



SCOTTISH POLICY GROUP

BRITISH ECOLOGICAL SOCIETY

**Agri-environment schemes in Scotland
post Brexit**

**Notes from the BES Scottish Policy
Group Pie and a Pint, 9th October
2017, Edinburgh.**

Agri-environment schemes in Scotland post Brexit

This is a summary of a discussion held at British Ecological Society's Scottish Policy Group (BES-SPG) Pie and a Pint meeting in Edinburgh on the 9th October 2017.

The event was open to all BES-SPG members and those interested in agricultural policy. About 25 people attended from wide range of organisations.

The event was opened with five minute talks from the following, who were representing their own views on opportunities for agri-environment schemes post Brexit in Scotland:

- [Professor Robin Pakeman](#) from The James Hutton Institute,
- [Professor Davy McCracken](#) from Scotland's Rural College,
- [Eleanor Harris](#), a policy researcher at Confor,
- [Richard Lockett](#), an independent advisor from Lockett Agri-Environmental,
- [Susan Davies](#), Director of Conservation at Scottish Wildlife Trust.

After the talks, the participants split into three break-out groups to discuss these questions:

1. What agri-environment schemes have been successful in Scotland so far? What evidence is there for the positive or negative effects of different agri-environment schemes?
2. How can agri-environment schemes be best coordinated at the catchment or landscape scale and by whom?
3. Thinking beyond agri-environment schemes: what other initiatives should we be looking at or trying to incorporate in a future land management policy and who should pay for them?

Participants had 30 minutes in the first group of their choice and then spent 15 minutes on each of the other two questions adding to the discussions made by the previous group(s).

Summary

Seven key points emerged consistently across speakers and break out groups. These were that a new agri-environment scheme should:

- be well targeted to specific species/habitats/services of public good to deliver maximum benefit,
- use a payment for results approach,
- integrate landuses across different policies (including environment, forestry, farming, water),
- be joined up beyond the farm scale to work at regional/catchment scales,
- contain good advisory schemes that followed through for the life time of the scheme to help deliver a payment by results approach,
- contain good monitoring and evaluation, some of which should be done by the farmers,
- have a funding model that enables a long-term approach (e.g. long-term habitat restoration) while at the same time maintaining a regular payment to famers.

Key points from speakers:

Rob Pakeman (The James Hutton Institute).

1. Current schemes have many missing gaps in the habitats and species that they target compared to other countries' schemes. There is nothing on coastal habitats or sand-dunes for examples. The schemes are prioritized towards birds, vascular plants, butterflies and mammals, yet these groups do not represent most of the species on Scotland's Biodiversity list. Thus, the many invertebrate and lower plant species which are priority species don't benefit from the current schemes.
2. The current schemes try to target resources but they do this in a very simple way by targeting those sites with the greatest biodiversity (species richness from a short list of c. 100 species considered to likely benefit from them). There are other, possibly smarter ways to target resources. For example, it would be possible to identify the best sites using [gamma](#) or even [beta](#) diversity measures, or modifying alpha diversity measures to include rarity, and get very different targeting maps.

Davy McCracken (Professor of Agricultural Ecology and Head of Hill & Mountain Research Centre at Scotland's Rural College).

- Davy started by agreeing with Robin that agri-environment schemes hadn't done very well and that we had been discussing agri-environment schemes and what to do about them for a very long time.
- The main problem with the schemes is that they are based on a "one size fits all" approach to management which hasn't benefited biodiversity very well.
- Targeted schemes, such as those for the corncrake have had a big impact on the species population. However most of the schemes have resulted in no major reversal of species populations
- There is another model that could work: payment by outcome. In this case the farmer is given a target, and then is left to decide how to manage his/her land to achieve the target. This would allow a more flexible approach, which is much more suited to land management since ecology is complex and "one size" does not fit all.
- A payment by outcome approach would still require us to justify the payments. However, current prescription based schemes justify the payments purely on the prescriptions being followed. Yet in most EU countries, it is very difficult to show cause and effect in terms of direct impacts on biodiversity. So, although payment by outcome still needs thinking through, such schemes are being trialled (e.g. in the Burren in Ireland) and importantly, they incorporate annual monitoring and feedback of results to the farmers concerned. Therefore, there is no reason payment by outcome schemes could not be developed in Scotland; such schemes would need support and advice for farmers but surely this is a price worth paying if it has more chance of resulting in real biodiversity benefits on the ground.

Eleanor Harris (Policy Researcher at Confor).

