

Opening Statement by the Minister for Agriculture, Food and the Marine
Supplementary Estimate 2020

I welcome the opportunity to present to the Committee this request for a Supplementary Estimate for 2020. We require a supplementary estimate in order to pay for my Department's share of the Brexit infrastructure costs undertaken by the Office of Public Works. We are also using the opportunity to provide for an early payment to the World Food Programme which is fully offset by savings from elsewhere on the vote.

Taken together the additional funding allocations for subheads total some €41.6 million, which we propose is to be funded by €16.8 million of additional voted funding and €24.8 million in savings across other subheads.

As these proposed transfers and expenditure involve changes to the original 2020 voted allocations, I believe that it is important to seek your input and approval.

Savings

The areas where savings have emerged reflect the very dynamic and uncertain environment in which the sector and the department has operated this year, most of it related either directly or indirectly to Covid-19 and Brexit.

It has been an extraordinary year, but despite the challenges we have continued to carry out our usual business. In recent weeks we have seen payments issued to farmers under the Basic Payment Scheme, Glas, and the Beef Finisher scheme. Over the next fortnight payments will issue under the

ANC, BDGP, the Beep Suckler scheme and the balancing payments on BPS. TAMS payments are ongoing.

I will outline where the savings which we propose to use have emerged, starting with the **payroll saving of €4.0m**. Due to the Brexit extension to December 31st 2020, the bulk of staff for Brexit (73 in total) were recruited in the third quarter of 2020 and therefore incurred only roughly 50% of the budgeted payroll costs. Full year costs associated with these staff will be incurred in 2021.

My Department engaged in prudent management of the payroll budget in 2020 despite extremely challenging circumstances. Although a greater degree of predictability was established regarding Brexit, precise timetables and a final outcome remained unpredictable. This created a need to balance the risk of ensuring sufficient staff were available to meet our Brexit obligations as soon as they materialised, versus the risk of having surplus staff in the Department, in particular at Dublin and Rosslare ports, in the event that such requirements did not materialise as anticipated. It was particularly essential to balance this in the context of the Covid-19 crisis and the implications for staff accommodation which arose.

A combination of recruitment, redeployment and contracted service engagement were progressed to address potential requirements. This process included recruitment of 114 Brexit-specific staff across multiple functions where potential requirements would have been focussed, particularly import controls for products of animal origin, animals, plants and forestry, mainly at

the ports. The bulk of this of this recruitment related to Clerical Officers on Portal Inspection duty and Veterinary Inspectors.

Staff who were recruited for Brexit but not required at the ports due to Brexit delays were either deployed to posts within the function relating to their recruitment or to other functions across the Department where appropriate. However, the vast majority of these have now returned to the duties for which they were originally recruited.

All of these challenges took place in the difficult context of the covid-19 pandemic, where normal work patterns were not possible. However, in spite this, all recruitment and deployment targets were met.

In the sub-head Other Support Scheme costs, there are total savings of €1.2 million available for redistribution as the provision for product storage was not required.

In the Development & Promotion of Agriculture & Food subhead there are savings of €2.3 million made up of small amounts from a number of areas, such as food promotion measures, trade shows and reduced spend on lean reviews by food companies.

There are savings of €1.6m available in the **Fisheries Subhead** due mainly to delays to projects supported under the EMFF caused by the challenges of 2020. These projects remain on track and will be met from 2021 funding.

I can assure my colleagues that my Department remains on course to fully utilise the €239.3m in public funding available under the EMFF Operational Programme.

The **Sea Fisheries Protection Authority subhead** has savings of €1.2 million, due to Covid-19 impacts on recruitment and travel.

TAMS

Under Capital expenditure, my Department continues to operate the large on-farm investment scheme, the Targeted Agricultural Modernisation Scheme, or TAMS II. TAMS is made up of a suite of seven measures and was launched under the Rural Development Programme 2014-2020 with a budget of €395m over the full period of the Rural Development Programme. To date expenditure under TAMS II has exceeded €245m.

