

# **Strategic Environmental Assessment of the Rural Development Programme for England 2007-2013: Environmental Report**

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## **Non-Technical Summary**

### **Introduction**

The UK Government, through Defra, is currently developing its proposals for the Rural Development Programme for England (RDPE), which will run from 2007-2013. The Programme will provide support for a range of activities in support of environmental, economic and social aspects of rural development.

The RDPE<sup>1</sup> is subject to a Strategic Environmental Assessment (SEA), in line with the EU Directive on SEA<sup>2</sup>. SEA is a formal process which seeks to improve the environmental content of Programmes as they are developed.

A key output of the SEA process is the production of an Environmental Report. The Environmental Report describes the environmental background against which the Programme has been prepared and the likely environmental impacts, both positive and negative, of the Programme. Where appropriate, the SEA makes suggestions to improve those impacts.

Public consultation is also a central requirement of the SEA process. Accordingly, the Environmental Report is made available for consultation, in association with the draft Programme to which it refers. The public authority responsible for the development of the Programme must then respond to the issues raised by in the Environmental Report and by consultees, and must then make that information available in an SEA statement. In this case, it is intended that the SEA statement should be incorporated into an updated version of the Environmental Report, although this is not a formal requirement.

In order that all those with an interest are able to contribute to this process, a Non-Technical Summary (NTS) of the SEA must be produced, and this paper provides that summary.

The NTS follows the same structure as the Environmental Report, and covers:

- The background to, and focus of, the Programme
- Steps in the development of the RDPE and in the SEA process
- The environmental context within which the Programme has been developed

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<sup>1</sup> The RDPE is prepared in response to the Council Regulation (EC) No 1698/2005, on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

<sup>2</sup> Directive 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment

- The assessment of the likely effects of the Programme
- Comments on the range of alternatives open to those developing the Programme, and on mitigation measures which might be introduced at the point of delivery
- Proposals for monitoring the environmental effects of the Programme
- An outline of the way in which comments will be considered as the Programme is finalised.

### **Outline of the Rural Development Programme for England 2007-2013**

The European Union Rural Development Regulation<sup>3</sup> provides Member States with a framework to target funding from the European Agricultural Fund for Rural Development.

In order to release the funding for the Programme in England, it is necessary for Defra to submit and agree with the European Commission:

- A high level strategy (the *National Strategy Plan*) for the UK, with separate sections for England, Wales, Scotland and Northern Ireland;
- Detailed Programmes for each of those countries.

When complete, the RDPE will set out the aims and scope of a funding programme. Farmers, land owners, public sector organisations and rural communities will then be supported to deliver projects which contribute towards the Programme's stated priorities. The Programme does not determine the individual projects which will come forward, although it does, through provision of finance for different issues, set the framework for the outcomes to be achieved, and the activities likely to be supported towards those outcomes.

The European Commission sets out the activities which can be supported under three broad headings, known as Axes:

- Improving the competitiveness of the farming and forestry sectors (Axis 1);
- Improving the environment and countryside (Axis 2);
- Rural quality of life and diversification of the rural economy (Axis 3).

Minimum percentage allocations apply to the European Money made available under each of the 3 axes, and are 10%, 25% and 10% respectively. In addition, a minimum of 5% of European money (potentially from across all Axes) must be delivered through a cross cutting Axis 4 which gives a strong role to representatives of the local community. This is known as the Leader approach.

Overall, the activities proposed in England are:

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<sup>3</sup> As note 1, above

- Improving the environmental management of farming by making support available to all farms across England, seeking to address a range of issues including long term decline of biodiversity, loss of semi-natural habitat, and landscape and heritage impacts, as well as wider problems such as water quality;
- Improving and extending the quality and range of woodland across England;
- Expanding, in line with European and UK aims, the production of energy crops;
- Encouraging economic development in the wider rural area, focusing in particular on the more remote areas where incomes are lower;
- Seeking to maximise the benefits of partnership working and community engagement; and
- Provision of training and extension services in support of all of the above, and also, more widely, in support of innovation and rural development, where additional to current provision.

A total of £3.9bn will be available in support of these aims from 2007-2013. Of this, some £3.3bn will be concentrated on under Axis 2, and, to a lesser extent, the majority of which will support agri-environment schemes, and also activities under that axis in support of woodland management and of Less Favoured Areas. £277m will be available for each of Axes 1 and 3. The detailed allocation of funding under Axes 1 and 3 will vary between regions. Indications are that funding will be concentrated on training, farm diversification (including energy crops) and support for micro enterprises.

