The risk analysis used in determining the selection of farms for physical inspections will be weighted towards those farms on which the proportion of cattle is on or just above the 25% qualifying threshold. The annual inspection regime will be reviewed to ensure that it is sufficiently robust to prevent and detect environmental problems.

#### Evidence of relative disadvantage between LFA and non-LFA farms in Northern Ireland

The data on farm incomes presented in Table 1 below are drawn from accounting information collected for the Farm Business Survey (FBS) in Northern Ireland, a representative sample of farm businesses and part of the FADN data collection network in the UK.

LFA subsidies are paid in the main to farms with herds of beef cows, beef heifers and flocks of breeding ewes. To assess the level of handicap on these farms in comparison to similar farms outside the LFA, Cattle and Sheep farms from the FBS sample (i.e. farms that do not qualify as Dairy farms under Comm. 85/377/EEC but have more than two thirds of total Standard Gross Margin (SGM) from cattle and sheep) were selected and divided into two groups – those located mainly in the LFA and those located mainly outside the LFA.

The analysis is for farms of 4 ESU or greater. Farms of all types above this size threshold account for 97 per cent of total SGM and 94 per cent of total Livestock Units in Northern Ireland. As data on fewer than 20 Non-LFA Cattle and Sheep farms are available from the FBS sample, it is not possible to compute statistically robust results for subsets disaggregated by size strata.

Subsidies common to farms in both the LFA and non-LFA are included in the analysis: to do otherwise would produce negative income for both LFA and Non-LFA farms and distort comparative analysis. However, subsidy paid to compensate for hardship specific to farming in the LFA, in the form of Less Favoured Area Compensatory Allowance, is excluded from the income calculation. In this case, including the payment would have masked the disadvantage that is being measured. Some farms mainly located in the non-LFA, nonetheless, receive LFACA payments for that part of the holding in the LFA and this is detailed in Table 1.

Income is expressed per hectare of Utilised Agriculture Area, based on the average area of farms in the LFA and Non-LFA samples. The average UAA varies year on year because of changes in the composition of the FBS sample and in the area farmed by individual businesses.

Table 1. Farm Income Comparison for Cattle and Sheep Farms in the LFA and Non-LFA, Northern Ireland, 2001/02-2007/081,2

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Year 2001/02** | | **Year 2002/03** | | **Year 2003/04** | | | **Year 2004/05** | | | **Year 2005/06** | | **Year 2006/07** | | **Year 2007/08** | |
|  | Non-LFA | LFA | Non-LFA | LFA | | Non-LFA | LFA | | Non-LFA | LFA | Non-LFA | LFA | Non-LFA | LFA | Non-LFA | LFA |
| No of Farms | 16 | 113 | 16 | 109 | | 17 | 112 | | 16 | 117 | 16 | 116 | 21 | 123 | 24 | 118 |
| Family Farm Income (£) | 8,648 | 7,837 | 5,428 | 7,503 | | 6,560 | 7,638 | | 9,075 | 9,978 | 8,145 | 11,907 | 10,638 | 12,417 | 15,046 | 13,566 |
| LFACA (£) | 376 | 3,494 | 418 | 3,617 | | 344 | 3,331 | | 235 | 3,318 | 134 | 3,353 | 47 | 3,475 | 131 | 3,522 |
| FFI less LFACA (£) | 8,272 | 4,343 | 5,010 | 3,886 | | 6,216 | 4,307 | | 8,840 | 6,660 | 8,011 | 8,554 | 10,591 | 8,942 | 14,915 | 10,044 |
| UAA | 66.1 | 85.1 | 69.9 | 88.9 | | 67.2 | 90.6 | | 66.9 | 87.5 | 51.3 | 88.4 | 54.8 | 88.5 | 57.9 | 89.1 |
| Income per ha UAA (£) | 125.14 | 51.03 | 71.67 | 43.71 | | 92.50 | 47.54 | | 132.14 | 76.11 | 156.16 | 96.76 | 193.27 | 101.04 | 257.60 | 112.73 |

Note: 1. Northern Ireland Farm Business Survey

2..Farm size 4 ESU+

The data in Table 1 shows that Income per ha UAA (excluding LFACA) is significantly and persistently lower on LFA Cattle and Sheep farms compared with Non-LFA Cattle and Sheep farms. The average income per ha for LFA farms over the period 20001/02 to 2005/06 was £63 while that for Non-LFA farms was £116 – a difference of £53 / ha UAA. Over the period, the average LFACA payment per ha of UAA for LFA farms was £39 representing only 62 per cent of the difference in average income levels.

The LFA in Northern Ireland is divided into two categories. The Severely Disadvantaged Area (SDA) suffers the greater agricultural hardship, while the Disadvantaged Area (DA) faces relatively less harsh conditions. A comparative analysis of the data in Table 1 for Cattle and Sheep farms in the SDA and DA showed that FFI per ha (excluding LFACA payments) was lower on the SDA farms by an average of £102 per ha per year over the period 2001/02 to 2005/06.

#### Target Group

Farmers in Less Favoured Areas who use their land to maintain breeding herds of beef cattle, sheep, deer and goats.

#### Target Area

The Scheme will apply to all the Less Favoured Areas in Northern Ireland, as listed in Council Directive 84/169/EEC[[45]](#footnote-45) (supplemented by Commission Decision 91/25/EEC[[46]](#footnote-46)).

This designation of Less Favoured Areas in Northern Ireland is due to be reviewed in 2010.

#### Quantified targets for EU Indicators

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Output | Number of supported holdings in areas with handicaps:   * + Type of handicap | 13,800 per annum |
|  | Agricultural land area supported:   * + Type of area   + Type of handicap | 510,000 ha per annum |
| Results | Area under successful agricultural land management contributing to:   * Improvement in biodiversity * Improvement in water quality * Mitigating climate change * Improvement in soil quality * Avoidance of marginalisation and land abandonment | 459,000 ha (avoidance of marginalisation and land abandonment) |
| Impact | Reversing biodiversity decline | +2% |
|  | Maintenance of high nature value farming and forestry areas | +2% |

#### Additional programme-specific indicators and quantified targets

None proposed

#### Ongoing operations/contracts from 2000-2006 period

The LFACAS is a continuation of a scheme co-financed under Council Regulation (EC) No 1257/1999 through the Rural Development Regulation Plan (Accompanying Measures) for Northern Ireland 2000-2006. No major amendments have been made to the scheme under this Programme.

#### Measure 2.2A: Agri-Environment Programme

#### Articles 36(a)(iv) and 39 of Regulation (EC) No 1698/2005

#### Article 27 and point 5.3.2.1.4 of Annex II Regulation (EC) No 1974/2006

#### Measure Code: 214

This measure is linked to Measure 216 (Agri-investment non-productive investments) and Measure 323 (capital investment for restoration of traditional and heritage features as part of the agri-environment programme). Operations under Measure 214 and Measure 216 are delivered in an integrated manner. The expenditure on Measure 216 operations is attributed to the Measure 214 budget, as Measure 214 is the dominant measure,

#### Rationale for intervention

General

By 2006, roughly one third of Northern Ireland farmland (approximately 330,000 hectares) was under agri-environment scheme agreement. The agri-environment programme in Northern Ireland has led to a reduction of overgrazing, retention of some threatened grassland habitat species, an overall increase in farm woodland habitats and the retention and improvement of heathland and upland habitats.

Nevertheless, prevailing trends towards fewer, larger and more intensive farm enterprises continue to pose a threat to priority species and habitats. Reduction in habitat and biodiversity is most marked in the intensively farmed lowland areas where businesses are based on improved grassland. Agriculture continues to be the main source of nitrate and phosphorous pollution of lakes and river systems, while the organic farming sector remains small in comparison with the UK and other EU member states.

Water quality

In 2005, only 23.5% of Northern Ireland river length was considered to be of ‘good’ biological quality. The Water Framework Directive (WFD) will be the principal driver of water quality improvement during the 2007-2013 period. Agriculture is Northern Ireland’s major contributor to diffuse pollution and, consequently, there is a need to deliver water quality measures through agri-environment operations which assist in the delivery of WFD objectives, and which exceed and complement the statutory requirements of the Nitrates Directive and Phosphorous Regulations.

Organic farming

The percentage of farmland under organic management in Northern Ireland is very small in comparison to that in Great Britain, Ireland and other parts of Europe. In 2005, only 0.9% of Northern Ireland farmland was under organic management, compared to 3.6% of farmland in the United Kingdom as a whole. Continued support is considered necessary to secure longer-term sustainability of this under-developed production method in Northern Ireland, and to secure the environmental and biodiversity benefits associated with organic management.

Climate change

The climate of Northern Ireland is already changing. Air temperature is rising and the number of hot days is increasing, the proportion of rainfall in summer is decreasing, while winters are slightly wetter (EHS, 2004). These changes are expected to accelerate over the coming century. Average temperature may rise by 3°C or more, summer rainfall may decrease by up to 50% while winters may be 25% wetter[[47]](#footnote-47) Furthermore, relative sea level may begin to rise.

Although there are ongoing efforts to mitigate climate change, principally by reducing emissions, at least some climate change is now inevitable. Adaptation to climate change – reducing risks and realising opportunities – is therefore required.

The main impacts of climate change in Northern Ireland may be summarised in terms of threats to biodiversity and habitats such as changes in the distribution and species composition of habitats in response to warmer winters, an increase in range of invasive non-native species in response to warmer temperatures, a loss of coastal grazing marsh, and threats to inter-tidal habitats, salt marshes and mudflats through flooding and erosion.

Specific threats to agriculture in Northern Ireland include field drainage issues in wetter weather, potential impacts on crop yields, and potential impacts on animal health.[[48]](#footnote-48)

Biodiversity & the Natura 2000 network

Some 1.2% of Northern Ireland’s Utilisable Agricultural Area (UAA) is currently designated as part of the Natura 2000 network. These sites, designated to implement Directives 79/409/EEC and 92/43/EEC, occupy some 116,968 hectares (approximately 72,500 ha of which is lake or marine habitat).

Some 53,350 hectares of Natura 2000 land is currently managed in agri-environment agreements under Council Regulation (EC) 1257/1999, through the Rural Development Regulation Plan (Accompanying Measures) for Northern Ireland 2000-2006.

Other designated sites are subject to management agreement under the nationally-funded Management of Sensitive Sites (MOSS) scheme delivered by the Department of the Environment (DOE).

Special Areas of Conservation in Northern Ireland

* Aughnadarragh
* Ballykilbeg
* Ballynahone Bog
* Banagher Glen
* Bann Estuary
* Binevenagh
* Black Bog
* Breen Wood
* Carn/Glenshane Pass
* Cladagh (Swanlinbar) River
* Cranny Bogs
* Cuilcagh Mountain
* Curran Bog
* Dead Island Bog
* Deroran Bog
* Derryleckagh
* Eastern Mournes
* Fairy Water Bogs
* Fardrum and Roosky Turlough
* Garron Plateau
* Garry Bog
* Hollymount
* Largalinny
* Lecale Fens
* Lough Melvin
* Magheraveely
* Magilligan
* Main Valley Bogs
* Monawilkin
* Moneygal Bog
* Moninea Bog
* Montiaghs Moss
* Murlough
* North Antrim Coast
* Owenkillew River
* Peatlands Park
* Pettigoe Plateau
* Rathlin Island
* Rea’s Wood & Farr’s Bay
* River Foyle and Tributaries
* River Roe and Tributaries
* Rostrevor Wood
* Slieve Beagh
* Slieve Gullion
* Strangford Lough
* Teal Lough
* Tonnag Beg Bog
* Tully Bog
* Turmennan
* Upper Ballinderry River
* Upper Lough Erne
* West Fermanagh Scarplands
* Wolf Island Bog

Special Protection Areas in Northern Ireland

* Belfast Lough
* Carlingford Lough
* Larne Lough
* Lough Foyle
* Lough Neagh
* Pettigoe
* Rathlin
* Sheep Island
* Strangford Lough
* Swan Island
* Upper Lough Erne

Resource limitations place constraints on the ability of MOSS agreements to cover all sites. Therefore farmers and other land managers with holdings which form part of the Natura 2000 network will be encouraged to bring such sites under agri-environment agreement where the sites are in favourable condition. Sites in ‘unfavourable recovering’ or ‘unfavourable’ condition may enter agri-environment agreements within an agreed recovery plan developed and monitored by DOE Environment and Heritage Service. Such sites may require intervention by DOE EHS prior to entry to agri-environment agreement in order to create the conditions necessary for future achievement of ‘favourable’ condition.

#### Objectives of the measure

* To support sustainable development of rural areas and to respond to society’s increasing demand for environmental services;
* To introduce or to continue to apply agricultural production methods compatible with the protection and improvement of the environment, the landscape and its features, natural resources, the soil and genetic diversity; and
* To encourage and support agricultural production methods which protect and improve the quality of rivers and lakes, and contribute to the mitigation of and adaptation to the impact of climate change.

#### Scope and actions

This Measure will comprise two schemes:

(a) Northern Ireland Countryside Management Scheme (NICMS)

The Northern Ireland Countryside Management Scheme will operate on a ‘whole farm’ basis. Participants who enter into voluntary seven year commitments will receive financial support for the environmentally sensitive management of all their land as well as the management or creation of habitats or features on the farm.

The scheme may also offer assistance towards non-productive investments (which fall within the remit of Measure 216) and capital enhancement items for restoration of traditional and heritage features (Measure 323).

Details of Measure 216 can be found on Pages 210 - 216, while details of Measure 323 funding can be found on Pages 278 - 284.

**Annex 4, Appendix A** details the specific management prescriptions which must be applied on any priority habitats and features, as well as additional habitat enhancement options which may also form part of an agreement.

(b) The Organic Farming Scheme (OFS)

The Organic Farming Scheme will provide financial support during conversion of land from conventional to organic management. It will not offer support in relation to land already fully converted to organic management. It is a requirement of the scheme that any grassland should be grazed primarily by organic livestock or animals undergoing conversion to organic status. Participants are required to adhere to environmental and animal welfare conditions that are more rigorous than those applying to non-organic farmers.

#### Description and justification of the different types of commitments, based on their expected environmental impact in relation to environmental needs and priorities

Expected environmental impacts

The agri-environment programme for 2007-2013 will address biodiversity and water quality objectives in line with priorities established in the Northern Ireland Biodiversity Strategy and the Water Framework Directive. It will also develop actions for the mitigation of, and adaptation to, the impacts of climate change.

The majority of the options offered to agri-environment scheme participants contribute either to a reduction of direct greenhouse gas (GHG) emissions from agriculture, to a reduction in agriculture’s reliance on inputs, or to increasing scope for adaptation.

Support for field boundary management and restoration will create biodiversity corridors to strengthen the ability of priority species to respond to changing climate. Support for riverbank and farm waterways enhancement actions will help farmers and land managers respond to predicted changes in rainfall and soil erosion. Support for wetland habitats will also help adaptation by managing flood situations.

Support for farm woodland management will protect native species and defend against the encroachment of invasive species. Capital grants element (non-remunerative investments) will also support the ability of farms to adapt to climate change impacts.

Research evidence also suggests that land under organic management receives significantly lower inputs of inorganic Nitrogen (N) than conventional systems, amounting to a 16-25% net reduction compared to conventional extensively managed farms, or to a reduction of 60% or more total GHG compared to a high N use intensive farm. As manufactured inorganic N constitutes the driver for both methane emissions (via higher stocking densities) and other N sources, both of which are major contributors to climate change, organic management should represent a significant reduction in greenhouse gas emissions.

Restrictions on inputs will also address issues with ammonia and phosphorous levels, and will thus complement and enhance the positive impact of the Nitrates Directive Action Plan and the Nitrates and Phosphorous Regulations.

The agri-environment programme for 2007-2013 will also encourage a landscape-scale approach to the environmental improvement of Northern Ireland’s countryside. It will provide the framework for the management of existing habitat areas whilst enhancing biodiversity, waterway management, landscape and heritage features, and activities to reduce the impact of climate change. To help achieve this, agri-environment schemes in 2007-2013 will identify regional and local priorities and encourage collaborative approaches.

#### Types of commitments

**(a) Northern Ireland Countryside Management Scheme (NICMS)**

The main aims of this agri-environment scheme are:

* To enhance biodiversity in line with the Northern Ireland Biodiversity Strategy by maintaining species diversity through the positive management of wildlife habitats
* To assist implementation of the Water Framework Directive and contribute to the protection and enhancement of Natura 2000 sites
* To contribute to the reduction of the effect of climate change through carbon sequestration and reduction of gaseous emissions

Eligibility criteria

The Northern Ireland Countryside Management Scheme is open to all farmers and agricultural land managers with at least 3 hectares of land in agricultural use. All eligible land on the farm must be brought into agreement.

Applications will be invited by the Department on an annual basis.

Agreements will last for seven years and may be revised with the consent of the Department during that period.

Payments cover only those commitments going beyond the relevant mandatory standards established pursuant to Articles 4 and 5 of and Annexes III and IV to Regulation (EC) No 1782/2003, as well as minimum requirements for fertilizer and plant protection product use and other relevant mandatory requirements established by national legislation. Therefore, participants must maintain all land on the farm in Good Agricultural and Environmental Condition (GAEC). In particular and where appropriate, stocking levels on livestock enterprises must be sufficient to prevent undergrazing.

Minimum requirements forfertilizer and plant protection product use and other relevant mandatory requirements established by national legislation are set out in ***Table 2*** below.

**Annex 4, Appendix C** sets out the relevant mandatory standards established pursuant to Articles 4 and 5 of and Annexes III and IV to Regulation (EC) No 1782/2003 (the cross-compliance and GAEC baselines). These baselines and other relevant mandatory requirements will be clearly set out in the scheme documentation made available to applicants. They are also summarised under ‘Mandatory Environmental Requirements’ below.

Observing these baselines is a condition of scheme membership.

Livestock enterprises operating under any derogation from the Nitrates Directive may be eligible for support, provided all other eligibility conditions can be met. Such enterprises will be obliged to meet all other mandatory requirements over the whole farm and to undertake the management of at least a specified minimum area of Priority habitat or Habitat enhancement options.

Methods for the selection of beneficiaries

Beneficiaries will be selected through a process of voluntary application. Applications will be invited during a limited annual period and may be selected on the basis of a scored environmental audit of the farm, applying criteria of environmental benefit.

The proposed ranking and selection criteria are currently the subject of a consultation exercise. However, the criteria will include prioritisation of designated sites (e.g. Natura 2000, Environmentally Sensitive Areas), priority habitats and sensitive water habitats).

The use of ranking and selection criteria where necessary will ensure that expenditure is targeted to achieve the greatest environmental benefit.

Management requirements

Detailed NICMS management requirements, with their biodiversity, climate change and water quality objectives are set out in **Annex 4, Appendix A**. A summary of these is set out below.

***1. Mandatory Environmental Requirements***

Applicants must

* observe ‘cross-compliance’ (GAEC and the 17 Statutory Management Requirements)
* retain and not damage any habitat, landscape or heritage feature
* keep all parts of the farm and farmyard(s) free from rubbish and litter

Applicants must not

* cultivate or surface seed any land other than land classified as ‘improved[[49]](#footnote-49)’
* apply herbicide or pesticide on any land other than ‘improved’ or ‘semi-improved’ land (except herbicide by spot treatment or weed wiper on noxious weeds)
* apply lime to any land other than ‘improved’ or ‘semi-improved grassland’
* permit severe damage to land by poaching or repeated vehicular access
* carry out any activity on your farm likely to detract significantly from the landscape quality and character.

***2. Whole farm payment***

To receive the Whole Farm Payment, applicants must

* agree and implement a Farm Waste Management Plan for the whole farm
* retain and proactively manage all field boundaries on the farm
* achieve an ‘additional environmental benefit’ within the agreement by attaining a minimum environmental value per hectare under agreement. This may be achieved through specified minimum areas of Priority habitat or uptake of Habitat enhancement options within the agreement.

Applicants must also

* follow the management requirements for all Priority Habitats and Habitat enhancement options on the farm

***3. Habitat enhancement options***

Where no Priority Habitats are present on the holding, applicants must undertake to carry out one or more of the following habitat enhancement options:

* Farm waterway and riparian zone management
* Field boundary enhancement
* Grass margins
  1. Ungrazed grass margins
  2. Ungrazed grass margins planted with native trees
* Farmland bird and insect habitat

1. Lapwing breeding sites
2. Winter feeding sites for swans and geese
3. Lapwing fallow plots
4. Retention of winter stubble
5. Conservation cereal
6. Wild bird feeding sites
7. Undersown cereals
8. Rough grass margins
9. Pollen and nectar mixture

* Traditional orchard restoration
* Irish Hare habitat: delayed grazing/cutting of grassland
* Grassland conversion option
* Control of bracken
* Regeneration of heather

Full details of these management prescriptions can be found in **Annex 4, Appendix A.**

***4. Priority habitats***

All priority habitats must be brought under agreement and managed in accordance with specified management prescriptions designed to maintain and enhance the habitat.

* Grasslands

(i) Improved land (No payment will be made for improved land, over and above the Whole Farm Payment.)

(ii) Semi-improved grassland

(iii) Semi-natural grassland

(iv) Species-rich dry and species-rich calcareous grassland

(v) Species-rich wet grassland

(vi) Species-rich grassland cut for hay

* Bird breeding, feeding and nesting sites

(i) Breeding wader sites: closed grazing/restricted grazing

(ii) Chough option (available only to agreement-holders in the Antrim Coast, Glens & Rathlin ESA)

* Wetlands: Fen, swamp and reedbeds
* Moorland and raised bog

(i) Heather moorland – Dry heath, wet heath, blanket bog and degraded heath

(ii) Rough moorland grazing

(iii) Lowland raised bog

* Woodland, scrub and parkland

(i) Woodland – mixed ash woodland, oak woodland and wet woodland: no grazing/restricted grazing

(ii) Scrub

(iii) Parkland

* Biodiversity Zones around Historic Landscape Features

Full details of these management prescriptions can be found in **Annex 4, Appendix A.**

***Special conservation measures***

* Indigenous Breeds: Irish Moiled Cattle

Beneficiaries under the proposed Northern Ireland Countryside Management Scheme (NICMS) may receive support for the keeping of breeding females of the Irish Moiled Cattle breed, Northern Ireland’s sole remaining indigenous livestock breed.

* Special environmental project option

Scheme participants may agree a site specific plan for the management and enhancement of biodiversity, water quality (rivers and lakes), and the farmed landscape (including landscape-scale linear features and zones around heritage features) in areas of high nature value (including Natura 2000 and other designated sites).

Special Environmental Projects will enable agreement holders to devise and implement site-specific projects that cannot be facilitated through the generic ‘one-size-fits-all’ scheme provisions. This flexibility is particularly important to the protection and enhancement of designated sites, such as Natura 2000, and to landscape or catchment-scale collaborative activities.

Proposals for Special Environmental Projects will be encouraged to address water quality (rivers and lakes), landscape-scale linear features (biodiversity corridors) and activities which contribute to the mitigation of and adaptation to the impact of climate change.

Special Environmental Projects are available only to agri-environment agreement holders. A Special Environmental Project may be carried out individually or in collaboration with a number of other agreement holders.

A Special Environmental Project may be composed of any combination of management activities and non-productive investments, including but not limited to those management activities and capital investments listed under Habitat Enhancement Options, Priority Habitats, and Capital Enhancement Items.

Support for Special Environmental Projects will be governed by the rules governing Measure 323: Conservation and upgrading of the rural heritage.

* Organic Management of improved and semi improved land

Beneficiaries with improved/semi-improved or arable/horticulture land certified by a recognised body as under fully-organic management, and not in receipt of any payments relating to the conversion of that land, may receive support for any land so certified.

**(b) Organic Farming Scheme (OFS)**

In September 2006 0.9% (10,154 hectares) of Northern Ireland’s total agricultural land area was under organic production. Furthermore, we did not meet our NI Rural Development Regulation Plan 2000-2006 targets for organic farming. Under this programme we will assist farmers who wish to convert to organic production and to retain them in the sector. The proposed Organic Farming Scheme rates are income forgone/additional costs compliant. They contain only elements that are verifiable.

The Organic Farming Scheme supports conversion to organic farming, to encourage the development of the small organic sector in Northern Ireland, and deliver the environmental benefits of organic farming through the reduced use of artificial fertilisers, pesticides and herbicides, thereby contributing to soil, and water and air quality, the conservation and enhancement of rural landscapes, and to biodiversity.

In addition, by indirectly contributing to economic activity, OFS will support the sustainable development of rural areas. A recent paper by the Soil Association suggests that organic farming delivers 32% more jobs per farm on average across the UK.

The Soil Association also attributes additional benefits in the area of greenhouse gas emissions, claiming significant emission of CO2 during the manufacturing process for chemical fertilisers. The application of chemical fertilisers is, of course, prohibited in organic farming.

Participants will receive payment in compensation for the income foregone and costs incurred in the process of conversion to organic management.

Eligibility criteria

It is a requirement of the scheme that any grassland should be grazed primarily by organic livestock or animals undergoing conversion. Participants are also required to adhere to a set of environmental conditions which are more rigorous than those applying to other farmers.

Land under agreement must be subject to a certificate of registration and approval of a conversion from plan from an inspection authority. The Advisory Committee on Organic Standards (ACOS) is an advisory body to UK Rural Affairs Ministers for the administration and enforcement in the UK of Council Regulation (EEC) 2092/91, as amended. The inspection authorities are private sector inspection bodies approved for this purpose by UK Rural Affairs Departments with advice from ACOS. The standards of these organic sector inspection bodies are at least consistent with the Compendium of UK Organic Standards.

All beneficiaries of this Measure must, as a mandatory condition of payment, maintain their land in compliance with Good Agricultural and Environmental Conditions (GAEC) as set out in Annex IV of 1782/2003, and adhere to environmental legislation in force, including the current 19 Statutory Management Requirements.

It will be a condition of OFS membership that organic produce will be produced and marketed during the period of the scheme membership.

Management requirements

Over the course of a five-year Organic Farming Scheme agreement participants shall:

* Farm land in accordance with ACOS standards as certified by an approved organic sector inspection body;
* Limit grazing by non-organic livestock to 120 days per year, or as otherwise approved by the Department of Agriculture and Rural Development. In addition, any conventional livestock shall be grazed extensively;

Payments will be made annually, in arrears, per hectare of certified in-conversion land (with a minimum of 1 hectare being brought under agreement).

There will be no limit on the area of land that is eligible for payments on any one organic unit. Additional land can only be brought into the scheme on the anniversary of scheme membership.

Participants must permit the approved organic sector inspection body to carry out an inspection at least annually, and agree the release of those inspection reports to DARD. These inspections will include checks on:

* pollution/contamination risks
* cropping plans
* inputs, i.e. use of manures/composts
* handling/storage/packing procedures to avoid contamination or mixing with non-organic produce
* origins of livestock
* livestock housing
* feeding including grazing access and freedom from GMOs
* animal health
* positive conservation and protection of the environment measures.

#### Description of the methodology and of the agronomic assumptions and parameters (including the description of the baseline requirements which are relevant for each particular type of commitment) used as a reference point for the calculations justifying (a) additional costs; (b) income foregone resulting from the commitment made; and (c) level of transaction costs. Where relevant, this methodology should take into account aid granted under Regulation (EC) 1782/2003. Where appropriate, the conversion method used for other units in accordance with article 27.9 of the implementing rules

The general calculation principle is a comparison between a normal agricultural practice and a voluntary agri-environmental practice. The difference (cost incurred and/or income foregone) is compensated under NICMS and the Organic Farming Scheme.

NICMS payments (other than support for the Special Environmental Projects option, which will be governed by Article 25(b) of Commission regulation (EC) No 1975/2006) are based on standard assumptions for the baseline practice, which are quantified in economic terms and which reflect legal standards and agricultural conditions and normal agricultural production methods peculiar to Northern Ireland. They contain only elements that are verifiable. A full description of baseline and agri-environment practice can be found in **Annex 4, Appendix C.**

Data used in the calculation of payment rates are derived from the Northern Ireland Farm Business Survey which is conducted by Policy and Economics Division, Department of Agriculture and Rural Development, Dundonald House, Belfast, BT4 3SB.

Gross margins were calculated from individual enterprise gross margins according to the enterprise mix in relation to the land classification. The enterprises used to make up the gross margins were dairy cows, suckler cows, other cattle, breeding ewes, cereals and potatoes. Premium prices (e.g. for organic produce) have been reflected in the calculation of payment rates for the proposed Organic Farming Scheme and for the ‘Land under organic management’ option in the proposed NICMS.

All gross margins were averaged over the 5 year period 2000/01 – 2004/05.

The amounts of support exceed the payment maxima set by the Rural Development Regulation for the 8 activities shown in Table 1 below:

***Table 1***

|  |  |  |
| --- | --- | --- |
| **Activity** | **Payment/ha** | **Limit on any holding** |
| Riparian zone enhancement – standard option | £440 | none |
| Ungrazed Grass Margins | £440 | none |
| Ungrazed Grass Margins Planted with Native Trees | £1290 | 1ha |
| Wild Bird Feeding Sites | £515-£600 | 2ha |
| Rough Grass Margins | £415 | none |
| Pollen and Nectar Mixtures | £460 | none |
| Traditional Orchard Restoration | £420 | none |
| Biodiversity Zones around Historic Landscape Features | £350 | none |

Imposition of a payment rate reduction for these activities would make them unviable. All calculations have been independently verified by the Department of Finance and Personnel, which is functionally independent of the Department of Agriculture and Rural Development. Detailed calculations for these activities have been provided in Annex 4 Appendix B.

The Organic Farming Scheme rates do not seek to overcompensate farmers but are based on income forgone/additional costs incurred. The three sets of costs associated with conversion to organic production are loss of gross margin; registration and certification costs; and extra management time. The costs (which are modest) will be kept under review to ensure that there are no unforeseen market distortions.

Organic Farming Scheme calculations in respect of gross margin costs for the different sectors of organic production and on the extra management time have been based on Scottish figures. Due to the negligible uptake of organic farming to date in Northern Ireland, there is no substantial body of evidence. Scottish calculations on extra management time assume 2.5 days per month and this has been proportionately reduced to 1.5 days per month in Northern Ireland due to our smaller average farm size. Certification costs were calculated as the average of the registration and certification fees for the two largest certification bodies in Northern Ireland.

#### The minimum requirements for fertiliser and plant protection products used and other mandatory requirements; minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under the Nitrates Directive for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; minimum requirements for plant protection products must include, inter alia, 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

All payments under this measure are for commitments which exceed the statutory minimum requirements set out in national legislation for fertiliser and plant protection products used, including requirements introduced under the Nitrates Directive Action Programme. These regulations apply to all farms in Northern Ireland as a ‘total territory’ approach to implementation of the Nitrates Directive has been adopted. In addition, associated phosphorous regulations restrict the use of phosphorous fertiliser on all farms in Northern Ireland. All commitments also exceed the requirements set out in the Codes of Good Agricultural Practice for the Prevention of Pollution of Water, Air and Soil (currently under review).

***Table 2: Minimum requirements for fertiliser and plant protection product use and other relevant mandatory requirements established by national legislation.***

|  |  |
| --- | --- |
| ***Legislation*** | **Summary** |
| *The Water (Northern Ireland) Order 1999* | Prohibits any *polluting discharge* or deposit either directly or via a drain into a waterway or the underground strata. Also prohibits effluent discharge from a septic tank or treatment plant into a waterway or a soak-away without official consent. |
| *The Groundwater Regulations (Northern Ireland) 1998* | Prohibits pollution of groundwater. Before certain listed substances including used sheep dips and waste pesticides are disposed off by land spreading, official authorisation must be obtained. |
| *The Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) Regulations (Northern Ireland) 2003 (SSAFO)* | Set minimum standards for the design, siting, construction and repair of silage, slurry and agricultural fuel oil storage facilities. |
| The Nitrates Action Programme (NAP) Regulations (NI) 2006 and | Restricts the application of Nitrates to farmland |
| the Phosphorus (Use in Agriculture) (P) Regulations (NI) 2006 | Restricts the application of Phosphates to farmland |
| The Pollution Prevention and Control Regulations (Northern Ireland) 2003 | Requires that different classes of installations obtain a permit to operate and take steps to prevent pollution, or where that is not possible to minimise it using ‘Best Available Techniques’. |
| Animal By-Products Regulations (Northern Ireland) 2003 | Provide the powers necessary to enforce the EU Animal By-Products Regulation No. 1774/2002 which lays down health rules concerning animal by-products, including fallen animals. |
| Food and Environment Protection Act 1985, (chapter 48, part III) | The primary legislation governing secondary legislation for the control of pesticides |

|  |  |
| --- | --- |
| *The Control of Pesticides Regulations (Northern Ireland) 1987 as amended by the Control of Pesticides (Amendment) Regulations (Northern Ireland) 1997.* | Controls the sale, supply, storage, use and advertisement of pesticides and makes it an offence to:   1. Pollute the environment and / or use a pesticide in such a way that would be likely to cause harm to humans and animals; 2. Not follow the instructions in the statutory box on the pesticide label; 3. Use pesticides approved for agricultural use without a certificate of competence. |
| *Plant Protection Products Regulations (Northern Ireland) 2005 (as amended)* | This legislation controls the sale and supply of plant protection products, mainly agricultural pesticides. Under this legislation it is an offence to use or distribute a non-approved pesticide. |
| *EC Fertilisers Regulations (Northern Ireland) 2006* | Sets out the national enforcement provisions as permitted by Regulation (EC) 2003/2003 |
| The Waste and Contaminated Land Order 1997 | Obliges those who transport controlled waste to register with EHS and places a legal ‘duty of care’ on anyone who produces, keeps, treats or disposes of controlled waste to ensure that it is handled legally by authorised persons. |
| The Waste Management Licensing Regulations (Northern Ireland) 2003 (under review) | Govern waste management licencing and conditions on licensed activities, and allows for the monitoring of sites to ensure compliance with licence conditions. |
| The Sludge (Use in Agriculture) Regulations (Northern Ireland) 1990 | These regulations implement Council Directive 86/278/EEC on the protection of the environment, and in particular soil, when sewage sludge is used on agricultural land. They prohibit the use of sludge from sewage treatment works being spread on agricultural land unless specified requirements are fulfilled. |
| The Water Environment (Water Framework Directive (2000/60/EC)) Regulations (Northern Ireland) 2003 | River basins must be clearly designated and monitored, with River Basin Management Plans drawn up tailored to the specific circumstances in that river basin. |
| Environmental Impact Assessment (Uncultivated Land and Semi-Natural Areas) Regulations (Northern Ireland) Order 2006. | Prohibits unauthorised alterations to the use or management of areas of uncultivated or semi-natural land for the purpose of agricultural intensification. |
| Agricultural Land (Removal of Surface Soil) Act 1953 | Requires planning permission to be obtained for the stripping or removal of topsoil. |
| The Wildlife (Northern Ireland) Order 1985 | Protects wild animals, birds, plants and their habitats. |
| The Environment (Northern Ireland) Order 2002 | Designates Areas of Special Scientific Interest (ASSI) and makes it an offence to carry out without prior permission operations likely to damage an ASSI. |
| The Conservation (Natural Habitats, etc) Regulations (Northern Ireland) 1995 | Designates Special Areas of Conservation (SACs) and Special Protection Areas (SPAs) in accordance and makes it an offence to carry out without prior permission any operation likely to damage a SAC or SPA. |
| Game Preservation Act (Northern Ireland) 1928, Chapter 25 as amended by the Game Law Amendment Act 1951, Chapter 4. | Makes it an offence to burn or otherwise destroy, during the period commencing 15 April in any year and ending the 31 August, any gorse, furze, whin, heath, ling or fern growing an any mountain, moor, heath, bog or other uncultivated land. |
| Fisheries Act (Northern Ireland) 1966 as amended. | Part 4 of the Act protects fisheries and their habitats. |
| Game Preservation (Special Protection for Irish Hares) Order (Northern Ireland) 2003 (temporary for 1 year) | Prohibits the killing, taking, selling or purchasing Irish Hares at any time of the year. |
| The Historic Monuments and Archaeological Objects (Northern Ireland) Order 1995 | Prohibits damage to or unauthorised work within a protected area. |
| The Clean Air (Northern Ireland) Order 1981 | Prohibits the emission of dark smoke from chimneys or trade premises, including farms. |
| The Public Health Act 1878 | Under this legislation local councils have a responsibility to monitor their areas for odour nuisance and can investigate complaints from the public. Enforcement action may be taken. |
| Roads Order 1993 | Under Article 89 of this legislation anyone, who without lawful authority or reasonable excuse, lights a fire within 15m of the centre of a road, which causes injury or interrupts or endangers a road user, is guilty of an offence. |

#### Amounts of support

|  |  |  |
| --- | --- | --- |
| **Scheme** | | **Level of support (maxima)** |
| *Northern Ireland Countryside Management Scheme* |  | |
| 2. Whole Farm Payment | £40/ha | |
| 3. Habitat Enhancement Options |  | |
| * Farm waterway and riparian zone management | £440/ha (Standard option)  £780/ha (Enhanced option) | |
| * Field boundary enhancement | £6/m - £12/m | |
| * Grass margins |  | |
| (i) Ungrazed grass margins | £440/ha | |
| (ii) Ungrazed grass margins planted with native trees | £1290/ha | |
| * Farmland bird and insect habitat |  | |
| 1. Lapwing breeding sites | £145/ha - £170/ha | |
| 1. Winter feeding sites for swans and geese | £125/ha - £160/ha | |
| 1. Lapwing fallow plots | £375/ha | |
| 1. Retention of winter stubble | £100/ha | |
| 1. Conservation cereal | £70/ha | |
| 1. Wild bird feeding sites | £515/ha - £600/ha | |
| 1. Undersown cereals | £220/ha | |
| 1. Rough grass margins | £415/ha | |
| 1. Pollen and nectar mixture | £460/ha | |
| * Traditional orchard restoration | £420/ha | |
|  |  | |
| * Irish Hare habitat: delayed grazing/cutting of grassland | £90/ha | |
| * Grassland conversion option | £250/ha | |
| * Control of bracken | £170/ha - £305/ha | |
| * Regeneration of heather | £60/ha - £110/ha | |
| 4. Priority Habitats |  | |
| * Grasslands |  | |
| (i) Improved land (No payment will be made for improved land, over and above the Whole Farm Payment.) | Not applicable | |
| (ii) Semi-improved grassland | £40/ha | |
| (iii) Semi-natural grassland | £60/ha | |
| (iv) Species-rich dry and species-rich calcareous grassland | £240/ha | |
| (v) Species-rich wet grassland | £255/ha | |
| (vi) Species-rich grassland cut for hay | £260/ha | |
| * Bird breeding, feeding and nesting sites |  | |
| (i) Breeding wader sites: closed grazing/restricted grazing | £110/ha - £165/ha | |
| (ii) Chough option (available only to agreement-holders in the Antrim Coast, Glens & Rathlin ESA) | £60/ha | |
|  |  | |
| * Wetlands: Fen, swamp and reedbeds | £85/ha | |
| * Moorland and raised bog |  | |
| (i) Heather moorland – Dry heath, wet heath, blanket bog and degraded heath | £65/ha | |
| (ii) Rough moorland grazing | £45/ha | |
| (iii) Lowland raised bog | £65/ha | |
| * Woodland, scrub and parkland |  | |
| (i) Woodland – mixed ash woodland, oak woodland and wet woodland: restricted grazing/no grazing | £ 90/ha (lightly grazed)  £125/ha (ungrazed) | |
| (ii) Scrub | £90/ha | |
| (iii) Parkland | £65/ha | |
| * Biodiversity Zones around Historic Landscape Features | 350/ha | |
| 5. Special Conservation Measures |  | |
| * Indigenous Breeds – Irish Moiled Cattle | £125/LU (breeding females) | |
| * Special environmental project option | Aid granted on the basis of actual costs | |
| * Organic management of improved land | £30/ha (improved/arable land only) | |
| *Organic Farming Scheme* | Totals over the 5-year conversion period  Horticultural land £670/ha  Arable land £570/ha  Other improved land £470/ha | |

#### The measures, objectives and criteria applied in case of the selection of beneficiaries by calls for tender in accordance with the second paragraph of Article 39.4 of Regulation 1698/2005

There are currently no proposals to select beneficiaries under this measure using a call for tender.

