COMMITTEE INQUIRY INTO AGRI-ENVIRONMENT SCHEMES

Purpose

1. To seek the Committee's views on the key issues for recommendation to be included in its report on the agri-environment schemes in Wales. A draft structure and recommendations is attached at Annex 1.

Background

2. At its 17 July 2002 meeting the Committee approved the following terms of reference for its inquiry into agri-environment schemes:

To consider the effectiveness of Tir Gofal in delivering its objectives and to make recommendations for the future shape and funding of an integrated and tiered system of agri-environmental schemes in Wales.

3. Since then, the Committee has taken oral evidence from a range of individuals and organisations and received a number of written submissions. During the inquiry, a number of key issues have emerged, which will form the basis of the Committees draft report and recommendations.

Next steps

4. Subject to the Committee's comments and approval of key issues, the Secretariat will produce a full draft report for consideration at the 5 March 2003 meeting.

Action for the Committee

5. The Committee is asked to comment on and approve the key issues to be included in the report.

Committee Secretariat
January 2003

Annex 1

Outline structure and content for Committee report on agri-environment schemes

1. **Introduction**

2. Terms of Reference

To consider the effectiveness of Tir Gofal in delivering its objectives and to make recommendations for the future shape and funding of an integrated and tiered system of agri-environmental schemes in Wales.

3. Committee's assessment of Tir Gofal and lessons to be learned

The Committee to express its support for the scheme and for the broad thrust of policy to direct support away from production to agri-environment and wider rural development measures.

Against this background, draw attention to some concerns related to Tir Gofal identified in the evidence received:

- the level of funding available and the perception that access has been limited to a relatively small number of farms;
- that access can be difficult for some farm types;
- the absence of data on environmental outcomes to allow proper evaluation;
- the administrative burden on farmers;
- the need to address wider environmental resource management e.g. soil, air quality;
- the need to provide incentives to group applicants to deliver benefits across larger geographical areas.

4. Committee's view of future development of agri-environment schemes

Given the Committee's support for Tir Gofal, a suite of agri-environment schemes should be introduced within the pyramid framework proposed by the CAP Reform Agri-environment Working Group. This would aim to see a majority of farmers receiving relatively modest payments in return for meeting basic environmental requirements with smaller numbers gaining higher payments for more challenging obligations and higher payments still for co-operative schemes.

To deliver such a programme, funding will need to be increased significantly. This, in turn, will be dependent on modulation and obtaining a greater share of EU rural development funds for the UK.

5. Principles upon which future schemes should be based

Assuming adequate funding can be obtained, the detail of schemes within the pyramid model should be developed by Welsh Assembly Government following consultation, but the Committee recommends the following basic principles upon which schemes should be based:

I. **Coverage** – should be available across the whole of Wales.
II. **Access -** should be available and realistically achievable for all farm types.
III. **Evaluation** – schemes should be informed by evidence on relevant environmental outcomes, with the results of subsequent evaluation used to further improve scheme design. Measurable and relevant environmental objectives to be identified from the outset.
IV. **Objectives** – the principal objective of all schemes should be to deliver environmental benefit. Whilst recognising that they can be linked, socio-economic considerations should be secondary to this.
V. **Administration** – administration costs and the bureaucratic burden on applicants should be minimised subject to the need for monitoring, evaluation, enforcement and the provision of advice and support.
VI. **Entry criteria -** should be clear and easily understandable. The principle of whole farm coverage should be maintained. Objectives and selection criteria should support existing biodiversity, species and habitat action plans. Selection criteria for higher level schemes should reflect the need to target particular species or habitats.
VII. **Integration** – schemes should be integrated with other land management designations and schemes in order to avoid conflicting management prescriptions;
VIII. **Funding** – should maintain clear financial incentives to encourage adoption of higher levels of the scheme. Payments should allow for limited capital costs required by agreements. The Rural Development Plan definition of good farming practice should set the threshold above which payment would be made under a broad and shallow scheme. Payment should not be made for delivering the requirements of existing legislation and cross-compliance.
IX. **Advice, information and training** – should be ready access to practical, locally relevant advice, information and training to participating farmers.