

# **Farming with Nature Higher Scheme**

## **Regulatory Impact Screening**

**June 2026**



Department of

**Agriculture, Environment  
and Rural Affairs**

[www.daera-ni.gov.uk](http://www.daera-ni.gov.uk)

## INTRODUCTION

1. The UK's exit from the EU, and the Common Agricultural Policy was the most significant change to agri-food sector policy in over 40 years and provided an opportunity to develop new approaches to agricultural policy and support to better address the needs of Northern Ireland agriculture and the environment.
2. A new Sustainable Agriculture Programme (SAP) is being co-designed with the Northern Ireland agricultural industry and other key stakeholders to target farm support to meet the bespoke needs of Northern Ireland. The overall objective is to transition to a more sustainable farming sector by implementing actions, measures and schemes that benefit our climate and environment while supporting our economically and socially significant agri-food sector. The schemes and measures being introduced will provide levers to contribute to statutory obligations under the Climate Change Act (NI) 2022, with a firm focus on just transition. The Programme is being introduced in a phased manner over the coming months and years.
3. The vision for the Sustainable Agriculture Programme is defined around four key outcomes:
  - An industry with improved environmental sustainability in terms of its impact on, and guardianship of, air and water quality, soil health and biodiversity, while making its fair contribution to achieving net zero carbon targets. This outcome is an integral part of the new Green Growth Strategy and associated Climate Action Plan.
  - An industry with enhanced productivity in international terms as a means to sustained profitability, closing the productivity gap which has been opening up with other major suppliers.
  - An industry that displays stronger resilience to external shocks (such as market and currency volatility, extreme weather events, etc.) which are ever more frequent and to which the industry has become very exposed.
  - An industry that operates within an effective functioning supply chain, with clear transmission of market signals and an overriding focus on high quality food and the end consumer.

## Consultation

4. In 2018, DAERA undertook an engagement exercise on a draft framework<sup>1</sup> setting out how policies could be developed to deliver these four outcomes. In total, 1,277 responses were received. Twenty-one responses included comments related to equality (although not in terms of Section 75 characteristics); (a) farmers needed to be viewed as equal partners in the food supply chain, (b) fairness was important, (c) horticulture needed to be included and (d) support should be proportionate to

the environmental benefit produced. There was some concern raised about the potential for inclusion of a qualification requirement for grants. No additional evidence was received.

5. Reflecting the responses received during that process, DAERA refined the identified outcomes and vision for the agricultural industry and carried out a public consultation on Future Agricultural Policy Proposals (21 December 2021 - 15 February 2022) . Responses received informed the 54 policy decisions announced on 24 March 2022. There was broad agreement for the introduction of a Farming with Nature Package and a number of decisions were made at that time by the DAERA Minister. These included that:
  - The Department proceeds to develop the Farming with Nature Package through co-design with stakeholders and in line with the principles stated in the consultation document.
  - Transition from EFS - The Department will ensure an orderly transition from the Environmental Farming Scheme to Farming with Nature.

## **Scheme design**

6. The initial focus of the Farming with Nature Package is on reversing the trends in nature decline through retaining, maintaining, restoring and creating habitats that are important for species diversity and improved connectivity between habitat areas. By restoring wildlife rich habitats, corridors and stepping stones in the wider countryside and enabling wildlife populations to grow and travel between them small, isolated extents of high nature value land and other areas of priority habitats are safeguarded also. The environmental assets already present on farms require active management to ensure that they are capable of making the best possible contribution to biodiversity.
7. The Farming with Nature Higher Scheme aims to provide support to farmers to deliver specific environmental benefits across high nature value land and designated sites, including Special Areas of Conservation (SACs), Special Protection Areas (SPAs), Areas of Special Scientific Interest (ASSIs), and Ramsar Sites. Previous support for these habitats was provided by the EFS Higher Scheme, which launched in 2018.
8. There is an ongoing need for a new scheme for such land types, and a new Priority Habitats and Species scheme is under development which aims to fully replace the previous EFS Higher Scheme. The FwN Higher Scheme is an interim scheme which will ensure the smooth transition of existing EFS participants as their EFS agreements come to an end.