#### Evidence as referred to in article 48(2) of the implementing rules allowing the Commission to check consistency and plausibility of the calculations

Calculations of income foregone and costs incurred (including transaction costs) which form the basis of payment calculations for elements of the agri-environment programme shall be substantiated by the Department of Finance and Personnel which has the appropriate expertise and is functionally independent from those responsible for these calculations.

#### The list of local breeds in danger of being lost to farming and the number of breeding females concerned. That number must be certified by a duly recognised technical body – or breeder’s organisation/association – which must register and keep up-to-date the herd or flock books for the breed. The body concerned must possess the necessary skills and knowledge to identify animals of the breeds in danger

Beneficiaries under the proposed Northern Ireland Countryside Management Scheme (NICMS) may receive support for the keeping of breeding females of the Irish Moiled Cattle breed, Northern Ireland’s sole remaining indigenous livestock breed.

According to the registered technical body, the Irish Moiled Cattle Society, fewer than 300 breeding females remain worldwide, with approximately half of these in Northern Ireland.

While it is recognised that, in general terms, support should be disassociated from production it is nevertheless justified to provide aids for these livestock because as a dual purpose hardy animal, producing both high quality beef and milk, a resourceful forager, easily maintained on less acreage and less concentrate than most other cattle breeds, the Irish moiled has a valuable role to play in maintaining sustainable farming in Northern Ireland. (Source: Irish Moiled Cattle Society.)

#### For plant genetic resources under threat of genetic erosion, evidence of genetic erosion based upon scientific results and indicators for the occurrence of landraces/primitive (local) varieties

The Northern Ireland Countryside Management Scheme offers support for plant genetic resources under threat of genetic erosion via a Recreation of Traditional Orchards option. This restricts support to orchards supporting rare native or traditional local fruit varieties.

A definition of traditional orchards (and a list of approved native or traditional cultivars) is given in **Annex 4, Appendix A**.

#### For conservation of genetic resources in agriculture: types of beneficiaries, of operations and details of eligible costs

There are currently no proposals to support the conservation of genetic resources in agriculture under this measure, other than via the Recreation of Traditional Orchards option as described above.

#### Financing

Total Cost €185,358,880

Public Expenditure €185,358,880

#### Transition arrangements (including estimated amounts)

Both schemes under this Measure are continuations of schemes co-financed under Council Regulation (EC) No 1257/1999 through the Rural Development Regulation Plan (Accompanying Measures) for Northern Ireland 2000-2006.

It is projected that, in total, some 12,500 agreements under the Environmentally Sensitive Area Scheme and the Countryside Management Scheme will continue from the 2000-2006 period into the 2007-2013 period.

Some 90 agreements under the Organic Farming Scheme will continue from the 2000-2006 period into 2007-2013.

Between 16 October 2006 and 31 December 2006 agri-environment payments totalled approximately £3.25m, £1.75m of which will be declared against the NIRDP. The balance of £1.5m was funded from voluntary modulation.

#### Target Groups

|  |  |
| --- | --- |
| Scheme |  |
| Northern Ireland Countryside Management Scheme | Land managers throughout Northern Ireland |
| Organic Farming Scheme | Farmers who wish to change from conventional to organic management. Participants must have registered or have applied for registration with a recognised organic sector licensing body. |

#### Quantified targets for EU common indicators

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Output | Number of farm holdings and holdings of other land managers receiving support:   * Beneficiaries * Age of commitment | 13,500 holdings |
|  | Total area under agri-environmental support:   * Beneficiaries * Age of commitment * Type of commitment | 500,000 ha |
|  | Total number of contracts:   * Beneficiaries * Age of commitment * Type of commitment | 13,500 |
|  | Physical area under agri-environmental support (under this Measure) | 495,000 ha |
|  | Number of actions related to genetic resources:   * Type of action (targeted/concerted) actions | Not applicable |
| Results | Areas under successful agricultural land management contributing to:   * Improvement of biodiversity * Improvement of water quality * Mitigating climate change * Improvement of soil quality * Avoidance of marginalisation and land abandonment | 495,000 ha under agri-environment agreements (improvement of biodiversity);  5,000 ha under organic management  (improvement of biodiversity) |
| Impact | Reversing biodiversity decline (farmland bird species population) | +2.5% |
|  | Change in high nature value farming and forestry areas | +2.5% |
|  | Changes in gross nutrient balance | +2.5% |
|  | Increase in production of renewable energy | Not applicable |

#### Additional programme-specific indicators and quantified targets

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Results | • Biodiversity: population of farmland birds | 5% increase in the population size of the chosen species within the main species groups;  Maintain population size of Whooper swans and migratory Greylag geese |
|  | • Biodiversity: trends in Irish hare population and density | Increased survival in farms with “delayed cutting and grazing” option compared to control farms |
|  | • Biodiversity: high nature value farmland and forestry: area and condition of HNV land under agreement | Increase in area of HNV farmland under agreement by 5%  Increase by 5% of area of HNV farmland under agreement in favourable condition |
|  | * Biodiversity: population & diversity of appropriate invertebrate   species | Increase by 5% invertebrate species diversity in habitat compared to control farms |
|  | * Biodiversity: population & diversity of appropriate plant species | 10% increase in the specific habitat area under agreement;  Maintain plant species diversity for all habitats, except for degraded heath |
|  | • Biodiversity: tree species composition: area under agri-environment woodland and scrub options | Increase of 1,000ha broadleaf woodland under agreement;  Additional 150ha native tree planting  Additional 10ha “riparian zone – native tree” planting |
|  | • The area (ha) and condition of NI BAP Priority Habitat under agri-environment management | Increase by 20% the number of BAP habitats under agreement |
|  | • The area (ha) under organic management | 2,000 ha in Organic Farming Scheme under agreement;  500 ha in Organic Management option |
|  | • Length and condition of hedgerow under agri-environment management | 5% increase in hedges due to new planting;  10% increase in actively managed hedges;  20% increase in hedgerow trees planted |

#### Measure 2.2B: Agri-Environment Programme – non-productive investments

#### Articles 36(a)(vi) and 41 of Regulation (EC) No 1698/2005

#### Article 32 and point 5.3.2.1.6 of Annex II Regulation (EC)No 1974/2006

#### Measure Code: 216

This measure is linked to Measure 214 (Agri-environment programme) and Measure 323 (capital investment for restoration of traditional and heritage features as part of the agri-environment programme).

Operations under Measure 214 and Measure 216 are delivered in an integrated manner. The expenditure on Measure 216 operations is attributed to the Measure 214 budget, as Measure 214 is the dominant measure,

#### Rationale for intervention

Support for non-productive investments will be provided in conjunction with land management agreements under the Northern Ireland Countryside Management Scheme (NICMS). The general rationale for the NICMS is described under Measure Code 214 and is not repeated here.

These measures are complementary to those in 214. Measures under 216 are not 'free standing', and must be included in an agreement with 214 measures.

Capital investment is needed in connection with the creation or restoration of habitats, landscapes and other features, and the recovery of species populations. In many cases, restoration requires more than a continuation or adjustment of the pre-existing management. The widespread simplification of agricultural production systems over recent decades means that capital works may be needed to set up or re-instate the infrastructure needed to allow appropriate management. Large-scale, one-off works may also be needed as part of the restoration process itself.

Support is needed from the Rural Development Programme for these investments because the nature of the capital works is such that they generate an insignificant financial return for the farmer to finance them on a commercial basis.

#### Objective of the measure

The objective of this measure are to support the aims of the agri-environment measure by supporting essential and integral non-productive investments within the NICMS.

A full description of these aims, and the way they will be translated into specific targets for NICMS, is detailed under Measure 214.

#### Scope and actions

The measure will be available to beneficiaries of the NICMS who can justify that the proposed operation/capital item that will be funded will support their agri-environment agreement.

Support is offered for a wide range of non-productive investments that support the full range of objectives of the scheme. In most cases, a standard specification for the work will be included in the agreement and a standard payment made in return.

#### Definition of operations to be supported

Support will be offered for the following categories of non-productive investments:

**Field Boundary Restoration**

Dry stone wall - double skinned

Dry stone wall - single-skinned

Hedge laying

Hedge coppicing

Hedge interplanting / reinstatement

Sod bank reinstatement

**Tree planting / management**

Tree/shrub planting

Tree guard and stake

Spiral rabbit guard

Planting standard parkland trees

Planting traditional fruit trees

Tree surgery

Tree pollarding

Restorative pruning for traditional orchards

**Items to enhance wildlife value**

Nest boxes for small birds

Nest boxes for large birds

Nest boxes for bats

Red squirrel feeders

**Provision of alternative watering sites**

Installation of water trough

Installation of up to 150m pipeline

Installation of over 150m pipeline

**Structures / work to raise water levels**

Structures/work to raise water levels

**Creation of scrapes**

Creation of scrapes

**Erection of protective fencing**

3 line wire

Additional line wire

Woven (sheep) wire + 2 lines

Woven (sheep) wire + 3 lines

Proofing against rabbits and hares

Parkland tree guard (1.8m square)

Parkland tree guard (3.6m triangular)

Parkland tree guard (3.6m square)

**Plastic recycling bin**

Plastic recycling bin

#### Environmental benefits of protective fencing

A fence may be planted to protect newly planted trees from grazing livestock, or to allow management of a farmland habitat.

This measure will not add to the profitability or value of farm holdings receiving this support.

#### Description of the link to commitments provided for in Article 36(a) (iv) of Regulation 1698/2005 or other agri-environmental objectives

Support for non-productive investments will only be provided in conjunction with land management agreements under the NICMS, as detailed within Measure Code 214.

#### Description of the public amenity values of a Natura 2000 area or other high nature value area to be enhanced

No support will be offered that is specific to Natura 2000 areas or other high nature value areas, though it is envisaged that such areas would be amongst those that benefit from non-productive investments linked to commitments provided for in article 36(a) (iv).

#### Financing

Financing for non-productive investments, undertaken as part of the NICMS, will be financed through Measure Code 214.

Payments will be made on a mixture of ‘standard cost’ items and ‘actual cost’ items.

Standard cost items will be paid for at a rate pre-determined by the Department.

Actual cost items will require quotations previous to any purchase, and an invoice as proof of purchase.

Work on these non-productive investments must not commence until approval has been given by the Department.

The following enhancement measures will be financed:

|  |  |  |
| --- | --- | --- |
| **Enhancement measure** | **Standard/**  **actual cost** | **Unit** |
| **Riverbed enhancement**  • Stones/aquamats | £4.00 | m2 |
| **Tree planting and management**  • Planting standard parkland trees  • Planting traditional fruit trees  • Native tree – whip  • Tree guard and stake  • Spiral rabbit guard  • Tree surgery  • Tree pollarding  • Restorative pruning of orchards | £14.00  £14.00  £0.86  £1.00  £0.70  A  A  A | tree  tree  whip  stake + guard  guard  **-**  **-**  **-** |
| **Bird and bat boxes**  • Nest box for small birds  • Nest box for large birds  • Nest box for owls  • Bat box | £12.00  £15.00  £15.00  £12.00 | box  box  box  box |
| **Red squirrel feeders** | £84.00 | feeder |
| **Provision of alternative water sites**  • Installation of water trough  • Installation of water pipeline | £41.00  £1.27 | trough  m |
| **Scrapes, pools and raising water levels**  • Scrapes/pools  • Structures/work to raise water levels | £2.77  A | m2  **-** |
|  |  |  |
| **Protective fencing**  • 3 line wire  • Additional line wire  • Woven (sheep) wire + 2 lines  • Woven (sheep) wire + 3 lines  • Proofing against rabbits and hares | £1.93  £0.23  £2.34  £2.57  £1.50 | m  m  m  m  m |
| **Parkland tree guards**  • Parkland tree guard (1.8 m square)  • Parkland tree guard (3.6 m triangular)  • Parkland tree guard (3.6 m square) | £71.00  £117.00  £142.00 | guard  guard  guard |
| **Plastic recycling bin** | A | bin |
| **Bracken control**  • Tractor  • Knapsack | £170.00  £305.00 | ha  ha |
| **Heather regeneration**  • Burning  • Flailing | £110.00  £60.00 | ha  ha |
| **Scrub control** | £305.00 | **ha** |
| **Rhododendron/non-native species control** | £305.00 | **ha** |
| **Features of historic interest**  **(limited availability)** | A | **-** |

#### Transitional arrangements (including estimated amount)

Capital works already agreed as part of agri-environment agreements under legacy agri-environment schemes will continue under the conditions detailed for these schemes, and as described in the previous programme.

These payments are consistent with the requirements set out in Council Regulation EC No 1698/2005 for support for non-productive investments.

In accordance with the Transitional Regulation (1320/2006), these capital works will continue to be programmed to the agri-environment measure.

#### Quantified targets for EU common indicators

No additional Common Indicators are currently proposed for this measure. The Common Indicators relating to Measure 216 are as follows:

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Output | Number of farm holdings and holdings of other land managers receiving support:   * Beneficiaries * Age of commitment | 1,100 enhancement measures funded. |
|  | Amount of public expenditure realised | NA[[50]](#footnote-50) |
|  | Total volume of investment | NA[[51]](#footnote-51) |
|  | Total area under agri-environmental support:   * Beneficiaries * Age of commitment   Type of commitment | NA |
| Results | Areas under successful agricultural land management contributing to:   * Improvement of biodiversity * Improvement of water quality * Mitigating climate change * Improvement of soil quality * Avoidance of marginalisation and land abandonment | N/A |
| Impact | Reversing biodiversity decline (farmland bird species population) | NA[[52]](#footnote-52) |
|  | Change in high nature value farming and forestry areas | NA52 |
|  | Changes in gross nutrient balance | NA52 |
|  | Increase in production of renewable energy | Not applicable |

#### Additional programme-specific indicators and quantified targets

#### No additional indicators are currently proposed for this measure.

#### Measure 2.3A: First Afforestation of Agricultural Land

#### Articles 36(b)(i) and 43 of Regulation (EC) No 1698/2005

#### Articles 30, 31 and point 5.3.2.2.1 of Annex II of Regulation (EC) No 1974/2006

#### Measure Code: 221

#### Rationale for intervention

From a base of only 1.4% of land area at the end of the First World War, forests and woodland have expanded to cover 6% of the land area of Northern Ireland. This is however much less than the 12% cover in Great Britain and 33% cover in Europe. The restoration of forestry was driven first by a need to develop a strategic reserve of timber for use in a time of national emergency, and then by a need to promote economic development through the supply of raw material to sawmills and other industrial applications. Today there are 86,000 hectares of forests, of which three quarters are owned by the Department.

The Forest Service is an Executive Agency within the Department and is responsible for promoting the interests of forestry in Northern Ireland, the development of afforestation, the production and supply of timber and the maintenance of adequate reserves of growing trees.

Within Northern Ireland, Forest Service aims over the next 50 years to double the area of forest an increase long term forest cover largely through transfer from agricultural use to forestry. The current rate of afforestation of 500 hectares per annum is not sufficient to meet the demand for new afforestation. This conclusion was reached after consultation and published as the Northern Ireland Forestry Strategy, “A Strategy for Sustainability and Growth” (2006)[[53]](#footnote-53).

The Forestry Strategy recommended that future afforestation should be led largely by the private sector. Farmers, as the largest agricultural land-owning group, are in a unique position to lead this, through a number of means, including **1**) new afforestation and **2**) agro-forestry systems. It will also be possible to support **3**) afforestation of agricultural land owned by public authorities. The review of forestry policy also recognised there was a need for growth in forest and woodland cover in areas of non-agricultural land, and highlighted the economic, environmental and social benefits that these additional forests will bring. Specifically, it identified a need to **4**) develop new forests and woodlands providing for public access close to urban settlements.

Links have been created to other Measures within Axis 1 and Axis 3 which provide opportunities to contribute positively towards the renewable energy objectives identified within those Axes.

In 1990, conifer forests contained 3–4 MtC (trees + litter) and broadleaved woodlands contained about 0.8 MtC (trees + litter + new forest soil). In 1990, conifer forests were sequestering 0.15–0.20 MtC a–1 and broadleaved woodlands about 0.025 MtC a–1. To maintain these sink sizes, new conifer forests need to be planted at 1500–2000 ha a–1, and new broadleaved woodland at 100–150 ha a–1 in addition to full restocking. Current carbon sequestration by Northern Ireland forests represents around 6.5–8.2 per cent of the total for UK forests and is greater per hectare than in Britain because the average forest age is younger in Northern Ireland. The support offered for afforestation under the NIRDP will contribute significantly to the stated carbon sequestration targets.

Forestry is a matter of international importance because of concerns about the global impact of deforestation on climate and the loss of biodiversity. Prior to devolution the UK government committed itself to action at the 1992 United Nations Conference on Environment and Development and the second Ministerial Conference on the Protection of Forests in Europe, and consequently formally adopted a forestry policy to promote sustainability.

#### Objectives of the Measure

Northern Ireland Forestry policy to promote sustainability has recently been revised, and is stated as:

* The sustainable management of existing woods and forests, and
* A steady expansion of tree cover to increase the many diverse benefits that forests provide.

The Forestry Strategy records that the key tasks for the Department’s Forest Service are:

* To verify the sustainable management of forests.
* To maintain the supply of timber from forests.
* To restore the area of forest exploited for timber subject to addressing wider environmental objectives and exploiting development opportunities where this is in the public interest.
* To promote the use of forests for informal public recreation.
* To promote forest expansion.

To encourage afforestation, the Forest Service will use the Rural Development Regulation to promote development of new afforestation. Forest Service will optimise funds available under the NIRDP within the constraints of the National funding allocated to the afforestation programme.

To achieve this, Forest Service has revised the Woodland Grant Scheme which operated in the 2000-2006 period. The new Scheme will continue to provide support for all afforestation projects but will also encourage an increased rate of new planting in locations where certain types of forestry seem particularly desirable.

#### Scope and actions

This Measure will provide financial support for:

**1&3) The first afforestation of agricultural land (including agricultural land owned by public authorities).**

This will be done through the following schemes:

* The Woodland Grant Scheme (WGS) will support the establishment costs of first afforestation on agricultural land, Support payments will be made as standard grants paid as a contribution to the cost of work required or through challenge fund mechanisms to encourage new planting to achieve strategic objectives where the standard grants are not achieving these objectives. If applications exceed the resource allocated, a scoring mechanism will be introduced to prioritise the applications made, giving preference to those applications that meet the strategic objectives of the Forest Service. 70% of aid will be paid at establishment with the balance in five years.
* The Farm Woodland Premium Scheme (FWPS) will provide annual payments for up to a maximum of 15 years for agricultural income foregone as a result of first afforestation on agricultural land under the WGS.

In relation to agricultural land owned by public authorities, support will be provided only for establishment costs. 70% of aid will be paid at establishment with the balance in five years

Landowners growing Christmas trees or farmers benefiting from early retirement support are not eligible for support towards first afforestation of agricultural land.

#### Definition of agricultural land

The definition of “*agricultural land*” in relation to this Measure is the same as that approved by the European Commission in the context of forestry measures in agriculture in the United Kingdom, pursuant to Council Regulation (EEC) No 2080/92[[54]](#footnote-54) and for Council Regulation 1257/1999, with the exception of osier land.

Agriculture means horticulture, fruit growing, arable cropping, seed growing, dairy farming, livestock breeding and keeping, the use of the land as grazing land, meadowland, market gardens and nursery grounds or the use of land as woodland where that use is ancillary to the use of the land for other agricultural activities. Letting land to another person to carry out an agricultural activity, where the applicant retains some responsibility for the management of the land, for example, letting land on a grazing licence or short-term tenancy for grazing is also considered an agricultural activity. Keeping of horses for recreational or sporting purposes and fish farming are not considered to be agricultural activities. Agricultural land shall be construed accordingly.

The land to be planted must have been in agricultural use for the three years prior to the application to join the WGS/FWPS. Agricultural use in this context means the above activities (other than woodland) and set-aside under the Arable Area Payments Scheme.

The following types of land are excluded from the FWPS:

* non-agricultural land, including land used primarily to graze horses not used for agricultural purposes;
* unimproved land outside the Less Favoured Areas;
* land which forms part of the following protected areas:
  + Areas of Special Scientific Interest
  + Special Areas of Conservation
  + Special Protected Areas
  + Ransar sites
  + Nature Reserves
  + World Heritage Sites
  + Natura 2000 areas
* common land;
* land at a time when it is rented out by the applicant to another person for their exclusive occupation;
* land which is to be converted to woodlands, where the trees, other than nurse trees, are intended as Christmas trees;
* any land where the conversion to woodlands of that land would frustrate the purposes of any assistance previously given or to be given out of money provided by the UK Parliament or the European Community, or that the payment of grant under the FWPS in respect of that land would duplicate any such assistance.

#### Definition of farmer

For the purposes of establishing the expenditure under the FWPS which is eligible for co-financing under this Measure, a “*farmer*”is defined asa person who derives at least 25% of their income from farming, taking account of all the land they farm in the UK. Data about the hours worked by individuals involved in agricultural activities, or most other activities involving the self-employed, is not available.

#### Provisions and criteria for the selection of areas to be afforested ensuring that the planned measures are suited to local conditions and compatible with the environmental requirements, particularly biodiversity, in accordance with article 50(6) of regulation 1698/2005 and article 34 of the implementing rules

Environmental safeguards are an essential component of first afforestation and are enforced through contract approval and monitoring procedures. On receipt, all applications are assessed to ensure that they meet the environmental standards set out in the “UK Forestry Standard” and the associated guidelines. In addition, proposals for first afforestation which are likely to have a significant effect on the environment are subject to Environment Impact Assessment under the Environmental Impact Assessment (Forestry) Regulations (Northern Ireland) 2000 (Council Directive 85/337/EEC[[55]](#footnote-55) as amended by Council Directive 97/11/EC[[56]](#footnote-56)). These Regulations include thresholds that determine the need for an Environment Impact Assessment.

#### Description of the methodology for the calculation of establishment and maintenance cost as well as income foregone to be compensated. Where relevant, for the latter, this methodology should take into account aid granted under Regulation (EC) 1782/2003

The methodology of calculation of eligible costs for standard grants will be based upon historical standard cost analysis of qualifying operations. For additional grants, it will be through determination of eligible operational costs and for income foregone, it will be through calculation and comparison against defined agricultural compensation models.

#### Evidence as referred to in article 48(2) of the implementing rules allowing the Commission to check consistency and plausibility of the calculations

In accordance with Commission Regulation (EC) No 1974/2006, the adequacy and accuracy of the calculation of payments under this Measure will be substantiated and certified by the Northern Ireland Statistical Research Agency, a duly recognised and independent body with the appropriate expertise.

#### Aid intensity for establishment support and amounts and duration of annual premiums contributing to covering maintenance costs and loss of income

|  |  |
| --- | --- |
| **Activity** | **Level of support** |
| Establishment costs | Up to 70% of eligible costs |
| Compensation for income foregone (for 15 years if afforestation area is more than 50% broadleaf, otherwise for 10 years) | Up to €700 per hectare for farmers  Up to €150 per hectare for others |

#### Linkage of proposed measures with national/sub-national forest programmes or equivalent instruments and with Community Forestry Strategy

Prior to devolution, the UK government committed itself to action at the 1992 United Nations’ Conference on Environment and Development and the second Ministerial Conference on the Protection of Forests in Europe, and consequently formally adopted a forestry policy to promote sustainability. The mechanisms through which the forestry programme in Northern Ireland is delivered are supported by the UK Forestry Standard, which was agreed by the UK government and devolved administrations, and establishes credible standards of sustainable forest management and a process of verification. The Forest Service, an agency of the Department of Agriculture and Rural Development, is certified under the UK Woodland Assurance Scheme (UKWAS) which is administered by the Forest Stewardship Council, an international network to promote responsible management of the world’s forests. Retention of UKWAS certification is a key business target of the Forest Service. Inherent to the retention of certification is the responsibility to ensure that all applications for grant-aid are in compliance with the standards laid down in the UK Forestry Standard.

#### Reference to the forest protection plans for areas classified as high or medium risk for forest fires and the elements ensuring conformity of proposed measures with these protection plans

No areas within Northern Ireland are classified as medium or high risk fire areas. All new woodlands established with grant aid support are subject to the conditions of the UK Forestry Standard. Protective measures are required which are in proportion to the risk and probability of achieving effective protection. The average size of grant-aided new woodlands in Northern Ireland is around 1.0ha. Incorporation of species mixtures and a requirement for a proportion of open space will appropriately mitigate risk. In areas of larger woodlands, planting plans are designed to minimise the risk of damage from wind, fire pests and diseases. These will include a robust planting design with a diversity of strategically sited species and distribution of open ground which create breaks in the tree cover.

#### Financing

Total Cost €11,362,041

Public expenditure €11,362,041

#### Transitional arrangements (including estimated amounts)

This Measure is a continuation of activity co-financed under Council Regulation (EC) No 1257/1999 through the Rural Development Regulation Plan (Accompanying Measures) for Northern Ireland 2000-2006. No major amendments have been made to the scheme under this Programme.

A declining number of commitments signed under the 2000-2006 programme will continue into the 2007-2013 period.

This Measure will also be used to pay ongoing commitments under the now closed Woodland Grant Scheme which ran from 1988-1992.The contracts under the scheme were for 20-40 years and expenditure may continue into 2032. Expenditure under this Programme is likely to be in the region of £47,000.

#### Quantified targets for EU common indicators

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target\* at 2007-2013 |
| Output | Number of beneficiaries receiving afforestation aid:   * Type of land ownership * Age of commitment * Environmental reason   Agricultural use of land (222 only) | 1,000 |
|  | Number of hectares of afforested land:   * Type of land ownership * Environmental reason * Type of tree * Age of commitment | 1,600 |
| Results | Areas under successful forestry land management contributing to:   * Improvement of biodiversity * Improvement of water quality * Mitigating climate change * Improvement of soil quality * Avoidance of marginalisation and land abandonment | 1,600 ha (Mitigating climate change) |
| Impact | Reversing biodiversity decline | +0.5% |
|  | Change in high nature value farming and forestry areas | +0.5% |
|  | Change in gross nutrient balance | +0.5% |

#### Additional programme-specific indicators and quantified targets

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target\* at 2007-2013 |
| Output | Number of forest holdings supported classified by ownership categories and size classes | 1,000 |
| Results | Biodiversity of forest ecosystems – naturalness – area of forest or other wooded land classified by forest type and level of naturalness | 1,600  ha |

#### Measure 2.3B: First Establishment of Agroforestry systems on agricultural land

#### Articles 36(b)(ii) and 44 of Regulation (EC) No 1698/2005

#### Articles 30, 32 and point 5.3.2.2.2 of Annex II of Regulation (EC) No 1974/2006

#### Measure Code: 222

#### Rationale for intervention

From a base of only 1.4% of land area at the end of the First World War, forests and woodland have expanded to cover 6% of the land area of Northern Ireland. This is however much less than the 12% cover in Great Britain and 33% cover in Europe. The restoration of forestry was driven first by a need to develop a strategic reserve of timber for use in a time of national emergency, and then by a need to promote economic development through the supply of raw material to sawmills and other industrial applications. Today there are 86,000 hectares of forests, of which three quarters are owned by the Department.

The Forest Service is an Executive Agency within the Department and is responsible for promoting the interests of forestry in Northern Ireland, the development of afforestation, the production and supply of timber and the maintenance of adequate reserves of growing trees.

Within Northern Ireland, Forest Service aims over the next 50 years to double the area of forest an increase long term forest cover largely through transfer from agricultural use to forestry. The current rate of afforestation of 500 hectares per annum is not sufficient to meet the demand for new afforestation. This conclusion was reached after consultation and published as the Northern Ireland Forestry Strategy, “A Strategy for Sustainability and Growth” (2006)[[57]](#footnote-57).

The Forestry Strategy recommended that future afforestation should be led largely by the private sector. Farmers, as the largest agricultural land-owning group, are in a unique position to lead this, through a number of means, including **1**) new afforestation and **2**) agro-forestry systems. It will also be possible to support **3**) afforestation of agricultural land owned by public authorities. The review of forestry policy also recognised there was a need for growth in forest and woodland cover in areas of non-agricultural land, and highlighted the economic, environmental and social benefits that these additional forests will bring. Specifically, it identified a need to **4**) develop new forests and woodlands providing for public access close to urban settlements.

Links have been created to other Measures within Axis 1 and Axis 3 which provide opportunities to contribute positively towards the renewable energy objectives identified within those Axes.

In 1990, conifer forests contained 3–4 MtC (trees + litter) and broadleaved woodlands contained about 0.8 MtC (trees + litter + new forest soil). In 1990, conifer forests were sequestering 0.15–0.20 MtC a–1 and broadleaved woodlands about 0.025 MtC a–1. To maintain these sink sizes, new conifer forests need to be planted at 1500–2000 ha a–1, and new broadleaved woodland at 100–150 ha a–1 in addition to full restocking. Current carbon sequestration by Northern Ireland forests represents around 6.5–8.2 per cent of the total for UK forests and is greater per hectare than in Britain because the average forest age is younger in Northern Ireland. The support offered for afforestation under the NIRDP will contribute significantly to the stated carbon sequestration targets.

Forestry is a matter of international importance because of concerns about the global impact of deforestation on climate and the loss of biodiversity. Prior to devolution the UK government committed itself to action at the 1992 United Nations Conference on Environment and Development and the second Ministerial Conference on the Protection of Forests in Europe, and consequently formally adopted a forestry policy to promote sustainability.

#### Objectives of the Measure

Northern Ireland Forestry policy to promote sustainability has recently been revised, and is stated as:

* The sustainable management of existing woods and forests, and
* A steady expansion of tree cover to increase the many diverse benefits that forests provide.

The Forestry Strategy records that the key tasks for the Department’s Forest Service are:

* To verify the sustainable management of forests.
* To maintain the supply of timber from forests.
* To restore the area of forest exploited for timber subject to addressing wider environmental objectives and exploiting development opportunities where this is in the public interest.
* To promote the use of forests for informal public recreation.
* To promote forest expansion.

To encourage afforestation, the Forest Service will use the Rural Development Regulation to promote development of new afforestation. Forest Service will optimise funds available under the NIRDP within the constraints of the National funding allocated to the afforestation programme.

To achieve this, Forest Service has revised the Woodland Grant Scheme which operated in the 2000-2006 period. The new Scheme will continue to provide support for all afforestation projects but will also encourage an increased rate of new planting in locations where certain types of forestry seem particularly desirable.

#### Scope and actions

This Measure will provide financial support for:

**2) The first afforestation of agro-forestry schemes on agricultural land**

Financial support for the first establishment of agro-forestry systems combining extensive agriculture and forestry systems will be provided through the following scheme:

* Woodland Grant Scheme (WGS). 70% of aid will be paid at establishment with the balance in five years

Full grant aid will be paid for a minimum density of 1100 trees per hectare. If there are fewer trees established, grant aid will be reduced *pro rata.*

Landowners growing Christmas trees or fast growing species for short-term cultivation are not eligible for support.

#### Definition of agricultural land

The definition of “*agricultural land*” in relation to this Measure is the same as that approved by the European Commission in the context of forestry measures in agriculture in the United Kingdom, pursuant to Council Regulation (EEC) No 2080/92[[58]](#footnote-58) and for Council Regulation 1257/1999, with the exception of osier land.

Agriculture means horticulture, fruit growing, arable cropping, seed growing, dairy farming, livestock breeding and keeping, the use of the land as grazing land, meadowland, market gardens and nursery grounds or the use of land as woodland where that use is ancillary to the use of the land for other agricultural activities. Letting land to another person to carry out an agricultural activity, where the applicant retains some responsibility for the management of the land, for example, letting land on a grazing licence or short-term tenancy for grazing is also considered an agricultural activity. Keeping of horses for recreational or sporting purposes and fish farming are not considered to be agricultural activities. Agricultural land shall be construed accordingly.

The land to be planted must have been in agricultural use for the three years prior to the application to join the WGS. Agricultural use in this context means the above activities (other than woodland) and set-aside under the Arable Area Payments Scheme.

#### Definition of agro-forestry systems to be supported

*“Agro-forestry”* is a dynamic, ecologically based, natural resources management system that, through the integration of trees on farms and in the agricultural landscape, diversifies and sustains production for increased social, economic and environmental benefits for land users at all levels. Forest Service will offer support, through the Woodland Grant Scheme, for those beneficiaries who can demonstrate the effectiveness of introducing such a system into their farm business. Agroforestry schemes will vary from site to site and are dependent upon a combination of factors including business objectives, species to site suitability and anticipated silvicultural input.

#### Densities of planting in agro-forestry systems

The establishment and stocking of agro-forestry areas will be paid on a *pro-rata* basis if the minimum stocking requirements for the Woodland Grant Scheme (*i.e.* 1100 stems per hectare) are not met. Under normal circumstances stocking densities will range from a minimum of 50 stems per hectare up to a maximum of 400 stems per hectare and will be related to the combination of factors identified above.

#### Description of the methodology for the calculation of establishment cost

The methodology of calculation of eligible costs for standard grants will be based upon historical standard cost analysis of qualifying operations.

#### Evidence as referred to in article 48(2) of the implementing rules allowing the Commission to check consistency and plausibility of the calculations

In accordance with Commission Regulation (EC) No 1974/2006, the adequacy and accuracy of the calculation of payments under this Measure will be substantiated and certified by the Northern Ireland Statistical Research Agency, a duly recognised and independent body with the appropriate expertise.

#### Aid intensity for establishment support

|  |  |
| --- | --- |
| **Activity** | **Level of support** |
| Establishment costs | Up to 70% of eligible costs |

#### Linkage of proposed measures with national/sub-national forest programmes or equivalent instruments and with Community Forestry Strategy

Prior to devolution, the UK government committed itself to action at the 1992 United Nations’ Conference on Environment and Development and the second Ministerial Conference on the Protection of Forests in Europe, and consequently formally adopted a forestry policy to promote sustainability. The mechanisms through which the forestry programme in Northern Ireland is delivered are supported by the UK Forestry Standard, which was agreed by the UK government and devolved administrations, and establishes credible standards of sustainable forest management and a process of verification. The Forest Service, an agency of the Department of Agriculture and Rural Development, is certified under the UK Woodland Assurance Scheme (UKWAS) which is administered by the Forest Stewardship Council, an international network to promote responsible management of the world’s forests. Retention of UKWAS certification is a key business target of the Forest Service. Inherent to the retention of certification is the responsibility to ensure that all applications for grant-aid are in compliance with the standards laid down in the UK Forestry Standard.

#### Reference to the forest protection plans for areas classified as high or medium risk for forest fires and the elements ensuring conformity of proposed measures with these protection plans

No areas within Northern Ireland are classified as medium or high risk fire areas. All new woodlands established with grant aid support are subject to the conditions of the UK Forestry Standard. Protective measures are required which are in proportion to the risk and probability of achieving effective protection. The average size of grant-aided new woodlands in Northern Ireland is around 1.0ha. Incorporation of species mixtures and a requirement for a proportion of open space will appropriately mitigate risk. In areas of larger woodlands, planting plans are designed to minimise the risk of damage from wind, fire pests and diseases. These will include a robust planting design with a diversity of strategically sited species and distribution of open ground which create breaks in the tree cover.

#### Financing

Total Cost €0

Public expenditure €0[[59]](#footnote-59)

#### Transitional arrangements (including estimated amounts)

This Measure is a continuation of activity co-financed under Council Regulation (EC) No 1257/1999 through the Rural Development Regulation Plan (Accompanying Measures) for Northern Ireland 2000-2006. No major amendments have been made to the scheme under this Programme.

A declining number of commitments signed under the 2000-2006 programme will continue into the 2007-2013 period.

This Measure will also be used to pay ongoing commitments under the now closed Woodland Grant Scheme which ran from 1988-1992.The contracts under the scheme were for 20-40 years and expenditure may continue into 2032. Expenditure under this Programme is likely to be in the region of £47,000.

#### Quantified targets for EU common indicators

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target\* at 2007-2013 |
| Output | Number of beneficiaries receiving afforestation aid:   * Type of land ownership * Age of commitment * Environmental reason * Agricultural use of land | 5 |
|  | Number of hectares under new agroforestry systems:   * + Agricultural use of land   + Type of tree | 10 |
| Results | Areas under successful forestry land management contributing to:   * Improvement of biodiversity * Improvement of water quality * Mitigating climate change * Improvement of soil quality * Avoidance of marginalisation and land abandonment | 10 ha (Mitigating climate change) |
| Impact | Reversing biodiversity decline | N/A\* |
|  | Change in high nature value farming and forestry areas | N/A\* |
|  | Change in gross nutrient balance | N/A\* |

\* This measure is expected to contribute to the impact indicator defined for measure 221 ‘First Afforestation of agricultural land’ and it is not possible to define separate impact targets.

#### Additional programme-specific indicators and quantified targets

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target\* at 2007-2013 |
| Output | Number of forest holdings supported classified by ownership categories and size classes | 5 |
| Results | Biodiversity of forest ecosystems – naturalness – area of forest or other wooded land classified by forest type and level of naturalness | 10 ha |

#### Measure 2.3C: First Afforestation of non-agricultural land

#### Articles 36(b)(iii) and 45 of Regulation (EC) No 1698/2005

#### Article 30 and point 5.3.2.2.3 of Annex II of Regulation (EC) No 1974/2006

#### Measure Code: 223

#### Rationale for intervention

From a base of only 1.4% of land area at the end of the First World War, forests and woodland have expanded to cover 6% of the land area of Northern Ireland. This is however much less than the 12% cover in Great Britain and 33% cover in Europe. The restoration of forestry was driven first by a need to develop a strategic reserve of timber for use in a time of national emergency, and then by a need to promote economic development through the supply of raw material to sawmills and other industrial applications. Today there are 86,000 hectares of forests, of which three quarters are owned by the Department.