Eleanor's key points included:

- Productive forests take the pressure of natural forests in terms of productivity.
- Productive forests are good for reducing greenhouse gases.
- Aspirations to replace plastics and many other materials with renewables will lead to increased pressures on forests as more timber required. Therefore, more productive forests are needed. Currently, productive forests account for only 19% forest/woodland cover in Scotland, which is very low compared with the rest of Europe.
- The UK has very high standards for forestry and its biodiversity, it is also very profitable and has good economic benefits. So why isn't there more forestry within farms? The key reason is that farmers lose Pillar 1 payments when they plant trees and then have to wait 30-40 years until they see a return on their investment – this is seen as a waste of investment and too long to wait. For this reason, often a change from farmland to forestry usually only occurs when a farm is sold.
- Confor recently published a policy discussion document – “A Common Countryside Policy” – which is suggesting a new overarching framework to combine forestry and agricultural. Comments were welcomed:
<http://www.confor.org.uk/media/246687/common-countryside-policy.pdf>.

Richard Lockett (Lockett Agri-Environmental).

Richard had two options for a post Brexit Agri-environment scheme

Pessimistic Eeyore

- There will be less money for agri-environment schemes.
- The environment losing out to agricultural support i.e. it is getting a smaller slice of the cake.
- Government decision administration too complex to deliver the schemes.
- Simplistic, easy to administer schemes are all we get, with no real net benefit to biodiversity.

Lions roar of optimism

- We currently have a big opportunity.
- Government and civil service recognise the rationale of paying public money for public goods. The overall budget stays the same but agri-environment gets a bigger slice of the cake.
- We will have a well-designed two-tier scheme to give the right prescriptions in the right places.
- Lower tier offers payments for positive wider countryside management. In an arable context this means improving the functional and species diversity of landscapes, significantly improving wider habitat networks and increasing provision of habitats for pollinating insects.
- Upper tier offers more targeted prescriptions with longer term agreements. Significant funding provided for local priorities and incentivising farming system change (agro-ecology, organic farming, agro forestry, soil quality).
- There is a change in farmers/civil servants/government cultural mind sets with all seeing conservation objectives as a legitimate use of land.

- Much more emphasis will be played on the need for quality advice and the need to train more qualified conservation advisers.

Susan Davies (Director of Conservation at Scottish Wildlife Trusts).

Susan explained the latest thinking from the SWT on their Land Stewardship Policy:

- Agri-environment schemes need to be decoupled from productivity.
- Farming culture will need to change. It is not about “Slipper farmers” i.e. payments for just own the land with no farming or management carried out on it.
- Schemes should include payment for a wide range of services for the public benefit: the ecosystem approach.
- We need a four-tier system based on regulation, protection, enhancement and restoration payments for natural capital benefit
- No penalties to farmers if they go into enhanced restoration options – i.e. they don’t lose out on their basic payments
- SWT calculate that a redistribution of the current subsidies could, for example, provide:
 - £88m to woodland creation
 - £16m peatland
 - £5m for good water quality
 - £5m for control of invasive/non-native species

SWT’s document “Land Stewardship: a blueprint for government policy”

<https://scottishwildlifetrust.org.uk/our-work/our-advocacy/policies-and-positions/land-stewardship-policy/>

Question 1: What agri-environment schemes have been successful in Scotland so far? What evidence is there for the positive or negative effects of different agri-environment schemes?

Overall comments to the above questions:

- **Integration:** Any future Agri-Environment style funding must be integrated with land management funding and not seen as a separate issue i.e. the environment and farming need to be viewed alongside one another and not separately. Integrating with other policies and legislation has proved beneficial in the past with the Water Framework Directive, for example. The Government needs to know what it wants to ensure plans can integrate and inform local area aims.
- **Targeting:** Whenever targeting AES at species or habitats, past examples illustrate, that enough funding needs to be made available, enough action taken on the ground and enough land area needs to be covered to ensure its impactful. It is wasteful to spread the funding too thinly. Therefore, in the future, spend will need to be targeted at the species, habitat or ecosystem level, and enough landowners need to be identified (or volunteer themselves) for the AES, before the funding is paid-out.
- **Cooperation and Connectivity:** It's important for AES to be connected beyond the farm scale so funding should be available where adjoining land owners are willing to take part in the same AES (or schemes).
 - However, payment for each individual farmer should not be determined by them all meeting their obligations. If one doesn't implement the scheme then just that land owner should not receive their funds or be penalised, not the neighbouring farmers.
 - This kind of coordination relies on area advisors and coordinators. The area advisors should be informed by the responsible government agency as to what the priority schemes are for that area.
 - Therefore, strategic foreplanning is needed to determine what species, habitat(s) and / or ecosystems need improving where, and the corresponding AESs need to be mapped to these areas.
- **Advice:** is incredibly important to make sure the right AES is being implemented in the right place and in the right way. Proactive advice and facilitation is needed both before and after taking up the AES. Farmers should want and choose to take part in the AES and therefore feel invested. This happens with ensuring consistent advisers remain with farmers as they implement and monitor the results of an AES.
- **Long-term payment contracts:** These need to be offered to give ecosystems, habitats and species restoration (or in some cases habitat creation) a chance, and to give enough reassurance to the landowner. However, long-term payment contracts, even if they are linked with outcome based payments, need to offer annual payments for the land owners.
 - AES linked with long-term restoration need shorter term milestones and goals so that payment can be linked to these.
 - A basic annual payment will need to be paid, but 'bonus' higher payments should be linked to meeting the milestone and targets. (A cut-off for deciding the restoration is not working will need to be identified).
 - In some cases, may need to consider giving a big upfront payment to initiate the scheme.

