

Rùnaire a' Chaibineit airson Cùisean Dùthchail agus na h - Àrainneachd  
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Ar faidhle/Our ref: A6798555

23 September 2013

Dear Rob

I am writing to advise you of the arrangements that will be put in place to bridge the gap between the end of the current Scotland Rural Development Programme (SRDP) and the next 7 year programme which was due to start on 1 January 2014 and end on 31 December 2020.

As you are no doubt aware, due to the necessary European legislation not being in place on time a start date of 1 January 2014 for the next programme is not achievable. Stakeholders have been informed and appreciate this is outwith the control of the Scottish Government. Our plan now is to formally submit a programme to Europe in May 2014 for its coming into force on 1 January 2015. This will have the benefit of taking into account comments from the second consultation on the next SRDP that will be launched towards the end of this year.

The European Commission (EC) has produced draft transitional regulations ([http://ec.europa.eu/agriculture/cap-post-2013/legal-proposals/transitional/com2013-226\\_en.pdf](http://ec.europa.eu/agriculture/cap-post-2013/legal-proposals/transitional/com2013-226_en.pdf)) to address the concerns raised by all Member States that new programmes will not be able to start in 2014 due to the delay in agreeing regulations. These regulations allow old programmes to continue for certain elements in 2014 using the new budget. They are currently in draft form and are expected to be approved in November this year.

The measures under the current programme that will be eligible under these transition regulations for new and existing commitments are: Less Favoured Area Support Scheme (LFASS); Agri-environment; Animal Welfare; and Forest Environment payments. Existing commitments for woodland creation can also be funded from the new programme budget in 2014 meaning we can continue to commit to planting up to the end of this year, this will mean we can fully commit both the domestic and EU element of the Forestry budget.

This addresses some of our key priorities for ensuring support can continue in rural areas for 2014, however it does leave some key areas unresolved and we are pressing the EC, through the UK Government, for a full roll-over of the programme for at least one year. This is also the favoured option of a number of Member States.

To ensure we can take forward any transitional arrangements in good time for those areas where there are increasing pressures for applicants to know whether support will be available we have developed a plan based on what the current draft regulations allow. The key areas we will continue to fund are:

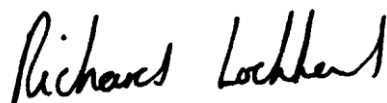
- LFASS to continue in 2014 with 2015 payment date as normal, providing crucial support to business operating in remote and fragile areas;
- Agri-environment contracts, including organics agreements, ending in 2013 to be extended by one year. This will affect up to 1,000 businesses and we will be contacting them directly in the next few weeks;
- We hope EC regulations will allow us to run the full CCAGS Scheme next year, however we are taking steps to ensure that at least the main elements will continue under a state aid scheme. Whether we are able to continue to fund drainage elements, however, will depend on the final shape of EC transition regulations. Crofters wishing to apply for funding to carry out drainage works are therefore strongly encouraged to submit CCAGS applications by Friday 15 November, although applications will of course continue to be considered thereafter;
- Forestry to continue to commit funds in 2014 and 2015 for new woodland creation to ensure there is no lag in planting.

There will be no new Land Managers Options (LMO) applications for 2014 as this type of non-competitive support will not be permitted under the regulatory framework put in place by the European Commission. Instead we are working on options to ensure the new SRDP provides more effective support to all farms in Scotland, in order to address concerns raised by many small farmers and crofters that access to current programme has been extremely difficult. This was due to the complexity of the rules and the resulting need for expert and expensive advice in order to develop an application for support.

There is still much work to be done as unless the transition regulations do change we will not be able to continue with the LEADER or Food and Drink schemes. It is my sincere hope that the EC will see the clear merit and need in allowing project funding from these two areas to be rolled over for 2014 to ensure vital spend can continue. The LEADER scheme has invested around £60 million of support to rural communities, covering a broad range of activities that improve the life of those who live in our rural areas. The Food and Drink scheme invests around £10 million annually to a key growth sector for Scotland, helping to drive our economy forward and providing much-needed jobs across Scotland.

We believe this is the best outcome with the available resources.

I hope this is helpful.



**RICHARD LOCHHEAD**