The Forest Service is an Executive Agency within the Department and is responsible for promoting the interests of forestry in Northern Ireland, the development of afforestation, the production and supply of timber and the maintenance of adequate reserves of growing trees.

Within Northern Ireland, Forest Service aims over the next 50 years to double the area of forest an increase long term forest cover largely through transfer from agricultural use to forestry. The current rate of afforestation of 500 hectares per annum is not sufficient to meet the demand for new afforestation. This conclusion was reached after consultation and published as the Northern Ireland Forestry Strategy, “A Strategy for Sustainability and Growth” (2006)[[60]](#footnote-60).

The Forestry Strategy recommended that future afforestation should be led largely by the private sector. Farmers, as the largest agricultural land-owning group, are in a unique position to lead this, through a number of means, including **1**) new afforestation and **2**) agro-forestry systems. It will also be possible to support **3**) afforestation of agricultural land owned by public authorities. The review of forestry policy also recognised there was a need for growth in forest and woodland cover in areas of non-agricultural land, and highlighted the economic, environmental and social benefits that these additional forests will bring. Specifically, it identified a need to **4**) develop new forests and woodlands providing for public access close to urban settlements.

Llinks have been created to other Measures within Axis 1 and Axis 3 which provide opportunities to contribute positively towards the renewable energy objectives identified within those Axes.

In 1990, conifer forests contained 3–4 MtC (trees + litter) and broadleaved woodlands contained about 0.8 MtC (trees + litter + new forest soil). In 1990, conifer forests were sequestering 0.15–0.20 MtC a–1 and broadleaved woodlands about 0.025 MtC a–1. To maintain these sink sizes, new conifer forests need to be planted at 1500–2000 ha a–1, and new broadleaved woodland at 100–150 ha a–1 in addition to full restocking. Current carbon sequestration by Northern Ireland forests represents around 6.5–8.2 per cent of the total for UK forests and is greater per hectare than in Britain because the average forest age is younger in Northern Ireland. The support offered for afforestation under the NIRDP will contribute significantly to the stated carbon sequestration targets.

Forestry is a matter of international importance because of concerns about the global impact of deforestation on climate and the loss of biodiversity. Prior to devolution the UK government committed itself to action at the 1992 United Nations Conference on Environment and Development and the second Ministerial Conference on the Protection of Forests in Europe, and consequently formally adopted a forestry policy to promote sustainability.

#### Objectives of the Measure

Northern Ireland Forestry policy to promote sustainability has recently been revised, and is stated as:

* The sustainable management of existing woods and forests, and
* A steady expansion of tree cover to increase the many diverse benefits that forests provide.

The Forestry Strategy records that the key tasks for the Department’s Forest Service are:

* To verify the sustainable management of forests.
* To maintain the supply of timber from forests.
* To restore the area of forest exploited for timber subject to addressing wider environmental objectives and exploiting development opportunities where this is in the public interest.
* To promote the use of forests for informal public recreation.
* To promote forest expansion.

To encourage afforestation, the Forest Service will use the Rural Development Regulation to promote development of new afforestation. Forest Service will optimise funds available under the NIRDP within the constraints of the National funding allocated to the afforestation programme.

To achieve this, Forest Service has revised the Woodland Grant Scheme which operated in the 2000-2006 period. The new Scheme will continue to provide support for all afforestation projects but will also encourage an increased rate of new planting in locations where certain types of forestry seem particularly desirable.

#### Scope and actions

This Measure will provide financial support for:

**4) The first afforestation of non-agricultural land**

Financial support for the first afforestation of non-agricultural land will be provided through:

* The Woodland Grant Scheme (WGS), whichwillsupport the establishment costs of first afforestation on non-agricultural land. Support payments will be made as standard grants paid as a contribution to the cost of work required or through challenge fund mechanisms to encourage new planting to achieve strategic objectives where the standard grants are not achieving these objectives. If applications exceed the resource allocated, a scoring mechanism will be introduced to prioritise the applications made, giving preference to those applications that meet the strategic objectives of the Forest Service.

70% of aid will be paid at establishment with the balance in five years. Support will also be available towards additional costs associated with providing woodland for public access use.

Landowners growing Christmas trees are not eligible for support towards first afforestation of non-agricultural land.

#### Provisions and criteria for the selection of areas to be afforested ensuring that the planned measures are suited to local conditions and compatible with the environmental requirements, particularly biodiversity, in accordance with article 50(6) of regulation 1698/2005 and article 34 of the implementing rules

Environmental safeguards are an essential component of first afforestation and are enforced through contract approval and monitoring procedures. On receipt, all applications are assessed to ensure that they meet the environmental standards set out in the “UK Forestry Standard” and the associated guidelines. In addition, proposals for first afforestation which are likely to have a significant effect on the environment are subject to Environment Impact Assessment under the Environmental Impact Assessment (Forestry) Regulations (Northern Ireland) 2000 (Council Directive 85/337/EEC[[61]](#footnote-61) as amended by Council Directive 97/11/EC[[62]](#footnote-62)). These Regulations include thresholds that determine the need for an Environment Impact Assessment.

#### Description of the methodology for the calculation of establishment costs.

The methodology of calculation of eligible costs for standard grants will be based upon historical standard cost analysis of qualifying operations.

#### Evidence as referred to in article 48(2) of the implementing rules allowing the Commission to check consistency and plausibility of the calculations

In accordance with Commission Regulation (EC) No 1974/2006, the adequacy and accuracy of the calculation of payments under this Measure will be substantiated and certified by the Northern Ireland Statistical Research Agency, a duly recognised and independent body with the appropriate expertise.

#### Aid intensity for establishment support

|  |  |
| --- | --- |
| **Activity** | **Level of support** |
| Establishment costs | Up to 70% of eligible costs |

#### Linkage of proposed measures with national/sub-national forest programmes or equivalent instruments and with Community Forestry Strategy

Prior to devolution, the UK government committed itself to action at the 1992 United Nations’ Conference on Environment and Development and the second Ministerial Conference on the Protection of Forests in Europe, and consequently formally adopted a forestry policy to promote sustainability. The mechanisms through which the forestry programme in Northern Ireland is delivered are supported by the UK Forestry Standard, which was agreed by the UK government and devolved administrations, and establishes credible standards of sustainable forest management and a process of verification. The Forest Service, an agency of the Department of Agriculture and Rural Development, is certified under the UK Woodland Assurance Scheme (UKWAS) which is administered by the Forest Stewardship Council, an international network to promote responsible management of the world’s forests. Retention of UKWAS certification is a key business target of the Forest Service. Inherent to the retention of certification is the responsibility to ensure that all applications for grant-aid are in compliance with the standards laid down in the UK Forestry Standard.

#### Reference to the forest protection plans for areas classified as high or medium risk for forest fires and the elements ensuring conformity of proposed measures with these protection plans

No areas within Northern Ireland are classified as medium or high risk fire areas. All new woodlands established with grant aid support are subject to the conditions of the UK Forestry Standard. Protective measures are required which are in proportion to the risk and probability of achieving effective protection. The average size of grant-aided new woodlands in Northern Ireland is around 1.0ha. Incorporation of species mixtures and a requirement for a proportion of open space will appropriately mitigate risk. In areas of larger woodlands, planting plans are designed to minimise the risk of damage from wind, fire pests and diseases. These will include a robust planting design with a diversity of strategically sited species and distribution of open ground which create breaks in the tree cover.

#### Financing

Total Cost € 0

Public expenditure € 0[[63]](#footnote-63)

#### Transitional arrangements (including estimated amounts)

This Measure is a continuation of activity co-financed under Council Regulation (EC) No 1257/1999 through the Rural Development Regulation Plan (Accompanying Measures) for Northern Ireland 2000-2006. No major amendments have been made to the scheme under this Programme.

A declining number of commitments signed under the 2000-2006 programme will continue into the 2007-2013 period.

This Measure will also be used to pay ongoing commitments under the now closed Woodland Grant Scheme which ran from 1988-1992.The contracts under the scheme were for 20-40 years and expenditure may continue into 2032. Expenditure under this Programme is likely to be in the region of £47,000.

#### Quantified targets for EU common indicators

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target\* at 2007-2013 |
| Output | Number of beneficiaries receiving afforestation aid:   * Type of land ownership * Age of commitment * Environmental reason | 45 |
|  | Number of hectares of afforested land:   * Type of land ownership * Environmental reason * Type of tree * Age of commitment | 90 |
| Results | Areas under successful forestry land management contributing to:   * Improvement of biodiversity * Improvement of water quality * Mitigating climate change * Improvement of soil quality * Avoidance of marginalisation and land abandonment | 90 ha (Mitigating climate change) |
| Impact | Reversing biodiversity decline | N/A\* |
|  | Change in high nature value farming and forestry areas | N/A\* |
|  | Change in gross nutrient balance | N/A\* |

\* This measure is expected to contribute to the impact indicator defined for measure 221 ‘First Afforestation of agricultural land’ and it is not possible to define separate impact targets.

#### Additional programme-specific indicators and quantified targets

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target\* at 2007-2013 |
| Output | Number of forest holdings supported classified by ownership categories and size classes | 45 |
| Results | Biodiversity of forest ecosystems – naturalness – area of forest or other wooded land classified by forest type and level of naturalness | 90 ha |

#### Measure 2.4A: Forest Environments

#### Articles 36(b)(v) and 47 of Regulation (EC) No 1698/2005

#### Point 5.3.2.2.5 of Annex II of regulation (EC) No 1974/2006

#### Measure Code: 225

#### Rationale for intervention

From a base of only 1.4% of land area at the end of the First World War, forests and woodland have expanded to cover 6% of the land area of Northern Ireland. This is however much less than the 12% cover in Great Britain and 33% cover in Europe. The restoration of forestry was driven first by a need to develop a strategic reserve of timber for use in a time of national emergency, and then by a need to promote economic development through the supply of raw material to sawmills and other industrial applications. Today there are 86,000 hectare of forests, of which three quarters are owned by the Department.

In March 2006, the Forest Service published ‘A Strategy for Sustainability and Growth’. This document provided a strategy for the delivery of forestry policy in Northern Ireland and identified a commitment to increasing long term forest cover.

The Forestry Strategy states, “Our vision of forestry in Northern Ireland is to meet the forest needs of present and future generations through improved sustainability of forests…”, it goes on to say, “The role of government will be to provide guidance on the types of forest that are needed and, … to encourage progress by providing technical advice and contributing to costs where there is a commensurate public benefit, and by encouraging the orderly development of markets for forest products.”

#### Objectives of the measure

* To secure significant environmental benefits through the enhancement of biodiversity.
* To improve the public amenity of woodlands while preserving high value forest ecosystems, by reinforcing the protective value of forests in respect of soil, water and natural hazards.
* To assist in achieving the expansion, maintenance, enhancement or restoration targets set out in the native woodland Habitat Action Plans, or benefits to the habitats of those woodland species covered by the Species Action Plan.

#### Scope and actions

Support for forest environment actions will be available under the Sustainable Forestry Operations Grant Scheme.

Support will be available for participants who make a voluntary commitment to undertake agreed forest-environment actions to improve the ecosystems within private forests and woodlands and prevent damage by domestic and wild animals. This will include ongoing maintenance required to control invasive species such as laurel and rhododendron and for the clearance of stream-sides and other open ground.

The commitments will be for 5 years and standards will exceed the relevant mandatory requirements. Payments will be made for activities which exceed reasonably anticipated silvicultural operations. Qualifying activities may, for example, include:

* Removal and control of invasive species such as rhododendron spp, laurus spp, polygonum spp
* Sanitation thinning/felling which improves overall woodland health and amenity
* Riparian zone clearance

Some examples of non-qualifying activities would include:

* Herbaceous and non-invasive weed control
* Pre-commercial thinning / re-spacing
* Thinning
* Clearfelling

Forest environment payments will be predominantly aimed at semi-mature and mature woodland areas, although premature woodlands may, in some cases, be eligible for payments.

Financial assistance will support additional costs and income foregone resulting from the commitment.

#### Types of beneficiaries

This measure will provide support under the Sustainable Operations Grant Scheme to private forest owners, local authorities and their associations.

#### Justification for the forest environment commitments, based on their expected environmental impact in relation to environmental needs and priorities

The Northern Ireland Forestry Strategy has, as its international governing framework: *United Nations Forum on Forests (UNFF); Convention in Biological Diversity (CBD); Ministerial Conference for Protection of Forests in Europe (MCPFE)* and its *Pan-European Criteria (PEC)* and *EU Regulations.* This governing framework and supporting standards protect and encourage the principles of biodiversity in relation to forestry in Northern Ireland. The commitments under the Forest Environments Measure are intended to offer support for those projects which can demonstrate a positive contribution to environmental enhancement.

In 1990, conifer forests contained 3–4 MtC (trees + litter) and broadleaved woodlands contained about 0.8 MtC (trees + litter + new forest soil). In 1990, conifer forests were sequestering 0.15–0.20 MtC a–1 and broadleaved woodlands about 0.025 MtC a–1. To maintain these sink sizes, new conifer forests need to be planted at 1500–2000 ha a–1, and new broadleaved woodland at 100–150 ha a–1 in addition to full restocking. Current carbon sequestration by Northern Ireland forests represents around 6.5–8.2 per cent of the total for UK forests and is greater per hectare than in Britain because the average forest age is younger in Northern Ireland. The support offered for forest environments actions under the NIRDP will contribute to the stated carbon sequestration targets.

Unlike many countries, Northern Ireland benefits from a diverse woodland environment. Climatic conditions support the growing of a large number of conifer and broadleaved species. This is reflected in the structure of both state forests and private woodlands. State forests area is currently proportioned at 85% conifer and 15% broadleaved. Private woodland area is currently proportioned at 15% conifer and 85% broadleaved. It is intended to maintain broadly similar proportions across both state forests and private woodland areas in the foreseeable future.

#### Description of the methodology and the assumptions and parameters used as a reference point for the calculations justifying additional costs and income foregone resulting from the forest environment commitment given.

The methodology of calculation of eligible costs for standard grants will be based upon historical standard cost analysis of qualifying operations. For additional grants, it will be through determination of eligible operational costs and for income foregone, it will be through calculation and comparison against defined agricultural compensation models.

#### Evidence as referred to in article 48(2) of the implementing rules allowing the Commission to check consistency and plausibility of the calculations

In accordance with Commission Regulation (EC) No 1974/2006, the adequacy and accuracy of the calculation of payments under this Measure will be substantiated and certified by the Northern Ireland Statistical Research Agency, a duly recognised and independent body with the appropriate expertise.

#### Amount of support

|  |  |
| --- | --- |
| Activity | Level of support |
| Forest environment actions | Up to €200 per hectare per year for a maximum of 5 years.  [Small applications of 5 hectares or less will receive the full payment at the end of the first year on condition of inspection and approval. For schemes over 5 hectares, plans will be annualised over the agreement period and grant paid annually in arrears on condition of inspection and approval] |

#### Linkage of proposed measures with national/sub-national forest programmes or equivalent instruments and with Community Forestry Strategy

Prior to devolution, the UK government committed itself to action at the 1992 United Nations Conference on Environment and Development and the second Ministerial Conference on the Protection of Forests in Europe, and consequently formally adopted a forestry policy to promote sustainability. The mechanisms through which the forestry programme in Northern Ireland is delivered are supported by the UK Forestry Standard, which was agreed by the UK government and devolved administrations, and establishes credible standards of sustainable forest management and a process of verification.

The Forest Service, an agency of the Department of Agriculture and Rural Development, is certified under the UK Woodland Assurance Scheme (UKWAS) which is administered by the Forest Stewardship Council, an international network to promote responsible management of the world’s forests. Retention of UKWAS certification is a key business target of the Forest Service. Inherent to the retention of certification is the responsibility to ensure that all applications for grant-aid are in compliance with the standards laid down in the UK Forestry Standard.

#### Reference to the forest protection plans for areas classified as high or medium risk for forest fires and the elements ensuring conformity of proposed measures with these protection plans

No areas within Northern Ireland are classified as medium or high risk fire areas.

#### Financing

Total Cost €5,618

Public expenditure €5,618

#### Transition arrangements (including estimated amount)

This Measure is a continuation of activity co-financed under Council Regulation (EC) No 1257/1999 through the Rural Development Regulation Plan (Accompanying Measures) for Northern Ireland 2000-2006. No major amendments have been made to the scheme under this Programme.

A declining number of commitments signed under the 2000-2006 programme will continue into the 2007-2013 period.

#### Quantified targets for EU common indicators

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target\* at 2007-2013 |
| Output | Number of forest holders (and holdings) receiving support   * Age of commitment * Type of scheme * Type of investment | 4 |
|  | Number of hectares under forest environment support   * Type of woodland * Environmental reason * Type of tree * Age of commitment | 66 ha |
|  | Number of contracts   * Type of commitment * Age of commitment | 4 |
|  | Physical forest area under forest environment support | 66 ha |
| Results | Areas under successful forestry land management contributing to:   * Improvement of biodiversity * Improvement of water quality * Mitigating climate change * Improvement of soil quality * Avoidance of marginalisation and land abandonment | 66 ha (Improvement of biodiversity) |
| Impact | Change in high nature value farming and forestry areas | +0.5% |
|  | Changes in gross nutrient balance | +0.5% |
|  | Increase in production of renewable energy | Not applicable |

#### Additional programme-specific indicators and quantified targets

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target\* at 2007-2013 |
| Outputs | Number of forest holdings supported classified by ownership categories and size classes | 4 |
| Results | Biodiversity of forest ecosystems – naturalness – area of forest or other wooded land classified by forest type and level of naturalness | 66ha |

#### Measure 2.4B: Forest Environments – non-productive investments

#### Articles 36(b)(vi)and 49 of Regulation (EC) No 1698/2005

#### Point 5.3.2.2.7 of Annex II of regulation (EC) No 1974/2006

#### Measure Code: 227

#### Rationale for intervention

From a base of only 1.4% of land area at the end of the First World War, forests and woodland have expanded to cover 6% of the land area of Northern Ireland. This is however much less than the 12% cover in Great Britain and 33% cover in Europe. The restoration of forestry was driven first by a need to develop a strategic reserve of timber for use in a time of national emergency, and then by a need to promote economic development through the supply of raw material to sawmills and other industrial applications. Today there are 86,000 hectare of forests, of which three quarters are owned by the Department.

In March 2006, the Forest Service published ‘A Strategy for Sustainability and Growth’. This document provided a strategy for the delivery of forestry policy in Northern Ireland and identified a commitment to increasing long term forest cover.

The Forestry Strategy states, “Our vision of forestry in Northern Ireland is to meet the forest needs of present and future generations through improved sustainability of forests…”, it goes on to say, “The role of government will be to provide guidance on the types of forest that are needed and, … to encourage progress by providing technical advice and contributing to costs where there is a commensurate public benefit, and by encouraging the orderly development of markets for forest products.”

#### Objectives of the measure

* To secure significant environmental benefits through the enhancement of biodiversity.
* To improve the public amenity of woodlands while preserving high value forest ecosystems, by reinforcing the protective value of forests in respect of soil, water and natural hazards.
* To assist in achieving the expansion, maintenance, enhancement or restoration targets set out in the native woodland Habitat Action Plans, or benefits to the habitats of those woodland species covered by the Species Action Plan.

#### Scope and actions

Support may be provided under a Woodland Environment Grant for one-off financial commitments to achieve environmental objectives, secure environmental benefits or to enhance the public amenity value of existing forests but which do not lead to any significant increase in the value or profitability of the forestry holding.

Support will therefore be available for one-off capital payments for environment projects such as fencing to prevent the entry of rabbits and deer and the eradication of animals such as grey squirrels. Support will also be provided for improvements in public amenity value infrastructure such as pathways, access and car parking to facilitate public access.

#### Definition of operations to be supported

Support may be provided to participants wishing to make voluntary commitments (*i.e.* additional commitments outwith those normally expected as part of Woodland Grant Scheme agreements) which, when undertaken will improve the landscape, use, diversity and ecosystems of private forests. It is not possible to list all qualifying operations, and each case will be assessed individually. However, some examples of this type of operation would include:

* diversifying the landscape and habitat of conifer woodlands;
* increasing biodiversity in uniform woodlands;
* control of grey squirrels, deer, rabbits and feral goats;
* keeping the land in proximity to sites of archaeological value clear of natural regeneration of trees and woodland shrubs;
* control of invasive species which represent a threat to existing woodland ecosystems; and
* operations which will positively affect the public amenity value of existing forests without adding significantly to the value or profitability of a forestry holding.

#### Description of the link to commitments provided for in Article 36(b)(v) of Regulation (EC) 1698/2005 (forest environment payments) or other environmental objectives

UK and international forestry policy supports the aims of sustainable forest management. Support under Article 36(b)(v) is provided to encourage the sustainable management of forests in Northern Ireland in a way which ensures the delivery of benefits for the present generation, while at the same time protecting the environment and resources for the benefit of future generations. The affordable delivery of environmental and social benefits depends in large measure on the successful maintenance, enhancement and development of forest environments across Northern Ireland.

#### Description of public amenity values to be enhanced

The demand for recreational use of forests is increasing and diversifying, and, due to the relative scarcity of forests in Northern Ireland, this is placing growing pressure on commercial and environmental objectives. These pressures may be alleviated through the development of private woodland facilities (in a way which does not compromise high value forest ecosystems) which support the use of forest areas for purposes other than purely commercial timber production. The support of environmental projects which improve forest infrastructure and improve public amenity as a consequence may include examples such as: access; pathways; car parking, signage *etc*

#### Amount of support

|  |  |
| --- | --- |
| Activity | Level of support |
| Non-productive investments | Up to 80% of approved costs for a single project supported by an appropriate appraisal (maximum payment of €25,000).  [grant will be paid upon condition of competitively tendered and agreed costs for the project and verification by inspection and production of receipts ] |

#### Linkage of proposed measures with national/sub-national forest programmes or equivalent instruments and with Community Forestry Strategy

Prior to devolution, the UK government committed itself to action at the 1992 United Nations Conference on Environment and Development and the second Ministerial Conference on the Protection of Forests in Europe, and consequently formally adopted a forestry policy to promote sustainability. The mechanisms through which the forestry programme in Northern Ireland is delivered are supported by the UK Forestry Standard, which was agreed by the UK government and devolved administrations, and establishes credible standards of sustainable forest management and a process of verification.

The Forest Service, an agency of the Department of Agriculture and Rural Development, is certified under the UK Woodland Assurance Scheme (UKWAS) which is administered by the Forest Stewardship Council, an international network to promote responsible management of the world’s forests. Retention of UKWAS certification is a key business target of the Forest Service. Inherent to the retention of certification is the responsibility to ensure that all applications for grant-aid are in compliance with the standards laid down in the UK Forestry Standard.

#### Reference to the forest protection plans for areas classified as high or medium risk for forest fires and the elements ensuring conformity of proposed measures with these protection plans

No areas within Northern Ireland are classified as medium or high risk fire areas.

#### Financing

Total Cost €9,372

Public expenditure €9,372

#### Transition arrangements (including estimated amount)

This Measure is a continuation of activity co-financed under Council Regulation (EC) No 1257/1999 through the Rural Development Regulation Plan (Accompanying Measures) for Northern Ireland 2000-2006. No major amendments have been made to the scheme under this Programme.

A declining number of commitments signed under the 2000-2006 programme will continue into the 2007-2013 period.

#### Quantified targets for EU common indicators

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target\* at 2007-2013 |
| Output | Number of forest holders (and holdings) receiving support   * Age of commitment * Type of scheme * Type of investment | 16 |
|  | Total volume of investment:   * + Type of investment | €66,000 |
| Results | Areas under successful forestry land management contributing to:   * Improvement of biodiversity * Improvement of water quality * Mitigating climate change * Improvement of soil quality * Avoidance of marginalisation and land abandonment | 264 ha (Improvement of biodiversity) |
| Impact | Change in high nature value farming and forestry areas | +0.5%\* |
|  | Changes in gross nutrient balance | +0.5%\* |
|  | Increase in production of renewable energy | Not applicable |

\* This measure is expected to contribute to the impact indicator defined for measure 225 ‘Forest Environments’ and it is not possible to define separate impact targets.

#### Additional programme-specific indicators and quantified targets

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target\* at 2007-2013 |
| Outputs | Number of forest holdings supported classified by ownership categories and size classes | 16 |
| Results | Biodiversity of forest ecosystems – naturalness – area of forest or other wooded land classified by forest type and level of naturalness | 264 ha |

#### Measure 3.1: Diversification into non-agricultural activities

#### Article 52(a)(i) and 53 of Regulation (EC) No 1698/2005

#### Article 35 and point 5.3.3.1.1 of Annex II of Regulation (EC) No 1974/2006

#### Measure Code: 311

#### Rationale for intervention

Agriculture continues to play an important role in the Northern Ireland economy and accounts for over 30% of VAT-registered businesses compared to the UK average of 8.8%. However, the contribution of agriculture to the rural economy has halved in the last 15 years with falling numbers of farms and persons working on farms.

In 2001/02, 27% of farmers and business partners received no income from the farm. Agriculture cannot, on its own, meet the economic needs of every rural dweller or every farm family. If the rural economy is to be developed, support is required to assist farm families to diversify and seek alternative sources of income from alternative sectors which can provide sustainable employment and income. Diversification is necessary for growth, employment and sustainable development in rural areas to contribute to a better territorial balance within economic and social terms.

Northern Ireland farm families face unprecedented challenges with pressure from world markets on end prices, increased animal health and welfare and environmental controls and the decoupling of production support from actual production of animal and crop products on farm. With decoupling of production support through the Single Farm Payment, farm families have an opportunity to re-model and reshape their enterprises. Farm families need to consider the possibilities of diversifying into non agricultural activities.

Opportunities may also exist for Northern Ireland’s agricultural industry to diversify land use away from food production towards sustainable energy production and thereby play a role in the achievement of national targets for energy generation from renewable sources. About 3% of Northern Ireland’s electricity is currently generated from renewable sources. The Department of Enterprise, Trade and Investment’s Strategic Energy Framework for Northern Ireland[[64]](#footnote-64) sets a firm target of 12% of electricity from renewables by 2012, with 15% of this coming from non-wind technologies.

#### Objective of the measure

* To assist farm households to diversify into non-agricultural activities and, as a consequence, maintain or increase the income of the farm households and create employment opportunities

#### Scope and actions

This Measure will provide support to members of a farm household who wish to diversify into non-agricultural activities.

#### Beneficiaries

Member(s) of the farm household.

#### Domains of diversification covered

While a definitive list of diversification activities cannot be provided, activities that might be supported could include:

* Light engineering
* Innovative services
* Traditional skills
* Equestrian services
* Crafts
* Recycling facilities

#### Aid intensities

|  |  |
| --- | --- |
| Activity | Level of support |
| Grant aid towards capital and resource costs | Up to 50% |
| Marketing support | Up to 50% |
| Specialist training | Up to 50% |
| Technical support | Up to 50% |
| Co-operation project pre-development costs | Level of support detailed in Measure 4.2 |

#### Type of support: one-off or in instalments. In case of using interest rate subsidies or financial engineering systems, description of the arrangements in accordance with articles 49 – 52 of the implementing rules. In case of advance payments, descriptions of arrangements (rate of advance – up to 20% - guarantee covering advances, conditions for releasing the guarantee).

Support will be provided through:

* Grant aid towards the costs of capital and resource investment
* Marketing support
* Bespoke training intrinsic to individual project applications under this measure which is not on offer from any other provider
* Technical support to help new businesses become established and to help existing businesses to consolidate and expand
* Technical support towards pre-development costs incurred in transnational or inter-territorial co-operation projects

Interest rate subsidies and financial engineering systems will not be eligible. No advances will be paid.

#### Demarcation line and criteria with other EU financial instruments

This Measure is being developed in conjunction with the other Axis 3 Measures. The Department is consulting internally and with other Northern Ireland Departments, Agencies and the College of Agriculture, Food and Rural Enterprise to ensure the Measure meets the needs of farm family households and is complementary to support available from other sources.

#### Financing

This measure will be delivered as part of axis 4 Measures 413 and 421 through local development strategies. The following is an indication of the level of funding that may be available for this Measure:

Total Cost €45,042,315

Public Expenditure €31,505,520

#### Transition arrangements (including estimated amount)

This Measure is similar to activity co-financed under Council Regulation (EC) No 1257/1999 through the Northern Ireland LEADER+ Programme and the EU Programme for Peace and Reconciliation 2000-2004.

All EU Programme for Peace and Reconciliation actions approved under Council Regulation (EC) No 1257/1999 will be completed in early 2007 and will be declared as eligible expenditure under the EU Programme for Peace and Reconciliation. Expenditure incurred on projects approved after 1 January 2007 [or after the approval of the NI programme] will be declared under this Programme.

All LEADER+ actions approved under Council Regulation (EC) No 1257/1999 will be completed in 2008 and will be declared as eligible expenditure under the LEADER+ Programme. Expenditure incurred on projects approved after 1 January 2007 [or after the approval of the NI programme] will be declared under this Programme.

#### Indicative quantified targets for EU common indicators

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Output | Number of beneficiaries:   * Gender * Age * Type of non-agricultural activity | 600 |
|  | Total volume of investment:   * Gender * Age * Type of non-agricultural activity | €45.0m |
| Result | Increase in non-agricultural GVA in supported businesses | 12357 |
|  | Gross number of jobs created:   * On-farm/off-farm * Gender * Age | 600 |
| Impact | Net additional value expressed in PPS | 2% |
|  | Net additional FTE jobs created:   * + On-farm/off-farm jobs   + Gender   + Age category | 360 |

#### Indicative additional programme-specific indicators and quantified targets

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Result | Number of new businesses created | 400 |
|  | Potential volume of energy generated from RDP funded renewable energy projects expressed as kilowatt hours per annum | 750,000 kilowatt hours |
| Impact | Number of new businesses which are still in existence two years after final funding | 400 |
|  | Agricultural labour units reallocated to non agricultural activities | 375 |

#### Measure 3.2: Business creation and development

#### Article 52(a)(ii) and 54 of Regulation (EC) No 1698/2005

#### Point 5.3.3.1.2 of Annex II of Regulation (EC) No 1974/2006

#### Measure Code: 312

#### Rationale for intervention

In Northern Ireland, micro enterprises[[65]](#footnote-65) account for 88% of the total number of firms in the region and form a vital component of the rural economy providing jobs and underpinning social cohesion. With appropriate help, many micro businesses could be established or expanded to stimulate economic growth, innovation, competitiveness and to create employment opportunities.

Rural areas have an over-dependence on the low value-added sectors of agriculture and manufacturing which are experiencing major change and are in a period of decline. For example, all 17 rural local government districts have a higher concentration of employees in manufacturing than the Northern Ireland average. 96% of rural wards in Northern Ireland rely on agriculture for over 8% of employment. There is a need to diversify the rural economy but rural businesses face many pressures such as higher costs of transportation and communication.

Action is required to create employment opportunities for all rural dwellers, given the decline in numbers of people working on farms and this Measure will create opportunities for members of farm households to work part-time or full-time off-farm. However, one sector particularly in need is young people. Northern Ireland’s rural areas have a higher proportion of people under 16 yrs of age than in urban areas, leading to increased need for local employment opportunities to retain young people in the community.

#### Objective of the measure

* To create employment opportunities through promoting entrepreneurship and developing the economic infrastructure in rural areas

#### Scope and actions

This Measure will provide support to existing micro enterprises or to persons wishing to set up a new micro-enterprise in a non-agricultural sector. The Department and appointed Delivery Agents will also work with other Agencies to assist entrepreneurs to develop the skills for a successful business start up thus reducing risks.

#### Types of beneficiary enterprises

Existing micro enterprises or persons wishing to set up a new micro enterprise in a non-agricultural business off-farm. This Measure excludes members of farm households eligible under Measure 3.1 or those projects eligible under Measure 3.3

#### Description of the type of operations

While a definitive list of such activities supported under this measure cannot be provided, activities

could be similar to those brought forward under the Northern Ireland LEADER+ Programme such as:

* Day care facilities
* Waste management facilities
* Crafts
* Traditional skills
* Innovative manufacturing businesses
* Light engineering
* Innovative services

#### Support. Type of payment: one-off or in instalments. In case of using interest rate subsidies or financial engineering systems, description of the arrangements in accordance with articles 49 – 52 of the implementing rules. In case of advance payments, descriptions of arrangements (rate of advance – up to 20% - guarantee covering advances, conditions for releasing the guarantee).

Support will be provided through:

* Grant aid towards the costs of capital and resource investment
* Marketing support
* Bespoke training intrinsic to individual project applications under this measure which is not on offer from any other provider
* Technical support to help new businesses become established and to help existing businesses to consolidate and expand
* Technical support towards pre-development costs incurred in transnational or inter-territorial co-operation projects

This Measure will not support farmers and members of farm families that are eligible for support under Measures 3.1 and 3.3

Interest rate subsidies and financial engineering systems will not be eligible. No advances will be paid.

#### Aid intensities

|  |  |
| --- | --- |
| Activity | Level of support |
| Grant aid towards capital and resource costs | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Marketing support | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Bespoke training | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Technical support | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Co-operation project pre-development costs | Level of support detailed in Measure 4.2 |

Social economy enterprises may provide match funding towards eligible costs in the form of contributions-in-kind and/or cash contributions subject to being in line with the Implementing Rules and adhering to the policies and procedures to be established by DARD, as Managing Authority, prior to the implementation of the measure.

#### Demarcation line and criteria with other EU financial instruments

This Measure is being developed in conjunction with the other Axis 3 Measures. The Department is consulting internally and with other Northern Ireland Departments and Agencies, with existing LEADER+ Local Action Groups and the Northern Ireland LEADER Network and with other key stakeholders to ensure the Measure is complementary to support available from other sources.

#### Financing

This measure will be delivered as part of axis 4 Measures 413 and 421 through local development strategies. The following is an indication of the level of funding that may be available for this Measure:

Total Cost €41,778,965

Public Expenditure €29,056,275

#### Transition arrangements (including estimated amount)

This Measure is similar to activity co-financed under Council Regulation (EC) No 1257/1999 through the Northern Ireland LEADER+ Programme.

All LEADER+ actions approved under Council Regulation (EC) No 1257/1999 will be completed in 2008 and will be declared as eligible expenditure under the LEADER+ Programme. Expenditure incurred on projects approved after 1 January 2007 [or after the approval of the NI programme] will be declared under this Programme.

#### Indicative quantified targets for EU common indicators

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Output | Number of micro enterprises supported:   * Status * Age * Type of micro enterprise | 1200 |
|  | Total volume of investment | €41.7m |
| Result | Increase in non-agricultural GVA in supported businesses | 12357 |
|  | Gross number of jobs created:   * On-farm/off-farm * Gender * Age | 500 |
| Impact | Net additional value expressed in PPS | 2% |
|  | Net additional FTE jobs created:   * + On-farm/off-farm jobs   + Gender * Age category | 300 |

#### Indicative additional programme-specific indicators and quantified targets

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Result | Potential volume of energy generated from RDP funded renewable energy projects expressed as kilowatt hours per annum | 300,000 kilowatt hours |
| Impact | Number of supported new businesses which are still in existence two years after final funding. | 100% |

#### Measure 3.3: Encouragement of tourism activities

#### Article 52(a)(iii) and 55 of Regulation (EC) No 1698/2005

#### Point 5.3.3.1.3 of Annex II of Regulation (EC) No 1974/2006

#### Measure Code: 313

#### Rationale for intervention

Although, in European terms, Northern Ireland’s rural areas cover a relatively small geographical area, they have a rich and diverse environment that is extremely important to the whole region and helps to create the clean, green, image that is one of Northern Ireland’s most competitive resources. The quality of the rural environment has the potential to attract tourists and inspire economic regeneration.

Since the inception of the Department’s Rural Development Programme in the early 1990s, many communities have recognised the importance of tourism as a means of alleviating the problems they face. Under PEACE II’s Natural Resource Rural Tourism Initiative, substantial progress has been made in the development of rural tourism. However, there is potential for rural tourism to make a greater contribution to the rural economy at a time when traditional industries such as agriculture are in decline. By using natural and historic resources and maximising the potential of the rural tourism sector, the natural and built rural environment can attract visitors and tourists whose expenditure will create or maintain jobs and provide multiplier effects working through the local economy. An opportunity exists to attract tourists through the development of small-scale infrastuctural, environmental and cultural attractions, activities and strategic marketing. Spending generated by visitors will lead to the creation and maintenance of sustainable jobs.

Many holidaymakers to Northern Ireland participate in activities that rely on the rural environment. The Northern Ireland Tourist Board’s “Strategic Framework for Action”[[66]](#footnote-66) states “…. Tourism has the capacity to become a key sector in the transformation of Northern Ireland and to contribute significantly to economic growth”. The Northern Ireland Tourist Board has identified rural tourism as a key area for development.

#### Objective of the measure

* To use the natural resources in Northern Ireland’s rural areas to attract visitors and create new employment opportunities through the sustainable development of the rural economy

#### Scope and actions

This Measure will provide support to existing rural tourism enterprises or to persons wishing to set up a new sustainable rural tourism enterprise or to non economic tourism initiatives by public bodies / local authorities for public benefit.

This Measure will not provide support for applicants eligible under Measures 3.1 and 3.2.

#### Description of the type of operations covered, referred to in article 55 of regulation 1698/2005

While a definitive list of activities to be supported under this measure cannot be provided, activities could be similar to those brought forward under the PEACE II Natural Resource Rural Tourism Initiative and the Northern Ireland LEADER+ Programme such as:

* Improving and developing small-scale infrastructure to develop a quality tourism product
* Assisting tourism providers to develop clusters and business initiatives to meet visitor needs and market their products and services
* Developing “green tourism” initiatives
* Developing a balanced accommodation base
* Developing a range of visitor facilities, events and outdoor activities
* Providing sign-posting to tourist sites

#### Support. In case of advance payments, description of the arrangements (rate of advance – up to 20% - guarantee covering advances, conditions for releasing the guarantee)

Support will be provided through:

* Grant aid towards the costs of capital and resource investment
* Marketing support
* Bespoke training intrinsic to individual project applications under this measure which is not on offer from any other provider
* Technical support to help new businesses become established and to help existing businesses to consolidate and expand
* Technical support towards pre-development costs incurred in transnational or inter-territorial co-operation projects

No advance payments will be made under this measure.