- Payment could also be tiered – very basic levels for those only interested in carrying out basic measures. But much higher payment possibilities or bonuses for those interested in being innovative and trying to reach a more ambitious outcome. However, still encourage and facilitate the farmer to reach that outcome rather than being told how to reach it.
- Have prize money to reward those who go the extra mile or do something new and brilliant.
- **Incentivisation and innovative:** encourage landowner to participate in AES that are outcome focused and allow them the flexibility to be innovative at how they reach the outcome.
- **Flexibility:** Need to build in more flexibility as to how AES are delivered.
- **Better monitoring and evaluation:** Monitoring and evaluation is needed to help understand if AES are delivering for what they should be, however it's very expensive. Therefore, working out a system to train up landowners to help collect the data is necessary. Criteria for assessment need to be accessible for non-experts to follow.
 - Can emerging technologies help? e.g. something like drones (we noted the complications and restrictions with drones).
 - Should farmers evaluate one another? Could farmers be paid to evaluate farms that do not belong to them?
 - Can a system be formulated like that of the group stock standards model – where farmers come together in a group to carrying out monitoring and evaluation of schemes as a group? (Added benefit of reducing isolation and increased communication of good practice / advice of what is working where).
 - Or do all farmers evaluate themselves and then one in ten are audited?
 - (Wales spends 4% of the AES budget on monitoring. Scotland just 0.1%)

Examples of what has worked well:

- The [Environmentally Sensitive Areas \(ESA's\) scheme](#) worked well, as they were small targeted areas.
- AES linked with arable margins have worked well (however it's worth noting that often the baseline was extremely low so any improvement will see benefits). They are species targeted and have been backed up with good advice.
- Natural Care Programme – a targeted species and habitat programme but that has flexibility.
- GWCT Farmer clusters (although some questioned whether they really worked or not).
- Linking in with the Water Framework Directive and planting riparian buffer margins.
- The Habitat Scheme – it was a long-term agreement.
- Moorland Management Plans (although again there were conflicting opinions on whether they worked or not).
- Hedgerow AES were also popular because they were simple and fairly adaptable to anywhere.
- England's Higher-Level Stewardship scheme was mentioned as it is targeted and supported by advice

Examples of where NGOs have offered AES advice and targeting in the right area for the AES has had positive results e.g. Plantlife for arable plants and the RSPB.

What doesn't work:

- Generic, easy to carry out measures that do not necessarily deliver for biodiversity.
- AESs that are not easily measurable.
- A system that is too bureaucratic so it takes away from the scheme.
- Payment rates that are set in year 1 but then go down in subsequent years.
- Short term commitment to funding.
- Poor cost – benefit. Some measures cost too much and are too complicated for too little return.
- Changing policies and changing AES too frequently.
- Paying only for the process encourages complacency.

Question 2: How can agri-environment schemes and other initiatives be best coordinated at the catchment or landscape scale and by whom?

- Need for top-down and bottom-up approach

There is a need for broad, rational and clear national level policies relating to AES that go beyond the farm gate (whole supply chain) and integrate many land uses. There should then be an implementation plan based on the ecosystem approach and jointly developed by all relevant land use organisations. Finally, there should be regional decision-making in terms of prioritisation of measures and their implementation. Funding should be handed over to local authorities, who should be given sufficient resources to have a local biodiversity officer, and where land use is given sufficient weight in the local authority system.

