

# Written Response to the Rural Development Sub-Committee's recommendations from their report on the Inquiry into the Review of Axis 2 of the Wales Rural Development Plan 2007 - 2013

March 2009

1. *The Committee recommends that the Minister puts in place adequate monitoring and reporting processes as a matter of urgency to measure the progress of any future schemes against Wales Environment Strategy and wider EU targets. Schemes must be able to demonstrate tangible outputs and the provision of public goods.*

**Accept.** Since the review was undertaken, monitoring contracts have been let to examine the delivery of outputs from existing schemes. Whatever the decision on the way forward, developing clearly defined outcomes and outputs related to Wales Environment Strategy targets and ensuring that an integrated monitoring and evaluation process is in place will be a fundamental requirement for any future schemes.

**Financial implications.** None - the contracts that have been put in place are funded from within existing budgets.

2. *The Committee believes that clear, understandable and measurable targets and objectives must be put in place for future schemes.*

**Accept.** Please see my comments related to 1 above.

**Financial implications.** None

3. *The Committee is concerned that the review process has lost momentum since it was initially discussed, with little progress having been made. We also feel that there had not been sufficient stakeholder involvement and that this made their assessment of the options available extremely difficult. The Committee recommends that the Minister establishes a regular dialogue with the stakeholders involved in this process to ensure there is agreement and buy-in to the review process from the key players.*

**Accept.** Agri-environment is a very complex policy area, requiring careful consideration of trade-offs in many areas in order to reconcile sometimes conflicting objectives and agendas. However, a regular dialogue with all key stakeholders will be an important part of any new scheme design and implementation process.

**Financial implications.** None – stakeholder engagement will be accomplished within existing budgetary provision

4. *In response to the evidence received, and given the lack of detail available our preferred option in the short-term is Option 1b. We believe that any major change to existing arrangements would cause severe disruption to the agricultural industry, particularly in the uplands, and there should be a significant lead-in time to such changes. We would like to see the Welsh Assembly Government put some measures in place to improve the ability of the Tir Mynydd scheme to deliver against environmental outcomes. Some amendments should be made to Tir Gofal to ensure that this scheme is also delivering against key Welsh Assembly Government targets. Any monies that might become available in the future from the discontinuation of Tir Cynnal should be targeted towards realising improvements under the Tir Gofal scheme or the exploration of pilot schemes. Schemes should aim to provide recognisable outcomes that provide measurable public goods. However, this type of arrangement is not satisfactory in the medium to long term and the Committee believes that the Welsh Assembly Government must help prepare farmers for future CAP reform.*

5. *The Committee recommends that the Welsh Assembly Government pursues Option 1b in the immediate term, with a view to implementing the Option 2 model from 2013.*

**Reject.** No decision has yet been made on the future direction of travel. The Committee's comments (and those of the stakeholders that the Committee interviewed) are welcomed. They will of course be taken into consideration before I make my final decision on this matter.

**Financial implications.** None

6. *The Committee recommends that the Welsh Assembly Government develops appropriate transitional arrangements covering a timescale that will enable the industry to adjust to the changes emerging from the review and to embed the cultural change that will be required within the industry; these arrangements should include substantial training and guidance. Transitional arrangements should also be carefully managed to ensure the continuity of existing agreements.*

**Accept.** Whatever option is chosen, transitional arrangements which give farmers time to adjust to any new regime will be a key part of maintaining momentum. I am pleased that the Committee recognises that transitional arrangements include training and guidance as well as the provision of satisfactory financial arrangements over the transitional period.

**Financial implications.** The development of any transitional arrangements will have to be carefully considered and modelled by officials. Any transitional arrangements will have to be provided from existing budgetary provision.

7. *The Committee recommends that the Welsh Assembly Government initiates in-depth debate on the future shape of agri-environment schemes and the projects that the Welsh Assembly Government will support post-2013. The Committee believes that there is an urgent need for this debate to lead both*

*cultural change within the industry and also changes to agricultural methods and the attitude of the industry to the maintenance of a diverse and rich Welsh environment.*

**Accept.** I am pleased that the Committee recognises the need for a cultural change within the agricultural industry in order that our commitments to the environment can be met. I agree that this needs to be facilitated by a process of continuing dialogue between all parties (including representatives of the agricultural industry) who have an interest in making sure that Wales meets its sustainable development commitments. We have already recognised that this process needs to take place. Initiatives such as “Sustainable Farming and the Environment – Action towards 2020” that have informed the development of our new Farming Strategy have begun this dialogue and I am determined to ensure that this process continues.

**Financial implications.** None.

8. *The Committee would also like to see the following elements incorporated into any future schemes:*

- *An **output based approach** with associated monitoring to ensure that the most appropriate actions can be applied to the right places, species and habitats. In the same context schemes should be **flexible**.*
- *A **tiered approach**, enabling all land managers to participate in a lower tier element, with more in-depth and focused interventions at the level of the higher tier.*
- *A national **element**; whilst the Committee agrees with a **certain amount of targeting** to address particular environmental challenges, such as water quality or biodiversity on common land, we feel that providing a national framework will ensure that challenges across the whole of Wales can be addressed.*
- *Additional incentives for **collaborative actions** should be a key element of any revised schemes, with a view to tackling particular landscape or catchment scale problems. We would also like to see better integration with other Axes of the RDP to enable those farmers participating in collaborative actions to add value to their products through joint marketing initiatives or economic activities.*
- ***Integration** should be a central part of any future scheme, to ensure that multiple benefits can be achieved, for example by encouraging activities that provide benefits for biodiversity, soil carbon and water quality.*
- ***Project officers** should be seen as a central part of the delivery of the scheme and we believe that an investment should be made in project officer time to ensure that farmers arrive at the right actions and outcomes for their farm.*

**Accept.** An output based approach should be taken wherever it is appropriate to do so. Some environmental requirements cannot be framed in this way and will require a prescriptive approach, at least in the early years.

**Accept.** A tiered approach offers the best combination of universal access and targeted action.

**Accept.** A national element must be included to enable environmental action across Wales.

**Accept.** Action for collaboration forms part of the CAP health check and also recognises that some environmental improvements require action at a greater scale than that offered by an individual farm.

**Accept.** In value for money terms, an integrated approach offers the best value for the taxpayer.

**Reject.** Project officers are a valuable but expensive resource. Whilst there is undoubtedly a role for them, we need to ensure that they are directed to those areas of activity where their input can add the greatest value. The provision of training and mentoring through media such as Farming Connect and other bodies will form a key part of any move towards the delivery of appropriate environmental outcomes.

**Financial implications.** All these issues can be accommodated within a future scheme within projected budgets.

Elin Jones, Minister for Rural Affairs