#### Aid Intensities

|  |  |
| --- | --- |
| Activity | Level of support |
| Grant aid towards capital and resource costs | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Grant aid towards capital costs for Strategic Projects | Up to 85% for the public sector and social economy enterprises. |
| Marketing support | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Bespoke Training | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Technical support | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Co-operation project pre-development costs | Level of support detailed in Measure 4.2 |

Social economy enterprises may provide match funding towards eligible costs in the form of contributions-in-kind and/or cash contributions subject to being in line with the Implementing Rules and adhering to the policies and procedures to be established by DARD, as Managing Authority, prior to the implementation of the Programme.

A strategic project is defined as a project involving a larger rural programme area within a LAG area i.e. the impact will be across a larger part of the LAG area and involve higher outputs often across a number of villages and towns. Unlike existing projects where the impact is related to small-scale infrastructure around the town or village the strategic projects will impact across a much larger part of a LAG area. All strategic projects must involve grant aid of more than £250k but less than £1m. The level of grant aid is set at 85% this is to ensure a level of sustainability but allows the project applicant to reduce their match funds therefore enabling larger projects to come forward.

They will support key community infrastructure and enable the wider rural community to access services linked to region wide initiatives such as Investing for Health, Children and Young people and the Promoting MentalHealthStrategies**.** Local Authorities will benefit by being able to bring forward larger capital infrastructure projects to help target weaknesses in community infrastructure.They will be implemented by one or more partners allowing achievement of the goals of the axis measure to which it relates and will provide long term impact for the community in the rural area well beyond the end of the project and will have a more strategic, greater impact than standard Axis 3 projects. The scale of the projects will see many jobs in the construction industry being created and sustained in the medium term and will create jobs in rural communities which are currently suffering high levels of unemployment.

The projects will typically:

* Relate to Capital Infrastructure;
* Create jobs during capital build and after completion
* Promote/encourage a Partnership approach with other statutory organisations which have identified a need with associated strategic solutions;
* Flagship type/notable/high impact actions.

All State aid under this measure must be paid in accordance with de minimis Regulation (EC) 1998/2006 (capped at €200,000 per beneficiary). To qualify as a strategic project the project must involve grant aid of more than £250,000 but less than £1 million. Therefore only projects which do not involve State aid within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union will be considered for funding as a strategic project. All strategic project applications received will be assessed against the conditions established by Article 107(1).  If it is determined that aid to any specific project would constitute State aid the project will be deemed ineligible for support as a strategic project.

#### Demarcation line and criteria with other EU financial instruments

This Measure is being developed in conjunction with the other Axis 3 Measures. The Department is consulting internally and with other Northern Ireland Departments and Agencies, with existing LEADER+ Local Action Groups and Natural Resource Rural Tourism partnerships and with other key stakeholders to ensure the Measure is complementary to support available from other sources.

#### Financing

This measure will be delivered as part of axis 4 Measures 413 and 421 through local development strategies. The following is an indication of the level of funding that may be available for this Measure:

Total Cost €24,934,138

Public Expenditure €17,440,556

#### Transition arrangements (including estimated amount)

This Measure is similar to activity co-financed under Council Regulation (EC) No 1257/1999 through the EU Programme for Peace and Reconciliation.

All EU Programme for Peace and Reconciliation actions approved under Council Regulation (EC) No 1257/1999 will be completed in 2008 and will be declared as eligible expenditure under the EU Programme for Peace and Reconciliation Programme. Expenditure incurred on projects approved after 1 January 2007 [or after the approval of the NI programme] will be declared under this Programme.

#### Indicative quantified targets for EU common indicators

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Output | Number of tourism actions supported:   * Type of action * New/existing | 300 |
|  | Total volume of investment:   * + Type of action | €24.9m |
| Result | Additional number of tourist visits:   * + Number of overnight stays   + Number of day visitors | 10% increase |
|  | Gross number of jobs created:   * Age * Gender * On-farm/off-farm | 50 |
|  | Increase in non-agricultural gross value added in supported businesses | 3,600 |
| Impact | Net additional value expressed in PPS | 2% |
|  | Net additional FTE jobs created:   * + On-farm/off-farm jobs   + Gender * Age category | 30 |

#### Indicative additional programme-specific indicators and quantified targets

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target 2007-2013 |
| Result | Number of new tourism businesses created | 60 |
|  | Potential volume of energy generated from RDP funded renewable energy projects expressed as kilowatt hours per annum | 200,000 kilowatt hours |
| Impact | Number of supported new businesses which are still in existence two years after final funding | 60 |

#### Measure 3.4: Basic Services for the economy and rural population

#### Article 52(b)(i) and 56 of Regulation (EC) No 1698/2005

#### Point 5.3.3.2.1 of Annex II of Regulation (EC) No 1974/2006

#### Annex III of Regulation (EC) No 1698/2005

#### Measure Code: 321

#### Rationale for intervention

Over the last 20 years, more people in Northern Ireland have chosen to live in rural areas and travel longer distances to work. Approximately one-third of Northern Ireland’s population now lives and works in rural areas. The standard of access to basic infrastructure and services has a significant effect on the quality of life and the attractiveness of rural areas as a place to live. It is therefore crucial for the development of sustainable rural communities that such infrastructure and services are as accessible in rural areas as in urban areas.

The Noble Deprivation Index is a spatial measure of deprivation in Northern Ireland. It is made up of seven domains – income, employment, health and disability, education, skills and training, access to services and housing stress. Within the Index, the top most deprived wards based on the “access to services” domain are all rural. Consequently, those living in rural areas tend to have to travel to access services.

There is a need to ensure adequate access to basic services such as health, education, transport, telecommunications and utilities for rural dwellers. The Department will ensure that an influencing role is brought to bear on other Government Departments to enhance the access to such key services in rural areas.

Under this Measure, the Department will work in partnership with other service providers to provide opportunities for a community development approach to the delivery of some aspects of key services. This could create an affordable means of service delivery in rural areas where the critical mass for cost-effective statutory provision is not evident. A core principle of the approach to rural development in Northern Ireland is that the communities which most closely experience problems should be involved in the design and delivery of projects and programmes to tackle such problems and improve their quality of life.

In many rural areas the absence of accessible and affordable childcare and eldercare creates significant barriers to women wishing to enter and/or return the workplace. Local initiatives to develop facilities could facilitate better access to the labour market allowing women to reach their full potential. There is also a specific lack of services which impact positively on isolated young people.

Broadband connectivity is a basic requirement for the development of a knowledge-based economy as well as a necessity for the adoption and usage of information and communication technologies. Broadband is of strategic importance due to its ability to accelerate the contribution of these technologies to economic growth, to facilitate innovation and to enhance social inclusion. The European Economic Recovery Package has recognised its importance and has made additional funding available to provide for future-proof infrastructure capable of supporting socio-economic life of people and businesses living and operating in rural areas.

#### Objective of the measure

* To improve or maintain the living conditions and welfare of those living in rural areas and to increase the attractiveness of such areas through the provision of more and better basic services, including local access to Information and Communication Technologies, for the economy and the rural population
* To encourage and secure the provision of broadband services with a minimum download speed of 2Mbps to rural areas of Northern Ireland in which these services are not available or are unlikely to be available in the foreseeable future

#### Scope and actions

This Measure will support the improvement of basic services in rural areas such as cultural and leisure activities and related small-scale infrastructure. Support will be provided towards the costs of identifying needs and providing basic services for rural dwellers.

Support will be provided towards the cost of providing next generation broadband infrastructure to enable improved connectivity for rural businesses. However, while the focus will initially be on improving services for rural businesses, domestic users will also benefit from the improved networks, once established. This, in turn, will further aid the sustainability of the networks.

Support will also be provided towards a rural broadband project under the Broadband Delivery UK (BDUK) Scheme (administered in Northern Ireland by the Department of Enterprise, Trade and Investment (DETI)). The project will focus primarily on ‘not spots’ i.e. those areas where people do not currently have access to broadband, with the main aim of bringing as many citizens as possible up to a point where they have access to a minimum of 2Mbps broadband connection.

The improved broadband services will be provided by a contractor selected through competitive tendering and all relevant public procurement procedures. The tendering process has been undertaken on the basis of “technological neutrality”, not favouring or excluding any particular technology and allowing potential suppliers to identify the most efficient way of delivering the required services.

**Areas to be supported by the EAFRD Next Generation Broadband Scheme and under the UK Broadband Scheme**.

The areas to be supported by the EAFRD will be selected using the following objective criteria:

(i) low population (communities with a rural population of at most 4,500),

(ii) lack of availability of a 2 Mbps minimum download service,

* 1. remoteness and rurality (based on the settlements-based definition described in section 2.1.1.1 above)
  2. Deprivation score under the NI multiple deprivation index

#### Type of services supported

As detailed in Annex III to Council Regulation (EC) No 1698/2005, the Next Generation broadband scheme and the BDUK scheme will support:

* Creation of and enabling access to broadband infrastructure
* Upgrading existing broadband infrastructure;

As the other elements of this Measure is designed to address needs identified by the rural population through the “bottom-up approach, it is not possible to give a definitive list of activities which will be supported. However, the type of activities which might be supported could include:

* Research to identify the needs of isolated rural communities
* Building capacity through a community development process to enable improved provision of basic services under this Measure.
* Developing integrated action plans
* Undertaking small infrastructural improvements
* Developing innovative services for rural communities

#### Type of cost covered

For the next generation broadband scheme and the BDUK Scheme, support will be provided for:

* the acquisition, construction or improvement of a fixed/capital asset related to the implementation or performance of the contract to provide next generation broadband network and services to rural businesses;
* consultancy fees associated with the scheme

The 2 broadband schemes will be delivered by contracted service providers and support will only be given where it is clearly demonstrated that there is no provision for next generation or rural broadband. The service provider will be required to ensure that the services it provides are affordable, in line with market prices, and sustainable.

Support for the other elements of this measure will be provided through:

* Grant aid towards the costs of capital and resource investment
* Marketing support
* Bespoke training intrinsic to individual project applications under this measure which is not on offer from any other provider
* Technical support to help new businesses providing basic services under this Measure to become established and to help existing businesses to consolidate and expand
* Technical support towards pre-development costs incurred in transnational or inter-territorial co-operation projects

#### Support. In the case of advance payments, description of arrangements (rate of advance – up to 20% - guarantee covering advances, conditions for releasing the guarantee

For projects delivered through Axis 4:

|  |  |
| --- | --- |
| Activity | Level of support |
| Grant aid towards capital and resource costs | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Grant aid towards capital costs for Strategic Projects | Up to 85% for the public sector and social economy enterprises. |
| Marketing support | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Bespoke training | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Technical support | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Co-operation project pre-development costs | Level of support detailed in Measure 4.2 |

Social economy enterprises may provide match funding towards eligible costs in the form of contributions-in-kind and/or cash contributions subject to being in line with the Implementing Rules and adhering to the policies and procedures to be established by DARD, as Managing Authority, prior to the implementation of the Programme.

For the next generation broadband scheme, support will be up to 100% and will be granted in conformity with the approved State Aid clearance N418/2009.

For the rural broadband scheme, support will be up to 100% and will be granted in conformity with the approved State Aid clearance (SA 33671).

A strategic project is defined as a project involving a larger rural programme area within a LAG area i.e. the impact will be across a larger part of the LAG area and involve higher outputs often across a number of villages and towns. Unlike existing projects where the impact is related to small-scale infrastructure around the town or village the strategic projects will impact across a much larger part of a LAG area. All strategic projects must involve grant aid of more than £250k but less than £1m. The level of grant aid is set at 85% this is to ensure a level of sustainability but allows the project applicant to reduce their match funds therefore enabling larger projects to come forward.

They will support key community infrastructure and enable the wider rural community to access services linked to region wide initiatives such as Investing for Health, Children and Young people and the Promoting MentalHealthStrategies**.** Local Authorities will benefit by being able to bring forward larger capital infrastructure projects to help target weaknesses in community infrastructure.They will be implemented by one or more partners allowing achievement of the goals of the axis measure to which it relates and will provide long term impact for the community in the rural area well beyond the end of the project and will have a more strategic, greater impact than standard Axis 3 projects. The scale of the projects will see many jobs in the construction industry being created and sustained in the medium term and will create jobs in rural communities which are currently suffering high levels of unemployment.

The projects will typically:

* Relate to Capital Infrastructure;
* Create jobs during capital build and after completion
* Promote/encourage a Partnership approach with other statutory organisations which have identified a need with associated strategic solutions;
* Flagship type/notable/high impact actions.

All State aid under this measure must be paid in accordance with de minimis Regulation (EC) 1998/2006 (capped at €200,000 per beneficiary). To qualify as a strategic project the project must involve grant aid of more than £250,000 but less than £1 million. Therefore only projects which do not involve State aid within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union will be considered for funding as a strategic project. All strategic project applications received will be assessed against the conditions established by Article 107(1).  If it is determined that aid to any specific project would constitute State aid the project will be deemed ineligible for support as a strategic project.

No advance payments will be made under this measure.

#### Demarcation line and criteria with other EU financial instruments

This Measure is being developed in conjunction with the other Axis 3 Measures. The Department is consulting internally and with other Northern Ireland Departments and Agencies, the Rural Community Network and other key stakeholders to ensure the Measure is complementary to support available from other sources.

Within the areas selected as mentioned above, support will not be available for similar projects under the ERDF. The existence of clearly defined zones of EAFRD intervention will ensure that EAFRD funding is used to maximum effect and is complementary to other NI telecommunications support co-financed by the ERDF. The implementation of EAFRD and ERDF projects will be coordinated by one body, the Department of Enterprise, Trade and Investment, which has overall responsibility for telecommunications in Northern Ireland and will be responsible for the appointment of a service provider and for management of the contract.

#### Financing

Support for the next generation broadband scheme will be delivered centrally by the Department and will be distinct from those elements of the Measure being delivered using the LEADER approach.

Total cost €8,286,080

Public Expenditure €8,286,080

The remaining elements of this measure will be delivered as part of axis 4 Measures 413 and 421 through local development strategies. The following is an indication of the level of funding that may be available:

Total Cost €28,836,510

Public Expenditure €20,170,128

#### Transition arrangements (including estimated amount)

This Measure is similar to activity co-financed under Council Regulation (EC) No 1257/1999 through the Northern Ireland Programme for Building Sustainable Prosperity 2000-2006.

All Building Sustainable Prosperity actions approved under Council Regulation (EC) No 1257/1999 will be completed by the end of 2008 and will be declared as eligible expenditure under the Building Sustainable Prosperity Programme. Expenditure incurred on projects approved after 1 January 2007 [or after the approval of the NI programme] under Council regulation 1698/2005 will be declared under this Programme.

#### Indicative quantified targets for EU common indicators supported by the Leader approach

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Output | Number of supported actions:   * Type of action | 60 |
|  | Total volume of investments:   * Type of action | €28.8 |
| Result | Population in rural areas benefiting from improved services | 350,000 |
|  | Increase in internet penetration in rural areas | Not relevant |
|  | Gross number of jobs created | 10 |
| Impact | Net additional value expressed in PPS | 2% |
|  | Net additional FTE jobs created:   * + On-farm/off-farm jobs   + Gender * Age category | 6 |

#### Indicative additional programme-specific indicators and quantified targets supported by the Leader approach

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Result | Potential volume of energy generated from RDP funded renewable energy projects expressed as kilowatt hours per annum | 300,000 kilowatt hours |
|  | Projects benefiting children and young people in the rural community | 10 |

#### Indicative quantified targets for EU common indicators delivered by a separate Government Department

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Output | Number of supported actions:   * Type of action | 2 |
|  | Total volume of investments:   * Type of action | €8.09 |

#### Indicative additional programme-specific indicators and quantified targets delivered by a separate Government Department

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Result | Number of rural premises with access to improved broadband services | 19,000 |

#### Measure 3.5: Village renewal and development

#### Article 52(b)(ii) and 56 of Regulation (EC) No 1698/2005

#### Point 5.3.3.2.2 of Annex II of Regulation (EC) No 1974/2006

#### Measure Code: 322

#### Rationale for intervention

One of the strengths of rural Northern Ireland is the ability and willingness of rural dwellers to become involved in decisions about their future through the many and diverse rural community partnerships. A core principle of the approach to rural development in Northern Ireland is that the communities which most closely experience problems or which identify opportunities for development should be involved in the design and delivery of projects and programmes to tackle such issues and improve their quality of life. Local people should be supported in activities to promote sustainable village renewal and development and to enhance the sense of shared ownership, social cohesion and inclusion, creating equal opportunity for all to bring long-term benefits to the whole community.

There is a need for an integrated approach, at village level, to assist villages and their surrounding areas to realise the potential of their economic, social, cultural and environmental resources and ensure the areas reach their full potential.

Investment in the social and economic fabric of villages through integrated village plans is essential to the development of a vibrant community. Support is required for action plans to create a long term vision for the village and surrounding area to meet local needs and those of visitors.

There is an opportunity to enable and encourage rural people and community groups to become involved in the development of sustainable regeneration strategies and projects. Previous EU-funded programmes have shown that community development has contributed greatly to increased community activity in rural areas.

In Northern Ireland, there is a high degree of residential segregation in rural areas and up to 87% of rural communities can be classified as “single identity”. The past conflict has increased polarisation between the two main communities and reduced the opportunities for building cross-community relations.

Opportunities may exist to develop community based/rural village initiatives to invest in renewable energy opportunities and to play a role in the achievement of national targets for energy generation from renewable sources. About 3% of Northern Ireland’s electricity is currently generated from renewable sources. The Department of Enterprise, Trade and Investment’s Strategic Energy Framework for Northern Ireland[[67]](#footnote-67) sets a firm target of 12% of electricity from renewables by 2012, with 15% of this coming from non-wind technologies.

#### Objectives of the measure

* To enable and encourage residents of villages and surrounding areas to create a vision and an integrated action plan to ensure the full potential of such areas is achieved;
* To support integrated village initiatives which promote cross-community development and regeneration

#### Scope and actions

This Measure will support animation and capacity building within and between villages and their surrounding rural areas in the formulation of integrated action plans to define the role of the village and fully develop the potential of villages and their surrounding areas.

#### Type of actions supported

As the Measure is designed to address needs identified by the rural population through the “bottom-up” approach, it is not possible to give a definitive list of activities. However, financial support may be provided to:

* Develop integrated village action plans
* Define the role of the village in its surrounding area
* Increase the skills, knowledge and enthusiasm of local people
* Strengthen relationships and connections inside and outside the village
* Restore or enhance the historic and architectural character of rural settlements
* Enable villages to achieve their full potential by supporting small-scale infrastructure projects to develop or enhance physical resources such as:
  + Village approaches
  + Main streets
  + Community buildings
  + Amenity spaces
  + Workspaces
  + Village landscapes

#### Type of costs covered

Support will be provided through:

* Grant aid towards the costs of small-scale capital and resource investment
* Marketing support to assist project promoters to create greater awareness and interest of the concept of the respective project under the village renewal Measure.
* Bespoke training intrinsic to implementing projects and programmes under this measure which is not on offer from any other provider
* Technical support to help with the development and implementation of integrated village action plans
* Technical support towards pre-development costs incurred in transnational or inter-territorial co-operation projects

#### Aid intensities. In case of advance payments, description of arrangements (rate of advance – up to 20% - guarantee covering advances, conditions for releasing guarantee

|  |  |
| --- | --- |
| Activity | Level of support |
| Grant aid towards capital and resource costs | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Grant aid towards capital costs for Strategic Projects | Up to 85% for the public sector and social economy enterprises. |
| Marketing support | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Bespoke training | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Technical support | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Co-operation project pre-development costs | Level of support detailed in Measure 4.2 |

Social economy enterprises may provide match funding towards eligible costs in the form of contributions-in-kind and/or cash contributions subject to being in line with the Implementing Rules and adhering to the policies and procedures to be established by DARD, as Managing Authority, prior to the implementation of the Programme.

No advance payments will be made under this measure.

A strategic project is defined as a project involving a larger rural programme area within a LAG area i.e. the impact will be across a larger part of the LAG area and involve higher outputs often across a number of villages and towns. Unlike existing projects where the impact is related to small-scale infrastructure around the town or village the strategic projects will impact across a much larger part of a LAG area. All strategic projects must involve grant aid of more than £250k but less than £1m. The level of grant aid is set at 85% this is to ensure a level of sustainability but allows the project applicant to reduce their match funds therefore enabling larger projects to come forward.

They will support key community infrastructure and enable the wider rural community to access services linked to region wide initiatives such as Investing for Health, Children and Young people and the Promoting MentalHealthStrategies**.** Local Authorities will benefit by being able to bring forward larger capital infrastructure projects to help target weaknesses in community infrastructure.They will be implemented by one or more partners allowing achievement of the goals of the axis measure to which it relates and will provide long term impact for the community in the rural area well beyond the end of the project and will have a more strategic, greater impact than standard Axis 3 projects. The scale of the projects will see many jobs in the construction industry being created and sustained in the medium term and will create jobs in rural communities which are currently suffering high levels of unemployment.

The projects will typically:

* Relate to Capital Infrastructure;
* Create jobs during capital build and after completion
* Promote/encourage a Partnership approach with other statutory organisations which have identified a need with associated strategic solutions;
* Flagship type/notable/high impact actions.

All State aid under this measure must be paid in accordance with de minimis Regulation (EC) 1998/2006 (capped at €200,000 per beneficiary). To qualify as a strategic project the project must involve grant aid of more than £250,000 but less than £1 million. Therefore only projects which do not involve State aid within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union will be considered for funding as a strategic project. All strategic project applications received will be assessed against the conditions established by Article 107(1).  If it is determined that aid to any specific project would constitute State aid the project will be deemed ineligible for support as a strategic project.

#### Demarcation line and criteria with other EU financial instruments

This Measure is being developed in conjunction with the other Axis 3 Measures. The Department is consulting internally and with other Northern Ireland Departments and Agencies, local community representatives and other key stakeholders to ensure the Measure is complementary to support available from other sources. There is the potential for linkages between this Measure and others in the NIRDP, particularly other Axis 3 Measures. Projects will be encouraged to take advantage of those linkages, where possible.

#### Financing

This measure will be delivered as part of axis 4 Measures 413 and 421 through local development strategies. The following is an indication of the level of funding that may be available for this Measure:

Total Cost €28,836,510

Public Expenditure €20,170,128

#### Transition arrangements (including estimated amount)

This Measure is similar to activity co-financed under Council Regulation (EC) No 1257/1999 through the Northern Ireland Programme for Building Sustainable Prosperity 2000-2006.

All Building Sustainable Prosperity actions approved under Council Regulation (EC) No 1257/1999 will be completed by the end of 2008 and will be declared as eligible expenditure under the Building Sustainable Prosperity Programme. Expenditure incurred on projects approved after 1 January 2007 [or after the approval of the NI programme] under Council Regulation 1698/2005 will be declared under this Programme.

#### Indicative quantified targets for EU common indicators

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Output | Number of villages where actions took place:   * Type of revitalisation | 50 |
|  | Total volume of investments:   * Type of revitalisation | €28.8m |
| Result | Population in rural areas benefiting from improved services | 300,000 |
|  | Increase in internet penetration in rural areas | Not relevant |
|  | Gross number of jobs created | 10 |
| Impact | Net additional value expressed in PPS | 2% |
|  | Net additional FTE jobs created:   * + On-farm/off-farm jobs   + Gender * Age category | 6 |

#### Indicative additional programme-specific indicators and quantified targets

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Output | Number of community groups supported to undertake rural development within their communities | 50 |
| Result | projects supported to encourage good cross community relations | 20 |
|  | Number of funded projects undertaken by RDP supported community groups | 50 |

#### Measure 3.6: Conservation and upgrading of the rural heritage

#### Article 52(b)(iii) and 57 of Regulation (EC) No 1698/2005

#### Point 5.3.3.2.3 of Annex II of regulation (EC) No 1974/2006

#### Measure Code: 323

This measure contains operations delivered under the Northern Ireland Countryside Management Scheme (NICMS), which is part of Measure 214 (Agri-environment programme) and Measure 216 (agri-environment programme – non-productive investments), and operations delivered under LEADER.

#### Rationale for intervention

Conservation and Upgrading of the Rural Heritage

Northern Ireland possesses a rich variety of scenic countryside that is an integral part of the region’s physical and cultural heritage with 226 Areas of Special Scientific Interest (ASSIs) declared, 52 areas of Special Areas of Conservation (SAC), 1 candidate SAC, 15 Special Protection Areas (SPAs) and 19 Ramsar sites, as well as National Nature reserves. Areas declared as SAC and SPA are of European importance and form part of the Natura 2000 network. There are 130 distinctive areas recorded in the Northern Ireland Landscape Character Assessment, nine Areas of Outstanding Natural Beauty (AONBs) with two further proposed AONBs and an evolving series of Sites of local Nature Conservation Importance that are adopted within Area Plans. In addition, the Giants Causeway, located on Northern Ireland’s north coast, is one of only three World Heritage Sites in the UK.

Northern Ireland also has a rich archaeological and built heritage which includes archaeological sites, monuments and listed buildings as well as historic parks, gardens, demesnes and defence, maritime and industrial heritage sites.

Sustainable development within Northern Ireland requires the protection, management and conservation of environmental resources. There are increasing pressures to use the natural and built environment as the basis for economic growth in rural areas. This is based on the demand for better provision of services, recreation and tourism. Such development brings benefits to the rural economy and communities but it also means that the use and management of such resources must be soundly based on the principles of conserving and upgrading Northern Ireland’s heritage.

There is a need to support proper stewardship of environmental resources, good quality air and water, natural vegetation wildlife and relatively unspoilt countryside and built heritage.

Capital Enhancement Items for Restoration of Traditional and Heritage Features

As well as the protection, management and conservation of Northern Ireland’s environmental resources, support should be provided for conservation and upgrading of the rural heritage in the area. In this way the quality of life increases and also the economic attractiveness.

Support is needed from the Rural Development Programme for these investments because the nature of the capital works is such that they generate an insignificant financial return for the farmer to finance them on a commercial basis.

#### Objective of the measure

Conservation and Upgrading of the Rural Heritage

To create opportunities to preserve and upgrade Northern Ireland’s rural heritage and to use the natural and built environment as the basis for sustainable economic growth in rural areas

Capital Enhancement Items for Restoration of Traditional and Heritage Features

To support the aims of the agri-environment measure by supporting the restoration of traditional and heritage features through the NICMS.

#### Scope and actions

Conservation and Upgrading of the Rural Heritage

This Measure will support the costs of identifying needs and developing plans to support the stewardship of environmental resources.

Support will be provided through:

* Grant aid towards the costs of capital and resource investment which have been assessed by appropriate heritage services. The appointed Delivery Agent will consult Environment and Heritage Services. In addition, the restoration of important built cultural heritage should only be supported if accompanied by a maintenance programme to make it sustainable.
* Marketing support to raise awareness of cultural and environmental heritage by interpretation and support actions, especially among young people.
* Bespoke training intrinsic to individual project applications under this measure which is not on offer from any other provider.
* Technical support to assist business start ups or help new businesses become established and to help existing businesses to consolidate and expand.
* Technical support towards pre-development costs incurred in transnational or inter-territorial co-operation projects.

Capital Enhancement Items for Restoration of Traditional and Heritage Features

The measure will be available to beneficiaries of the NICMS who can justify that the proposed operation/capital item that will be funded will support their agri-environment agreement.

Support is offered for a range of non-productive investments that support the full range of objectives of the scheme. Standard specification for the work will be included in the agreement and a standard payment made in return.

#### Description of the type of operations covered, referred to in Article 57 of regulation 1698/2005

Conservation and Upgrading of the Rural Heritage

As this Measure is designed to address needs identified by the rural population through the “bottom-up” approach, it is not possible to give a definitive list of activities. However, by working in partnership with the Environment and Heritage Service, statutory agencies, local authorities and local communities, opportunities may exist to:

* Undertake research associated with the maintenance, restoration and upgrading of cultural and environmental heritage
* Identify local community needs and develop environmental audits and action plans
* Undertake small-scale infrastructural improvements
* Assist projects which propose the conservation or enhancement of existing historic structures in the countryside

Capital Enhancement Items for Restoration of Traditional and Heritage Features

Such work may include funding of the following items:

• Traditional wooden gate

• Wooden gate post

• Stone gate post

• Traditional metal gate

• Traditional composite gate

• Rebuilding pillar

• Rebuilding pillar cap

Payments will be based on ‘standard cost’ items, which will be paid for at a rate pre-determined by the Department.

#### Aid intensities. In case of advance payments, description of arrangements (rate of advance – up to 20% - guarantee covering advances, conditions for releasing guarantee)

Conservation and Upgrading of the Rural Heritage

|  |  |
| --- | --- |
| Activity | Level of support |
| Grant aid towards capital and resource costs | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Grant aid towards capital costs for Strategic Projects | Up to 85% for the public sector and social economy enterprises. |
| Marketing support | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Bespoke training | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Technical support | Up to 50% for the private sector  Up to 75% for social economy enterprises |
| Co-operation project pre-development costs | Level of support detailed in Measure 4.2 |

Social economy enterprises may provide match funding towards eligible costs in the form of contributions-in-kind and/or cash contributions subject to being in line with the Implementing Rules and adhering to the policies and procedures to be established by DARD, as Managing Authority, prior to the implementation of the Programme.

No advance payments will be made under this measure.

A strategic project is defined as a project involving a larger rural programme area within a LAG area i.e. the impact will be across a larger part of the LAG area and involve higher outputs often across a number of villages and towns. Unlike existing projects where the impact is related to small-scale infrastructure around the town or village the strategic projects will impact across a much larger part of a LAG area. All strategic projects must involve grant aid of more than £250k but less than £1m. The level of grant aid is set at 85% this is to ensure a level of sustainability but allows the project applicant to reduce their match funds therefore enabling larger projects to come forward.

They will support key community infrastructure and enable the wider rural community to access services linked to region wide initiatives such as Investing for Health, Children and Young people and the Promoting MentalHealthStrategies**.** Local Authorities will benefit by being able to bring forward larger capital infrastructure projects to help target weaknesses in community infrastructure.They will be implemented by one or more partners allowing achievement of the goals of the axis measure to which it relates and will provide long term impact for the community in the rural area well beyond the end of the project and will have a more strategic, greater impact than standard Axis 3 projects. The scale of the projects will see many jobs in the construction industry being created and sustained in the medium term and will create jobs in rural communities which are currently suffering high levels of unemployment.

The projects will typically:

* Relate to Capital Infrastructure;
* Create jobs during capital build and after completion
* Promote/encourage a Partnership approach with other statutory organisations which have identified a need with associated strategic solutions;
* Flagship type/notable/high impact actions.

All State aid under this measure must be paid in accordance with de minimis Regulation (EC) 1998/2006 (capped at €200,000 per beneficiary). To qualify as a strategic project the project must involve grant aid of more than £250,000 but less than £1 million. Therefore only projects which do not involve State aid within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union will be considered for funding as a strategic project. All strategic project applications received will be assessed against the conditions established by Article 107(1).  If it is determined that aid to any specific project would constitute State aid the project will be deemed ineligible for support as a strategic project.

Capital Enhancement Items for Restoration of Traditional and Heritage Features

Payment rates as follows:

|  |  |  |
| --- | --- | --- |
| **Restoration of traditional and landscape**  **features**  • Traditional wooden gate  • Wooden gate post  • Stone gate post  • Traditional metal gate  • Traditional composite gate  • Rebuilding pillar  • Rebuilding pillar cap | **£36**  **£22**  **£82**  **£58**  **£43**  **£161**  **£35** | m  wooden post  stone post  m  m  pillar  cap |

Work must not commence until approval has been given by the Department.

#### Demarcation line and criteria with other EU financial instruments

This Measure is being developed by working in partnership with the Environment and Heritage Service, Statutory Agencies, Local Authorities, local community and key stakeholders.

#### Financing

This measure will be delivered as part of axis 4 Measures 413 and 421 through local development strategies. The following is an indication of the level of funding that may be available for this Measure:

Total Cost €8,325,132

Public Expenditure €5,823,138

Expenditure on measure 323 operations delivered under is attributed to the measure 214 budget.

#### Transition arrangements (including estimated amount)

This Measure is similar to activity co-financed under Council Regulation (EC) No 1257/1999 through the Northern Ireland Programme for Building Sustainable Prosperity 2000-2006.

All Building Sustainable Prosperity actions approved under Council Regulation (EC) No 1257/1999 will be completed by the end of 2008 and will be declared as eligible expenditure under the Building Sustainable Prosperity Programme. Expenditure incurred on projects approved after 1 January 2007 [or after the approval of the NI programme] under Council Regulation 1698/2005 will be declared under this Programme.

Indicative quantified targets for EU common indicators

Conservation and Upgrading of the Rural Heritage

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Output | Number of rural heritage actions supported:   * Type of heritage | 20 |
|  | Capital Enhancement Items for Restoration of Traditional and Heritage Features funded under NICMS | 500 |
|  | Total volume of investments:   * Type of heritage | €8.3m |
| Result | Population in rural areas benefiting from improved services | 100,000 |
| Impact | Net additional value expressed in PPS | Not relevant |
|  | Net additional FTE jobs created:   * + On-farm/off-farm jobs   + Gender * Age category | Not relevant |

#### Indicative additional programme-specific indicators and quantified targets

|  |  |  |
| --- | --- | --- |
|  | Indicator | Target at 2007-2013 |
| Impact | Share of population enjoying access to amenity land/nature or conserved rural heritage sites as a result of assisted actions | 200,000 |

Capital Enhancement Items for Restoration of Traditional and Heritage Features

Capital enhancement items for restoration of traditional and heritage features within Measure 323 operations are integrated within Measure 214 operations and budget. As these items make up a small part of the NICMS under Measure 214, it is not possible to separate Measure 323 expenditure or output.

However, we estimate that 500 Capital Enhancement Items for Restoration of Traditional and Heritage Features will be funded under NICMS.

#### Indicative additional programme-specific indicators and quantified targets

There are no additional indicators.

#### Measure 4.1: Implementation of Local Development Strategies

#### Articles 61-65 of Regulation (EC) No 1698/2005

#### Articles 37-39 and point 5.3.4 .1 of Annex II of Commission Regulation (EC) No 1974/2006

#### Measure Code: 413

#### Rationale for intervention

The Department has been involved in delivering broader rural development in Northern Ireland since the early 1990s. In 1991 it established its first rural development programme to build capacity within local communities and provide support for community economic development in the most disadvantaged rural areas. This work has been continued and developed in the subsequent EU funding rounds and carries forward in the 2007-2013 period under the Measures in Axis 3.

A core principle of the approach to broader rural development in Northern Ireland has been and continues to be that the communities which most closely experience problems should be involved in the design and delivery of projects and programmes to tackle such problems and, thus, improve their quality of life.

This type of approach to local rural development – local people providing local solutions to local problems - stimulates entrepreneurship and innovation while increasing the organisational capacity within the local communities involved.

This approach to local delivery is being applied in the NIRDP through adopting a LEADER-type approach to the delivery of elements of the NIRDP.

Local Action Groups (LAGs), working in partnership with local Councils, will be able to develop integrated area-based strategies which provide support through the Measures approved under Axis 3 of this Programme.

#### Objective of the measure

* To promote an area-based strategic approach to improving the quality of life in rural areas and the diversification of the rural economy

#### Axis (1, 2 and/or 3) covered by LEADER Axis

All Axis 3 Measures, with the exception of the next generation broadband scheme in Measure 3.4, will be delivered using the LEADER-type approach.

#### Procedure and Timetable for selecting Local Action Groups, including objective selection criteria

#### 

The Department, as Managing Authority, will appoint LAGs through a competitive process.

The Department will invite local public-private partnerships to develop integrated local strategies which will identify and prioritise rural needs in their area and outline what actions they would take to address those needs.

Before calling for proposals from interested organisations, the Department will agree selection criteria with the NIRDP Monitoring Committee. They are likely to include criteria such as:

* Proposed membership of local public-private partnership
* Level of disadvantage being targeted
* Integration of innovation into the strategy
* Integration of co-operation projects into strategy
* Quality of strategy
* Organisational procedures and ability of LAG
* Proposals for administration and financial management
* Level of funding sought for implementation of strategy, for co-operation projects and for running costs/animation

The timetable for selecting LAGs has not yet been finalised but it is hoped that LAGs can be established by end 2007.

In the interim, the Managing Authority will continue to engage with rural stakeholders to keep them informed in the development of the programme and establishment of the LAGs.

#### Planned indicative number of LAGs

The number of LAGs will not be known until the appointment process is completed.

#### Minimum percentage of economic and social partners and civil society organisations represented at the decision making level of the LAG (minimum of 50%)

In the spirit of partnership, LAGs will consist of representatives of the public, private and voluntary sectors.

When assessing proposals for Local Development Strategies, the Managing Authority will ensure that the relevant LAGs meet the requirements of Article 62(1)(b) of Regulation (EC) 1698/2005 ie that, at decision making level, the economic and social partners as well as representatives of civil society comprise at least 50% of the local partnership.

#### Planned percentage of rural territories covered by local development strategies

It is planned that the LAGs will cover the whole rural territory of Northern Ireland.

#### Justification for selection of areas whose population falls outside the limits set out (5,000 to 150,000)

The exact population figures for each LAG area cannot be provided until LAG proposals are received. However, the population limits set in the Rural Development regulation will be included in the selection criteria for the LAGs which should ensure that population limits are not exceeded.

#### Procedures for the selection of operations by the local action groups

The Managing Authority is currently considering the procedure to be put in place for the selection of operations by the LAGs.

While responsibility for decision making lies with the LAGs, the Managing Authority must ensure that all operations financed by LAGs will meet the minimum general eligibility criteria set out in the EC Regulations and those set at Programme level by the Monitoring Committee. In addition, LAGs will want to set their own criteria to ensure operations meet the specific local needs being targeted.

#### Description of the financial circuits applicable for local action groups

As required by the EC Regulations, each LAG will have a lead financial actor. It is expected that LAGs will be responsible for the preparation and authorisation of financial payments, which will be monitored and controlled by the Department and paid by the Paying Agency.

#### Type of aid

LAGs will provide successful operations with the following support:

* Grant aid towards capital and resource costs
* Marketing support
* Bespoke training
* Technical support

#### Demarcation criteria with other local partnerships financed by EU funds (ie groups under the European Fisheries Fund)

Where relevant, Local Action Groups will liaise closely with those groups established under the European Fisheries Fund to promote sustainable development and improve the quality of life in fisheries areas. There will be close co-operation between the various groupings during the development of their respective strategies to ensure there is clear demarcation and complementarity. There will also be liaison at operational level during the implementation of the strategies to ensure demarcation at project-level.

