EXPLANATORY MEMORANDUM TO

The Farming for Sustainability Innovation Payments Regulations (Northern Ireland) 2025

S.R. 2025 No. 162

1. Introduction

1.1. This Explanatory Memorandum has been prepared by the Department of Agriculture, Environment and Rural Affairs ('the Department') to accompany this Statutory Rule which is laid before the Northern Ireland Assembly.

1.2. The Statutory Rule is made under powers conferred by section 5(2B) of the Agriculture Act (Northern Ireland) 1949.

2. Purpose

2.1. The Statutory Rule will give legal effect to the Farming for Sustainability – Innovation scheme which will come into effect within 2025.

3. Background

3.1. The Farming for Sustainability – Innovation scheme sits within the Knowledge Transfer and Innovation scheme and consists of three elements, namely Innovation Farms, International Innovation Visits and Innovation Partnerships. The Farming for Sustainability – Innovation scheme forms part of the Sustainable Agriculture Programme. It will replace the current Technology Demonstration Farms, Farm Innovation Visits (FIV) and the European Innovation Partnership pilot scheme. The aim of these scheme elements is to develop and demonstrate innovation to encourage the adoption of innovative practices within the NI farming industry and will complement the Farming for Sustainability – Knowledge Scheme.

3.2. The Scheme (statutory rule) provides for payments to be made by the Department to eligible farm businesses who are selected as Innovation farms and who host farm visits. The DSO has advised that the Innovation partnership aspect of the scheme will be carried out administratively and is not included in the SR.

4. Consultation

4.1. The Agricultural Policy Stakeholder Group (APSG) was established by the Department to ensure that stakeholder views are understood and properly considered during the development of the Sustainable Agriculture Programme. Proposals in the Farming for Sustainability – Innovation scheme have been presented to the APSG and any points raised have been addressed. In addition, several meetings have been held with other stakeholder groups to present and discuss Farming for Sustainability – Innovation scheme policy proposals. Stakeholder

engagement will continue throughout the implementation of the scheme to identify priority areas of work.

5. Equality Impact

5.1. In accordance with the Department's obligations under Section 75 of the Northern Ireland Act 1998, a screening exercise for the Farming for Sustainability – Innovation Scheme was completed with the screening decision to not conduct a full equality impact assessment.

5.2. At Northern Ireland level, the Farming for Sustainability – Innovation Scheme will not have an identifiable differential impact on the main equality categories.

6. Regulatory Impact

6.1. Regulatory impact screening was carried out with the decision that a full impact assessment was not required as it is anticipated that there will be no additional compliance or administrative burdens placed on farm business over and above those required in existing regimes.

7. Financial Implications

7.1. The NI Executive's agreed final 2025-26 budget included a £332.5m Resource DEL Executive Earmarked Funding for agriculture, agri-environment, fisheries and rural development. In 2025-26, the projected Resource DEL requirement for the Farming for Sustainability – Innovation Scheme is £0.58m.

7.2. The main source of funding for the Farming for Sustainability – Innovation Scheme is from DAERA's Resource DEL.

8. Section 24 of the Northern Ireland Act 1998

8.1. The Regulations do not have any human rights implications, nor are they incompatible with EU law. The Regulations are therefore deemed to comply with the requirements of section 24 of the Northern Ireland Act 1998.

9. EU Implications

9.1. There are no EU implications associated with this statutory rule.

10. Parity or Replicatory Measure

10.1 There are no direct comparisons in GB or ROI. While each jurisdiction has introduced or is planning to introduce separate innovation schemes there are none directly comparable to the Farming for Sustainability – Innovation Scheme.

11. Additional Information

11.1 For further information contact Nigel Murphy, CAFRE Greenmount campus, Department of Agriculture, Environment and Rural Affairs (Nigel.Murphy@daera-ni.gov.uk) tel 02894 426814