Environmental Improvement through Agriculture, National Parks, (England and Wales) Scheme 2016 – 2021

This Scheme (“Scheme”) is offered in compliance with the Commission Regulation (EU) No 702/2014 which declares certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union.

1. **Aim of the Scheme**

1.1 The National Parks of England and Wales (“National Parks”) have been designated to provide a framework to manage the best traditional and semi-natural landscapes and unspoilt countryside in England and Wales. They contain significant areas of wildlife importance, much of which is also covered by European Commission (“EC”) wildlife designations. (Approximately 23% of the English Parks are covered by one or more designation under the European Birds and/or Habitats directives). In addition they contain very high densities of surviving features and sites of cultural, archaeological and historic importance. They are also nationally recognised as areas providing significant opportunities for open-air recreation and are heavily visited by the public for this purpose.


1.3 Conservation and enhancement of this natural landscape and cultural heritage is the first statutory purpose of the Authorities. The majority of the land area of National Parks is not in public ownership and is farmed, or subject to some form of agricultural activity. Agriculture therefore has a major impact on National Parks and has significant influence on their landscapes and biodiversity. A high proportion of archaeological and historic features also occur on land subject to agricultural activity. Many of these are fragile and can easily be damaged or destroyed by inappropriate farming activity.

1.4 The majority of these farmed landscapes, habitats and historic features do not have any legal protection. They can be adversely affected by activities that are considered ‘usual good farming practice’ for example reseeding grasslands, the use of agrochemicals and fertilizers, increased use of machinery, enlargement and levelling
of fields, land drainage, cessation of maintenance of redundant historic field boundaries and modern agricultural techniques such as the making of silage rather than hay.

1.5 The Authorities have a statutory duty to ‘conserve and enhance the natural beauty (i.e. landscape) wildlife and cultural heritage of the National Parks’. It follows that a means of influencing the farming methods used and of supporting the maintenance and restoration of important landscape features is essential if the Authorities are to meet their legal purpose under UK law.

1.6 The aim of this proposed Scheme is to provide support to:

Encourage farmers and other land managers to serve society as a whole by introducing or continuing to apply agricultural practices that contribute to climate change mitigation and adaptation and that are compatible with the protection and improvement of the environment, the landscape and its features including cultural heritage assets, natural resources, the soil and genetic diversity.

1.7 Wherever possible schemes notified under the Rural Development Plan for England (RDPE) and the Rural Development Plan for Wales (RDPW) are used to achieve these aims. The Authorities have an undertaking to use RDPE/RDPW measures wherever they can practically deliver the management required. However the RDPE and RDPW schemes are targeted on national priorities and therefore do not necessarily address the special qualities and local needs that have led to the designation of each National Park. The Authorities will therefore provide funding to extend the availability of agri-environment and environmental investment measures to achieve their local environmental priorities and thereby address this gap in conservation support. The funding will be identical to the underlying rural development measure provided for in the rural development programme. Authorities will ensure that they will not support any aspects of management that can practically be achieved through RPDE/RDPW schemes and will undertake checks to ensure that double funding does not occur.

2. **Beneficiaries**

2.1 The Scheme will be geographically limited to the areas within the boundaries of the National Parks although in exceptional circumstances where an individual Authority is working in partnership with another organisation(s), elements of the Scheme may be extended to areas outside of the boundaries of the National Parks. The location of National Park Designations in England and Wales are shown on the map contained in Appendix 1.
2.2 The Scheme will only be available to businesses classed as 'micro, small and medium-sized enterprises' (SME’s) that are responsible for the management of agricultural holdings in these areas.

2.3 The Scheme will not provide aid for activities or projects in which the beneficiary would in any case engage even in the absence of the aid. No aid will be granted retroactively in respect of activities or projects which have already been undertaken by the beneficiary.

2.4 Eligibility will be assessed on the basis of targeting and assessment processes which are based on objective criteria set by the individual Authorities to reflect local circumstances in terms of habitat, landscape, historical and archaeological priorities and local requirements. Information and details of the Scheme will be disseminated to potential recipients directly by the individual Authorities. Information about the availability of the Scheme and its objectives will also be publicised through websites, social media, local press, Farming Unions and other organisations. The Scheme will be open to all managers of land in the National Parks subject to the priorities set by individual Authorities.

3. **Aid intensity and cumulation**

3.1 For the purposes of calculating the aid intensity and the eligible costs, all figures used shall be taken before any deduction of tax or other charge.

3.2 Value added tax (VAT) shall not be eligible for aid, except where it is non-recoverable under national VAT legislation, in which case, the beneficiary will be required to sign a certificate stating that they are unable to recover VAT.