#### Financing

Total cost €151,768,289

Public expenditure €101,179,039

#### Indicative quantified targets for EU common indicators

|  |  |  |
| --- | --- | --- |
| **Type of indicator** | **Indicator** | **Target 2007-2013** |
| **Output** | **Number of Local Action Groups supported:**   * **New/existing LAGs** | **7** |
| **Total size of LAGs area (Km2):**   * **New/existing LAGs** | **13,613.85** |
| **Total population in LAG area** | **1,759,148** |
| **Number of beneficiaries** | **6,860** |
| **Number of projects financed by LAGs** | **2,030** |
| **Results** | **Gross number of jobs created:**   * **On-farm/off-farm jobs** * **Age** * **Gender** | **1,170** |
| **Number of participants that successfully ended a training activity** | **50** |
| **Impact** | **Net additional value expressed in PPS** | **2%** |
| **Net additional FTE jobs created:**   * **Age** * **Gender** | **700** |

#### Additional programme-specific indicators and quantified targets

None

#### Measure 4.2: Inter-territorial and Transnational Co-operation

#### Article 61-65 of Regulation (EC) No 1698/2005

#### Articles 37-39 and point 5.3.4.1 of Annex II of Commission Regulation (EC) No 1974/2006

#### Measure Code: 421

#### Scope and Actions

When undergoing the process of preparing their Local Development Strategies, LAGs will be encouraged to identify issues or sectors which could benefit from interterritorial or transnational co-operation.

Interterritorial co-operation means co-operation within the UK, while transnational co-operation means co-operation with other Member States.

To be eligible for support, co-operation must involve at least one LAG selected under the NIRDP and at least one other LAG or public-private partnership and should involve the implementation of a joint action.

LAGs will provide successful operations with the following support:

* Grant aid towards capital and resource costs of the joint action
* Running costs for common structures established as part of the joint action
* Costs of pre-development co-operation project preparation

The NI Rural Network will have an important role to play in providing technical support for co-operation projects.

#### Procedure, timetable and objective criteria to select inter-territorial and transnational co-operation projects, including indication whether co-operation will be ex-ante integrated in the local development strategy or selected later by the Managing Authority

As outlined above, LAGs will be encouraged to integrate their approach to co-operation projects in their local development strategies.

However, it is recognised that the conception and preparation for such co-operation projects is time-consuming and LAGs are unlikely to be in a position to provide details of such projects in the early stages of the programme.

Therefore, successful LAGs having integrated but not detailed co-operation actions in their approved strategy will be invited to submit detailed proposals to the Managing Authority after appointment. The NIRDP Managing Authority will ensure the selection criteria are open, non discriminatory, transparent, objective and relevant.

The Managing Authority will consider proposals for co-operation projects which are developed later in the programme and, therefore, fall outside the approved local development strategies.

#### Axis (1, 2 and/or 3) covered by the LEADER Axis

Co-operation projects can be supported under all Axis 3 Measures in the NIRDP with the exception of the next generation broadband scheme in Measure 3.4.

**Aid intensities**

|  |  |
| --- | --- |
| Activity | Level of support |
| Co-operation project pre-development costs | Up to 100% |

#### Quantified targets for EU common indicators

|  |  |  |
| --- | --- | --- |
| **Type of indicator** | **Indicator** | **Target 2007-2013** |
| **Output** | **Number of supported co-operation projects:**   * **Type of co-operation**   + **Inter-territorial co-operation**   + **Transnational co-operation** * **Axis** | **3** |
| **Number of co-operating LAGs:**   * **Level of co-operation** * **Axis** | **7** |
| **Result** | **Gross number of jobs created:**   * **Age** * **Gender** * **On-farm/off-farm** | **0** |
| **Impact** | **Net additional FTE jobs created:**   * **Age** * **Gender** * **On-farm/off-farm** | **0** |

#### Specific programme indicators and quantified targets

None.

#### Financing

Total cost €398,144

Public expenditure €398,144

#### Measure 4.3: Running Costs, Acquisition of Skills and Animation

#### Article 61-65 of Regulation (EC) No 1698/2005

#### Articles 37-39 and point 5.3.4.1 of Annex II of Commission Regulation (EC) No 1974/2006

#### Measure Code: 431

#### Objectives of the measure

To ensure that Local Action Groups are resourced adequately to fulfil their roles and responsibilities

#### Rationale of the measure

Local Action Groups, in partnership with Councils, will play an important role in the delivery of the NIRDP. The partnership will be responsible for administration and financial management during the implementation of the integrated area-based strategies, for publicity and information actions, project selection and management.

Another important element of the partnership’s work will be animation activities within their areas – informing, advising, training, capacity building, working with the weaker members of the target communities or sectors, teasing out and testing ideas and helping to overcome difficulties during project development.

LAGs will also be required to participate in meetings of the Northern Ireland Rural Network and European Network.

To enable the LAGs to undertake all these roles, they must be adequately resourced.

LAGs may also carry out preparatory activities for the 2014 – 2020 Programme, provided that they are directly linked to the activities of the current rural development programme and necessary to ensure continuity as regards the implementation of rural development policy and a smooth passage from one programming period to the following programming period. Preparatory costs for the development of local development strategies for the 2014 – 2020 Programme will also be eligible for support.

#### Limit to apply on the share of the LAG budget for overhead costs (maximum of 20%)

LAGs will be required to ensure that running costs are closely monitored and do not exceed 20% of the overall strategy expenditure.

#### Indicative estimate of the share of expenditure under Article 59(a)-(d) of Regulation (EC) 1698/2005 which will be used for skills acquisition and animation of the LEADER Axis

The level of animation and skills development required in each strategy area will differ, depending on the needs identified as part of the development of the local strategies. It is not possible at this stage to estimate what share of expenditure will be used for this activity.

#### Quantified targets for EU common indicators

|  |  |  |
| --- | --- | --- |
| **Type of indicator** | **Indicator** | **Target 2007-2013** |
| **Output** | **Number of actions supported:**   * **Types of action** | **150** |
| **Results** | **Number of participants that successfully ended a training activity** | **500** |

#### Additional programme-specific indicators and quantified targets

None

#### Measure 5.1: Technical Assistance

#### Article 66(2), 66(3) and 68 of Regulation (EC) No 1698/2005

#### Article 39 and 40 and point 16.1 of Annex II of Regulation (EC) No 1974/2006

#### Measure Code: 511

#### Objectives

To ensure effective management and implementation of the NIRDP

#### Type of support

The Measure will be used to fund a range of activities including:

* The establishment and operation of the Programme Monitoring Committee
* Studies and implementation of actions to support the Programme
* Evaluation of the programme through formal independent mid-term and *ex-post* evaluations and for ongoing evaluation work throughout the programme which will feed into them
* Publicity and information actions to raise public awareness of the programme and the role played by the European Union in the assistance concerned
* Control activities
* Establishment and operation of the national rural network and the regional sub-group of the network
* Administration and delivery of selected Axis 1 schemes/measures
* *Ex-post* evaluation of the Rural Development Regulation Plan (Accompanying Measures) for Northern Ireland 2000-2006
* *Ex-post* evaluation of the Northern Ireland LEADER+ Programme 2000-2006
* *Ex-ante* evaluation and Strategic Environmental Assessment of the Northern Ireland Rural Development Programme 2014 – 2020.
* Preparatory costs for the development of local development strategies for the 2014 – 2020 Programme
* Expenditure relating to other preparatory activities, provided that they are directly linked to the activities of the current rural development programme and necessary to ensure continuity as regards the implementation of rural development policy and a smooth passage from one programming period to the following programming period.

The costs associated with the preparation of this Programme, including the preparation of the *ex-ante* evaluation and the Strategic Environmental Assessment, will be covered by National funding.

The costs associated with the administration and delivery by an external body of selected Axis 1 measures/schemes will be considered as eligible expenditure within the programme.

#### Financing

Total Cost €6,064,606

Public Expenditure €6,064,606

#### National Rural Network

The UK will establish a National Rural Network in accordance with Article 66(3) of the Council Regulation 1698/2005. The UK Rural Network will group the organisations and administrations involved in rural development and its activities will cover four main areas:

* the identification and analysis of good transferable practices and the provision of information about them;
* the organisation of exchanges of experience and know how, including on administrative topics and procedures;
* the preparation of training programmes for local action groups in the building process;
* the provision of technical assistance for inter-territorial and trans-national cooperation.

The following principles will inform development of the UK network:

* the administrative structure will be developed around each of the four UK programmes and linked together at UK level;
* where possible, it will build on established and tested structures;
* it will be as close to local beneficiaries as possible, suggesting the need for what the Commission describe as “regional antennas” as well as a higher-level coordination body;
* the core activities will be built around development and maintenance of a website able to provide detailed information on managing aspects of the UK Rural Development Programmes, e.g. legislative constraints, funding availability and accounting, facilitation and targeting, beneficiary support, communication and promotion;
* the website will be supplemented by training courses, seminars and national networking meeting to provide opportunities for knowledge transfer and skills building among RDP practitioners.

Within the UK, each region will establish its own regional rural network. Therefore, while the UK network will be largely web based, there will be regular meetings of representatives from the four territories. A single point of contact with the European rural development network will be established in the UK.

For the UK, the National Rural Network will be established within the national Rural Development Programmes and not as a separate programme as provided for in Article 66(3) of 1698/05. This Measure will contribute to the costs of establishing and running the UK Rural Network.

#### Regional Rural Network

The Northern Ireland Rural Network will operate on behalf of the organisations and administrations involved in rural development. Its main role will be to identify and share best practice, knowledge and practical expertise within those organisations involved in the implementation of the NIRDP.

The Northern Ireland Rural Network will service the main organisations and sectors involved in implementation and/or delivery of the NIRDP. These are likely to include Local Action Groups, divisions within the Department, and private sector secondary delivery bodies contracted to deliver elements of the programme. The Network will also need to include representation across the range of final beneficiaries within the programme.

#### Activities to be undertaken by the Northern Ireland Rural Network

As Managing Authority, the Department will draw up an outline Action Plan of the types of activities which the Northern Ireland Rural Network will be expected to undertake. These are likely to include:

* the identification and analysis of best practices and their dissemination
* the promotion of exchanges of experience and the sharing of knowledge and practical know-how
* training programmes for local action groups
* technical assistance for those developing proposals for inter-territorial and transnational co-operation
* network management

The Northern Ireland Rural Network will be expected to liaise regularly with the other UK regional rural networks and the European Network for Rural Development. It is anticipated that there will also be close contact with Ireland’s Rural Network.

#### Appointment of the Northern Ireland Rural Network

The human resources allocated to it and the common networking tools to be used will depend on the organisation that wins the contract. It would not be DARD’s intention to be prescriptive in how the NI Rural Network should operate. DARD will develop an Action Plan for the Network and those tendering for the contract will describe how they propose to implement it. DARD feels that such an approach will provide the opportunity for innovation and the use of new technologies. The NI Rural Network will be expected to liaise closely with the other UK regional networks and the overarching UK Rural Network. It will also be expected to liaise the European Network for Rural Development when it is established. Those tendering for the contract will also be expected to clearly demonstrate how their costs are broken down between those needed to run the network and those covering the action plan. It will be made clear in advance of organisations tendering for the contract that running costs can only be up to 25% of the total cost of the contract.

The Managing Authority will follow public procurement procedures and will tender for organisations interested in fulfilling the role of the NI Rural Network.

Selection criteria are likely to include:

* proven ability to undertake the tasks outlined in the action plan
* adequate resources to dedicate to the role
* knowledge of development and administration of IT systems
* personnel with a background in EU networking or international relations
* experience in providing bespoke training programmes
* experience in events management
* sound financial and administrative experience

When seeking tenders, the Managing Authority will not be prescriptive about how the successful contractor should implement the Action Plan. This should provide opportunity for innovation and the use of new technologies.

The level of funding that will be required for the NI Network cannot be finalised until the contract is awarded.

The contract with the NI Rural Network will be managed by DARD and the work of the Network will be monitored by the NIRDP Monitoring Committee.

#### Timetable

While Member States have until 31 December 2008 to establish Rural Networks, it is anticipated that the Northern Ireland Rural Network will be in place by end 2007.

One of the key roles of the Northern Ireland Rural Network will be to provide training programmes for Local Action Groups. As such, it is important that the Network is appointed as soon as possible following approval of the NIRDP. Consequently, the Managing Authority and the Monitoring Committee will progress preparations during 2007.

#### Network Financing

Total Cost Met from national funding sources

Public Expenditure Met from national funding sources

ANNEX 4, APPENDIX A

# MANAGEMENT PRESCRIPTIONS ELIGIBLE FOR SUPPORT UNDER MEASURE 2.2A, AND CAPITAL WORKS ELIGIBLE FOR SUPPORT UNDER MEASURE 2.2B: THE AGRI-ENVIRONMENT PROGRAMME (NORTHERN IRELAND COUNTRYSIDE MANAGEMENT SCHEME).

**Introduction**

The Northern Ireland Countryside Management Scheme will operate on a ‘whole farm’ basis. Participants who enter into voluntary seven year commitments will receive financial support for the environmentally sensitive management of all their land as well as the management or creation of habitats or features on the farm.

This Appendix lists the priority habitats and features, which must be brought under agreement and managed according to the scheme prescriptions, as well as habitat enhancement options and support for the retention of traditional livestock breeds in danger of being lost to farming.

Participants will receive annual management payments in compensation for income foregone and costs (including transaction costs) incurred by them. Financial assistance may also be available towards the costs of certain capital enhancement works.

**Eligibility criteria**

The Northern Ireland Countryside Management Scheme is open to all farmers and land managers with at least 3 hectares of land in agricultural use. All eligible land on the farm must be brought into agreement.

Applications will be invited by the Department on an annual basis.

Agreements will last for seven years and may be revised during that period with the approval of the Department.

The Department may also review the terms and conditions of agreements and offer revised terms to participants.

Participants must adhere on the whole farm to the general environmental requirements (including the ‘cross compliance’ Statutory Management Requirements and GAEC) as set out in Section 1(b) below.

**Article 44 of 1974/2006**

In relation to Article 44(2)(a) of Commission Regulation (EC) No 1974/2006, “a significant part of a commitment is defined as “greater than 50% of the duration of an agreement”.

In relation to Article 44(3) of Commission Regulation (EC) No 1974/2006, “minor change” is defined as “up to 10% of the initial area of the commitment, cumulative for the duration of the commitment”.

**1. Whole Farm Management Requirements**

# Agri-environment scheme participants must adhere to the following requirements for the whole farm, as well as following the specific management requirements in excess of cross-compliance for any priority habitat and habitat enhancement option under agreement.

# 1(a) General environmental requirements

Participants must:

* Comply with the Statutory Management Requirements (SMRs) relating to the environment, as follows:
* Conservation of Wild Birds (Council Directive 79/409/EEC)
* Conservation of Natural Habitats and of Wild Flora and Fauna (Council Directive 92/43/EEC)
* Protection of Groundwater Against Pollution (Council Directive 80/68/EEC)
* Protection of the Environment when Sewage Sludge is used in Agriculture (Council Directive 86/278/EEC).
* Protection of Water Against Nitrate Pollution (Council Directive 91/676/EEC).

(Agreements may be adjusted in case of amendment of the relevant mandatory standards or requirements, established pursuant to Articles 4 and 5 of Regulation (EC) Nº 1782/2003 and its Annexes III and IV, as well as of the minimum requirements for fertiliser and plant protection product use and of other relevant mandatory requirement established by national legislation. If such adjustment is not accepted by the beneficiary, the commitment shall expire and reimbursement shall not be required in respect of the period in which the commitment was effective.)

* Maintain land in Good Agricultural and Environmental Condition (GAEC) with respect to soil management, supplementary feeding, over- and undergrazing, field boundaries, and the protection of habitats, archaeological sites and permanent pasture.
* Prevent farm source pollution.
* Keep all parts of the farm and farmyard(s) free from rubbish and litter.
* Not carry out any activity on the farm likely to detract significantly from the landscape quality and character.
* Manage all field boundaries on the farm.
* Prepare and follow a Farm Waste Management Plan for the farm.

##### Comply with, and retain a copy of, the Code of Good Agricultural Practice

* Attend an Environmental Training Programme

**1(b) Field boundary management**

**Definition:** ’Field boundary management’ covers the general management of all on farm field boundaries such as hedges, stone walls, stone banks, earth banks and watercourses.

**Biodiversity objectives:** field boundary management contributes to the Northern Ireland Biodiversity Action Plan targets for ancient and/or species-rich hedgerows, the Irish hare and yellowhammer. Within Northern Ireland species-rich hedgerows are important for a number of UK Priority Species identified as part of the UK Biodiversity Action Plan programme. These include red squirrel, common pipistrelle, soprano pipistrelle, linnet, reed bunting, spotted flycatcher, tree sparrow, bullfinch, song thrush and purple ramping fumitory. In addition a number of Northern Ireland Priority Species will benefit, such as whitethroat and barn owl.

**Water quality objectives**: Restrictions on the application of organic or inorganic fertilizer, pesticides or herbicides, in excess of those required by the Nitrates Directive Action Programme, will contribute to a reduction in farm source pollution.

**Management requirements in excess of cross-compliance**

All external farm boundaries adjoining other farms (‘march ditches’) must be in stock-proof condition to maximise biosecurity. An uncultivated strip must be left as a buffer from farming operations from the edge of the field boundary. Application of organic or inorganic fertiliser, pesticides or herbicides is not permitted in this strip.

Stone walls and stone banks must be protected from deterioration and all in situ stone from walls retained.

Maintain a variety of hedge heights, widths and shapes. Allow suitable hedges to grow uncut for five years or longer, trimming sides only as necessary. Do not cut any hedge more than once in two years. Existing mature trees must be retained and some saplings left to grow into hedgerow trees.

New or improved drainage systems must not be installed on any land, except for improved land. Existing drainage systems on semi-improved/semi-natural grassland and permanent habitats may be repaired if necessary.

## 1(c) Farm Waste Management

**Definition:** Responsible farm waste management aims to improve the quality of our watercourses beyond a level that is required by current legislation and Good Agricultural and Environmental Condition under cross-compliance. This will help to improve the visual appearance of the farm and farmyard.

All participants must prepare and implement a Farm Waste Management Plan.

All scheme applicants will be subject to a compulsory farm waste management advisory visit as part of the farm audit process. All remedial works or changes in management practice must be carried out as soon as possible.

**Biodiversity objective:** to improve water quality enhancing plant and animal life.

**Water quality objectives**: to reduce point source pollution and eutrophication.

**Management requirements in excess of cross-compliance**

Responsibly store, use and dispose of all farm wastes, for example slurry, silage effluent, dirty water, plastics and rubbish. Remove rubbish and derelict equipment. Remove eyesores.

Prevent farm source pollution

Ensure all farm wastes are disposed of in accordance with the Waste Management Regulations (NI) 2006.

Produce a Farm Waste Management Plan which must take into account the collection, storage and disposal of all farm wastes. Implementation of the plan will reduce the risk of pollution and prevent the loss of valuable nutrients in slurry and farmyard manure. The plan consists of two parts:

Part 1 – a completed Farm Waste Checklist for the farm. The checklist completed as part of the scheme audit may be used as an initial Part 1 of the Farm Waste Management Plan, after you have signed it. The purpose of the checklist is to identify remedial works and changes in management practice that are required to ensure a high standard of farm waste management.

Part 2 – a completed Farm Waste Application Plan. This plan is a copy of the farm map showing areas of the farm that are suitable and unsuitable for spreading agricultural wastes.

The Farm Waste Management Plan must be implemented throughout the duration of the agreement, and updated annually.

**1(d) Additional Environmental benefit**

To receive the Whole Farm Payment participants must choose one or more of the Habitat Enhancement options set out in Section 2, to achieve an agreement with additional environmental benefit.

The Habitat enhancement option must be undertaken on an area sufficient (in proportion to farm size) to earn a minimum fixed payment per hectare.

**2. Habitat enhancement options**

**The Habitat enhancement option must be undertaken on an area sufficient (in proportion to farm size) to earn a minimum fixed payment per hectare.**

Participants must choose one or more Habitat Enhancement options to achieve an agreement with ‘additional environmental benefit’.

Participants may undertake Habitat Enhancement options in addition to the minimum required to receive the Whole Farm Payment.

# 2(a) Farm waterway and riparian zone management

# Definition: Farm waterways range in size from very small streams to large rivers and lakes. A riparian zone is the marginal area along a riverbank. With careful management, farm waterways and riparian zones can be valuable habitats as well as being important landscape features.

##### Aim: To enhance farm waterways and their associated riparian zones in terms of water quality improvement and increased biodiversity through practical management measures. These measures will contribute to meeting the Water Framework Directive goal of ‘good status’ by 2015.

## Biodiversity objectives: The Northern Ireland Biodiversity Strategy recognises that “for the purposes of biodiversity conservation, the 'river' must extend beyond mere water. Riparian vegetation, banks and beds, bends, rapids and pools are intimately interactive. Associated wetlands including woodlands and grasslands should be seen as a corridor, even if in places it is set well back from the river course.”

**Water quality objectives**: this option will contribute to the achievement of the objectives within the Water Framework Directive.

**Management requirements in excess of cross-compliance**

**(i) Riparian zone enhancement**

# This habitat option has potential benefit for a wide range of invertebrates, birds, and wild mammals such as the otter. The interface between water and land is important, as niche habitats exist for certain aquatic insects with a life cycle dependent on both for their existence.

Management requirements include the provision of alternative drinking sites, the exclusion of grazing livestock, and the management of bankside vegetation.

**(ii) Riverbed enhancement**

A healthy waterway, as well as having good water quality, is one that supports a diverse range of water animals or macro invertebrates. These are important as they form the diet of birds such as the Dipper as well as fish, which in turn contribute to the diet of Herons and Otters. Many macro-invertebrates spend much of their lives attached to stones or taking refuge underneath them.

Numerous farm waterways are now featureless channels, devoid of gravel and stones as a consequence of past maintenance and don’t support the range of aquatic life they once did. The reintroduction of stones to the riverbed can therefore replace some of the missing habitat for macro invertebrates, thereby boosting their numbers.

Management requirements include the introduction of clean stones to appropriate riverbeds.

# 2(b) Field boundary enhancement

**(i) Hedge regeneration and planting**

**Definition**: A positive programme for hedge restoration and regeneration by laying, coppicing with interplanting in the gaps or hedge replanting offers the opportunity to improve the value of hedges. The length of hedge regeneration to be carried out each year is agreed at the time of the farm audit and will be noted on the farm management map.

**Aim:** to maintain the structure, landscape patterns and biodiversity of field boundaries in the countryside through the implementation of a seven-year field boundary management plan through the regeneration and planting of mixed species native hedges.

**Biodiversity objectives:** the option contributes to the Northern Ireland Biodiversity Action Plan targets for ancient and/or species-rich hedgerows, the Irish hare and yellowhammer. Within Northern Ireland species-rich hedgerows are important for a number of UK Priority Species identified as part of the UK Biodiversity Action Plan programme. These include red squirrel, common pipistrelle, soprano pipistrelle, reed bunting, spotted flycatcher, tree sparrow, bullfinch, song thrush and purple ramping fumitory. In addition a number of Priority Species will benefit. These include whitethroat, linnet and barn owl.

**Water quality objectives**: Hedges adjacent to watercourses provide a buffer helping to reduce pollution by organic and inorganic fertilizers and pesticides

**Management requirements in excess of cross-compliance**

All hedge regeneration mustfollow the exact line and contours of the original field boundary

A mixture of hedgerow species must be planted along the length of the hedgerow (at least five native woody species throughout each 30 metre length of hedge).

Single-species or ornamental species hedges are not acceptable.

**(ii) Restoration of dry stone walls**

**Definition**: Dry stone walls are an important component of the landscape. While many dry stone walls have been well maintained and remain effective stockproof barriers, others are now in need of rebuilding.

**Aim:** to maintain the structure, landscape patterns and biodiversity of field boundaries in the countryside through the implementation of a seven year field boundary management plan through the restoration of dry stone walls.

**Management requirements in excess of cross-compliance**

All stone wall restoration must follow the exact line and contours of the original field boundary. Dry stone walls must be built in accordance with the best standards, traditions and designs of the district. Land reclamation to obtain stone is not permitted. Stones used for restoring dry stone walls must be sourced from within the farm.

**(iii) Reinstatement of sod banks**

**Definition**: Earthen banks or sod banks, as they are locally known, form the basis of boundaries mainly on the higher areas of Northern Ireland where hedgerows could not grow. These banks now often contain interesting vegetation, and on some farms, they may be the only surviving areas of semi-natural grasslands. The banks generally contain a core of stones cleared from the land with a covering layer of sod derived from the adjacent ditch. The ratio of sod to stone and construction techniques vary, but when reinstating banks they should be constructed as per a cross section of the existing sod bank, using both stone and sod from the farm. New sod banks are not eligible for grant.

**Aim:** to maintain the structure, landscape patterns and biodiversity of field boundaries in the countryside through the implementation of a seven year field boundary management plan through the reinstatement of sod banks.

**Management requirements in excess of cross-compliance**

All sod bank reinstatement must follow the exact line and contours of the original field boundary. Sod banks must be built in accordance with the best standards, traditions and designs of the district. Land reclamation to obtain stone is not permitted.

#### 2(c) Ungrazed Grass Margins

**(i) Ungrazed Grass Margins**

**Definition:** An ungrazed grass margin is a strip of land, a minimum width of 2 metres, from which livestock are excluded. A margin can extend from the edge of (a) a hedge, stonewall, woodland, designated Area of Special Scientific Interest or to provide a corridor between two existing wildlife areas OR (b) from the edge of a watercourse, which can be either a lake, river or stream, but must be at least 1 metre in width and have running water for the greater part of the year.

**Aim:** to provide additional habitat and food source for a range of farmland birds and mammals.

**Biodiversity objectives**: this option contributes to the NI Biodiversity Action plan targets for the Irish hare. The NI Priority species - linnet, tree sparrow, barn owl, bats and invertebrates - will also benefit.

**Management requirements in excess of cross-compliance**

Margins must be created on improved or semi-improved/semi-natural grassland only. The margin must not be grazed. Margins are permanent and must be retained in the same field(s) for the duration of the scheme agreement. No cultivation, fertilization, liming, ploughing, reseeding, cutting silage and/or hay, or application of herbicides, pesticides or any other material is permitted. The area must not be used for regular access, supplementary feeding sites or for the storage of round bale hay or silage. Margins should not be situated on habitat such as grassland with wild flowers, heather moorland or woodland.

Margins alongside stone wall or hedgerow field boundaries may be up to a maximum of 6m wide; stone walls or hedges must either not require restoration, or, if they require restoration, they must be entered under the field boundary restoration option.

All other ungrazed grass margins, alongside watercourses more than 1m wide, woodlands or ASSI, may be up to a maximum of 25m wide. No more than 1ha or 5% of the total grass area (whichever is greater) may be entered as ungrazed grass margin. Total grass area is semi-improved/semi-natural grassland plus improved grassland, excluding land used for arable crops or arable options. The minimum area is 0.01ha in any one field.

#### (ii) Ungrazed Grass Margins Planted with Native Trees

**Definition:** An ungrazed grass margin planted with native trees is a strip of land, a minimum width of 2 metres, which is ungrazed and planted with native broadleaf trees and shrubs. There are two options for creating ungrazed grass margins planted with native broadleaf trees. Firstly, they can extend from the edge of a hedge, stonewall, woodland, designated Area of Special Scientific Interest or they can be planted in a field corner, on a steep slope, or to provide a corridor between two existing wildlife areas. Secondly, they can extend from the edge of a watercourse. The watercourse beside the margin can be a lake, river or stream, but must be at least 1 metre in width and have running water at all times.

**Aims:** to increase the area of new native broadleaf woodland, provide wildlife corridors and areas free from disturbance for a range of wildlife and contribute to the landscape character of the countryside.

**Biodiversity objectives:** to contribute to the NI Biodiversity Action Plan targets for the Irish hare. The NI Priority species - tree sparrow, barn owl, bats and invertebrates - will also benefit.

**Management requirements in excess of cross-compliance:**

The margin must not be grazed. Sites planted with trees are permanent and must be retained in the same field(s) for the duration of the scheme agreement. 90% of the trees/shrubs planted must be native broadleaved/conifer species. The planted area must include 30% shrub species. Ornamental species must not be planted. No cultivation, reclamation, infilling, dumping, fertilisation, drainage or application of lime, herbicide, pesticide, sheep dip or other material is permitted.

**2(d) Farmland bird and insect habitat**

**(i) Lapwing breeding sites**

**Definition**: Lapwing (or peewit) sites are fields of improved or semi-improved/semi-natural grassland with at least one breeding pair of lapwing. These sites are likely to be prone to winter flooding or will occur next to areas of wet grassland. Lapwing will nest on sites with a low, closely grazed sward in early spring and where there is damp ground for adults and chicks to feed. Sites with nesting lapwing and other breeding waders (curlew, snipe, redshank) will be classed as breeding wader sites.

**Aim:** this option aims to maintain and increase the breeding success of lapwing nesting on improved and semi-improved/semi-natural grassland by providing suitable breeding, nesting and feeding conditions through the implementation of a positive grazing regime.

**Biodiversity objectives:** this option contributes to the proposed Northern Ireland Biodiversity Action Plan targets for lapwing.

**Management requirements in excess of cross-compliance**

Graze during the winter or early spring to produce a short sward. Cattle must not be released directly on to lapwing sites after being wintered indoors. Cattle must be outside for at least one week before being put on to lapwing breeding sites. Restrictions on fertilizer and herbicide applications, and other field operations, apply.

Water levels in sheughs and drains should be maintained as close as possible to bank height during the period 1 March to 30 June to create damp ground if this is within the farmer’s control.

**(ii) Winter feeding sites for swans and geese**

**Definition:** Winter feeding sites for swans and geese are fields of improved grassland, winter cereals or winter oilseed rape that are regularly used for grazing, by a minimum of 25 migratory swans and/or geese per hectare, during the period October to March. Only migratory swans and geese (Whooper swans, Bewick’s swans, Greenland white-fronted geese, Pale-bellied Brent geese and migratory Greylag geese) can be included in the count.

**Aims:** to safeguard and enhance the suitability of wintering swan and geese feeding sites through appropriate agricultural practices.

**Biodiversity objectives:** this option will contribute to the Northern Ireland Biodiversity Action Plan for the pale-bellied Brent goose.

**Management requirements in excess of cross-compliance**

Restrictions on grazing, sward height, pesticide, herbicide and fertilizer applications apply.

**(iii) Lapwing fallow plots**

**Definition**: Lapwing will nest in fields of spring cereals or potatoes, especially if there is damp, grazing land nearby for chick feeding. A fallow plot is an area left fallow, from when it is created in the spring (or in the previous autumn) until 31 July. Fallow plots allow lapwing to nest without disturbance. Large, open arable fields with nesting lapwing are eligible. The option can be introduced as whole or part fields or as plots within fields.

**Aims:** to maintain and increase the breeding success of lapwing nesting on arable farmland by providing suitable breeding, nesting and feeding conditions.

**Biodiversity objectives:** this option contributes to the Northern Ireland Biodiversity Action Plan targets for the lapwing, yellowhammer, chough and Irish hare. The Northern Ireland Priority Species - reed bunting, tree sparrow and linnet - will also benefit.

## Management requirements in excess of cross-compliance

Restrictions on further cultivation, rolling, cutting, grazing, spraying, pesticides, farmyard manure, sewage sludge, fertiliser/ lime application or drainage apply.

**(iv) Retention of winter stubble**

**Definition:** Stubbles of cereals or oilseed rape are eligible where straw is removed as soon as practicable after harvest and the stubble retained until early spring of the following year.

**Aim:** to increase the diversity of habitats and species within farming systems.

The option is designed to benefit farmland birds that feed on grain, left behind after harvest, and weed seeds. Weeds of arable land, many of which have declined over recent decades, should also benefit.

**Biodiversity objectives:** this option contributes to the Northern Ireland Biodiversity Action Plan targets for the yellowhammer, Irish hare and chough. The proposed Northern Ireland Biodiversity Action Plan for arable field margins and the Northern Ireland Priority Species skylark, linnet and twite, will also benefit.

**Water quality objectives:** delaying cultivation until spring will reduce mineralisation and subsequent leaching of nitrate over winter.

**Management requirements in excess of cross-compliance**

Cereal must be sown and the crop harvested. Restrictions on undersowing, the application of herbicides, pesticides, fertiliser, slurry, farmyard manure, sewage sludge, lime or other materials, and the burning of straw and stubble, apply.

Provided the minimum area is maintained each year this option can move from field to field within the normal crop rotation. The straw may be baled before removal. The stubble may be lightly grazed and supplementary feeding sites established, provided there is no poaching. Retention of winter stubbles option may be carried out on whole crop silage.

**(v) Conservation cereal**

**Definition:** Conservation cereals are cereal crops on which the use of pesticides is restricted with the aim of allowing a greater range of broad-leaved weeds in the crop. They are established as a whole field or as a field margin.

**Aim:** to increase the diversity of habitats and species within farming systems. The option is designed to benefit weeds of arable land, many of which have declined over recent decades, invertebrates and farmland birds that feed on invertebrates and weed seeds.

**Biodiversity objectives:** this option contributes to the Northern Ireland Biodiversity Action Plan targets for the yellowhammer, Irish hare and chough. The proposed Northern Ireland Biodiversity Action Plan for arable field margins and the Northern Ireland Priority Species twite, skylark, reed bunting, tree sparrow, linnet and purple ramping fumitory will also benefit.

**Water quality objectives:** this option, depending on location, could act as a buffer protecting watercourses from pesticides.

**Management requirements in excess of cross-compliance**

Cereal must be sown and the crop harvested. Conservation cereal must not be harvested as whole crop silage, or undersown with grass and/or grass/legume mixture. Restrictions on the application of herbicides, molluscicides, nematicides and insecticides apply. Burning of straw/stubbles is not permitted.

Provided the minimum area is maintained this option can move from field to field within the normal arable rotation.

**(vi) Wild bird feeding**

**Definition:** Wild bird feeding is a spring-sown crop (or crop mixture), sown on improved or arable ground, which is left unharvested over winter to provide food for farmland birds. Three types of wild bird feeding are available:

* cereal crops (single or mixed spring cereals);
* one-year mixed crops (spring cereal plus at least one from the following: quinoa, oilseed rape, linseed and mustard);
* two-year mixed crops (kale plus at least one from the following: quinoa, spring oats, spring wheat, spring triticale, spring barley and linseed).

**Aim:** to provide food, primarily during winter, in the form of crop and weed seeds for farmland birds. Wild bird feeding will also provide summer food for chicks and adult birds in the form of weed seeds and invertebrates. Arable weeds, many of which have declined in recent decades, and invertebrates are also likely to benefit from this option.

**Biodiversity objectives:** the option contributes to the Northern Ireland Biodiversity Action Plan targets for the yellowhammer, Irish hare and chough. The proposed Northern Ireland Biodiversity Action Plan for arable field margins and the Northern Ireland Priority Species skylark, reed bunting, linnet, tree sparrow and purple ramping fumitory will also benefit.

**Water quality objectives:** this option, depending on location, could act as a buffer protecting watercourses from pesticides.

**Management requirements in excess of cross-compliance**

Restrictions on seed types that may be sown, plot size, under-sowing, cultivation, grazing, fertilizer and pesticide application apply. The area must not be used for supplementary feeding, access, turning or storage.

Ideally wild bird feeding should be sited next to thick hedges or scrub or, failing that, woodland. Plots of around one hectare are most beneficial, as they hold seed for longer into the winter. Plots may be kept in the same place or rotated, although crops containing brassicas (e.g. kale, mustard or oilseed rape) are best rotated because of the risk of clubroot. Mixtures containing brassicas should not be used near commercial orchards or beehives.

**(vii) Undersown cereals**

**Definition:** Undersown cereals are spring cereals which are undersown with a grass and clover ley mixture containing at least 10% clover by weight.

**Aim:** to increase the diversity of habitats and species within farming systems and provide additional habitat for a range of farmland birds, invertebrates and plants.

**Biodiversity objectives:** this option contributes to the Northern Ireland Biodiversity Action Plan targets for the Irish hare, chough, lapwing and yellowhammer. The Northern Ireland Priority Species skylark, reed bunting, tree sparrow and great yellow bumblebee (*Bombus distinguendus*) will also benefit.

**Management requirements in excess of cross-compliance**

Cereal must be sown and the crop harvested. The cereal seed rate must be at least 100kg/ha. Restrictions on the application of herbicides, insecticides, molluscicides and nematicides apply. Fertilisers, organic manures and lime applications are permitted to meet crop requirements. No cultivation or rolling is permitted following establishment.

**(viii) Rough grass margins**

**Definition:** Rough grass margins are strips of land sown with a recommended grass seed mixture around arable fields in which cereal, oilseed or protein crops have been planted.

**Aim:** Rough grass margins provide habitat for overwintering invertebrates, some of which prey on pests of cereals, and nesting and foraging sites for birds and mammals.

**Biodiversity objectives:** this option contributes to the Northern Ireland Biodiversity Action Plan targets for the Irish hare and yellowhammer.The Northern Ireland Priority Species barn owl, tree sparrow and twite will also benefit, as will ground beetles and spiders.

**Water quality objectives:** this option, depending on location, could act as a buffer protecting watercourses from pesticides.

**Management requirements in excess of cross-compliance**

Restrictions/prescriptions on: seeds that may be sown, area and dimensions, mowing, grazing, cultivation, drainage, use for supplementary feeding or storage, vehicular access and applications of fertilizer (both inorganic and organic), lime, pesticides, herbicides.

**(ix) Pollen and nectar mixtures**

**Definition:** Pollen and nectar mixtures are mixtures containing recommended legumes managed for the benefit of bumblebees and other invertebrates.

**Aim:** Pollen and nectar mixtures provide a continuous supply of pollen and nectar for bumblebees, butterflies and other invertebrates from March to September.

**Biodiversity objectives:** The Northern Ireland Priority Species great yellow bumblebee (*Bombus distinguendus*)and dingy skipper butterfly will benefit.

**Water quality objectives:** this option can act as a buffer protecting watercourses from pesticides.

**Management requirements in excess of cross-compliance**

Restrictions/prescriptions on: seeds that may be sown, area and dimensions, mowing, grazing, cultivation, drainage, use for supplementary feeding or storage, vehicular access and applications of fertilizer (both inorganic and organic), lime, pesticides, herbicides.

#### 2(e) Traditional Orchard - Recreation

**Definition:** areas of improved and semi-improved grassland suitable for planting with native fruit varieties.

**Aims:** The option offers the opportunity to conserve local history, ensure the survival of old fruit varieties (conservation of genetic resources) and enhance the visual and historical value of the landscape.

**Biodiversity objectives**: to reintroduce biodiversity in a practical manner and maintain genetic resource, which may help in the future development of new varieties or play a part in strengthening the disease-resistant properties of modern varieties.

**Climate change objectives:** Retention of carbon store in existing orchards, and carbon sequestration**,** where carbon is taken up by shrubs and small trees in scrub,may contribute to reducing the effects of climate change.