## **The Process of Developing the Programme and the SEA**

The table below shows how the Programme has been developed, and the parallel steps in the SEA. It follows the accepted process for undertaking an SEA, with two exceptions:

- A Screening Report<sup>4</sup> was not undertaken; guidance from the European Commission was clear that an SEA would be required.
- It is intended that an updated version of the Environmental Report should be produced, incorporating the SEA statement. The statement is a formal requirement, which details the feedback from the consultation phase and the response to the issues raised. The purpose of updating the Environmental Report is to ensure that it is consistent with the version of the RDPE which forms the basis of discussion with the European Commission, taking into account any changes which occur during the consultation phase.

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<sup>4</sup> The purpose of a Screening Report is to determine whether or not an SEA should be undertaken on the Programme.

<b>Steps in Programme Development</b>	<b>Steps in SEA Process</b>
<p>A consultation document on the focus of the RDPE was published by Defra early in 2006. The key aims proposed were as set out above. The development of the consultation document was overseen by a widely-drawn stakeholder group, including representatives of statutory and non-government environmental bodies.</p> <p>The consultation ran until late May 2006, and comments received were incorporated into the RDPE.</p>	<p>This consultation document was produced before the SEA was commissioned, but was used to inform and focus the SEA.</p> <p>A Steering Group to oversee the SEA process was set up. It involves representatives from Defra who are leading on the development of the plan, together with other stakeholders and SEA experts, including representatives of all of the statutory environmental agencies.</p> <p>An initial <b>SEA Scoping Report</b> was prepared and consultation on it carried out in the spring of 2006. The issues raised, and the changes made as a result, are detailed in Annex II of the Environmental Report.</p>
<p>Defra also collated, in line with Commission requirements, baseline data which cover economic, social and environmental issues. Environmental data forming a baseline for the SEA was collated, and is presented in Annex 1 of the Environmental Report.</p>	
<p>Regional Development Agencies are leading on the production of Regional Implementation Plans (RIPs) in relation to Axes 1 and 3. RIPs are still being developed at the time of preparation of this Environmental Report, and will be informed by it.</p> <p>A draft RDPE has been developed, taking into account the discussions and information above.</p>	<p>The Environmental Report has been developed in parallel with the RDPE, and has taken account of evolving proposals made by Regional partners.</p>
<p>Consultation on both the draft final RDPE and on this associated Environmental Report is open from 13 April 2007 to 5 July 2007</p>	
<p>The draft RDPE, taking account of both feedback and of the findings of this Environmental Report, will then be finalised.</p>	<p>The Environmental Report will be updated to reflect any changes in the RDPE. It will include, in the SEA statement, details on changes made to the Plan as a result of the SEA process.</p>

## Policy Context and Baseline Information for the SEA

A wide range of existing policies at European, National and Regional level have informed the development of the RDPE and of the SEA. In addition, a review of available baseline information has been undertaken.

There is a high degree of consistency in terms of the environmental issues which are highlighted in the policies considered. There are also clear linkages between the policy aims and the environmental baseline information. Key points from the baseline are:

- Rural areas provide environments and landscapes which are associated with high quality of life, and which are attractive to residents and tourists. Demand for visits to the countryside, and for activities undertaken there, is increasing.
- Rural tourism is dependent to a very large extent on the quality of the landscape, and on the availability of activities in the countryside, including tranquility, scenery, open space, fresh air, and plants and wildlife.
- Long term changes in farming practice – for example intensification - have been associated with:
  - Declining employment in the primary sector
  - Loss, and fragmentation, of wildlife habitat, and associated decline in biodiversity;
  - Loss of historic features which help define distinctive rural landscapes; and
  - Water pollution from as a result of agricultural activities.
- Agricultural activities are important contributors to greenhouse gas emissions, less because of CO<sub>2</sub> from energy use, but more in terms of the wider basket of gases. These are, in part, associated with the use of synthetic fertilisers and with farm practices such as management of manures
- Positive contributions to CO<sub>2</sub> reduction targets from energy crops are at a low level at present, but are likely to increase in importance.
- The management of non-organic waste from agricultural businesses is changing, in line with the treatment of such waste from other industry sectors; this is likely to increase costs.
- The area of woodland is expanding, and wider social and environmental benefits from woodland management are now being recognised and more actively developed.
- The environmental performance of agriculture has been improving in recent years. There is clear evidence of declines in absolute levels of water pollution from agriculture, for example. However, much more rapid improvements in other sectors have increased agriculture's **relative** importance, particularly in relation to water pollution and climate change emissions.