- Objectives of AES should be clear and targeted towards providing public goods at the right scale

Land use policy should avoid subsidising any activities that could have detrimental or destructive effects (e.g. overgrazing, over-burning etc). The issue of what scale is the right scale was discussed: some suggested that Scotland should follow an organisational structure that divides the country into catchments (starting with the work carried out by river trusts). Another suggestion was to operate at the scale of the issues/objectives that are trying to be addressed or achieved.

- Buy-in is needed at the local level

This means buy-in from all local stakeholders, not just land owners and managers, especially to ensure long-term changes – temporal dimension to land use should be considered in addition to spatial scale. Buy-in from land managers is particularly important when promoting work at the catchment/landscape scale.

- Collaboration between land managers and owners

Collaboration, together with a vision of what is trying to be achieved, will be key to allow large scale initiatives to work. Successful collaborative initiatives highlighted by participants included Pontbren and the Tweed Forum. There could be collaboration schemes through management options to better link habitats – and incentives to promote collaboration between farmers (such as those in France). Another key aspect will be the identification of leading figures or champions that others can follow: farmers themselves can then come up with landscape-scale approach.

- New advisory model is needed

A number of participants emphasised the need for advisors or facilitators that can bring people together at the landscape scale for discussions and action (focus on one to few basis for discussions). These individuals should be independent, and could act as a one stop shop bringing together relevant knowledge on land management options, ecological knowledge and farming approach (FWAG type approach). This could be funded through agri-environment funds that aim to bring facilitators on board (e.g. Pillar 2).

- Education, awareness raising is needed at all scales

To ensure that both rural and urban communities are aware of how subsidies are used, what AESs provide in terms of public goods, but also awareness of some of the negative impacts of AES, e.g. pollution from agriculture etc. There could be a role for universities here in terms of pulling together relevant knowledge on land uses, but also universities could provide an interdisciplinary approach to understand land use at the catchment level. Land use organisation should be educated on how to better communicate to the wider public about land use.

- Thinking in innovative ways

New systems that were suggested by PAAP participants that could be learned from other countries or sectors included: reverse option, independent certification for land management (regular audit to international standards) to drive up standards and reduce government costs – producer and consumer are paying. In addition, subsidies could be dependent on achieving certification.

- Monitoring

Monitoring should be carried out to ensure that AES deliver. This could be done at the individual initiative level and built into the initiatives. Monitoring could be carried out by land managers themselves, so they can see the changes themselves. The cost to the government would be lower as they would only need to check on the data coming in. We could think about new technologies to make monitoring more cost-effective.

Question 3: Thinking beyond agri-environment schemes: what other initiatives should we be looking at or trying to incorporate in a future land management policy and who should pay for them?

Other initiatives we should be looking at or trying to incorporate in a future land management policy include:

- Move away from a focus on species towards habitats
- Payments for land owners to monitor/research/observe e.g. natural regeneration
- Integrated land management policy should include:
 - Urban green space
 - Bringing all subsidies together
 - Animal welfare
 - Business resilience
 - Plant health
 - Forestry
 - Marine
 - Coastal – co-ordinate regional marine/land use.
- Targeting -> allow more intensive farming in the lowlands?
 - Or pay for ecosystems services, e.g. beavers/water.
 - Some kind of zoning system.
- Collective vision would help -> starting from the land use strategy.
- Engagement of local people + urban people in decision making.
 - Make a link between rural land, land management and the sustainability of cities.
 - Peri-urban farmland is important.
- Good land management certification -> what would this include? Helping to support sustainable rural communities?
- Join up with food policy and rural employment.
- Avoid sectoral divisions in land management education.

These initiatives could be funded by:

- Rewilding
 - Hunting rights as a source of income.
 - Payment to support iconic species.
- Stronger regulation –
 - Farmers paying/being fined as a last resort.
 - Stronger ability to fine/enforce on worst offenders.
 - Qualification requirements – mandatory training before receipt of payments.
- Businesses that benefit from the environment should pay for it.
- Swap ratio of Pillar 1 and Pillar 2.
- Payments for Ecosystem Services Framework:
 - Accept that we can't value everything to avoid the McNamara fallacy.
 - Do you get paid for production? Less than for non-market goods?
 - Restrictions on payments to large landowners.

- Incentives for large-scale actions, e.g. rewilding.
- Address current problems of the points based systems.
- Needs land-scape scale buy-in.
- Remove single farm payment or replace with payments for e.g. public access (improve current paths scheme).
- Private companies paying for water quality and quantity.
- Insurance companies paying for flood management.
- Basic rights should be first: Soil; flooding; carbon sequestration.
- Experiment and collect information, incl. during application of the adaptive management approach and from existing studies such as natural capital work with Scottish Land Estates.

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