**Management requirements in excess of cross-compliance:**

Fruit trees must be from the approved list of varieties. Dwarfing varieties are not eligible. At least three different varieties of apples must be planted. No variety should comprise more than half the total number of trees in the orchard. Restrictions on grazing, fungicide, insecticide and fertiliser application apply.

It is permissible to have small areas of vegetables, fruit bushes and other crops for own use planted within the orchard.

#### 2(f) Irish Hare habitat - delayed grazing/cutting of grassland

**Definition:** Fields of semi-improved or improved grassland are eligible for this option. A significant factor in hare breeding success is the level of disturbance, from both agricultural machinery and livestock, during the breeding season and when the leverets are young.

**Aim:** The aim of this option is to provide areas of no disturbance or minimal levels of disturbance during the Irish hare breeding period. Providing tall vegetation for the leverets to lie up in during the day and areas with minimal disturbance, both from field operations and livestock, should enhance breeding success.

**Biodiversity objectives:** this option will contribute to the targets set out in the Irish hare Species Action Plan to maintain the existing range of Irish hares in Ireland, demonstrate a population increase by 2010 and maintain and increase the area and quality of suitable hare habitat. This option also contributes to the Northern Ireland Biodiversity Action Plan targets for the yellowhammer, and will support the Northern Ireland Priority Species barn owl, tree sparrow and twite. Ground beetles and spiders will also benefit.

## Management requirements in excess of cross-compliance

Restrictions on fertiliser and herbicide application, silage or hay cutting, other field operations and grazing apply.

**2(g) Grassland conversion**

**Definition:** Semi-natural grassland habitat containing less than 5 wildflower species, and less 25% ryegrass, timothy and white clover in the sward. Such swards that have at least 2 species rich indicator species, and suitable soil conditions, show signs that positive management would lead to a development of a species rich grassland habitat.

**Aim:** to enhance the biodiversity value of semi-improved grassland through appropriate agricultural practices such as positive grazing management and restrictions on fertiliser and pesticide use.

**Biodiversity objectives:** Depending on the prevailing soil conditions, this habitat development will contribute the achievement of NI Biodiversity Strategy objectives linked with Species rich dry/calcareous/wet/hay meadow grassland habitats.

**2(h) Control of bracken**

**Definition:** Bracken is a very invasive weed on agricultural land and can be damaging to the conservation interest of farm habitats such as species-rich grassland, heather moorland, rough moorland grazing and lowland raised bogs. Bracken spreads by way of underground stems or rhizomes. Ease of access determines the methods of control and either a manual knapsack sprayer or tractor boom sprayer can be used.

**Conditions and standards**

Use Asulam (trade name Asulox) for the control of bracken. It gives good selective control with little long-term damage to most plants except ferns. For dense stands, follow up treatments after the first spray treatment, will be needed to give a complete kill. Protective clothing must be worn during spraying operations and manufacturer’s instructions followed at all times. Grant aid is available for the control of bracken by either manual knapsack sprayer or tractor boom sprayer.

**2(i) Regeneration of heather**

**Definition:** Well-managed heather is a tremendous asset to the farm, providing a valuable grazing resource for both sheep and cattle. In addition, heather forms a distinctive component of the landscape and it is an important wildlife habitat. Funding is available for burning or flailing blocks (approximately 0.5 hectares) of heather moorland in a planned sequence to encourage regeneration. The aim is to produce a patchwork with range of heather ages, which increases grazing quality, encourage livestock to graze the whole area and benefits wildlife. A heather regeneration plan must be agreed with DARD, outlining the extent and location of the areas to be burnt or flailed before approval can be given.

**Conditions and standards: heather burning**

Burning of heather or hill pasture is controlled by law and must not be carried out between 15 April and 31 August to protect ground nesting birds.

Burning must not be carried out on blanket bog, bracken, woodland and scrub, including gorse, archaeological and historic sites, heather over 30cm tall and Areas of Special Scientific Interest without written consent.

Burning must only take place in suitable weather conditions, which occur, on average, on only ten days each year. Light winds are often variable in strength and direction, which make control of the burn difficult.

**Conditions and standards: flailing heather**

Heather flailing must not be carried out during the period 15 April to 31 August to protect ground-nesting birds.

**3. Priority Habitats**

The following priority habitats and features, where they are present on the farm, must be brought under agreement and managed according to the scheme prescriptions.

**3(a) Grasslands**

**(i) Improved land**

No payment will be made for improved land, over and above the Whole Farm Payment as outlined above.

**(ii) Semi-improved grassland**

**Aim:** to maintain and enhance the biodiversity value of semi-improved grassland and extensive grassland systems.

**Biodiversity objectives:** semi-improved grassland contributes to a range of Northern Ireland Biodiversity Action Plan targets such as the Irish hare, skylark and various insects, beetles and spiders.

## 

## (iii) Semi-natural grassland

**Aim**: to maintain and enhance the biodiversity value of semi-natural grassland and extensive grassland systems.

**Biodiversity objectives**: semi-natural grassland contributes to a range of Northern Ireland Biodiversity Action Plan targets such as the Irish hare, skylark and various insects, beetles and spiders.

#### (iv) Species Rich Dry and Calcareous Grassland

**Definition:**Species rich dry and calcareous grassland occurs on moderately well drained and/or calcareous soils. If more than 5 wildflower species, indicative of dry/calcareous conditions, are located in an area of one square metre at 6 out of 10 random points in the field then it is “species rich” dry or calcareous grassland. Indicator species include bird’s foot trefoil, thyme and lady’s bedstraw. There must be less than 25% ryegrass, timothy and white clover in the sward. There are two grazing options for managing species rich dry/calcareous grassland. The most suitable grazing option will be agreed at the outset of the agreement and will be noted on the farm management map.

**Aim:** to maintain and enhance the conservation value of species rich grassland through appropriate agricultural practices such as positive grazing management and restrictions on fertiliser and pesticide use.

**Biodiversity objectives:** species rich dry and calcareous grassland contribute to the NI Biodiversity Action Plan targets for the Irish hare, Chough, Lowland Meadow, Maritime cliff and slopes, Coastal sand dunes and Calcareous grassland. The proposed Biodiversity Action Plans for meadow cranesbill, yellowhammer, marsh fritillary and some NI Priority Species such as the wall brown, dingy skipper and small blue butterflies, Irish eyebright and wax cap fungi will also benefit.

#### Management requirements in excess of cross-compliance

Restrictions on year-round grazing, or a closed period for grazing, must apply.

#### (v) Species Rich Wet Grassland

**Definition***:* Species rich wet grassland occurs on poorly drained soils. If more than 5 wildflower species, indicative of wet conditions, are located in an area of one square metre at 6 out of 10 random points in the field area then it is ‘species rich’ wet grassland. Indicator species include meadowsweet, marsh bedstraw, marsh marigold, yellow flag iris and several species of sedges and/or rushes. There must be less than 25% ryegrass, timothy and white clover in the sward.

**Aim:** to maintain and enhance the conservation value of wet species rich grassland through appropriate agricultural practices such as positive grazing management, implementing a no grazing period and restrictions on fertiliser and pesticide use.

**Biodiversity objectives:** the species rich wet grassland contributes to the NI Biodiversity Action Plan targets for the Irish hare and chough. The proposed Biodiversity Action Plans for meadow cranesbill, yellowhammer, redshank, marsh fritillary, lowland meadows, lowland dry acid grassland, maritime cliffs and slopes and coastal sand dunes, as well as some NI Priority species, such as the dingy skipper, wall brown, narrow small-reed, melancholy thistle, great burnet and fen violet will also benefit.

**Management requirements in excess of cross-compliance**

Positive grazing management, a no-grazing period and restrictions on fertiliser and pesticide use apply.

#### (vi) Species Rich Grassland Cut For Hay

**Definition:** if more than 5 indicator wildflower, grass or sedge species are located in an area of one square metre at 6 out of 10 random points in the field area, and the field is traditionally cut for hay, then it is ’species rich’ grassland cut for hay.

**Aim:** to maintain and enhance the conservation value of species rich grassland cut for hay and ensure the survival of a traditional farming practice through appropriate cutting periods, appropriate aftermath grazing and restrictions on fertiliser and pesticide use.

**Biodiversity objectives:** the proposed Biodiversity Action Plans for meadow cranesbill, yellowhammer, marsh fritillary, lowland meadows, Irish hare and some NI Priority species such as the dingy skipper, wall brown, narrow small-reed and Irish eyebright will also benefit.

**Management requirements in excess of cross-compliance**

Restrictions on grazing and cutting apply. No cultivation, reclamation, infilling, dumping, drainage or application of lime, herbicide, pesticide, sheep dip, slurry, poultry litter or any other material, is permitted.

**3(b) Bird breeding, feeding and nesting sites**

**(i) Breeding wader sites**

**Definition:** Breeding wader sites are fields of improved, semi-improved/semi-natural or rough pastures with at least one breeding pair of curlew, redshank or snipe. These sites are usually wet for much of the year and the vegetation present includes a range of grasses, sedges and rushes, with few or no wild flowers present. Breeding waders benefit from cattle or mixed grazing which gives a range of sward heights with tussocks for nesting in and short-grazed areas for feeding. There are two options for managing breeding wader sites – closed grazing or restricted grazing. The most suitable grazing option will be decided at the outset of the agreement and will be noted on the farm management map.

**Aim:** to maintain and increase the breeding success of breeding waders through appropriate management.

**Biodiversity objectives:** breeding wader sites contribute to the Northern Ireland Biodiversity Action Plan targets for the curlew, redshank and lapwing. This option will also support the proposed Northern Ireland Biodiversity Action Plans for the Northern Ireland Priority Species grasshopper warbler and reed bunting.

**Management requirements in excess of cross-compliance**

Control of grazing to achieve a medium sward less than 15cm (6 inches) with taller tussocks 30cm (12 inches) or above for nesting by mid April. Heavier grazing after 30 June is recommended to remove rank grasses and create a mixture of tussocks and open areas for next year’s breeding season.

**(ii) Chough option**

**Definition:** The chough option is available to farmers who farm within a targeted area along the north Antrim coastline of the Antrim Coast, Glens and Rathlin Environmentally Sensitive Area (ESA) on which the chough feed. An individual plan is drawn up for each field entered into the option. The most suitable option will be decided at the outset of the agreement and will be noted on the farm management map.

**Aim:** to maintain and enhance grassland and cliff slope habitat for feeding chough and thereby increase the numbers of nesting chough within the targeted chough area.

**Biodiversity objectives:** this option contributes to the Northern Ireland Biodiversity Action Plan targets for the chough and the Irish hare.

**Management requirements in excess of cross-compliance**

Control of grazing to achieve a sward height of less than 2-3 cm. This should be achieved through mixed grazing, grazing some fields all year through, topping of grass tussocks and by staggering silage cutting dates. Application of pesticides, herbicides, sheep dip or other material is not permitted.

**3(c) Wetlands: Fen, swamp and reedbeds**

**Definition:** Wetlands have a naturally high water table. They are usually flooded for part of the year and remain wet until at least the middle of June. Wetlands consist of fen, swamp and reedbed habitats. Fens are peaty wetlands, which are so wet or waterlogged all year that they can only be occasionally grazed, and then late in the season. Fen vegetation consists of a mixture of sedges, mosses, rushes and flowering plants such as devil’s bit scabious, marsh cinquefoil and orchids. Swamp and reedbed vegetation is dominated by common reed, bulrush, tall sedges or rushes. They are often found in shallow water around lakes and rivers. Reedbeds are periodically flooded, whereas the vegetation of a swamp is permanently flooded.

**Aim:** to provide suitable habitat for associated wetland wildlife by the

implementation of appropriate agricultural practices.

**Biodiversity objectives:** this option contributes to the Biodiversity Action Plan targets for curlew, lapwing, blue-eyed grass, marsh fritillary butterfly, fens and reedbeds. Some Northern Ireland Priority Species such as Irish lady’s tresses orchid, reed bunting and redshank will also benefit.

**Water quality objectives:** Fens, swamps and reedbeds provide a buffer to filter nutrients and reduce runoff from agricultural land entering watercourses and lakes.

**Management requirements in excess of cross-compliance**

Restrictions on grazing apply. No application of slurry, farmyard manure, herbicides, pesticides, insecticides, sheep dip, fungicides, basic slag, sewage sludge, poultry litter or any other material is permitted. No new drainage is permitted. Existing drainage systems can be maintained but not widened, deepened or extended. Mineral extraction is not permitted.

**3(d) Moorland and raised bog**

**Definition:** There are four types of heather moorland - dry heath, wet heath, blanket bog and degraded heath. All heather moorland types have at least 25% cover of heather and heath indicator species including western gorse, with the exception of degraded heath, which has between 5 and 25% cover.

**(i) Heather moorland - Dry heath** occurs on well-drained shallow peat less than 0.5 metres deep. The vegetation comprises heather, bell heather, bilberry, western gorse with tormentil and grasses.

**(ii) Heather moorland - Wet heath** occurs on lower slopes too dry or steep for deep peat deposits normally under 200m. Peat depth is up to 0.5m. The vegetation comprises heather, cross-leaved heath, bilberry, deer grass, and purple moor grass with *Sphagnum* mosses.

**(iii) Heather moorland - Blanket bog** occurs on deep peat deposits over 0.5m deep. The average depth of peat is 2m to 3m. It is formed on areas normally over 200m. Blanket bogs develop topography with numerous pools and raised hummocks, which are formed by *Sphagnum* mosses. Vegetation comprises heather, cross-leaved heath, cotton-grasses, deer-grass, crowberry, bog asphodel and sedges such as white-beaked sedge. Bog pools and margins support bog bean, sundews and bladderworts. *Sphagnum* mosses are very frequent. Black bog rush and purple moor grass are found on western blanket bogs at lower altitudes.

**(iv) Heather moorland - Degraded heath** is principally formed as a result of overgrazing and/or peat extraction on moorland and can be classified as degraded dry heath, wet heath or blanket bog. Heather plants will exhibit characteristic signs of overgrazing such as topiary, drumstick and distorted growth forms. Areas of bare or sparsely covered ground may be present. The vegetation will reflect the original category and will include heather, bell heather, cross-leaved heath, bilberry, cotton grasses and deer grass. Unpalatable grasses such as mat grass and purple moor-grass and rushes may dominate a high proportion of the sward.

**Aim:** to maintain and increase the extent of heather moorland in Northern Ireland through the implementation of appropriate grazing and agricultural practices.

**Biodiversity objectives**: heather moorland contributes to the Biodiversity Action Plan targets for the Irish hare, curlew, hen harrier, small cow wheat, blanket bog, upland heathland, and montane heath. Some Northern Ireland Priority Species such as red grouse, golden plover, few-flowered sedge and cloudberry will also benefit.

**Climate change objectives:** Peatlands act as a carbon store and restrictions on drainage, reclamation and peat cutting reduces potential emissions of carbon dioxide.

**Management requirements in excess of cross-compliance**

Grazing restricitions apply. No application of slurry, farmyard manure, herbicides, pesticides, insecticides, sheep dip, fungicides, basic slag, sewage sludge, poultry litter or any other material is permitted. Mineral extraction is not permitted. Peat cutting is limited to 0.1ha for domestic use. Mechanised peat cutting is not permitted. The spread of scrub/trees must be controlled.

**3(e) Rough moorland grazing**

**Definition:** Rough moorland grazing is widespread in the uplands and marginal hill land and is dominated by coarse grasses such as purple moor grass, matt grass, tufted hair grass, cotton grasses, wavy hair grass, heath rush, soft rush and sedges. Rough moorland grazing contains less than 25% heather cover and less than 25% ryegrasses, Timothy and white clover.

**Aim:** to maintain and enhance the conservation value of rough moorland grazing through the implementation of low level grazing and appropriate agricultural practices.

**Biodiversity objectives:** rough moorland grazing contributes to the Biodiversity Action Plan targets for Irish hare and curlew. The proposed Biodiversity Action Plans for purple moor grass and rush pastures, upland calcareous grassland and some Northern Ireland Priority Species such as the golden plover, hen harrier and marsh saxifrage will also benefit.

**Climate Change objectives:** Peatlands act as a carbon store and restrictions on drainage, reclamation and peat cutting reduces potential emissions of carbon dioxide.

**Management requirements in excess of cross-compliance**

Grazing restrictions apply. No application of slurry, farmyard manure, herbicides, pesticides, insecticides, sheep dip, fungicides, basic slag, sewage sludge, poultry litter or any other material is permitted. Mineral extraction is not permitted. Peat cutting is limited to 0.1ha for domestic use. Mechanised peat cutting is not permitted. The spread of scrub/trees must be controlled.

**3(f) Lowland raised bog**

**Definition:** Lowland raised bogs occur in low-lying areas where a dome of peat has accumulated high above the surrounding land. Formed on old lakebeds and waterlogged depressions, the depth of peat can exceed 13m. Most lowland raised bogs have been cut over for peat in the past. They support a wide range of plant species including heather, cotton grasses, bog asphodel, sundew and Sphagnum bog mosses. A mixture of vegetation types such as fen/swamp, wet heath, woodland and semi-natural grassland can be found on lowland raised bogs. The presence and proportion of each type will be agreed at the outset of the agreement and will be noted on the farm management map.

**Aim:** to maintain and enhance the conservation value of lowland raised bog and the suitability of habitat for the associated wildlife through the implementation of appropriate grazing and scrub control management practices.

**Biodiversity objectives:** the option contributes to the Biodiversity Action Plan targets for lowland raised bog, curlew, marsh fritillary butterfly and Irish hare. Some Northern Ireland Priority Species such as the red grouse, the bordered grey moth, Irish damselfly and keeled skimmer dragonfly will also benefit.

**Climate change objectives:** Peatlands act as a carbon store and restrictions on drainage, reclamation and peat cutting reduces potential emissions of carbon dioxide.

**Management requirements in excess of cross-compliance**

Grazing restrictions apply. No application of slurry, farmyard manure, herbicides, pesticides, insecticides, sheep dip, fungicides, basic slag, sewage sludge, poultry litter or any other material is permitted. Mineral extraction is not permitted. Peat cutting is limited to 0.1ha for domestic use. Mechanised peat cutting is not permitted. The spread of scrub/trees must be controlled.

#### 3(g) Woodland, scrub and parkland

#### (i) Mixed ash woodland, oak woodland and wet woodland

**Definition:** woodlands are areas where the tree canopy covers at least 50% of the ground area. The canopy must contain at least 50% native broadleaf tree species. There are three types of woodland – mixed ash, oak and wet woodland.

# Mixed ash woodland is usually dominated by ash, although oak, birch and hazel may be abundant. Other species found in mixed ash woodland include rowan, holly, sycamore or beech. Typical ash woodland plants include bluebell, wood anemone, primrose and wild garlic.

Oak woodland is dominated by oak, but other tree species such as birch, rowan, holly, ash and hazel may be present. Typical oak woodland plants include bluebell, wood anemone, bramble, wood-rush, ferns and bracken with a large number of mosses and lichens likely to be present.

Tree species commonly found in wet woodland include alder, birch and willow. Ash, oak or other tree species can be found on drier areas within wet woodlands. Typical plants of wet woodland include lesser celandine, marsh marigold, marsh-bedstraw, opposite-leaved golden saxifrage, heather, sedges, mosses and lichens. Plants, indicative of nutrient rich conditions, such as nettle, docks and grasses, may also be present.

**Aim:** to maintain and enhance the conservation value of woodland habitat by encouraging natural regeneration of native species and increasing the diversity of woodland ground flora.

**Biodiversity objectives:** the woodland option contributes to the NI Biodiversity Action Plan targets for wet woodland, mixed ash woodland, oak woodland, small cow wheat, Wood cranesbill and red squirrel.

**Climate Change Objectives:** Semi-natural woodland is a carbon store and its conservation ensures that this carbon is not released to the atmosphere. The process of carbon sequestration, where carbon is taken up by shrubs and small trees in scrub, may contribute to reducing the effects of climate change.

**Water Quality Objectives:** Woodland, in particular riparian woodland, helps to protect water quality by stabilising river banks against erosion and removing dissolved pollutants in run-off from the surrounding land. Large areas of woodland within river catchments may help reduce local flood risks by smoothing out fluctuations between peaks and troughs in stream flow.

## Management requirements in excess of cross-compliance

There aretwo options for managing woodland – no grazing and light grazing. The ‘no grazing’ option is suitable for woodlands which have been subject to prolonged grazing, used for over-wintering of livestock and where there is little evidence of natural regeneration. The ‘light grazing’ option will only apply to woodlands which have been closed off to livestock for a considerable length of time, where saplings are present indicating successful natural regeneration and where there is a well developed shrub layer such as bramble, ivy, honeysuckle and other climbers. The most suitable grazing option will be agreed at the outset of the agreement and will be noted on the farm management map.

#### (ii) Scrub

**Definition:** scrub is an area dominated by at least 50% cover of shrubs, stunted trees or brambles. Scrub may be open, dense or impenetrable, and may contain hawthorn, blackthorn, gorse (whin), bramble, honeysuckle, dog rose, bushy willows (sally) or stunted hazel with few or no mature trees present. Examples of scrub include blackthorn thickets, hawthorn scrub on steep slopes, willow scrub on wet ground, hazel scrub on rocky slopes or on open limestone, mixed species scrub on exposed sites and whin scrub on marginal grassland. Scrub is usually grazed in association with the surrounding grassland/habitat.

**Aim:** to maintain and enhance the conservation value of scrub habitat and features within it through appropriate management.

**Biodiversity objectives:** scrub contributes to the NI Biodiversity Action Plan targets for yellowhammer and Irish hare.

**Climate change objectives:** Semi-natural woodland is a carbon store and its conservation ensures that this carbon is not released to the atmosphere. The process of carbon sequestration, where carbon is taken up by shrubs and small trees in scrub, may contribute to reducing the effects of climate change.

## Management requirements in excess of cross-compliance

Scrub and features within it, such as open spaces and ponds, must be retained and managed with no burning or mechanised removal permitted. Within the scrub habitat, small areas (less than 0.1ha) must be cut by hand each year so that at least 50% of the field is capable of being grazed. Restrictions on herbicide application apply.

#### (iii) Parkland

**Definition:** parkland is a term used to describe areas of open grassland with widely spaced mature trees within an historic designed landscape. It cannot be considered in isolation from the other elements forming the design such as woodland blocks, water, and screening boundary woodlands – or without reference to the views created by the interplay of all these elements together.

**Aim:** To ensure the continued survival of remaining areas of parkland, and to restore areas of degraded parkland or parkland areas now lost completely.

**Biodiversity objectives:** To contribute to the delivery of the Northern Ireland Biodiversity Action Plan Targets for lowland wood-pasture and parkland and various lichens, mosses, ferns, invertebrates and bats.

**Climate change objectives:** Semi-natural woodland is a carbon store and its conservation ensures that this carbon is not released to the atmosphere. The process of carbon sequestration, where carbon is taken up by shrubs and small trees in scrub,may contribute to reducing the effects of climate change.

# Management requirements in excess of cross-compliance

Landowners must undertake specific management plans that may include planting/restoration works, informed by the characteristic design of the formative periods of creation that took place on the property. Required work will include sensitive land management, replacement tree planting and an appropriate programme of sensitive tree surgery. Restrictions on reseeding, ploughing and drainage of existing parkland grassland apply. Fertilisers, slurry, farmyard manure, sewage sludge, herbicides, lime, insecticides, pesticides, sheep dip, fungicides, or application of any other material, are not permitted within a 10m radius from the edge of the canopy of a parkland tree. No alteration to, or removal of, existing landscape features (eg gorse, scrub, bracken, field boundaries) is permitted without the prior written approval of DARD

**4. Higher Environmental Options**

In addition to the minimum actions undertaken to receive the Whole Farm Payment, and the management of any additional Habitat Enhancement Options and/or any Priority Habitats present on the farm, participants may receive payment for either of the Higher Environmental Options below:

**4(a) Traditional Breeds**

**Aim**: To increase the populations of traditional breeds and cultivars and thereby protect their long term survival.

**Biodiversity Objectives**: Contribute to the survival and protection of traditional breeds and cultivars that are adapted to local conditions.

**Management requirements in excess of cross-compliance**

Agreement holders may receive a payment related to the numbers of animals or areas of crops under agreement.

**4(b) Special environmental project option**

Scheme participants may agree a site specific plan for the management and enhancement of biodiversity, water quality (rivers and lakes), and the farmed landscape (including landscape-scale linear features and heritage features) in areas of high nature value (including Natura 2000 and other designated sites).

Special Environmental Projects will enable agreement holders to devise and implement site-specific projects that cannot be facilitated through the generic ‘one-size-fits-all’ scheme provisions. This flexibility is particularly important to the protection and enhancement of designated sites, such as Natura 2000, and to landscape or catchment-scale collaborative activities.

Proposals for Special Environmental Projects will be encouraged to address water quality (rivers and lakes), landscape-scale linear features (biodiversity corridors) and activities which contribute to the mitigation of and adaptation to the impact of climate change.

Special Environmental Projects are available only to agri-environment agreement holders. A Special Environmental Project may be carried out individually or in collaboration with a number of other agreement holders.

A Special Environmental Project may be composed of any combination of management activities and non-productive investments, including but not limited to those management activities and capital investments listed under Habitat Enhancement Options, Priority Habitats, and Capital Enhancement Items.

Support for Special Environmental Projects will be governed by the rules applying to Measure 323: Conservation and upgrading of the rural heritage.

**5. Capital Enhancement Items Eligible under Measure 2.2B**

**Field Boundary Restoration**

Dry stone wall - double skinned

Dry stone wall - single-skinned

Hedge laying

Hedge coppicing

Hedge interplanting / reinstatement

Sod bank reinstatement

**Tree planting / management**

Tree/shrub planting

Tree guard and stake

Spiral rabbit guard

Planting standard parkland trees

Planting traditional fruit trees

Tree surgery

Tree pollarding

Restorative pruning for traditional orchards

**Items to enhance wildlife value**

Nest boxes for small birds

Nest boxes for large birds

Nest boxes for bats

Red squirrel feeders

**Provision of alternative watering sites**

Installation of water trough

Installation of up to 150m pipeline

Installation of over 150m pipeline

**Structures / work to raise water levels**

Structures/work to raise water levels

**Creation of scrapes**

Creation of scrapes

**Restoration of traditional and heritage features**

Traditional farm buildings

Features of historic interest

Traditional gates- wooden

Traditional gates- metal

Traditional gates- composite

Rebuilding pillar

Re-pointing pillar cap

Rebuilding or re-plastering pillar cap

Wooden post

Stone post

**Erection of protective fencing**

3 line wire

Additional line wire

Woven (sheep) wire + 2 lines

Woven (sheep) wire + 3 lines

Proofing against rabbits and hares

Parkland tree guard (1.8m square)

Parkland tree guard (3.6m triangular)

Parkland tree guard (3.6m square)

**Plastic recycling bin**

Plastic recycling bin

ANNEX 4, APPENDIX B

#### CALCULATIONS FOR AGRI-ENVIRONMENT PAYMENT RATES THAT EXCEED PAYMENT MAXIMA SET BY THE RURAL DEVELOPMENT REGULATION

#### *(i)* Riparian zone enhancement – standard option

This habitat option has potential benefit for a wide range of invertebrates, birds, and wild mammals such as the otter. The interface between water and land is important, as niche habitats exist for certain aquatic insects with a life cycle dependent on both for their existence.

Management requirements include the provision of alternative drinking sites, the exclusion of grazing livestock, and the management of bankside vegetation.



**Proposed payment rate £440/ha**

***(ii) Ungrazed Grass Margins***

**Definition:** An ungrazed grass margin is a strip of land, a minimum width of 2 metres, from which livestock are excluded. A margin can extend from the edge of (a) a hedge, stonewall, woodland, designated Area of Special Scientific Interest or to provide a corridor between two existing wildlife areas OR (b) from the edge of a watercourse, which can be either a lake, river or stream, but must be at least 1 metre in width and have running water for the greater part of the year.

**Aim:** to provide additional habitat and food source for a range of farmland birds and mammals.

**Biodiversity objectives:** this option contributes to the NI Biodiversity Action plan targets for the Irish hare. The NI Priority species - linnet, tree sparrow, barn owl, bats and invertebrates - will also benefit.

**Management requirements in excess of cross-compliance**

Margins must be created on improved or semi-improved/semi-natural grassland only. The margin must not be grazed. Margins are permanent and must be retained in the same field(s) for the duration of the scheme agreement. No cultivation, fertilization, liming, ploughing, reseeding, cutting silage and/or hay, or application of herbicides, pesticides or any other material is permitted. The area must not be used for regular access, supplementary feeding sites or for the storage of round bale hay or silage. Margins should not be situated on habitat such as grassland with wild flowers, heather moorland or woodland.

Margins alongside stone wall or hedgerow field boundaries may be up to a maximum of 6m wide; stone walls or hedges must either not require restoration, or, if they require restoration, they must be entered under the field boundary restoration option.

All other ungrazed grass margins, alongside watercourses more than 1m wide, woodlands or ASSI, may be up to a maximum of 25m wide. No more than 1ha or 5% of the total grass area (whichever is greater) may be entered as ungrazed grass margin. Total grass area is semi-improved/semi-natural grassland plus improved grassland, excluding land used for arable crops or arable options. The minimum area is 0.01ha in any one field.

**Costing considerations**

* Income foregone based on the loss of gross margin.
* Costs incurred are derived from associated management such as mowing one year in three.



## Proposed payment rate £440/ha

#### (iii) Ungrazed Grass Margins Planted with Native Trees

**Definition:** An ungrazed grass margin planted with native trees is a strip of land, a minimum width of 2 metres, which is ungrazed and planted with native broadleaf trees and shrubs. There are two options for creating ungrazed grass margins planted with native broadleaf trees. Firstly, they can extend from the edge of a hedge, stonewall, woodland, designated Area of Special Scientific Interest or they can be planted in a field corner, on a steep slope, or to provide a corridor between two existing wildlife areas. Secondly, they can extend from the edge of a watercourse. The watercourse beside the margin can be either a lake, river or stream, but must be at least 1 metre in width and have running water at all times.

**Aims:** to increase the area of new native broadleaf woodland, provide wildlife corridors and areas free from disturbance for a range of wildlife and contribute to the landscape character of the countryside.

**Biodiversity objectives:** to contribute to the NI Biodiversity Action Plan targets for the Irish hare. The NI Priority species - tree sparrow, barn owl, bats and invertebrates - will also benefit.

**Management requirements in excess of cross-compliance:**

The margin must not be grazed. Sites planted with trees are permanent and must be retained in the same field(s) for the duration of the scheme agreement. 90% of the trees/shrubs planted must be native broadleaved/conifer species. The planted area must include 30% shrub species. Ornamental species must not be planted. No cultivation, reclamation, infilling, dumping, fertilisation, drainage or application of lime, herbicide, pesticide, sheep dip or other material is permitted.

**Costing considerations**

* Areas must be in blocks of less than 0.2ha.
* The minimum width of grass margin or field corner to be planted with native trees should be 2m.
* Species will include ash, birch, alder, holly.
* No organic or inorganic fertilisers, pesticides, herbicides, cropping or cultivation is permitted.
* Selective weed wiping or spot spraying is only permitted to control noxious weeds.
* No part of the area should be used for access, turning or storage.
* Income foregone based on the loss of gross margin
* Costs incurred from the cost of trees, guards, stakes and labour.
* Trees planted @ 2.5m spacing average over site (represents a density of 1,600 trees per hectare). This density is the optimum density to avoid excessive competition between trees. It is also the optimum density in providing good biodiversity in the tree canopy without compromising understorey biodiversity.
* 15 hours per year is required in the first year to plant, stake, and shelter. Subsequent years a further 15 hours per year is required to undertake weed control, prune, re-stake and adjust shelters which are prone to rabbit and wind damage.



## Summary of proposed payments for grass margins

## Land type/management Payment per hectare (£)

**Improved/semi-improved grassland**

**(i) Ungrazed 440**

**(ii) Ungrazed planted with native trees 1290**

**(iv) Farmland bird and insect habitat**

**(iv)(a) Wild bird feeding**

**Definition:** Wild bird feeding is a spring-sown crop (or crop mixture), sown on improved or arable ground, which is left unharvested over winter to provide food for farmland birds. Three types of wild bird feeding are available:

* cereal crops (single or mixed spring cereals);
* one-year mixed crops (spring cereal plus at least one from the following: quinoa, oilseed rape, linseed and mustard);
* two-year mixed crops (kale plus at least one from the following: quinoa, spring oats, spring wheat, spring triticale, spring barley and linseed).

**Aim:** to provide food, primarily during winter, in the form of crop and weed seeds for farmland birds. Wild bird feeding will also provide summer food for chicks and adult birds in the form of weed seeds and invertebrates. Arable weeds, many of which have declined in recent decades, and invertebrates are also likely to benefit from this option.

**Biodiversity objectives:** the option contributes to the Northern Ireland Biodiversity Action Plan targets for the yellowhammer, Irish hare and chough. The proposed Northern Ireland Biodiversity Action Plan for arable field margins and the Northern Ireland Priority Species skylark, reed bunting, linnet, tree sparrow and purple ramping fumitory will also benefit.

**Water quality objectives:** this option, depending on location, could act as a buffer protecting watercourses from pesticides.

**Management requirements in excess of cross-compliance**

Restrictions on seed types that may be sown, plot size, under-sowing, cultivation, grazing, fertilizer and pesticide application apply. The area must not be used for supplementary feeding, access, turning or storage.

Ideally wild bird feeding should be sited next to thick hedges or scrub or, failing that, woodland. Plots of around one hectare are most beneficial, as they hold seed for longer into the winter. Plots may be kept in the same place or rotated, although crops containing brassicas (e.g. kale, mustard or oilseed rape) are best rotated because of the risk of clubroot. Mixtures containing brassicas should not be used near commercial orchards or beehives.

**Costing considerations**

* The payment is based on the loss of gross margin, and the additional costs associated with establishment and the cost of wild bird cover seed.

1. **One year crop – single**



**Proposed payment rate £550/ha**

1. **One year crop – multi-seed**



**Proposed payment rate £600/ha**

**c) Two year crop** 

**Proposed payment rate £515/ha**

**(iv)(b) Rough grass margins**

**Definition:** Rough grass margins are strips of land sown with a recommended grass seed mixture around arable fields in which cereal, oilseed or protein crops have been planted.

**Aim:** Rough grass margins provide habitat for overwintering invertebrates, some of which prey on pests of cereals, and nesting and foraging sites for birds and mammals.

**Biodiversity objectives:** this option contributes to the Northern Ireland Biodiversity Action Plan targets for the Irish hare and yellowhammer. The Northern Ireland Priority Species barn owl, tree sparrow and twite will also benefit, as will ground beetles and spiders.

**Water quality objectives:** this option, depending on location, could act as a buffer protecting watercourses from pesticides.

**Management requirements in excess of cross-compliance**

Restrictions/prescriptions on: seeds that may be sown, area and dimensions, mowing, grazing, cultivation, drainage, use for supplementary feeding or storage, vehicular access and applications of fertilizer (both inorganic and organic), lime, pesticides, herbicides.

## Costing considerations

* Payment is based on the associated loss of gross margin from spring barley / winter barley /wheat.
* Additional costs are the cost of grass seed and mowing discounted over 3 years.



**Proposed payment rate £415/ha**

**(v) Pollen and nectar mixtures**

**Definition:** Pollen and nectar mixtures are mixtures containing recommended legumes managed for the benefit of bumblebees and other invertebrates.

**Aim:** Pollen and nectar mixtures provide a continuous supply of pollen and nectar for bumblebees, butterflies and other invertebrates from March to September.

**Biodiversity objectives:** The Northern Ireland Priority Species great yellow bumblebee (*Bombus distinguendus*)and dingy skipper butterfly will benefit.

**Water quality objectives:** this option can act as a buffer protecting watercourses from pesticides.

**Management requirements in excess of cross-compliance**

Restrictions/prescriptions on: seeds that may be sown, area and dimensions, mowing, grazing, cultivation, drainage, use for supplementary feeding or storage, vehicular access and applications of fertilizer (both inorganic and organic), lime, pesticides, herbicides.

**Costing considerations**

* Reduction in gross margin due to exclusion of livestock and lower grassland output
* Additional cultivation required to establish crop

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Assumptions** | **Benefit** | **Losses** |
|  |  | **£/ha** | **£/ha** |
| **Income Foregone** |  |  |  |
| Loss of GM | 70% GM= £454 |  | 317.80 |
| *Extra income* |  |  |  |
|  |  |  |  |
| **Costs incurred** |  |  |  |
| Cost of seeds |  |  | 80.00 |
| Mowing | 2 cuts (£22) |  | 44.00 |
| Additional cultivation |  |  | 42.00 |
| *Costs saved* |  |  |  |
| *Interest on working capital* |  | 25.33 |  |
| **Total** |  | 25.33 | 481.80 |
|  |  |  |  |
| **Income loss per hectare** | | **458.47** | |

**Proposed payment rate £460/ha**

#### (vi) Traditional Orchard - Recreation

**Definition:** areas of improved and semi-improved grassland suitable for planting with native fruit varieties.

**Aims:** The option offers the opportunity to conserve local history, ensure the survival of old fruit varieties (conservation of genetic resources) and enhance the visual and historical value of the landscape.

**Biodiversity objectives**: to reintroduce biodiversity in a practical manner and maintain genetic resource, which may help in the future development of new varieties or play a part in strengthening the disease-resistant properties of modern varieties.

**Climate change objectives:** Retention of carbon store in existing orchards, and carbon sequestration**,** where carbon is taken up by shrubs and small trees in scrub,may contribute to reducing the effects of climate change.

**Management requirements in excess of cross-compliance**

Fruit trees must be from the approved list of varieties. Dwarfing varieties are not eligible. At least three different varieties of apples must be planted. No variety should comprise more than half the total number of trees in the orchard. Restrictions on grazing, fungicide, insecticide and fertiliser application apply.

It is permissible to have small areas of vegetables, fruit bushes and other crops for own use planted within the orchard.

**Costing considerations**

* + Income forgone due to a 25% reduction of stock numbers
  + Payment is based on the reduction in yield of 20% and quality which will occur as a direct result of the prescriptions and the costs associated with positive management, pruning and control of invasive scrub.
  + Average fruit yield from an orchard is 7.4 tonnes of fruit/ hectare @ £100.00 / tonne.
  + 1% of the fruit must remain on the trees.
  + Maintenance pruning in commercial orchards for an average of 300 trees /ha on M25 root stock costs £600/hectare. A traditional orchard only has 120 trees/ ha therefore cost of pruning is reduced by 40% and prescriptions will reduce pruning requirements by a further 50%.



**Proposed payment rate £420/ha**

#### (vii) Biodiversity Zones around Historic Landscape Features

**Definition:** To date, 15,500 historic monuments and archaeological features have been identified in Northern Ireland; all of these are unique and irreplaceable with important associated flora and fauna. This option promotes biodiversity in the vicinity of the feature, as well as protecting the feature from damaging farming practices.