- There is also some evidence, although very recent and therefore less well established as yet, of improvements biodiversity indicators. For example, populations of farmland birds are stabilising, but remain at levels well below those recorded historically.
- There is less consistent evidence of change in terms of landscape. For example, there has been a recent increase in the overall length of hedgerows, but long-term measurements of change in landscape show that many areas of England are changing, to a significant extent, in ways which are not in keeping with their historic character. Agriculture is identified as the land use most directly associated with these changes.
- Positive changes have been driven and supported by increasing spending in agri-environment and organic farming schemes over the last 15-20 years. The resources available under such schemes have increased significantly in absolute terms, but remain relatively small in comparison to mainstream subsidy payments.
- Existing government commitments indicate that resources available to agri-environment schemes will continue to increase significantly; this commitment is a key influence on the form of the RDPE.
- The environmental requirements made as part of the mainstream subsidy payments have increased, and are likely to have some limited positive effects against the issues above.
- Greater focus on the importance of aspects like habitat networks and catchment management over wider areas implies the need for an expanded, and more structured focus, for future agri-environment schemes.

Government policy recognises and seeks to address these issues. Detailed objectives are addressed through, for example, legislative commitments which safeguard existing nature conservation and historic environment sites, or which seek to improve water quality.

More widely, there is increasing integration of environmental aims into mainstream policies, of which the RDPE is an example, reflecting the need to complement site-based protection with enhancement of assets in the wider countryside.

## **Development of Assessment Criteria**

Following from this evidence base, and taking account of comment from the SEA Steering Group, detailed assessment criteria were developed to test the environmental impacts of the draft RDPE. These focus the broad SEA criteria, and are shown in the table below.

Local air quality was excluded from the assessment because no likely significant effects were identified. Conversely, assessment criteria on environmental awareness, and on social and economic impacts were added to reflect wider sustainable development issues of importance to the Programme.



SEA Topics		
		<b>To what extent will the programme, both as a whole and through individual measures...</b>
Biodiversity	Protect and enhance biodiversity	<p>...contribute towards:</p> <ul style="list-style-type: none"> <li>• Management and improvement of designated sites?</li> <li>• Management and creation of key habitats in the wider countryside?</li> </ul> <p>...contribute towards the ecological management and enhancement of forestry and woodland?</p>
Water, biodiversity, material assets	Protect and enhance water quality and management	<p>...contribute towards improvements in water quality, through reduced pollution from agricultural sources?</p> <p>...contribute towards management of water catchments to reduce flood risks?</p> <p>...contribute towards better management of water resources in relation to abstraction?</p> <p>...improve, where appropriate, recreational access to water?</p>
Climatic factors, biodiversity	Minimise climate change emissions and reduce impacts	<p>...reduce emissions associated with agricultural practices?</p> <p>...promote the development and use of renewable energy?</p> <p>...support projects which fix carbon?</p> <p>...reduce the need for transport through development of local markets and services?</p> <p>...promote actions to mitigate against the likely environmental impacts of climate change?</p>
Climatic factors, material assets	Resource use efficiency and waste management	<p>...promote the efficient use of material assets as appropriate to the activity?</p> <p>...promote the management of waste associated with the activity in line with the waste hierarchy?</p>
Soil	Protect and improve soil structures	<p>...promote the protection and enhancement of soil structures?</p>
Landscape	Protect and enhance landscape character and quality	<p>...promote the conservation and enhancement of distinctive landscape features?</p>
Architectural and archaeological heritage	Protect and enhance the historic and cultural environment	<p>...reduce degradation and loss, and promote the care and maintenance of historic features and buildings?</p>
Population, human health	Access and recreation	<p>...improve facilities for countryside recreation, particularly through making land accessible for visitors?</p> <p>...promote the availability of countryside recreation widely, including to non-traditional visitors?</p>
Population, human health	Economic development	<p>...create economic and employment opportunities, particularly for those in identified target groups and areas?</p>
Population, human health	Sustainable communities	<p>...help to sustain services through increased demand?</p> <p>...involve communities in decision-making processes during development and delivery of the programme?</p>

Potential long term contribution to all topics	Environmental awareness and understanding	...improve understanding of environmental issues and solutions for those working in the agricultural and forestry sectors? ...improve understanding of environmental issues and solutions in the wider rural community and among visitors?
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## Assessment of the Likely Environmental Impacts of the Programme