9. The Interim Scheme will provide a mechanism to retain high nature land under positive management. Participation will be targeted to Tranche 4 to 8 EFS Higher agreement holders, who have completed their EFS Higher agreements. It is not anticipated that all 5 years of the proposed scheme timeframe will be required, as work on FwN Priority Habitats and Species proceeds at pace.
10. The scheme scope adopts the Remedial Management Options (RMOs) from EFS Higher agreements, which are site-specific environmental actions applied where a habitat or priority feature is in sub-optimal or degraded condition and requires targeted intervention. EFS Higher Non-Productive Items (NPIs), the capital items to support long-term environmental improvements, are not included in this scheme as they are considered to have been already purchased during Year 1 of EFS Higher agreements to support this land.
11. Agreement holders will be paid on an annual basis for management of their land in accordance with the RMOs in their previous EFS Higher agreements. Payments will be made on the basis of income forgone, and on costs incurred for completing that RMO.
12. The following eligibility criteria will be applied:
  - i. Farm businesses who hold a DAERA Farm Business Category 1 or 2 identification number;
  - ii. Farm businesses must have previously participated in an EFS (Higher) scheme; and
  - iii. Farm businesses must have exited their EFS Higher agreement on or after 31 December 2025.

## **Regulatory impacts**

13. Regulation can be defined as: “A rule or guidance with which failure to comply would result in the regulated entity or person coming into conflict with the law or being ineligible for continued funding, grants and other applied for schemes.” This can be summarised as all measures with legal force imposed by central government and other schemes operated by central government. The Regulatory Impact Assessment (RIA) process is not necessary for certain identified activities:
  - where policy changes will not lead to mandatory costs or savings for business;
  - road closure orders; or

- changes to statutory fees by a predetermined formula such as the rate of inflation.

14. Across the Programme, future agricultural policy and support interventions will take account of a number of design principles including the need to be straightforward, easily understood by industry, not give rise to unacceptable market distortions within the UK, not conflict with World Trade Organisation obligations and not create perverse behaviours and upset the natural cycle of the industry.

15. Farming with Nature Higher will provide support to farmers and land managers of Higher Tier land for environmental actions, and the supporting items needed to implement them, that will achieve environmental benefits.

16. 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. Participation by farm businesses in any of the workstream policy options will be optional and NI businesses would neither be placed at a disadvantage compared with other businesses elsewhere in the UK, nor would they have any special advantages. Therefore, it is very unlikely that there will be any costs or savings imposed on any farm business. For these reasons, a full RIA has been screened out.

17. Proposals for further phases Farming with Nature Package are subject to further development and Regulatory Impact Assessment Screening will be carried out for each phase of the Package as the policy strands are developed.

## REGULATORY IMPACT ASSESSMENT (RIA)

| Screening Questions                                                                                                      | Response to Screening Questions |    | Full Impact Assessment Required |    | Justification / Key issues and groups to focus on                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------|---------------------------------|----|---------------------------------|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                          | Yes                             | No | Yes                             | No |                                                                                                                                                                                                                                                                                                                   |
| Is the policy or amendment to the policy likely to have a direct or indirect impact on businesses?                       | ✓                               |    |                                 | ✓  | Financial support for businesses to participate in future support schemes to encourage best practice. The schemes will be optional.                                                                                                                                                                               |
| Is the policy or amendment to the policy likely to have a direct or indirect impact on the voluntary / community sector? |                                 | ✓  |                                 | ✓  | The scheme is targeted to farm businesses only, so the voluntary/community sector wouldn't be able to apply, and it would be unlikely to impact on them.                                                                                                                                                          |
| CONCLUSION                                                                                                               |                                 |    |                                 | ✓  | Participation by farm businesses in FwN Higher will be optional. Therefore, it is very unlikely that there will be any mandatory costs or savings imposed on any farm business or additional compliance or administrative burdens placed on farm businesses. For these reasons, a full RIA has been screened out. |

### When is regulatory impact assessment required?

If the answer to any of the above is yes, consideration should be given to undertaking a Regulatory Impact Assessment. However, the level of appraisal should

be proportionate to the costs involved. A Regulatory Impact Assessment is not required for:

- I. proposals which impose no costs or no savings, or negligible costs or savings on business, charities, social economy enterprises or the voluntary sector;
- II. increases in statutory fees by a predetermined formula such as the rate of inflation; or
- III. Road closure orders.

## APPROVAL and AUTHORISATION

Screened by:

Position/Job Title

Date

Siobhán Sheppard

Grade 7

XX June 2026

Approved by:

Position/Job Title

Date

Martin McKendry

Grade 3

29 June 2026

M. Mc Kendry