**Aim:** to preserve and enhance the conservation value of the farmed landscape, and maintain or increase biodiversity in the vicinity of historic or archaeological landscape features, through the introduction of agricultural production methods compatible with the protection and improvement of the landscape and its features.

**Biodiversity objectives:** Dependant on local conditions. On grassland habitats, for example, this option will contribute to a range of Northern Ireland Biodiversity Action Plan targets such as those for Irish hare, skylark and various insects, beetles and spiders.

## Management requirements in excess of cross-compliance

Cultivation, ploughing, reseeding, drainage, any ground disturbance or removal of any material, and the application of fertilisers, slurry, farmyard manure, sewage sludge, herbicides, lime, insecticides, pesticides, sheep dip, fungicides, or application of any other material, are not permitted.

## Costing considerations

* Reduction of stock numbers to 1.45 LU/ha is required on the feature itself and the associated 10m ‘protection zone’.
* Costs incurred are associated with the selective and sensitive control of encroaching weeds including scrub, gorse or rush.



**Proposed payment rate £350/ha**

# ANNEX 4, APPENDIX C

# AGRI-ENVIRONMENT PROGRAMME: CROSS-COMPLIANCE BASELINES AND LOCAL LEGISLATIVE OBLIGATIONS

| **(A) Scheme Option** | **(B) Cross compliance and current national legal obligations** | **(C) Management prescriptions in excess of (B)** | **(D) Payment Rate (per Hectare unless otherwise stated)** |
| --- | --- | --- | --- |
| **Whole Farm Payment: Field Boundary Management**  **Whole Farm Payment: Farm Waste Management** | Removal of field boundaries (dry stone walls, ditches, hedges, earthbanks) is not permitted except with prior written permission.  Hedge cutting/ coppicing or laying is not permitted between 1 March and 31 August.  No polluting discharge or deposit either directly or via a drain into a waterway or underground strata.  No pollution of groundwater.  Observe minimum standards for the design, siting, construction and repair of silage, slurry and agricultural fuel oil storage facilities.  Application of livestock manure to farmland limited to 170kgN/ha/year, restricted application of chemical N fertiliser, and no application of Phosphorous fertiliser unless soil analysis shows a requirement.  No application of chemical fertilisers within 1.5m of any waterway. No application of organic manures within 20m of lakes, 10m of any waterway, 50m of a borehole, spring or well, 250m of a borehole used for a public water supply, and 15m of exposed cavernous or karstified limestone features. | All external farm boundaries adjoining other farms (‘march ditches’) must be in stock-proof condition to maximise biosecurity. An uncultivated strip must be left as a buffer from farming operations from the edge of the field boundary. Application of organic or inorganic fertiliser, pesticides or herbicides is not permitted in this strip.  Stone walls and stone banks must be protected from deterioration and all in situ stone from walls retained.  A variety of hedge heights, widths and shapes must be maintained. Existing mature trees must be retained and some saplings left to grow into hedgerow trees.  Responsibly store, use and dispose of all farm wastes, for example slurry, silage effluent, dirty water, plastics and rubbish.  Remove rubbish and derelict equipment. Remove eyesores.  Produce and implement and annually update a Farm Waste Management Plan which must take into account the collection, storage and disposal of all farm wastes. | £40 |
| **Farm waterway and riparian zone management** | No application of chemical fertilisers within 1.5m of any waterway. No application of organic manures within 20m of lakes, 10m of any waterway, 50m of a borehole, spring or well, 250m of a borehole used for a public water supply, and 15m of exposed cavernous or karstified limestone features.   1. Protect soils from erosion and maintain soil structure by preventing land from being severely trampled or poached.   No damage to wild animals, birds, plants and their habitats. | **(i) Riparian zone enhancement**  The associated waterway must be at least 1 metre in width and the ungrazed riparian zone at least 2 metres and have a maximum width of 25 metres. This option is also available for land bordering the edge of a lake.  All dead wood lying within the riparian zone must be retained unless it is causing a drainage obstruction.  The margin must not be grazed nor be used for regular access or for the storage of round bale hay or silage.  Provision for access to facilitate management must be incorporated in all fencing.  The margin is permanent and must be retained for the duration of the scheme agreement.  Suitable livestock drinking areas, preferably drinking troughs away from the waterway must be provided.  Bankside trees where over shading or tunnelling occurs must be pruned. This is an ongoing management requirement and domination by species such as Alder must not be allowed to take place.  Avoid planting new trees on a riparian zone where the river is less than 4 metres wide as this may lead to excess shading.  P Permission to create a fenced off riparian zone must be requested from Rivers Agency at the time of audit. No work may commence unless this is granted.  **(ii) Riverbed enhancement**  Stone may be introduced to waterways which are at least 1 metre and less than 5 metres in width and where little or no stone remains as the result of past maintenance or extraction.  The size of the stone may vary from cobble to boulder and should result in at least 50% coverage of the riverbed. Stones should be randomly distributed over the riverbed and some should be partially above water level to provide resting places for birds such as dippers and wagtails.  Only clean material may be added to a waterway, for example, unwashed gravel is not acceptable.  All work taking place within the waterway must be carried out between June and October.  Riverbed enhancement must not be undertaken if there are any signs of pollution within the waterway.  Permission to carry out any riverbed enhancement must be requested from Rivers Agency at the time of audit. No work may commence unless this is granted. | £440  £780 |
| **Field boundary enhancement** | No removal of field boundaries (dry stone walls, ditches, hedges, earthbanks) without prior written permission from DARD.  No hedge cutting/ coppicing or laying between 1 March and 31 August.  No damage to wild animals, birds, plants and their habitats. | All hedge regeneration mustfollow the exact line and contours of the original field boundary  A mixture of hedgerow species must be planted along the length of the hedgerow (at least five native woody species throughout each 30 metre length of hedge).  Single-species or ornamental species hedges are not acceptable.  All stone wall restoration must follow the exact line and contours of the original field boundary. Dry stone walls must be built in accordance with the best standards, traditions and designs of the district. Land reclamation to obtain stone is not permitted. Stones used for restoring dry stone walls must be sourced from within the farm.  All sod bank reinstatement must follow the exact line and contours of the original field boundary. Sod banks must be built in accordance with the best standards, traditions and designs of the district. Land reclamation to obtain stone is not permitted. | £6-£12 per metre (depending on fencing required) |
| **Grass margins - Ungrazed grass margins** | No overgrazing of grassland, semi-natural habitats or archaeological sites  No supplementary feeding sites on semi-natural habitats, archaeological sites or within 10 m of waterways or 50 metres from a borehole or well are prohibited.  Supplementary feeding sites should be rotated and managed to prevent excessive trampling/poaching or vehicle rutting to minimise soil erosion and to avoid run-off to waterways.  Sacrifice areas/paddocks are not permitted  Application of livestock manure to farmland limited to 170kgN/ha/year, restricted application of chemical N fertiliser, and no application of Phosphorous fertiliser unless soil analysis shows a requirement.  No application of chemical fertilisers within 1.5m of any waterway. No application of organic manures within 20m of lakes, 10m of any waterway, 50m of a borehole, spring or well, 250m of a borehole used for a public water supply, and 15m of exposed cavernous or karstified limestone features. | Margins must be created on improved or semi-improved/semi-natural grassland only.  The margin must not be grazed. Margins are permanent and must be retained in the same field(s) for the duration of the scheme agreement.  No cultivation, fertilization, liming, ploughing, reseeding, cutting silage and/or hay, or application of herbicides, pesticides or any other material is permitted.  The area must not be used for regular access, supplementary feeding sites or for the storage of round bale hay or silage.  Margins should not be situated on habitat such as grassland with wild flowers, heather moorland or woodland. | £440 |
| **Grass margins - Ungrazed grass margins planted with native trees** | No overgrazing of grassland, semi-natural habitats or archaeological sites  No supplementary feeding sites on semi-natural habitats, archaeological sites or within 10 m of waterways or 50 metres from a borehole or well are prohibited.  Supplementary feeding sites should be rotated and managed to prevent excessive trampling/poaching or vehicle rutting to minimise soil erosion and to avoid run-off to waterways.  Sacrifice areas/paddocks are not permitted  Application of livestock manure to farmland limited to 170kgN/ha/year, restricted application of chemical N fertiliser, and no application of Phosphorous fertiliser unless soil analysis shows a requirement.  No application of chemical fertilisers within 1.5m of any waterway. No application of organic manures within 20m of lakes, 10m of any waterway, 50m of a borehole, spring or well, 250m of a borehole used for a public water supply, and 15m of exposed cavernous or karstified limestone features. | Margins must be created on improved/arable land or unimproved grassland only.  The margin must not be grazed.  Sites planted with trees are permanent and must be retained in the same field(s) for the duration of the scheme agreement.  90% of the trees/shrubs planted must be native broadleaved/conifer species.  The planted area must include 30% shrub species.  At least five different species of native broadleaved/conifer trees or shrubs must be planted in any one site.  Ornamental species must not be planted.  Dead trees must be replaced.  Weeds/grass around the newly planted trees must be controlled for 2-3 years.  No cultivation, reclamation, infilling, dumping, fertilisation, drainage or application of lime, herbicide, pesticide, sheep dip or other material is permitted.  The area must not be used for regular access, supplementary feeding sites, or for the storage of big bale hay or silage. | £1290 |
| **Lapwing breeding sites** | No overgrazing of grassland, semi-natural habitats or archaeological sites  Avoid undergrazing and the encroachment of unwanted vegetation.  Application of livestock manure to farmland limited to 170kgN/ha/year, restricted application of chemical N fertiliser, and no application of Phosphorous fertiliser unless soil analysis shows a requirement.  No application of chemical fertilisers within 1.5m of any waterway. No application of organic manures within 20m of lakes, 10m of any waterway, 50m of a borehole, spring or well, 250m of a borehole used for a public water supply, and 15m of exposed cavernous or karstified limestone features. | Graze during the winter or early spring to produce a short sward 3cm (1 inch) by mid March.  From 1 April to 15 June stocking density must not exceed 0.75LU/ha to produce a sward height of between 3 and 12cm (1 and 5”).  If taking a silage crop from lapwing sites, the fields must not be closed up until 1 July.  Cattle must not be released directly on to lapwing sites after being wintered indoors. Cattle must be outside for at least one week before being put on to lapwing breeding sites.  Field operations are not permitted between 1 April and 30 June.  Do not apply any organic or inorganic fertiliser or lime between 1 February and 30 June. When using farmyard manure, do not apply between 1 April and 30 June.  Rush control must be carried out where rushes cover more than one third of the area. Rushes must be controlled by cutting between 15 July and 15 March retaining 10% uncut. Herbicide control is not permitted.  No cultivation, reseeding, reclamation, infilling, dumping, drainage or application of lime, herbicide, pesticide, sheep dip or any other material is permitted.  Installation of new drainage systems is not permitted.  No tree or hedge planting, or fencing on or next to breeding sites, without written permission. | £170 (£145 on semi-improved or semi-natural grassland) |
| **Winter feeding sites for swans and geese** | No overgrazing of grassland, semi-natural habitats or archaeological sites  Avoid undergrazing and the encroachment of unwanted vegetation.  Application of livestock manure to farmland limited to 170kgN/ha/year, restricted application of chemical N fertiliser, and no application of Phosphorous fertiliser unless soil analysis shows a requirement.  No application of chemical fertilisers within 1.5m of any waterway. No application of organic manures within 20m of lakes, 10m of any waterway, 50m of a borehole, spring or well, 250m of a borehole used for a public water supply, and 15m of exposed cavernous or karstified limestone features. | *Improved grassland sites*  No grazing is permitted from 1 October to 31 March – there are no grazing restrictions from 1 April to 30 September.  Sward height must be between 5cm and 10cm by 1 October each year.  Pesticides cannot be applied between 1 October and 31 March.  Slurry, farmyard manure, lime or other organic manure must not be applied between 15 September and 31 March.  *Winter cereals/oilseed rape sites*  Winter cereal or oilseed rape must be established in autumn by normal cultivation practices.  Cultivation and sowing of winter cereals and winter oilseed rape must be completed before 1 October.  Pesticides (with the exception of Barley Yellow Dwarf Virus insecticides and residual herbicides) and growth promoters must not be applied between sowing the autumn crop and 31 March.  *All sites*  Cultivations, ploughing, rolling, drainage or reseeding is not permitted between 1 October to 31 March.  The use of bird scarers or other equipment to disturb feeding swans and geese is not permitted between 1 October and 31 March.  No tree or hedge planting and fencing permitted without written permission. | £125 (on improved grassland) £160 (on winter-sown cereals) |
| **Lapwing fallow plots** | All cultivated land must have either crop cover, stubble cover, grass cover or be ploughed or disced over the following winter. Finely tilled seedbeds are not permitted over the winter. | The fallow plot must be in place by 20 March.  Following cultivation, no operations (further cultivation, rolling, cutting, grazing, spraying, pesticides, farmyard manure, sewage sludge, fertiliser/lime application or drainage) are permitted on the fallow plot.  The fallow plot must be kept in place until 31 July.  Fallow plots must not be used for access, turning, storage of materials or any other activity. | £375 |
| **Retention of winter stubble** | All cultivated land must have either crop cover, stubble cover, grass cover or be ploughed or disced over the following winter. Finely tilled seedbeds are not permitted over the winter. | Stubble must be retained until 15 February after harvesting.  The crop must not be undersown with a grass or grass legume mixture.  Straw must be removed after harvest.  The application of pre- and post-harvest application of non-selective herbicides such as glyphosate is prohibited.  Pesticides, fertiliser, slurry, farmyard manure, sewage sludge, lime or other materials must not be applied to stubble from harvest to the following 15 February.  Straw or stubble must not be burnt. | £100 |
| **Conservation cereal** | All cultivated land must have either crop cover, stubble cover, grass cover or be ploughed or disced over the following winter. Finely tilled seedbeds are not permitted over the winter. | Conservation cereal must not be harvested as whole crop silage.  Conservation cereal mustnot be undersown with grass and/or grass/legume mixture.  Herbicides mustnot be applied to the growing crop, except for: approved wild oat herbicides ; approved herbicides containing amidosulfuron as the sole active ingredient which are permitted for control of cleavers. (Spray application records must be kept if using these products.)  Application of molluscicides or nematicides is notpermitted.  Insecticides must not be applied after 15 March.  Remove straw after harvest. Burning of straw/stubbles is not permitted . | £70 |
| **Wild bird feeding sites** | All cultivated land must have either crop cover, stubble cover, grass cover or be ploughed or disced over the following winter. Finely tilled seedbeds are not permitted over the winter. | Must be sown on improved or arable ground only.  Undersowing is not permitted.  Sow seed between 1 March and 31 May.  Two-year mixes must contain kale and at least one from the following: quinoa, spring barley, spring oats, spring wheat, spring triticale and linseed.  One-year mixes must contain a spring cereal (oats, barley, triticale) and one from the following: quinoa, oilseed rape, linseed and mustard.  Wild bird cover must be retained from establishment to 1 March the following year.  No cultivations are permitted from establishment to 1 March the following year.  Glyphosate and fertiliser can be applied during establishment butpesticidesmust not be applied to the growing crop.  Grazing is not permitted except between 1 March and establishment.  Siting of drinking troughs, temporary silage clamps and storage of big bale hay or silage is not permitted.  Crops that fail to establish successfully, or, in the case of two-year mixes, that have a very low kale population in the spring following establishment must be re-sown.  The area should not be used for access, turning or storage. | £515 (two-year crop)  £550 (one-year crop – single seed)  £600 (one-year crop – multi-seed) |
| **Undersown cereals** | All cultivated land must have either crop cover, stubble cover, grass cover or be ploughed or disced over the following winter. Finely tilled seedbeds are not permitted over the winter. | The cereal crop must not be established before 15 February.  The cereal seed rate must be at least 100kg/ha.  The cereal crop must not be harvested for 14 weeks after sowing and not before 1 August.  The crop must be undersown with a grass and clover ley mixture containing at least 10% clover by weight. The ley must be retained until at least 15 July the following year after the crop is harvested.  Only herbicides approved for use on cereals undersown with grass and clover may be used.  No cultivation or rolling is permitted following establishment.  The application of insecticides, molluscicides or nematicides is not permitted. | £220 |
| **Rough grass margins** | All cultivated land must have either crop cover, stubble cover, grass cover or be ploughed or disced over the following winter. Finely tilled seedbeds are not permitted over the winter. | A mixture of non-cultivated grass species must be sown. Grasses must be sown at a rate of 20kg/ha. Cocksfoot must form no more than 15% (maximum 2kg/ha) of the mixture.  Must be retained for at least three years and preferably five years. If the rough grass field margin is removed, a new margin equivalent in size must be established elsewhere on the farm for the remainder of the period.  Must be mown at least three times between 15 July and 30 September during the year following sowing to encourage tillering and minimise weed development. Thereafter may be mown no more often than one year in three (between 15 July and 30 September) to prevent scrub development.  No grazing, cultivation, ploughing, drainage, reseeding, fertilisers, slurry, farmyard manure, sewage sludge, lime or application of pesticides or herbicides is permitted after establishment.  Rough grass field margins must not be used for drinking troughs, temporary silage clamps or storage of materials including big bale hay and silage.  Rough grass field margins must not be used as a headland, roadway, regular access route or as a farm lane. | £415 |
| **Pollen and nectar mixture** | All cultivated land must have either crop cover, stubble cover, grass cover or be ploughed or disced over the following winter. Finely tilled seedbeds are not permitted over the winter. | Restrictions/prescriptions on: seeds that may be sown, area and dimensions, mowing, grazing, cultivation, drainage, use for supplementary feeding or storage, vehicular access and applications of fertilizer (both inorganic and organic), lime, pesticides, herbicides. | £460 |
| **Traditional orchard restoration** |  | Fruit trees must be from the approved list of varieties.  Bare-rooted trees must be planted at a minimum spacing of seven metres spacing during the dormant season (November to March).  Grafted trees must be grown on standard or half-standard rootstock (M106 or M111). Dwarfing varieties are not eligible.  At least three different varieties of apples must be planted. No variety should comprise more than half the total number of trees in the orchard. Intersperse different varieties and types of tree to assist cross-pollination.  The orchard may be mown or grazed with sheep. Mowing before July is not permitted. Sheep grazing is only permitted if the newly planted fruit trees are protected with suitable guards. Do not graze with cattle.  A one-metre diameter area around newly planted trees must be kept weed-free for 3-4 years.  Inorganic/organic fertiliser or lime must not be broadcast between the trees.  Cultivation, ploughing, re-seeding, rolling or chain harrowing is not permitted.  Application of insecticides or fungicides is not permitted. Noxious weeds such as thistles and ragwort may be controlled with herbicides, applied using a weed wiper or spot sprayer.  Temporary silage clamps or storage areas for big-bale silage or hay are not permitted.  Trees that do not survive must be replaced. | £420 |
| **Irish Hare habitat: delayed grazing/cutting of grassland** | No overgrazing of grassland, semi-natural habitats or archaeological sites  Avoid undergrazing and the encroachment of unwanted vegetation.  Application of livestock manure to farmland limited to 170kgN/ha/year, restricted application of chemical N fertiliser, and no application of Phosphorous fertiliser unless soil analysis shows a requirement.  No application of chemical fertilisers within 1.5m of any waterway. No application of organic manures within 20m of lakes, 10m of any waterway, 50m of a borehole, spring or well, 250m of a borehole used for a public water supply, and 15m of exposed cavernous or karstified limestone features. | Restrictions on sward productivity, fertiliser and herbicide application, silage or hay cutting, other field operations and grazing apply. | £90 |
| **Grassland conversion option** | No overgrazing of grassland, semi-natural habitats or archaeological sites  Avoid undergrazing and the encroachment of unwanted vegetation.  Application of livestock manure to farmland limited to 170kgN/ha/year, restricted application of chemical N fertiliser, and no application of Phosphorous fertiliser unless soil analysis shows a requirement.  No application of chemical fertilisers within 1.5m of any waterway. No application of organic manures within 20m of lakes, 10m of any waterway, 50m of a borehole, spring or well, 250m of a borehole used for a public water supply, and 15m of exposed cavernous or karstified limestone features. | No grazing is permitted between 1 January and 15 May.  Grazing is permitted between 16 May and 31 December at a maximum stocking density of 1.0LU/ha.  Excess grass may be saved for hay or silage but must not be cut until after the 15July.  Rushes must be controlled by cutting between 15 July and 15 March retaining 10% uncut. Herbicide control is not permitted.  No cultivation, reclamation, infilling, dumping, drainage or application of lime, herbicide, pesticide, sheep dip, slurry, poultry litter or any other material, is permitted.  Where fertiliser has traditionally been applied, applications of farmyard manure onlymust not exceed 15kg N per hectare per year.  Supplementary feeding sites, temporary silage clamps and storage areas for big bale silage or hay are not permitted.  Trees must not be planted on species-rich sites.  No rolling between 1 April to 1 June. | £250 |
| **Control of bracken** | No infestation by species such as rhododendron, gorse, giant hogweed, Japanese knotweed and other noxious weeds which degrade the agricultural and environmental value of land to such an extent where the land is not capable of returning to agricultural production by the start of the next growing season.  Protective clothing must be worn during spraying operations and manufacturer’s instructions followed at all times. | This activity goes beyond prevention of infestation by contributing to the enhancement of the vulnerable underlying habitat concerned. | £170 (tractor spraying) / £305 (knapsack spraying) |
| **Regeneration of heather** | Burning of heather or hill pasture must not be carried out between 15 April and 31 August to protect ground nesting birds.  Burning must not be carried out on blanket bog, bracken, woodland and scrub, including gorse, archaeological and historic sites, heather over 30cm tall and Areas of Special Scientific Interest without written consent.  Heather flailing must not be carried out during the period 15 April to 31 August to protect ground-nesting birds. | Payments for this activity support the enhancement of habitats that are vulnerable to bracken dominance through positive management.  Burning facilitates a mixed-age stand valuable for its associated flora and fauna. | £110 (burning) / £60 (flailing) |
| **Semi-improved grassland** | No overgrazing of grassland, semi-natural habitats or archaeological sites  Avoid undergrazing and the encroachment of unwanted vegetation.  Application of livestock manure to farmland limited to 170kgN/ha/year, restricted application of chemical N fertiliser, and no application of Phosphorous fertiliser unless soil analysis shows a requirement.  No application of chemical fertilisers within 1.5m of any waterway. No application of organic manures within 20m of lakes, 10m of any waterway, 50m of a borehole, spring or well, 250m of a borehole used for a public water supply, and 15m of exposed cavernous or karstified limestone features. | Annual nitrogen applications must not exceed 125kg per hectare.  Semi-improved grassland must be maintained by grazing. A hay crop or light silage crop may be removed.  Surface seeding, strip or slot seeding or stitching-in of clover may be carried out once during the period of the scheme agreement. No further cultivation such as ploughing, direct re-seeding or undersowing permitted with prior written consent.  New or improved drainage systems must not be installed with prior written consent.  Rush control must be carried out where rushes cover more than one third of the area. Rushes must be controlled by cutting or weed wiping preferably between 15 July and 15 March leaving 10% uncut/not wiped.  Lime may be applied in accordance with the soil ph status verified by soil analysis. | £40 |
| **Semi-natural grassland** | (as for semi-improved grassland above) | Annual nitrogen applications must not exceed 125kg per hectare.  Unimproved grassland must be maintained by grazing. A hay crop or light silage crop may be removed.  No cultivations, ploughing or reseeding are permitted.  New or improved drainage systems must not be installed.  Rushes must be controlled by cutting or weed wiping preferably between 15 July and 15 March leaving 10% uncut/not wiped.  No applications of pesticides or herbicides are permitted except by weedwiper or by spot spraying to control rushes or noxious weeds. | £60 |
| **Species-rich dry and species-rich calcareous grassland** | (as for semi-improved grassland above) | *Option 1:* Year round grazing at a stocking density of 0.5 LU/ha.  *or*  *Option 2:*No grazing between 1 May and 31 July. Stocking density must not exceed 0.75LU/ha between 1 August and 30 April.  *Both options*  Excess grass may be saved for hay or silage but must not be cut until after 15July.  No cultivation, reclamation, chain harrowing, infilling, dumping, drainage or application of lime, herbicide, pesticide, slurry, poultry litter or any other material, is permitted.  Where fertiliser has traditionally been applied, applications of farmyard manure onlymust not exceed 15kg Nitrogen (N) per hectare per year.  Application of lime requires written permission.  Temporary silage clamps and storage areas for big bale silage or hay are not permitted.  Trees must not be planted on species-rich grassland.  Rolling can be carried out between 1 June and 1 April. | £240 |
| **Species-rich wet grassland** | (as for semi-improved grassland above) | No grazing is permitted between 1 January and 15 May.  Grazing is permitted between 16 May and 31 December at a maximum stocking density of 1.0LU/ha.  Excess grass may be saved for hay or silage but must not be cut until after the 15July.  Rushes must be controlled by cutting between 15 July and 15 March retaining 10% uncut. Herbicide control is not permitted.  No cultivation, reclamation, infilling, dumping, drainage or application of lime, herbicide, pesticide, sheep dip, slurry, poultry litter or any other material, is permitted.  Where fertiliser has traditionally been applied, applications of farmyard manure onlymust not exceed 15kg N per hectare per year.  Supplementary feeding sites, temporary silage clamps and storage areas for big bale silage or hay are not permitted.  Trees must not be planted on species-rich sites.  No rolling between 1 April to 1 June. | £255 |
| **Species-rich grassland cut for hay** | (as for semi-improved grassland above) | Hay must be cut, but not before 1 July.  Spring grazing during April and May is permitted where this is traditional practice. Fields must, however, be closed up by 15 May and hay not cut until 1 August.  The aftermath must be grazed, to prevent grasses becoming too lush.  Grazing is not permitted between 1 November and 31 March.  No cultivation, reclamation, infilling, dumping, drainage or application of lime, herbicide, pesticide, sheep dip, slurry, poultry litter or any other material, is permitted.  Where fertiliser has traditionally been applied, applications of farmyard manure onlymust not exceed 15kg N per hectare per year.  Rolling is not permitted from 1 April to 30 June.  Temporary silage clamps and storage areas for big bale silage or hay are not permitted.  Trees must not be planted on species-rich grassland sites. | £260 |
| **Breeding wader sites: closed grazing** | Avoid undergrazing and the encroachment of unwanted vegetation.   1. Retain uncultivated land, semi-natural areas such as woodland/scrub, wetlands, species rich grasslands, moorland: ponds, shelterbelts, trees protected under the Tree Preservation Order, archaeological features and earth science sites.   No agricultural intensification of uncultivated land or semi-natural areas is permitted without prior approval. | No grazing permitted from 15 April – 30 June. From 1 July – 14 April there are no stocking density restrictions; however cattle should be grazed at some point during this period.  Cattle must not be released directly on to breeding wader sites after being wintered indoors.  Field operations are not permitted between 15 April and 30 June.  Do not apply any organic or inorganic fertiliser or lime between 1 February and 30 June. When using farmyard manure, do not apply between 15 April and 30 June.  On unimproved grassland sites nitrogen must not exceed 125kgN/ha. No fertiliser, slurry, farmyard manure or lime is permitted on rough moorland grazing sites.  No cultivation, reseeding, reclamation, infilling, dumping or application of herbicide, pesticide, sheep dip, poultry litter or any other material is permitted on these sites.  Installation of new drainage systems is not permitted.  Where a silage crop is taken from breeding wader sites, the fields must not be closed up until 1 July.  Rushes must be controlled by cutting between 15 July and 15 March, retaining 10% uncut. Herbicide control is not permitted.  New tree or hedge planting, or fencing on or next to breeding wader sites requires written permission. | £165 (improved land) / £110 (semi-improved or semi-natural grassland) |
| **Breeding wader sites: restricted grazing** | Avoid overgrazing and undergrazing and the encroachment of unwanted vegetation.  Retain uncultivated land, semi-natural areas such as woodland/scrub, wetlands, species rich grasslands, moorland: ponds, shelterbelts, trees protected under the Tree Preservation Order, archaeological features and earth science sites.  No agricultural intensification of uncultivated land or semi-natural areas is permitted without prior approval. | Stocking density must not exceed 0.75 LU/ha for cattle or sheep from 15 April to 30 June**.** From 1 July – 14 April there are no stocking density restrictions; however cattle should be grazed at some point during this period.  Cattle must not be released directly on to breeding wader sites after being wintered indoors.  Field operations are not permitted between 15 April and 30 June.  Do not apply any organic or inorganic fertiliser or lime between 1 February and 30 June. When using farmyard manure, do not apply between 15 April and 30 June.  On unimproved grassland sites nitrogen must not exceed 125kgN/ha. No fertiliser, slurry, farmyard manure or lime is permitted on rough moorland grazing sites.  No cultivation, reseeding, reclamation, infilling, dumping or application of herbicide, pesticide, sheep dip, poultry litter or any other material is permitted on these sites.  Installation of new drainage systems is not permitted.  Where a silage crop is taken from breeding wader sites, the fields must not be closed up until 1 July.  Rushes must be controlled by cutting between 15 July and 15 March, retaining 10% uncut. Herbicide control is not permitted.  New tree or hedge planting, or fencing on or next to breeding wader sites requires written permission. | £165 (improved grassland) / £110 (semi-improved/semi-natural grassland) |
| **Chough option** | No overgrazing of grassland, semi-natural habitats or archaeological sites  Application of livestock manure to farmland limited to 170kgN/ha/year, restricted application of chemical N fertiliser, and no application of Phosphorous fertiliser unless soil analysis shows a requirement.  No application of chemical fertilisers within 1.5m of any waterway. No application of organic manures within 20m of lakes, 10m of any waterway, 50m of a borehole, spring or well, 250m of a borehole used for a public water supply, and 15m of exposed cavernous or karstified limestone features. | Control of grazing to achieve a sward height of less than 2-3 cm.  This should be achieved through mixed grazing, grazing some fields all year through, topping of grass tussocks and by staggering silage cutting dates.  Rushes must be controlled by cutting from 15 July to 15 March only.  Application of pesticides, herbicides, sheep dip or other material is not permitted. | £60 |
| **Wetlands: Fen, swamp and reedbeds** | Avoid overgrazing and undergrazing and the encroachment of unwanted vegetation.   1. Retain uncultivated land, and semi-natural areas such as woodland/scrub, wetlands, species rich grasslands, moorland; ponds, shelterbelts, trees protected under the Tree Preservation Order, archaeological features and earth science sites.   No agricultural intensification of uncultivated land or semi-natural areas is permitted without prior approval.  Application of livestock manure to farmland limited to 170kgN/ha/year, restricted application of chemical N fertiliser, and no application of Phosphorous fertiliser unless soil analysis shows a requirement.  No application of chemical fertilisers within 1.5m of any waterway. No application of organic manures within 20m of lakes, 10m of any waterway, 50m of a borehole, spring or well, 250m of a borehole used for a public water supply, and 15m of exposed cavernous or karstified limestone features. | No grazing is permitted from 1 January - 31 May.  Between 1 June to 31 December the stocking density must not exceed 0.075LU/ha at any time.  Temporary silage clamps and the storage of big bale silage or hay are not permitted.  Trees must not be planted on fen, swamp or reedbeds.  No application of slurry, farmyard manure, herbicides, pesticides, insecticides, sheep dip, fungicides, basic slag, sewage sludge, poultry litter or any other material is permitted.  No new drainage is permitted. Existing drainage systems can be maintained but not widened, deepened or extended. | £85 |
| **Heather moorland - Dry heath, wet heath, blanket bog and degraded heath** | Avoid overgrazing and undergrazing and the encroachment of unwanted vegetation.   1. Retain uncultivated land, and semi-natural areas such as woodland/scrub, wetlands, species rich grasslands, moorland; ponds, shelterbelts, trees protected under the Tree Preservation Order, archaeological features and earth science sites.   No agricultural intensification of uncultivated land or semi-natural areas is permitted without prior approval.  Application of livestock manure to farmland limited to 170kgN/ha/year, restricted application of chemical N fertiliser, and no application of Phosphorous fertiliser unless soil analysis shows a requirement.  No application of chemical fertilisers within 1.5m of any waterway. No application of organic manures within 20m of lakes, 10m of any waterway, 50m of a borehole, spring or well, 250m of a borehole used for a public water supply, and 15m of exposed cavernous or karstified limestone features. | No grazing from 1 November to 28/29 February on all heather moorland types. However, within the grazing period, the stocking density and length of grazing will vary depending on the heather moorland type and whether sheep or cattle are used.  No application of slurry, farmyard manure, herbicides, pesticides, insecticides, sheep dip, fungicides, basic slag, sewage sludge, poultry litter or any other material is permitted.  Temporary silage clamps and storage areas for big bale silage or hay are not permitted on heather moorland.  The removal of western gorse on *dry heath* is not permitted.  New fencing is not permitted without the permission of DARD.  Trees must not be planted on heather moorland.  Burning requires the written permission and cannot be carried out from 15 April – 31 August. | £65 |
| **Rough moorland grazing** | Avoid overgrazing and undergrazing and the encroachment of unwanted vegetation.   1. Retain uncultivated land, and semi-natural areas such as woodland/scrub, wetlands, species rich grasslands, moorland; ponds, shelterbelts, trees protected under the Tree Preservation Order, archaeological features and earth science sites.   No agricultural intensification of uncultivated land or semi-natural areas is permitted without prior approval.  Application of livestock manure to farmland limited to 170kgN/ha/year, restricted application of chemical N fertiliser, and no application of Phosphorous fertiliser unless soil analysis shows a requirement.  No application of chemical fertilisers within 1.5m of any waterway. No application of organic manures within 20m of lakes, 10m of any waterway, 50m of a borehole, spring or well, 250m of a borehole used for a public water supply, and 15m of exposed cavernous or karstified limestone features. | Stocking rate restriction of 0.75LU per hectare all year.  No application of slurry, farmyard manure, herbicides, insecticides, sheep dip, fungicides, sewage sludge, basic slag, poultry litter or any other material is permitted.  New fencing is not permitted without the permission of DARD.  Trees must not be planted on rough moorland grazing. | £45 |
| **Lowland raised bog** | Avoid overgrazing and undergrazing and the encroachment of unwanted vegetation.   1. Retain uncultivated land, and semi-natural areas such as woodland/scrub, wetlands, species rich grasslands, moorland; ponds, shelterbelts, trees protected under the Tree Preservation Order, archaeological features and earth science sites.   No agricultural intensification of uncultivated land or semi-natural areas is permitted without prior approval.  Application of livestock manure to farmland limited to 170kgN/ha/year, restricted application of chemical N fertiliser, and no application of Phosphorous fertiliser unless soil analysis shows a requirement.  No application of chemical fertilisers within 1.5m of any waterway. No application of organic manures within 20m of lakes, 10m of any waterway, 50m of a borehole, spring or well, 250m of a borehole used for a public water supply, and 15m of exposed cavernous or karstified limestone features. | No application of slurry, farmyard manure herbicides, insecticides, sheep dip, fungicides, basic slag, sewage sludge, poultry manure or any other material is permitted.  Temporary silage clamps and storage areas for big bale silage are not permitted.  Burning is not permitted at any time.  Spreading shrubs/trees must be controlled by hand cutting and selective spraying of stumps.  The area cannot be used by all terrain vehicles.  Erection of new fences requires the permission of DARD.  Trees must not be planted on lowland raised bog. | £65 |
| **Woodland : no grazing** | Retain uncultivated land, and semi-natural areas such as woodland/scrub, wetlands, species rich grasslands, moorland; ponds, shelterbelts, trees protected under the Tree Preservation Order, archaeological features and earth science sites. | The ‘no grazing’ option is suitable for woodlands which have been subject to prolonged grazing, used for over-wintering of livestock and where there is little evidence of natural regeneration.  The ‘no grazing’ option is suitable for woodlands which have been subject to prolonged grazing, used for over-wintering of livestock and where there is little evidence of natural regeneration.  Retain all deadwood. Individual windblown trees must be left where they lie. Living trees must not be cut down without the prior written consent.  Retain important features, such as old vehicular tracks, natural open space and existing ponds. Brashings must not be burned.  No cultivation, ploughing, fertilisation, drainage, infilling, dumping, burning or application of fertiliser, slurry, farmyard manure, lime, herbicide, pesticide, sheep dip or any other material is permitted.  Temporary silage clamps and the storage of big bale silage or hay are not permitted.  Tree management must not be carried out between 1 March and 31 August. | £125 |
| **Woodland: restricted grazing** | Avoid undergrazing and the encroachment of unwanted vegetation.  Retain uncultivated land, and semi-natural areas such as woodland/scrub, wetlands, species rich grasslands, moorland; ponds, shelterbelts, trees protected under the Tree Preservation Order, archaeological features and earth science sites. | A suitable grazing option will be agreed at the outset of the agreement and will be noted on the farm management map.  Retain all deadwood. Individual windblown trees must be left where they lie. Living trees must not be cut down without the prior written consent.  Retain important features, such as old vehicular tracks, natural open space and existing ponds. Brashings must not be burned.  No cultivation, ploughing, fertilisation, drainage, infilling, dumping, burning or application of fertiliser, slurry, farmyard manure, lime, herbicide, pesticide, sheep dip or any other material is permitted.  Temporary silage clamps and the storage of big bale silage or hay are not permitted.  Tree management must not be carried out between 1 March and 31 August. | £90 |
| **Scrub** | Avoid undergrazing and the encroachment of unwanted vegetation.  Retain uncultivated land, and semi-natural areas such as woodland/scrub, wetlands, species rich grasslands, moorland; ponds, shelterbelts, trees protected under the Tree Preservation Order, archaeological features and earth science sites. | Scrub and features within it, such as open spaces and ponds, must be retained and managed with no burning or mechanised removal permitted.  Within the scrub habitat, small areas (less than 0.1ha) must be cut by hand each year so that at least 50% of the field is capable of being grazed. Restrictions on herbicide application apply.  Coppiced stumps must not be treated with herbicide, except where gorse or blackthorn is spreading on to adjoining land.  Cut stems may be left on site to rot down, but must not be burnt on site.  No cultivation, reclamation, infilling, dumping, drainage or application of fertiliser, slurry, farmyard manure, lime, herbicide, pesticide or sheep dip or any other material is permitted.  Temporary silage clamps and the storage of big bale silage or hay is not permitted.  Scrub management must not be carried out between 1 March and 31 August. | £90 |
| **Parkland** | Avoid overgrazing and undergrazing and the encroachment of unwanted vegetation.   1. Retain uncultivated land, and semi-natural areas such as woodland/scrub, wetlands, species rich grasslands, moorland; ponds, shelterbelts, trees protected under the Tree Preservation Order, archaeological features and earth science sites.   No agricultural intensification of uncultivated land or semi-natural areas is permitted without prior approval.  Application of livestock manure to farmland limited to 170kgN/ha/year, restricted application of chemical N fertiliser, and no application of Phosphorous fertiliser unless soil analysis shows a requirement.  No application of chemical fertilisers within 1.5m of any waterway. No application of organic manures within 20m of lakes, 10m of any waterway, 50m of a borehole, spring or well, 250m of a borehole used for a public water supply, and 15m of exposed cavernous or karstified limestone features. | Landowners must undertake specific management plans, which may include planting/restoration works, informed by the characteristic design of the formative periods of creation that took place on the property. Required work will include sensitive land management, replacement tree planting and an appropriate programme of sensitive tree surgery.  Reseeding, ploughing and drainage of existing parkland grassland is not permitted during the period of the agreement unless specifically agreed.  Fertilisers, slurry, farmyard manure, sewage sludge, herbicides, lime, insecticides, pesticides, sheep dip, fungicides, or application of any other material, are not permitted within a 10m radius from the edge of the canopy of a parkland tree.  Parkland must not be used for the storage of round bale hay or silage.  All standard trees planted under the scheme must be staked and protected from grazing. | £65 |
| **Biodiversity Zones around Historic Landscape Features** | Avoid overgrazing and undergrazing and the encroachment of unwanted vegetation.  Retain archaeological features.  Application of livestock manure to farmland limited to 170kgN/ha/year, restricted application of chemical N fertiliser, and no application of Phosphorous fertiliser unless soil analysis shows a requirement. | Cultivation, ploughing, reseeding, drainage, any ground disturbance or removal of any material is not permitted.  Fertilisers, slurry, farmyard manure, sewage sludge, herbicides, lime, insecticides, pesticides, sheep dip, fungicides, or application of any other material, are not permitted.  Archaeological features must not be used for the storage of any material such as round bale silage or hay.  Operation of tractors and other agricultural machinery is not permitted.  New lanes or access routes are not permitted.  Eroded areas must be repaired by filling with a mixture of sharp stone, sand and then reseeded.  Spreading scrub/trees must be controlled by hand cutting.  Additional specific management requirements, which may be provided by the Environment and Heritage Service, Built Heritage, must be followed. | £350 |
| **Indigenous Breeds – Irish Moiled Cattle** | No specific cross-compliance or local legislation obligations. | No specific cross-compliance or local legislation applies; however, support for this endangered indigenous breed supports the maintenance of grazing in vulnerable habitats. | £125/LU |
| **Special environmental project option** | No specific cross-compliance or local legislation obligations. | Proposals for special environmental projects will be scrutinised to ensure that their environmental impact exceeds the environmental protection afforded by cross-compliance and local legislation, and contribute to biodiversity, water quality and/or climate-change objectives. |  |
| **Organic management of improved land** | No specific cross-compliance or local legislation obligations. | Grassland should be grazed primarily by organic livestock or animals undergoing conversion.  Land under agreement must be subject to a certificate of registration and approval of a conversion from plan from an inspection authority. | £30 (improved, arable or horticultural land only). |