Assessment matrices, based on the above criteria and questions, have been produced at two levels. Within the main Environmental Report, matrices focus on the main types of activity which are proposed by the Programme, and which are:

- Agri-environment schemes and associated training
- Schemes to improve the management and extent of woodland, and associated training
- The development and marketing of biomass crops, and associated training
- Activities which add value to agricultural or woodland products, including the development of supply chains
- Activities around environmental and cultural tourism
- Activities which encourage diversification of agriculture, and of the wider rural economy, other than in those areas described above
- Activities which contribute to conservation and upgrading of the rural heritage and environmental assets
- Activities which concentrate on the wider development of sustainable rural communities

The individual assessment matrices against the above activities show that, not surprisingly, many positive impacts are expected from areas with a strong environmental focus. While there is less certainty about the impacts of wider rural development activities, the assessments also show that there is potential, depending on the projects selected and the form of delivery, for all aspects of the Programme to contribute positively to a range of environmental aims. Only very limited potential for negative impacts has been identified.

Annex III also provides assessment matrices on the basis of the individual Measures set out in the European Regulation (EAFRD), and which is implemented, in England, by the RDPE.

A summary of the cumulative impacts of the Programme is described in the table below.

<b>Criteria</b>	<b>Likely Impacts</b>
Protect and enhance biodiversity	<p>Strong positive impacts are likely from agri-environment and woodland schemes, and from associated training activities.</p> <p>Impacts associated with other activities under the Programme will depend, to a greater extent, on the projects eventually selected, and the approaches taken in them, but are likely to be much smaller in comparison.</p>
Protect and enhance water quality and management	<p>Strong, positive impacts in relation to water quality are likely from agri-environment schemes.</p> <p>Impacts associated with other activities under the Programme will depend, to a greater extent, on the projects eventually selected, taking account of local circumstances, such as levels of water pollution, or of water availability.</p> <p>There is some limited potential to enhance access to the water environment.</p>
Minimise climate change emissions and reduce impacts	<p>Most importantly, agri-environment and woodland schemes will help mitigate the effects of climate change on biodiversity, by improving the network of habitats which will enable species to migrate in response to changing conditions. Reduction in emissions may also be possible from better management of natural sources of emissions, such as peat bogs.</p> <p>The development of biomass crops will, to some extent, substitute for fossil fuel production, and therefore reduce emissions of CO<sub>2</sub>. A reduction in artificial fertiliser use associated with agri-environment schemes will also have some benefits in terms of reducing greenhouse gas emissions.</p> <p>Other climate change impacts will depend on individual projects – there is potential to reduce energy demand in relation to built development (through both energy efficiency and the re-use of redundant buildings), and through improved efficiency in business processes.</p>
Resource use efficiency and waste management	<p>Impacts in terms of waste and resource use are likely to be relatively limited, and will be determined largely at project level.</p>
Protect and improve soil structures	<p>Impacts are likely to be positive from agri-environment schemes, and unlikely to be significant in respect of other parts of the programme.</p>

Protect and enhance landscape character and quality	Impacts are likely to be strongly positive from agri-environment schemes, and will depend on individual projects in relation to other aspects of the programme.
Protect and enhance the historic and cultural environment	Impacts are likely to be strongly positive from agri-environment schemes, and will depend on individual projects in relation to other aspects of the programme. There is potential for positive impacts associated with the promotion of economic re-use of historic buildings
Access and recreation	Impacts are likely to be positive, although limited in extent.
Economic development	Impacts are likely to be positive, both directly through projects under Axes 1 and 3 with economic development as a key aim, but also through the secondary boost in terms of local demand for environmental services through agri-environment schemes.
Sustainable communities	Impacts are likely to be positive, through capacity building projects proposed under Axis 3, and through increased demand under all activity headings, which will help sustain local services.
Environmental awareness and understanding	Impacts are likely to be positive in relation to training with a strong environmental theme; wider impacts, for example in terms of tourism or of community development, will depend on the interpretation materials developed in the context of specific projects.

### **The Significance of Impacts over Time**

The central aim of the RDPE is to deliver significant environmental improvements over the short, medium and longer terms, particularly in relation to farming and woodland management, but also in relation to wider rural development. In practice, the scale and durability of impacts will depend upon three related issues.

Firstly, a sustained and consistent approach to public sector support for the types of activity encouraged by agri-environment schemes will be needed, both during and beyond the life of the Programme.

Secondly, approaches to training and awareness raising across the Programme will need to be developed which underpin longer term behaviour change.

