

**Partial Regulatory Impact Assessment on Designation of
Areas of Natural Constraint**

February 2016

Introduction - Policy context and objectives

Northern Ireland has a land area of 1,354,200 hectares (ha). Of the 1,028,500 ha of Utilised Agricultural Area (UAA), approximately 70% is designated as Less Favoured Area (LFA). There are currently two types of LFA in Northern Ireland that were first identified and mapped in the 1970's and 1980's, namely the Severely Disadvantaged Area (SDA) and the Disadvantaged Area (DA).

Regulation (EU) No 1305/2013 includes a requirement to designate Areas of Natural Constraint (ANC) to replace the existing "Less Favoured Areas" designation. This requirement has been developed by the EU Commission as part of the response to a European Court of Auditors report that found inconsistent approaches to the identification and mapping of LFAs across Europe. The new approach to designation a standardised, EU-wide methodology that identifies constrained land by applying a set of natural (biophysical) criteria and thresholds based on soil, slope and climate). There are eight biophysical criteria in total. *Article 32 and Annex III* of Regulation (EU) No 1305/2013 provide the detail on how to apply this methodology and achieve a primary map. The Regulation also requires Member States to fine tune the primary map to remove areas where the biophysical constraint has been overcome by investment or economic activity. The EU Commission has provided guidance to Member States on a range of approaches to be used to fine tune. Member States have up until 1 January 2018 to designate ANC (though earlier designation is possible).

The consultation document to which this partial Regulatory Impact Assessment (RIA) is attached describes the designation of ANC.

In designating ANC, the Department will seek to simplify wherever possible and deliver a smooth and measured transition to a new designation. This partial RIA will be reviewed and further developed as the policy development process continues.

Consideration of alternative approaches

Regulation (EU) No 1305/2013 and its associated guidance on designation of Areas of Natural Constraint are prescriptive and there is little opportunity to consider

alternative approaches. However, all options available have been considered in the development of the new maps provided in the consultation document.

Analysis of costs, benefits and impacts of preferred approach

In developing the new designation, the Department is seeking to simplify wherever possible and to deliver a smooth and measured transition.

Further impacts will be considered as this partial RIA is reviewed and developed alongside the policy development process.

Consultation

Discussions with key stakeholders will form part of the consultation process. A formal public consultation on the designation is required.

Publication

This partial RIA will be published on the DARD website as part of the formal public consultation process.