3.3 No aid will be granted in any form other than a grant except aid for knowledge transfer and information actions and advisory services to both the agricultural and forestry sectors. Knowledge transfer, information actions and advisory services will be provided by the Authorities’ staff, their agents or by funding advisory consultants. The Authorities undertake that, where knowledge transfer, information actions and advisory services are not provided by the Authorities’ own Staff, the provider will be chosen and remunerated according to market principles, in a non-discriminatory way, where necessary using tendering procedures which are in accordance with national law.
3.4 RDPE and RDPW schemes are largely generalised with standard conditions set at a national level and which often do not allow for the additional agri-environment commitments needed to meet local circumstances. For this reason it is proposed that aid from this Scheme may be identical to the underlying rural development measures in the RDPE and RDPW schemes and only in cases where funding will result in clear additional environmental benefits whilst ensuring overall aid intensities will not be breached.

3.5 The Scheme will not be offered in any circumstances which would result in double funding i.e. payment for the same commitment. The potential for double funding will only arise where the Scheme is offered in conjunction with RDPE and RDPW schemes. The Authorities will ensure close liaison, joint working and data sharing with the appropriate UK agencies so that double funding is avoided. Measures will include sharing information on the boundaries and commitments of all agri-environment schemes on each holding and having sight of these agreements. This process will also be used to ensure that aid intensities are monitored. In no circumstances will the accumulated aid exceed the limits for agri-environment commitments set out in the Commission Regulation (EU) No 702/2014 and ceiling rates will be harmonised with those set out in Regulation (EU) 1305/2013 insofar as this is in line with the State aid principles.

3.6 Where Authorities offer aid to support non-remunerative investments necessary to achieve environmental aims and these investments relate to tangible (meaning assets consisting of land, buildings and plant, machinery and equipment) or intangible assets (meaning assets that do not have a physical or financial embodiment such as patents, licences, know-how or other intellectual property), the Authorities will ensure that the investments comply with the relevant national laws concerned with environmental protection.

3.7 Where Authorities offer aid in favour of the conservation of cultural and natural heritage, aid will only be granted for investment costs in tangible assets aimed at the conservation of the cultural or natural heritage and these assets must be located on the agricultural holding of the beneficiary. Investment will be limited to €500,000 per investment project and the aid intensity will be up to 100% of the eligible costs with land only being eligible to an extent not exceeding 10% of the total eligible costs of the operation concerned. Aid for capital works (meaning works undertaken by the farmer personally or by the farmer’s workers, that create an asset) shall be limited to €10,000 per year.
4. **Categories of Aid**

4.1 The Scheme will provide aid under the following articles of Commission Regulation (EU) No 702/2014. Individual Authorities will offer aid under all or some of the categories of aid covered by this Scheme, subject to the priorities, targeting assessments and budget limitations of the individual Authorities.

4.2 The Scheme will be based on a signed management agreement between the recipient and the appropriate Authority. No aid will be granted prior to the completion (i.e. signing) of the agreement by both parties. All agreements will be voluntary on the part of the farmers. These management agreements will require the farmers to manage all or part of their land in accordance with specified practices and/or to improve and maintain natural, historic and cultural landscape features. In return for these environmental commitments the Authorities will undertake to make payments to the farmers.

4.3 The Scheme will not exceed the thresholds stated in Article 4 of Commission Regulations (EU) No 702/2014, specifically, aid for investments in tangible assets or intangible assets on agricultural holdings linked to primary agricultural production will not exceed €500,000 per undertaking per investment project and aid for investments in favour of the conservation of cultural and natural heritage located on the agricultural holding will not exceed €500,000 per undertaking per investment project.

4.4 Information on any individual aid award that exceeds the following limits will be published in accordance with Article 9 (2) (c) of Commission Regulations (EU) No 702/2014:

a) €60,000 for beneficiaries active in the primary agricultural production;

b) €500,000 for beneficiaries active in sectors of the processing of agricultural products, the marketing of agricultural products or activities falling outside of the scope of Article 42 of the Treaty.
5. **Article 14 - Aid for investments in tangible assets or intangible assets on agricultural holdings linked to primary agricultural production.**

5.1 The investment shall pursue one of the following objectives:

- The improvement of the natural environment where the investment covers commitments that go beyond the relevant mandatory standards (Statutory Management Requirements (SMR) and Good Agricultural and Environmental Conditions (GAEC));

- The achievement of agri-environmental-climate objectives where investments are non-productive.

5.2 Aid shall not be granted for:

- The purchase of production rights, payment entitlements and annual plants;

- The planting of annual plants;

- Drainage works;

- Investments to comply with Union standards;

- The purchase of animals.

5.3 For investments requiring an environmental Impact assessment under Directive 2011/92/EU, the assessment will be carried out and consent granted for the investment project before the date of granting aid.

5.4 **Maximum Aid Intensity:**

For investments in tangible assets and intangible assets on agricultural holdings linked to primary agricultural holdings that result in the improvement of the natural environment the aid intensity shall be limited to 40% of the eligible costs which may be increased by 20 percentage points for investments in areas facing natural constraints or for investments for the improvement of the natural environment.