Thirdly, the decision-making processes and partnerships put in place to deliver the Programme should involve all relevant environmental interests, alongside economic and social interests.

If these conditions are met, positive impacts over the short, medium and longer term are likely against all criteria.

Taking into account the concentration of resources towards agri-environment schemes, it is likely that there will be significant, positive impacts in terms of biodiversity (and expansion of habitat networks, a key aspect of climate change adaptation), landscape, the historic environment, and water and soil quality in an absolute sense – that is, the scale of improvements will be evident, over time, in national indicators at English level.

There are also likely to be positive impacts in relation to aspects like the emission of greenhouse gases, associated with the expansion of biomass, water management and energy and resource efficiency in farming and other rural businesses. These impacts are likely, given the resources involved, to be less significant in absolute terms, but may still – for example, in the case of biomass – be relatively significant in the context of local or regional circumstances.

More widely, moves towards a more sustainable rural economy will depend on large scale awareness and understanding of issues and solutions, backed up with practical examples of successful projects. The successful delivery of the programme is likely to have significant positive effects in providing such examples, as well as in contributing directly through the provision of training which includes appropriate sustainable development content.

### **Assessment of Alternatives and Mitigation**

It would normally be the case that the Environmental Report examined alternative ways of delivering the overall objectives of the Plan before carrying out the level of assessment detailed above. In this case, however, the Steering Group agreed that the meaningful range of alternatives available was limited to varying the balance of funding between the agreed activities, and so the assessment of alternatives requires understanding of those individual elements.

An analysis of the environmental impacts associated with greater emphasis on the different Axes shows that the greatest range of positive impacts is expected from axis 2, and so confirms the initial proposals for a focus on those activities.

However, the assessment also shows that, in the case of most activities with a discretionary element, the types of environmental impact will vary with the projects selected and the support provided to those projects in relation to environmental issues – this could range from the design of woodland planting to maximise benefits for soil maintenance and flood protection, to advice on waste minimisation and energy efficiency in the context of community level projects.

Consequently, the proposals for mitigation concentrate on the principles which are most likely to embed good environmental practice. These are:

- That all projects should at least consider environmental issues in their development, while accepting that it will not always be appropriate to take substantive action in response to the questions raised; and
- That decision-making structures should incorporate appropriate environmental expertise, in line with the significance of impact identified against each broad activity heading in the Environmental Report.

## **Monitoring the Environmental Effects of the Plan**

Monitoring indicators are proposed at two main levels in relation to the RDPE.

Firstly, a number of strategic indicators have been identified, which set the framework within which the RDPE operates. These cover aspects like trends in water pollution, the condition of historic features or wildlife sites, and greenhouse gas emissions from agriculture. These indicators are already collected and reported at national level.

Secondly, indicators which essentially count activities supported by the Programme are proposed. These cover aspects like the number of farmers joining agri-environment schemes, or the area of land planted with biomass crops. These indicators are, or will be, collected by Defra or by other agencies in relation to the administration of different aspects of the RDPE.

Ideally, monitoring would address more directly the issue of the relationship between these two types of indicator. However, at present, there is insufficient understanding of the direct relationship between them to allow that to happen. This is largely because the intended outcomes, such as recovery in farmland bird numbers, are affected by a much larger range of factors than can be influenced directly by the RDPE. There is also an issue, particularly in relation to environmental changes which take place over the medium to longer term, that monitoring depends on a sustained research effort over many years. It is therefore not possible to use strategic measures of environmental change as a short term monitoring framework for the Programme.

Defra are aware of this issue, and a research programme is in place which will help improve the situation during the lifetime of the Programme itself. A mid-term evaluation of the Programme will be undertaken in 2010, which will provide an opportunity to assess the delivery undertaken to date, and to review the understanding of the relationship between strategic and activity indicators.

## **Difficulties Encountered in Undertaking the SEA**

The main difficulty encountered in the SEA follows directly from the discussion above. The lack of certainty about the relationship between the activities proposed and eventual environmental outcome has meant that it was not possible, as had originally been hoped, to quantify the programme's impacts more precisely.

## **Next Steps: The Consultation Process and Production of an SEA Statement**

The draft RDPE and this associated Environmental Report are open for comment until 5 July 2007.

After the consultation is complete, an SEA statement will be produced which will summarise the views expressed, provide Defra's response to the issues, and detail the way in which the issues raised in the Environmental Report and by the consultation have been incorporated into the final version of the RDPE.

The SEA statement will be incorporated into an updated version of the Environmental Report.