Payments under the TAMS II scheme continue to issue on an ongoing basis. To date in 2020 we have issued payments of €66.6 million, and the allocation was increased in the REV in anticipation of increased spend. However, there have been some impacts of Covid 19 on investment works, particularly building works during the first lockdown. Therefore, I am declaring a saving of €6.5 million from the revised allocation for 2020.

My Department has actively encouraged all approved applicants under the scheme to submit payment claims including by contacting approved applicants individually by text message on a number of occasions and reminding approved participants to submit their payment claim as soon as they are in a position to do so. However, as TAMS II is a demand led scheme and the timing

of the completion of works and submission of payment claims, within the timeframe set out in their approval letter, is entirely a matter for the farmers themselves. In general, participants have 12 months from the date of approval to complete works and submit a payment claim with a shorter timeframe of 6 months for equipment.

Forestry

Also on the capital side, we are seeking to move €8 million in capital expenditure from the forestry allocation. This saving has arisen because new planting is much less than anticipated at the beginning of the year, and is expected to be less than 3,000 hectares. This can largely be attributed to a fall-off in interest by farmers, which has been the trend in recent years. I am aware that the current licensing delays are a contributory factor. We are addressing the current delays in a robust way with additional resources, a dedicated project plan and a reformed appeals system. We are also looking at ways to re-engage farmers so that they see forestry not as a displacement activity but as complementary to their farming enterprise.

Utilising savings from TAMS and Forestry this year will ultimately free up funding for 2021 as we prepay some 2021 commitments now. This will leave us better able to take on the many challenges that face the industry next year.

Taken together these €24.8 million in savings described are to be combined with additional gross provisions of €16.8 million to provide €17.3 million for Brexit infrastructure, and €24.3m for the World Food Programme. I'll describe those briefly now:

Brexit Infrastructure

There is the need for substantial extra funding for the Non-Pay Administration part of the Programme A. This is for Border Control posts and that arises, of course, in the context of Brexit. It reflects the requirement to have property and infrastructure to facilitate and support the movement of legitimate trade. There is provision to carry out necessary Sanitary and Phytosanitary (SPS) checks at ports in the event of a disorderly withdrawal from the EU by the United Kingdom. My Department is the lead tenant in most parts of the Dublin Port and Rosslare sites and our proportion of the considerable costs involved amounts to some €14.5 million in capital and €2.8million in current expenditure, largely undertaken on our behalf by the OPW. As happened last year, this is being dealt with at year's end to provide for actual costs rather than estimates.

WFP

The other important item is the additional allocation for the World Food Programme which will allow for the early payment of next year's commitment under Ireland's Strategic Partnership Agreement with WFP.

I recently received a request from the Executive Director of the World Food Programme, Mr David Beasley, to consider early disbursement of Ireland's next annual contribution, which for 2021 is €25million. This request does not involve any additional funding, only early payment. Paying our commitment early will allow funding in 2021 to be spent addressing the many additional challenges the year will no doubt bring.

This advance will significantly contribute to WFP's capability to plan its interventions and better address the several growing humanitarian needs currently facing the world, including large-scale emergencies in Yemen and Syria, the developing emergency with Ethiopian refugees in Sudan, as well as their ongoing efforts assisting vulnerable people affected by current coronavirus pandemic. Ireland's partnership with the World Food Programme is making a difference in the efforts to achieve the shared objective of SDG2¹ Zero Hunger.

WFP will receive the Nobel Peace Prize for 2020 on 10th December. The Nobel Committee's citation in the announcement of the award to WFP was that it was, *"for its efforts to combat hunger, for its contribution to bettering conditions for peace in conflict-affected areas and for acting as a driving force in efforts to prevent the use of hunger as a weapon of war and conflict."*

I am therefore recommending early payment of the 2021 contribution. It will signal Ireland's ongoing commitment to the work of the WFP and will be especially appropriate at this time, when their work is getting such international recognition.

Conclusion

In conclusion, I believe this is a necessary and important supplementary estimate which I earnestly recommend to the Committee for support.

I am happy to respond to any questions that members may have.

ENDS

¹ Sustainable Development Goal 2, one of the UN's 17 SDGs for 2030.