The aid intensity shall not exceed 100% for non-productive investments aimed at achieving agri-environmental-climate objectives and payments will not exceed the maximum amounts set out in Annex II to Regulation (EU) No 1305/2013 as required by Article 28.8 of that regulation. Specifically maximum payments of €600 per ha per year for annual crops, €900 per ha per year for specialised perennial crops, €450 per ha per year for other land uses and €200 per livestock unit per year for local breeds in danger of being lost to farmers.
6. **Article 21 – Aid for knowledge transfer and information actions**

6.1 Aid shall cover the cost of organising vocational training, skills acquisition actions, including training courses, workshops and coaching, demonstration activities and information actions including the cost for travel, accommodation and per diem expenses of the beneficiaries and the provider of the knowledge transfer and information actions.

6.2 Aid will be paid to the provider of the knowledge transfer and information actions and no direct payment will be made to the beneficiaries.

6.3 Bodies providing knowledge transfer and information actions shall have the appropriate capacities in the form of staff qualifications and regular training to carry out those tasks.

6.4 Maximum Aid Intensity:

The aid intensity shall be limited to 100% of the eligible costs.

7. **Article 22 – Aid for Advisory services**

7.1 Advice shall be linked to at least one of the following Union priorities for rural development:

- Fostering knowledge transfer and innovation in agriculture, forestry and rural areas with a focus on the following areas;
- Fostering innovation, cooperation, and the development of the knowledge base in rural areas;
- Strengthening the links between agriculture, food production and forestry and research and innovation, particularly for the purpose of improved environmental management and performance;
- Fostering lifelong learning and vocational training in the agricultural and forestry sectors;
- Restoring, preserving and enhancing ecosystems related to agriculture and forestry, with a focus on the following areas;
• Restoring, preserving and enhancing biodiversity in areas facing natural constraints and/or areas of high nature value farming;
• Improving water management, including fertiliser and pesticide management;
• Preventing soil erosion and improving soil management.

7.2 Advice shall cover agricultural practices beneficial for the climate and the environment laid down in Chapter 3 of Title III of Regulation (EU) No 1307/2013, namely a) crop diversification; b) maintaining permanent grassland; and c) having ecological focus area on the agricultural area.

7.3 The aid shall not involve direct payments to the beneficiaries but to the advisory service provider.

7.4 Bodies selected to provide the advisory service shall have the appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the fields they advise in.

7.5 Maximum Aid Intensity:

The amount of aid shall be limited to €1,500 per advice.

8. Article 29 – Aid for investments in favour of the conservation of cultural and natural heritage located on agricultural holdings

8.1 Investments shall comply with Union legislation and with relevant national laws.

8.2 Aid shall cover the following eligible costs intended for the conservation of cultural and natural heritage:

• Investment costs in tangible assets;
• Capital works.

8.3 Eligible Costs and Maximum Aid Intensities:

The aid intensity shall be limited to 100% of the eligible cost

Aid for capital works shall be limited to €10,000 per year.
9. Article 38 – Aid for knowledge transfer and information actions in the forestry sector

9.1 Aid shall cover the cost of organising vocational training, skills acquisition actions, including training courses, workshops and coaching, demonstration activities and information actions including the cost for travel, accommodation and per diem expenses of the beneficiaries and the provider of the knowledge transfer and information actions.

9.2 Aid will be paid to the provider of the knowledge transfer and information actions and no direct payment will be made to the beneficiaries.

9.3 Bodies providing knowledge transfer and information actions shall have the appropriate capacities in the form of staff qualifications and regular training to carry out those tasks.

9.4 Maximum Aid Intensity:

The aid intensity shall be limited to 100% of the eligible costs.

10. Article 39 – Aid for advisory services in the forestry sector


10.2 Aid shall be granted to help forest holders and other land managers benefit from the use of advisory services for the improvement of the economic and environmental performance and climate friendliness and resilience of their holding, enterprise or investment.

10.3 The aid shall not involve direct payments to the beneficiaries but to the advisory service provider.
10.4 Bodies selected to provide the advisory service shall have the appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the fields they advise in.

10.5 When providing advice the provider of advisory services shall respect the non-disclosure obligations referred to in Article 13(2) of Regulation (EU) No 1306/2013, specifically the provider of the advisory service must not disclose any personal of individual information or data they obtain in the course of their advisory activity to persons other than the beneficiary who is managing the holding concerned, with the exception of any irregularity or infringement found in the course of their activity which is covered by an obligation laid down in Union or national law to inform a public authority, in particular in the case of criminal offences.

10.6 Maximum Aid Intensity:

The amount of aid shall be limited to €1,500 per advice.

11. **Duration of the Scheme**

11.1 The proposed Scheme will be open for applications for five years from 1 March 2016, although payments under agri-environmental-climate management agreements will continue until the agreement expires. The end date for the Scheme is envisaged as 28/02/2021.