# ANNEX 5

**LIST OF TYPES OF OPERATIONS REFERRED TO IN ARTICLE 16a(3)(a) OF REGULATION (EC) No 1698/2005 AND UP TO THE AMOUNTS REFERRED TO IN ARTICLE 69(5a) OF THAT REGULATION**

| Measure | Types of operations | Potential effects | Existing (E) or New (N) |  | Output indicator – target | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Reference to the description of the type of operation in the NIRDP | Number of holdings | Total area supported (Ha) | Physical area supported (Ha) | Number of contracts | Number of actions related to genetic resources |
| 214 | No application of fertiliser and pesticides on high nature value agricultural land | Conservation of species-rich vegetation types, protection and maintenance of grasslands | E | Annex 4: Measure Details for Measure 2.2 – Agri-environment programme – species rich wet grassland management; species rich dry and calcareous grassland management; species rich hay meadows management; wetlands (fen, swamp and reedbeds) | 1,090 | 14,450 | 14,450 | 1,090 | 0 |
| 214 | Integrated and organic production | Conservation of species-rich vegetation types, protection and maintenance of grasslands | E | Annex 4: Measure Details for Measure 2.2 – Agri-environment programme – organic farming scheme; organic management option | 31 | 2,500 | 2,500 | 31 | 0 |
| 214 | Setting up of management plans for Natura 2000 | Protection of birds and other wildlife and improvement of biotope network, reducing entry of harmful substances in bordering habitats, conservation of protected fauna and flora | E | Annex 4: Measure Details for Measure 2.2 – Agri-environment programme – all NICMS agreements containing eligible land designated as Natura 2000 | 359 | 23,750 | 23,750 | 359 | 0 |
| 214 | Construction/management of biotopes/habitats within and outside Natura 2000 sites | Protection of birds and other wildlife and improvement of biotope network, reducing entry of harmful substances in bordering habitats, conservation of protected fauna and flora | E | Annex 4: Measure Details for Measure 2.2 – Agri-environment programme – field boundary restoration | 1,602 | N/A | N/A | 1,602 | 0 |
| 214 | Perennial field and riparian boundary strips and biobeds | Protection of birds and other wildlife and improvement of biotope network, reducing entry of harmful substances in bordering habitats, conservation of protected fauna and flora | E | Annex 4: Measure Details for Measure 2.2 – Agri-environment programme – riparian zone management; arable options | 359 | 7,700 | 7,700 | 359 | 0 |
| 214 | Land use change (extensive grassland management, conversion of arable land to permanent pasture, long-term set-aside) | Protection of birds and other wildlife and improvement of biotope network, reducing entry of harmful substances in bordering habitats, conservation of protected fauna and flora | E | Annex 4: Measure Details for Measure 2.2 – Agri-environment programme – semi-natural or semi-improved grassland – low input option; ungrazed grass margins; delayed cutting and grazing of grassland | 1,040 | 17,600 | 17,600 | 1,040 | 0 |
| 214 | Management of high nature value perennials | Protection of birds and other wildlife and improvement of biotope network, reducing entry of harmful substances in bordering habitats, conservation of protected fauna and flora | E | Annex 4: Measure Details for Measure 2.2 – Agri-environment programme – semi-natural grassland; breeding wader and lapwing sites; heather moorland; lowland raised bog; woodland; scrub; coastal grazing; parkland; winter feeding sites for swans and geese | 4,639 | 141,850 | 141,850 | 4,639 | 0 |
| 214 | Setting up and preservation of meadow orchards | Protection of birds and other wildlife and improvement of biotope network, reducing entry of harmful substances in bordering habitats, conservation of protected fauna and flora | E | Annex 4: Measure Details for Measure 2.2 – Agri-environment programme – traditional orchard re-creation | 72 | 70 | 70 | 72 | 0 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Measure | Types of operations | Potential effects | Existing (E) or New (N) | Reference to the description of the type of operation in the NIRDP | Output indicator - target | |
| Number of beneficiaries | Area of afforested land (Ha) |
| 221 | Conversion of agricultural land into forest/agro-forestry systems | Reduction of nitrous oxide (N2O)  Carbon sequestration | E | Annex 4: Measure Details for Measure 2.3 - First afforestation (forest expansion) | 930 | 3000 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Measure | Types of operations | Potential effects | Existing (E) or New (N) | Reference to the description of the type of operation in the NIRDP | Output indicator - target | |
| Number of beneficiaries | UAA supported (Ha) |
| 222 | Afforestation, Establishment of agro-forestry systems | Reduction of nitrous oxide (N2O)  Carbon sequestration | E | Annex 4: Measure Details for Measure 2.3 - First afforestation (forest expansion) | 10 | 50 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Measure | Types of operations | Potential effects | Existing (E) or New (N) | Reference to the description of the type of operation in the NIRDP | Output indicator - target | |
| Number of beneficiaries | Area of afforested land (Ha) |
| 223 | Others – conversion of non-agricultural land into forest | Reduction of nitrous oxide (N2O)  Carbon sequestration | E | Annex 4: Measure Details for Measure 2.3 - First afforestation (forest expansion) | 60 | 150 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Measure | Types of operations | Potential effects | Existing (E) or New (N) | Reference to the description of the type of operation in the NIRDP | Output indicator – target | |
| Number of actions supported | Total Volume of investment (‘000 EUR) |
| 321 | Creation of and enabling access to broadband infrastructure  Upgrade of existing broadband infrastructure | n.a.  n.a. | N  N | Annex 4: Measure Details for Measure 3.4 – Basic services for the economy and rural population | 1  1 | 920  920 |

# ANNEX 6

**ADDITIONAL INFORMATION ON STATE AID**

|  |
| --- |
| part iii 12Information Sheet for Agriculture |

*Please note that this state aid notification form only applies to activities related to the production, processing and marketing of agricultural products as defined in point 6 of the Community Guidelines for State aid in the agriculture and forestry sector 2007–2013[[68]](#footnote-68). Please note that the specific state aid rules for agriculture do not apply to measures related to the processing of Annex I products into non-Annex I products. For such measures you should complete the relevant notification form.*

1. **PRODUCTS COVERED**

Does the measure apply to any of the following products which are not yet subject to a common market organisation:

potatoes other than starch potatoes

horsemeat

coffee

cork

vinegars derived from alcohol

The measure does not apply to any of these products

1. **INCENTIVE EFFECT**

A. Aid schemes

* 1. Will aid under an aid scheme only be granted in respect of activities undertaken or services received after the aid scheme has been set up and declared compatible with the EC Treaty by the Commission?

yes  no

*If no, please refer to point 16 of the Guidelines.*

* 1. If the aid scheme creates an automatic right to receive the aid, requiring no further administrative action at administrative level, may the aid itself only be granted for activities undertaken or services received after the aid scheme has been set up and declared compatible with the EC Treaty by the Commission? **NOT APPLICABLE**

yes  no

*If no, please refer to point 16 of the Guidelines.*

* 1. If the aid scheme requires an application to be submitted to the competent authority concerned, may the aid itself only be granted for activities undertaken or services received after the following conditions have been fulfilled:

a) the aid scheme must have been set up and declared compatible with the EC Treaty by the Commission;

b) an application for the aid must have been properly submitted to the competent authority concerned;

c) the application must have been accepted by the competent authority concerned in a manner which obliges that authority to grant the aid, clearly indicating the amount of aid to be granted or how this amount will be calculated; such acceptance by the competent authority may only be made if the budget available for the aid or aid scheme is not exhausted?

yes  no

*If no, please refer to point 16 of the Guidelines.*

B. Individual aids:

2.4. Will individual aid outside any scheme only be granted in respect to activities undertaken or services received after the criteria in point 2.3 b) and c) above have been satisfied? **NOT APPLICABLE**

yes  no

*If no, please refer to point 16 of the Guidelines.*

C. Compensatory aids:

2.5. Is the aid scheme compensatory in nature?

yes  no

*If yes, points A and B above do not apply.*

1. **TYPE OF AID**

What type(s) of aid does the planned measure include:

**TYPE A** **Aids for investments in agricultural holdings**

**RURAL DEVELOPMENT MEASURES**

A. Aids for investments in agricultural holdings

B. Aids for investments in connection with the processing and marketing of agricultural products

C. Agri-environmental and animal welfare aid

Cbis. Nature 2000 payments and payments linked to Directive 2000/60/EC*[[69]](#footnote-69)*

D. Aid to compensate for handicaps in certain areas

E. Aid for meeting standards

F. Aid for the setting up op young farmers

G. Aid for early retirement or for the cessation of farming activities

H. Aid for producer groups

I. Aid for land reparcelling

J. Aid to encourage the production and marketing of quality agricultural products

K. Provision of technical support in the agricultural sector

L. Aid for the livestock sector

M. Aid for the outermost regions and the Aegean Islands

**RISK AND CRISIS MANAGEMENT**

N. Aid to compensate for damage to agricultural production or the means of agricultural production

O Aid for combating animal and plant diseases

P Aid towards the payment of insurance premia

Q Aid for closing production, processing and marketing capacity

**OTHER AIDS**

R Aid for advertising of agricultural products

S. Aid linked to tax exemptions under directive 2003/96/EC*[[70]](#footnote-70),*

T. Aids for the forest sector

**Part III.12.A**

**Supplementary information sheet on support for investments in agricultural holdings**

*This information sheet relates to investments in agricultural holdings discussed in point IV.A of the Community Guidelines for State aid in the agriculture and forestry sector 2007-2013[[71]](#footnote-71).*

1. **Objective of the aid**
   1. Which of the following objectives does the investment pursue?

Reduce production costs;

Improve and redeploy production;

Increase quality;

Preserve and improve the natural environment, comply with animal hygiene and standards;

Promote the diversification of farm activities;

Other (please specify):

*If the investment pursues other aims, please note that only investments pursuing one or more of the objectives listed above are eligible for support for investments in agricultural holdings.*

* 1. Does the aid concern simple replacement investments?

yes  no

*If yes, please note that simple replacement investments are not eligible for support for investments in agricultural holdings.*

* 1. Is the aid linked to investments in products which are subject to restrictions on production or limitations of Community support at the level of individual farmers, holdings or processing plants under a common organisation of the market (including direct support schemes) financed by the EAGF, which would increase production capacity beyond these restrictions or limitations?

yes  no

*If yes, please note that, under point 37 of the Guidelines, no aid may be granted for such investments*.

1. **BENEFICIARIES**

Who are the beneficiaries of the aid?

farmers;

producer groups;

other (please specify):

……………………………………………………

1. **Aid intensity**

3.1 Please state the maximum rate of public support, expressed as a percentage of eligible investment:  
  
(a) **40%**…….in less-favoured areas or the areas referred to in Article 36(a)(i), (ii) or (iii) of Regulation (EC) No 1698/2005[[72]](#footnote-72) (max. 50%);

(b)**40 %**…………. in other regions (max. 40%);

(c) **n/a** …………. for young farmers in less-favoured areas or the areas referred to in Article 36(a)(i), (ii) or (iii) of Regulation (EC) No 1698/2005, carrying out the investment within five years of setting up (max. 60%);

d) **n/a** ……………. . for young farmers in other areas, carrying out the investment within five years of setting up (max. 50%);

(e) **n/a** ………. in the outermost regions and on the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93[[73]](#footnote-73) (max. 75%);

(f) **n/a** ………. for investments entailing extra costs linked to the preservation and improvement of the natural environment or improvements in the hygiene of livestock farms or the well-being of livestock carried out within the time-limits for transposition of the newly introduced minimum standards (max. 75% in less-favoured areas or the areas referred to in Article 36(a)(i), (ii) or (iii) of Regulation (EC) No 1698/2005, and max. 60% in other areas);  
  
(g) **n/a** ………. for investments entailing extra costs linked to the preservation and improvement of the natural environment or improvements in the hygiene of livestock farms or the well-being of livestock carried out within three years following the date on which the investment must be authorised under Community legislation (max. 50% in less-favoured areas or the areas referred to in Article 36(a)(i), (ii) or (iii) of Regulation (EC) No 1698/2005, and max. 40% in other areas);  
  
(h) **n/a** ………. for investments entailing extra costs linked to the preservation and improvement of the natural environment or improvements in the hygiene of livestock farms or the well-being of livestock carried out in the fourth year following the date on which the investment must be authorised under Community legislation (max. 25% in less-favoured areas or the areas referred to in Article 36(a)(i), (ii) or (iii) of Regulation (EC) No 1698/2005, and max. 20% in other areas);  
  
(i) **n/a** …………. for investments entailing extra costs linked to the preservation and improvement of the natural environment or improvements in the hygiene of livestock farms or the well-being of livestock carried out in the fifth year following the date on which the investment must be authorised under Community legislation (max. 12.5% in less-favoured areas or the areas referred to in Article 36(a)(i), (ii) or (iii) of Regulation (EC) No 1698/2005, and max. 10% in other areas, *no aid can be granted for expenses incurred beyond the fifth year*);  
  
(j) **n/a** …………. for additional investment expenditure made by those Member States who joined the Union on 1 May 2004 and 1 January 2007 respectively, for the purposes of implementing Directive 91/676/EEC[[74]](#footnote-74) (max. 75%);

(k) **n/a** ……. for additional investment expenditure made for the purposes of implementing Directive 91/676/EEC and which is the subject of support under Regulation (EC) No 1698/2005 (max. 50% in less-favoured areas or the areas referred to in Article 36(a)(i), (ii) or (iii) of Regulation (EC) No 1698/2005, and max. 40% in other areas);

(l) **n/a** ……. for investments made by young farmers in order to comply with Community or national standards in force (max. 60% in less favoured areas or the areas referred to in Article 36(a)(i), (ii) or (iii) of Regulation (EC) No 1698/2005, and max. 50% in other areas).

3.2. In the case of investments entailing extra costs linked to the preservation and improvement of the natural environment, improvements in the hygiene of livestock farms or the well-being of livestock, are the extra costs limited to investments either exceeding the minimum requirements currently prescribed by the Community or complying with newly introduced minimum standards? Are they strictly limited to eligible extra costs in connection with these objectives without resulting in an increased production capacity?

yes  no

3.3 In the case of investments made for the purposes of implementing Directive 91/676/EEC, is the envisaged aid intensity limited to necessary and eligible extra costs, and does it exclude investments leading to increased production capacity? **n/a**

yes  no

3.4. In the case of investments made by young farmers in order to comply with Community or national standards in force, is the aid limited to extra costs as a result of implementing these standards and have these costs been incurred within 36 months after installation? **n/a**

yes  no

1. **Eligibility criteria**
   1. Is the aid limited to agricultural holdings not in difficulty?

yes  no

* 1. Is the aid intended for the manufacture and marketing of products which imitate or substitute for milk and milk products?

yes  no

1. **Eligible expenditure**
   1. Do eligible expenses include:

construction, acquisition or improvement of immovable property;

the purchase or lease purchase of machinery and equipment, including computer software up to the market value of the asset, exclusive of costs connected with a leasing contract (tax, lessor’s margin, interest refinancing costs, overheads, insurance charges etc);

overheads connected with the two previous types of expenses (for instance architect’s fees, engineer’s fees, expert’s fees, feasibility studies, acquisition of patents and licences)?

5.2. Does the aid cover the purchase of second-hand machinery?

yes  no

5.3. If yes, is eligibility limited to small and medium enterprises with a low technical level and limited capital? **n/a**

yes  no

5.4 Are any of the following excluded from the aid scheme: the purchase of production rights, animals and annual plants, or the planting of annual plants?

yes  no

*If no, please note that according to point 29 of the Guidelines no aid may be granted for such types of expenditure.*

5.5. Is the share of purchases of land other than land for construction purposes in the eligible expenses for the planned investment limited to 10%? **n/a**

yes  no

*If no, please note that this 10% ceiling is one of the eligibility criteria to be met under point 29 of the Guidelines.*

1. **Aid for the conservation of traditional landscapes and buildings**

6.1. Does the aid concern investments or capital works intended for the conservation of non-productive heritage features located on agricultural holdings?

yes  no

6.1.1. If yes, what is the envisaged rate of aid (max.: 100%):

6.1.2 Do the eligible expenses include remuneration for the work of the farmer or his workers? **n/a**

yes  no

…

6.1.3 If yes, will this remuneration be limited to a maximum of EUR 10 000 per year? **n/a**

yes  no

6.1.4 If no, please give reasons for exceeding the above limit.

6.2. Does the aid concern investments or capital works intended to conserve the heritage features of productive assets on farms? **n/a**

yes  no

6.2.1. If yes, does the investment entail any increase in the production capacity of the farm?

yes  no

6.2.2. What are the envisaged maximum aid rates for this type of investment? **n/a**

Investments without increase in capacity:

Maximum rate envisaged for less-favoured areas or the areas referred to in Article 36(a)(i), (ii) or (iii) of Regulation (EC) No 1698/2005 (max. 75%): ……….……………..

Maximum rate envisaged for other areas (max. 60%): ….…………………..

Investments with increase in capacity:

Maximum rate envisaged in cases where contemporary materials are used (max.: see point 3.1): ………………….

Maximum rate envisaged in cases where traditional materials are used, expressed as a percentage of the extra cost (max. 100%): …………..

1. **Relocation of farm buildings in the public interest**

7.1. Does the relocation result from expropriation? **n/a**

yes  no

7.2. Is the relocation justified on grounds of public interest specified in the legal basis? **n/a**

yes  no

*Please note that the legal basis must explain the public interest served by the relocation.*

7.3. Does relocation simply consist of the dismantling, removal and re-erection of existing facilities? **n/a**

yes  no

7.3.1. If yes, what it the intensity of the aid? (max. 100%)

…………………………………………………….

7.4. Does relocation result in the farmer benefiting from more modern equipment and facilities? **n/a**

yes  no

7.4.1. If yes, what is the farmer’s own contribution, as a percentage of the added value of the facilities after relocation?

In less-favoured areas or the areas referred to in Article 36(a)(i), (ii) or (iii) of Regulation (EC) No 1698/2005 (min. 50%)

…………………………

In other areas (min. 60%)

…………………………………..

Young farmers in less-favoured areas or the areas referred to in Article 36(a)(i), (ii) or (iii) of Regulation (EC) No 1698/2005 (min. 45%)

……………………………………

Young farmers in other areas (min. 55%)

7.5. Does relocation result in an increase in production capacity? **n/a**  
  
 yes  no

7.5.1. If yes, what is the farmer’s own contribution, as a percentage of the expenditure linked to the increase?

In less-favoured areas or the areas referred to in Article 36(a)(i), (ii) or (iii) of Regulation (EC) No 1698/2005 (min. 50%)

…………………………

In other areas (min 60%)

…………………………………..

Young farmers in less-favoured areas or the areas referred to in Article 36(a)(i), (ii) or (iii) of Regulation (EC) No 1698/2005 (min. 45%)

……………………………………

Young farmers in other areas (min 55%)

1. **Other information**

8.1. Is the notification accompanied by documentation demonstrating how the state aid measure is consistent with the relevant rural development programme(s) concerned?

yes  no  
  
*If yes, please provide this documentation below or in an annex to this supplementary information sheet*

*..Notification forms part of submission seeking approval to modify the Northern Ireland Rural Development Programme 2007-2013 ..........................................................................................................*

*If no, please note that this documentation must be provided under point 26 of the Guidelines*

8.2. Is the notification accompanied by documentation showing that support is targeted on clearly defined objectives reflecting identified structural and territorial needs and structural disadvantages?

yes  no

*If yes, please provide this documentation below or in an annex to this supplementary information sheet*

*Background documentation contained within the Northern Ireland Rural Development Programme 2007-2013 and the modification submission accompanying this notification ...............................................................................................................*

*If no, please note that this documentation must be provided under point 36 of the Guidelines*

|  |
| --- |
| Part III.12. DSupplementary Information Sheet on Aid to compensate for handicaps in certain areas |

*This form must be used for the notification of aid aiming to compensate for natural handicaps in certain areas, which is dealt with in point IV.D. of the Community Guidelines for State aid in the agriculture and forestry sector 2007-2013[[75]](#footnote-75).*

|  |
| --- |
| 1. questions relevant for all notifications of aid to compensate for handicaps in certain areas |

1. Describe the handicap in question:

The Less Favoured Areas (LFA) (so designated under EU legislation largely as a reflection of their agricultural production characteristics) account for 70% of the farmed land in Northern Ireland. The LFAs are further sub-divided into Severely Disadvantaged Areas (SDA) -456,000 hectares – and the Disadvantaged Areas (DA) – 264,000 hectares. …………………………………………….………………………………………………………………………………………………….……………………………………………………………………………………..…………………………………………………………………………………...…………………………………………………………………………………...…………………………………………………………………………………………………………………………………………………………………………

1. Provide proof that the amount of compensation to be paid avoids any overcompensation to farmers of the effect of the handicaps:

A Farm Income comparison for Cattle and Sheep Farms in the LFA and Non-LFA Northern Ireland 2001/02 – 2005/06 shows that Income per hectare Utilised Agriculture Area (UAA) (excluding LFACA) is significantly and persistently lower on LFA Cattle and Sheep Farms. Detailed calculations based on a comparison between the LFAs and normal areas are provided with the draft NI Rural Development Programme as required by Community Guidelines for State Aid. ………………………...………………………………………………………………….………………………………………………………………………………………………………………………………………………………………………..……………………………………………………………………………………..…………………………………………………………………………………...…………………………………………………………………………………...…………………………………………………………………………………………………………………………………………………………………………

1. If there are areas of handicaps where the average impact of handicaps per hectare of comparable farms differs, demonstrate that the level of compensatory payments is proportionate to the economic impact of the handicaps in the different areas:

The LFA in Northern Ireland is divided into two categories The Severely Disadvantaged Area (SDA) suffers the greater agricultural hardship while the Disadvantaged Area (DA) faces relatively less harsh conditions. The comparative analysis for Cattle and Sheep Farms in the SDA and DA showed that Family Farm Incomes (FFI) per hectare (excluding LFACA payments) was lower on the SDA farms by an average of £102 per hectare per year over the period 2001/02 to 2005/06. ………………………...………………………………………………………………….………………………………………………………………………………………………………………………………………………………………………..……………………………………………………………………………………..…………………………………………………………………………………...…………………………………………………………………………………...…………………………………………………………………………………………………………………………………………………………………………

1. Is it within human control to reverse the economic impact of the permanent handicap?

yes **√** no

If yes, please note that only the economic impact of permanent handicaps that lie outside of human control may be taken into account for calculating the amount of compensatory payments. Structural disadvantages open to improvement through modernisation of farms or factors like taxes, subsidies or the implementation of the CAP reform may not be taken into account.

If no, explain why it is outside human control to reverse the economic impact of the permanent handicap:

Less Favoured Areas (LFA) face significant handicaps derived from factors such as remoteness, difficult topography and poor soil conditions. ……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

Could you specify the size of the farms that will benefit from these payments? The average farm size in Northern Ireland is 38 hectares. …………………………………………..

1. Is the amount of compensation established by comparing the average income per hectare of farms in areas with handicaps with the income of same-sized farms producing the same products in areas without handicaps situated in the same Member state, or when a whole Member State is considered as consisting of areas with handicaps, with the income of same-sized farms in similar areas in other Member States in which the production conditions can be meaningfully compared to those in the first Member state? The income to be taken into account in this respect shall be direct income from farming and notably leave aside taxes paid or subsidies received.

**√** yes  no

Describe how the comparison was made…………………………………………...

The data on farm incomes was drawn from accounting information collected for the Farm Business Survey (FBS) in Northern Ireland, a representative sample of farm businesses and part of the FADN data collection network in the UK. LFA subsidies are paid in the main to farms with herds of beef cows, beef heifers and flocks of breeding ewes. To assess the level of handicap on these farms in comparison to similar farms outside the LFA, Cattle and Sheep Farms from the FBS sample were selected and divided into two groups – those located mainly in the LFA and those located mainly outside the LFA. Farm Income comparisons for Cattle and Sheep Farms in LFA and non LFA on Northern Ireland for 2001/02 – 2005/06 have been outlined in a table with the NI Rural Development Programme. …………….………………………………………………………………………………………………………………………………………………………………………..……………………………………………………………………………………..…………………………………………………………………………………...…………………………………………………………………………………...……………………………………………………………………………………………………………………………………………………………………

6. Is the aid measure combined with support under Articles 13, 14 and 15 of the Council Regulation (EC) No 1257/1999[[76]](#footnote-76)?

**√** yes  no

7. Can you confirm that the total support granted to the farmer will not exceed the amount determined in accordance with Article 15 of Regulation No 1257/1999?

**√** yes  no

Specify the amount

The basic compensatory allowance payment will be increased by 25%.………………………………………………..

*If no, please note that, according to point 72 of the Agricultural Guidelines, the maximum aid that can be granted in the form of compensatory allowance cannot exceed the above amount.*

8. Does the measure provide that the following eligibility criteria must be fulfilled?

**√** Farmers are required to farm a minimum area of land (please specify the minimum area)

…3 hectares……………………………………………………………….

**√** Farmers must undertake to pursue their farming activity in a less-favoured area for at least five years from the first payment of a compensatory allowance;

**√** Farmers must apply the relevant mandatory standards established pursuant to Articles 4 and 5 of, and Annexes III and IV to, Regulation (EC) No 1782/2003[[77]](#footnote-77) as well as minimum requirements for fertiliser and plant protection product use and other mandatory requirements established by national legislation and identified in the rural development programme  
  
**√** yes  no

**√** yes  no

9.Does the measure provide that, in the event of obstruction on the part of the owner or holder of the animals when inspections are being carried out and the necessary samples are being taken in application of national residue-monitoring plans, or when the investigations and checks provided for under Directive 96/23/ECare being carried out, the penalties provided for under question 4 shall apply?

**√** yes  no

10.In case of aid schemes still in force at the date of the entry into force of Articles 37 and 88(3) of Council Regulation (EC) No 1698/2005[[78]](#footnote-78), will the aid scheme be amended to comply with the provisions of those articles as from that date?

**√** yes  no

If no, please note that from the entry into force of Articles 37 and 88 (3) of the above mentioned regulation new rules will be applied to measures aiming to compensate for natural handicaps in certain areas and that aid measures that do not fulfil all the criteria of these Articles and any implementing rules adopted by the Council or the Commission will have to be put to an end.

……………………………………………………………….

|  |
| --- |
| 2 Other Information |

Is documentation demonstrating that the State aid fits into and is coherent with the relevant Rural Development plan attached to the notification?

**√** yes  no

*If yes, please provide that documentation hereunder or in an annex to this supplementary information sheet*

……………………………………………………………………………….

*If no, please note that this documentation is requested in conformity with point 26 of the agricultural guidelines*

# ANNEX 7

**EX-ANTE EVALUATION OF PROGRAMME**

**Report provided separately**

# ANNEX 8

**STRATEGIC ENVIRONMENTAL ASSESSMENT OF PROGRAMME**

**Report provided separately**

1. http://www.rpani.gov.uk [↑](#footnote-ref-1)
2. Report of the Inter-Departmental Urban-Rural Definition Group: Statistical Classification and Delineation of Settlements, NISRA, February 2005 [↑](#footnote-ref-2)
3. The Social Survey of Farmers and Farm Families 2001-2002, DARD [↑](#footnote-ref-3)
4. EU Farm Structure Survey, NI, DARD [↑](#footnote-ref-4)
5. Statistical Review of NI agriculture, DARD. Agriculture in the UK, Defra. [↑](#footnote-ref-5)
6. Policy and Economics Division, DARD [↑](#footnote-ref-6)
7. Environment Agency, SEPA, EHS [↑](#footnote-ref-7)
8. See www.**sniffer**.org.uk/exe/download.asp?**sniffer**\_news/UKPIR04\_June2004.pdf [↑](#footnote-ref-8)
9. DEFRA and Scottish Executive website [↑](#footnote-ref-9)
10. DG Agri, DARD, Eurostat, DEFRA [↑](#footnote-ref-10)
11. Forest Service, DARD [↑](#footnote-ref-11)
12. Recommendations to DARD for a Renewable Energy Policy, 2005 [↑](#footnote-ref-12)
13. Department of Agriculture and Rural Development, March 2005 [↑](#footnote-ref-13)
14. As defined in the Commission Recommendation 2003/361/EC [↑](#footnote-ref-14)
15. OJ L 375, 31.12.1991, p.1 [↑](#footnote-ref-15)
16. OJ L 327, 22.12.2000, p.1 [↑](#footnote-ref-16)
17. OJ L 206, 22.7.1992, pg 7. Directive as last amended by Regulation (EC) No 1882/2003 of the European Parliament and of the Council (OJ L 284, 31.10.2003, pg 1) [↑](#footnote-ref-17)
18. Department of Agriculture and Rural Development, 2006, ISBN 1 85527 845 6 [↑](#footnote-ref-18)
19. Department of Regional Development, Northern Ireland, 2005 [↑](#footnote-ref-19)
20. Department of the Environment, Northern Ireland, May 2006 [↑](#footnote-ref-20)
21. European Council Doc 10117/06, 9 June 2006 [↑](#footnote-ref-21)
22. Environment and Heritage Service, Northern Ireland, 2002 [↑](#footnote-ref-22)
23. Office of the First Minister and Deputy First Minister, Northern Ireland, 2005 [↑](#footnote-ref-23)
24. Office of the First and Deputy First Minister, Northern Ireland, 2006 [↑](#footnote-ref-24)
25. Office of the First and Deputy First Minister, Northern Ireland, 2006 [↑](#footnote-ref-25)
26. Department of Social Development, Northern Ireland, 2003 [↑](#footnote-ref-26)
27. Department of Social Development, Northern Ireland, 2004 [↑](#footnote-ref-27)
28. [www.sibni.org/isnifulldocument141205.pdf](http://www.sibni.org/isnifulldocument141205.pdf) [↑](#footnote-ref-28)
29. *Regional Transportation Strategy 2002-2013* ([www.drdni.gov.uk/rts](http://www.drdni.gov.uk/rts)). [↑](#footnote-ref-29)
30. Department of Enterprise, Trade and Investment, Northern Ireland, 2004 [↑](#footnote-ref-30)
31. Department of Health, Social Services and Public Safety, March 2002 [↑](#footnote-ref-31)
32. Northern Ireland Statistical Research Agency, May 2005 [↑](#footnote-ref-32)
33. Vision Report for the Agri-food Industry, DARD, 2002 [↑](#footnote-ref-33)
34. www.dardni.gov.uk [↑](#footnote-ref-34)
35. Environment & Heritage Service (Dept of Environment for Northern Ireland) [↑](#footnote-ref-35)
36. **The scoring takes balanced views of the overall impact. Significant positive or negative impacts are noted where they are felt to occur and in this table, the sum of those scores accounted for, the scale used was:**

    **-3: potential for major negative impact**

    **+3: potential for major positive impact**

    **0: Neutral**

    n/a: Not applicable [↑](#footnote-ref-36)
37. [Northern Ireland Rural Development Programme 2007-2013: Responses to consultation | Department of Agriculture and Rural Development](http://www.dardni.gov.uk/index/consultations/archived-consultations/consultations-ni-rural-development-programme-2007-2013/consultations-ni-rural-development-programme-responses-to-consultation.htm) [↑](#footnote-ref-37)
38. OJ L 327, 22.12.2000, pg 1. Directive as amended by Decision No 2455/2001/EC (OJ L 331, 15.12.2001, pg 1) [↑](#footnote-ref-38)
39. Northern Ireland Act 1998, Ch. 47 [↑](#footnote-ref-39)
40. NI Survey of Business 2005 – An assessment of the skills needs for the land-based and environmental industries in Northern Ireland, LANTRA, 2005 [↑](#footnote-ref-40)
41. Within the meaning of Commission Recommendation 2003/361/EC [↑](#footnote-ref-41)
42. Within the meaning of Commission Recommendation 2003/361/EC [↑](#footnote-ref-42)
43. “Vision for the Future of the Northern Ireland Agri-Food Industry”, 2002, page 33, Key Theme B, *Strengthening the Agri-Food Supply Chain.* [↑](#footnote-ref-43)
44. “Fit for Market”, The Report of the Food Strategy Group, July 2004, pages 18 (Primary Producers), 28(iv) and 33 (C). [www.fsip-ni.com/index/publications](http://www.fsip-ni.com/index/publications) [↑](#footnote-ref-44)
45. OJ L 082, 26.3.1984, p. 67 [↑](#footnote-ref-45)
46. OJ L 16, 22.01.1991, p. 25 [↑](#footnote-ref-46)
47. (Hulme et al., 2002). [↑](#footnote-ref-47)
48. Source: *Preparing for a changing climate in Northern Ireland*, Project ref: UKCC13, 2007, SNIFFER [↑](#footnote-ref-48)
49. “Improved land” is land in arable production or grassland where the sward contains more than 25% ryegrass, Timothy, white clover or other sown species indicative of cultivation, and will generally have no native grasses, sedges or wildflowers present [↑](#footnote-ref-49)
50. As Measure 216 operations are integrated with Measure 214 operations, it is not possible to separate Measure 216 expenditure. [↑](#footnote-ref-50)
51. As Measure 216 operations are integrated with Measure 214 operations, it is not possible to separate Measure 216 expenditure. [↑](#footnote-ref-51)
52. With regard to Measure 216 impacts, this measure is expected to contribute to the impact indicator for Measure 214. Therefore, it is not possible to split the percentages according to the inputs. [↑](#footnote-ref-52)
53. Forest Service FS03/06, ISBN I 85527 859 6 [↑](#footnote-ref-53)
54. OJ L 215, 30.7.1992, p. 96 [↑](#footnote-ref-54)
55. OJ L 175, 5.7.1985, p. 40 [↑](#footnote-ref-55)
56. OJ L 73, 14.3.1997, p5 [↑](#footnote-ref-56)
57. Forest Service FS03/06, ISBN I 85527 859 6 [↑](#footnote-ref-57)
58. OJ L 215, 30.7.1992, p. 96 [↑](#footnote-ref-58)
59. Refers to expenditure incurred after 3 September 2013 and before 5 September 2014. Previous expenditure recorded against measure 221. [↑](#footnote-ref-59)
60. Forest Service FS03/06, ISBN I 85527 859 6 [↑](#footnote-ref-60)
61. OJ L 175, 5.7.1985, p. 40 [↑](#footnote-ref-61)
62. OJ L 73, 14.3.1997, p5 [↑](#footnote-ref-62)
63. Refers to expenditure incurred after 3 September 2013 and before 5 September 2014. Previous expenditure recorded against measure 221. [↑](#footnote-ref-63)
64. A Strategic Energy Framework for Northern Ireland, DETI, June 2004 [↑](#footnote-ref-64)
65. As defined in the Commission Recommendation 2003/361/EC [↑](#footnote-ref-65)
66. Tourism in Northern Ireland: A Strategic Framework for Action 2004-2007, Northern Ireland Tourist Board, ISBN: 1 86193 196 4 [↑](#footnote-ref-66)
67. A Strategic Energy Framework for Northern Ireland, DETI, June 2004 [↑](#footnote-ref-67)
68. OJ … [↑](#footnote-ref-68)
69. Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a  
     framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1). [↑](#footnote-ref-69)
70. Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity; OJ L 283, 31.10.2003, p. 51–70. [↑](#footnote-ref-70)
71. OJ … [↑](#footnote-ref-71)
72. Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (OJ L 277, 21.10.2005, p. 1). [↑](#footnote-ref-72)
73. Council Regulation (EEC) No 2019/93 of 19 July 1993 introducing specific measures for the smaller Aegean islands concerning certain agricultural products (OJ L 184, 27.7.1993, p. 1). [↑](#footnote-ref-73)
74. 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). [↑](#footnote-ref-74)
75. OJ … [↑](#footnote-ref-75)
76. Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations;OJ L 160, 26.6.1999, p. 80–102 [↑](#footnote-ref-76)
77. Council Regulation No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support scheme for farmers (OJ L 270, 21.10.2003, p. 1). [↑](#footnote-ref-77)
78. Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD); OJ L 277, 21.10.2005, p. 1–40. [↑](#footnote-ref-78)