EXPLANATORY MEMORANDUM TO

The Farming with Nature Scheme (Amendment) Regulations (Northern Ireland) 2026

S.R. 2026 No. 105

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 section 48 and paragraph 5 of Schedule 6 to the Agriculture Act 2020 and Article 28(10)(2)(d) of Regulation (EU) No.1305/2013 of the European Parliament and of the Council of 17 December 2013 and is subject to the negative resolution procedure.

2. Purpose

2.1. The Statutory Rule will give legal effect to the Farming with Nature Transition Scheme which will come into effect within 2026.

3. Background

3.1. The Farming with Nature Transition Scheme sits within the Farming with Nature Package. The Farming with Nature Package forms part of the Sustainable Agriculture Programme. It replaces the current Environmental Farming Scheme and provides a package of support for farmers to increase the extent of habitats across farmed land in Northern Ireland.

3.2. The Scheme provides for payments to be made by the Department to eligible farm businesses in relation to undertaking specific environmental actions on eligible farmed land.

3.3. Part 2 of these Regulations makes amendments to provisions in the Farming with Nature Scheme Regulations (Northern Ireland) 2025 (S.R. 2025 No. 101).

3.4. These amendments to the Farming with Nature Scheme Regulations (Northern Ireland) 2025 update the definitions of terms used, eligibility criteria, payment limits, how Retained EU Law will apply, eligible scheme actions and payment rates for the scheme.

3.5. Part 3 of these Regulations makes amendments to provide for clarity in relation to provisions in the Farm Sustainability Standards Regulations (Northern Ireland) 2025 (S.R. 2025 No. 165).

3.6. Article 96 of the Horizonal Regulation 1306/2013 is amended to correct a drafting error.

3.7. Article 99 of the Horizontal Regulation sets out the minimum and maximum penalties which may be applied in respect of non-compliance with Farm Sustainability standards.

3.8. Article 72 of the Commission Implementing Regulation 809/2014 is amended in relation to the contents of a control report and the time scale for its finalization after an on-the-spot check.

4. Consultation

4.1. The Department consulted from 21 December 2021 to 15 February 2022 on proposals to introduce a Farming with Nature Package as part of the Future Agricultural Policy Proposals for Northern Ireland consultation. Stakeholder responses received in respect of these proposals were considered and included in the analysis of the Future Agricultural Policy Decisions in Northern Ireland published on 22 March 2022.

4.2. The Agricultural Policy Stakeholder Group (APSG) has been established by the Department to ensure that stakeholder views are understood and properly considered during the development of the DAERA Sustainable Agricultural Programme, formerly the Farm Support and Development Programme. In addition, a Farming with Nature Working Group was established in June 2024 comprising of stakeholders from environmental and agricultural organisations. A number of meetings have been held with both these groups to present and discuss Farming with Nature policy proposals.

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 with Nature Transition Scheme was completed with the screening decision to not conduct a full equality impact assessment.

5.2. At Northern Ireland level, the Farming with Nature Transition 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 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 The Farming with Nature Transition Scheme is estimated to require £65.5m of funding over the next 4 years, comprised of £34.7m of Capital DEL and £30.8m of Resource DEL. It is proposed the Scheme will be funded from the Executive Earmarked Resource DEL funding for agriculture, agri-environment, and rural development

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 agri environment schemes there are none directly comparable to the Farming with Nature Transition Scheme.

11. Additional Information

11.1. For further information contact Manus McHenry, Agricultural Policy Division, Department of Agriculture, Environment and Rural Affairs (manus.mchenry@daera-ni.gov.uk)