



## Natural or other area-specific constraints intervention (ANCs)

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*The fiche presents the payments for natural or other area-specific constraints in the post-2022 CAP reform and the implementation of this intervention by Member States during the period 2023-2027. It is based on the information provided by Member States to the Commission services to date. It is made available without prejudice to any findings in respect of their compliance with the regulatory framework. It is provided on the understanding that in the event of a dispute involving Union law it is, under the Treaty on the Functioning of the European Union, ultimately for the European Court of Justice to provide a definitive interpretation of the applicable Union law.*

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### **I. ANCs**

Payments for natural or other area-specific constraints<sup>1</sup> (ANCs) aim at compensating farmers in total or partially for disadvantages to which the agricultural production is exposed due to natural or other specific constraints in their area of activity.

Such compensation primarily contributes to ensure a fair income and allow farmers to continue agricultural land management in order to prevent land abandonment.

#### 1.1 Main features

- ANC payment is a voluntary type of intervention for Member States (and for farmers).
- It takes the form of an annual payment per hectare of agricultural area and payments are made in the form of grants.

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<sup>1</sup> Article 71 of Regulation (EU) No 2021/2115

- Payments for ANCs can be paid only to active farmers in respect of areas designated pursuant to Article 32 of Regulation (EU) No 1305/2013.
- The payments compensate for costs incurred and income foregone related to the natural or other specific constraints of the designated area. Member States may decide to compensate for all, or part of such additional costs incurred and income foregone.
- There is no pre-definition of minimum or maximum payment per hectare per year. The compensation is limited to all, or part of the additional costs and income foregone related to the natural or other area-specific constraints in the area concerned.
- Payments for ANCs belong to types of intervention for rural development (EAFRD) and will not be possible to be paid also as an intervention under pillar 1 (EAGF) as it was the case in the period 2014-2020.
- ANCs interventions have to be notified under the WTO Green Box provisions<sup>2</sup> and respect the relevant provisions of paragraph 13 of Annex 2 to the Agreement on Agriculture.
- ANCs payments contribute partially (weighting factor of 50%) to the EAFRD environmental and climate ring-fencing<sup>3</sup>. Moreover, the weighting factor for climate tracking expenditure<sup>4</sup> for ANCs is set at 40%.

## 1.2 ANCs categories and delimitation

Payments for natural or other area-specific constraints are granted in respect of areas designated<sup>5</sup> under the following categories:

- a) *Mountain areas*: existence of very difficult climatic conditions and/or steep slopes, areas north of the 62nd parallel.
- b) *Areas facing significant natural constraints*: based on eight biophysical criteria covering climate, poor soil productivity and steep slopes.
- c) *Areas affected by specific constraints*: where continued land management is necessary to conserve the environment and the countryside, or to protect the coastline.

In order to ensure equal treatment for farmers and efficient use of the Union funds, these three categories have been determined in accordance with objective criteria and long-term parameters.

The designation of areas facing natural and other area-specific constraints encompasses around 58 % of the total EU utilized agricultural areas (UAA) and on average distributed at EU level (EU-27)<sup>6</sup> as follows: 17 % mountain areas, 33 % areas facing natural constraints and 8 % areas facing specific constraints.

<sup>2</sup> Article 10 and Annex II of Regulation (EU) No 2021/2115

<sup>3</sup> Article 93 of Regulation (EU) No 2021/2115

<sup>4</sup> Article 100 of Regulation (EU) No 2021/2115

<sup>5</sup> Article 32 of Regulation (EU) No 1305/2013

<sup>6</sup> [Context Indicator 32: ANCs](#)

### 1.3 ANCs implementation in the CAP Strategic Plans

Payments for natural or other area-specific constraints are programmed in 23 CSPs: IE, IT, HR, EL, CY, PT, AT, ES, MT, SI, PL, SE, DK, FR, FI, LT, LU, CZ, DE, SK, BG, RO, BE (Wallonia). However, in five CSPs, the ANCs intervention was not planned: EE, HU, NL, LV and BE (Flanders).

The total planned public expenditure under CSPs at EU level for ANCs during 2023-2027 is 18,7 (in EUR billion) aiming to support an estimated 29%<sup>7</sup> of the agricultural areas annually. In financial terms, the support for ANCs represents around 17% of the total public funding for rural development and 6% of the CAP total public funding.

With regard to the type of category supported by ANCs payments (information detailed in ANNEX I<sup>8</sup>):

- a) *Mountain areas*: programmed by 17 CSPs (except BE-WA, DK, IE, LT, LU, MT). Based on the indicative financial table with output for the 2027 financial year, it is estimated that, on average annually, the budget for mountain areas should account for approximately 53 % of the ANCs envelope for 31 % of the ANCs area paid.
- b) *Areas facing significant natural constraints*: programmed by 21 CSPs (except DK and MT). Based on the indicative financial table with output for the 2027 financial year, it is estimated that, on average annually, the budget for areas facing significant natural constraints should account for approximately 35 % of the ANCs envelope for 56 % of the ANCs area paid.
- c) *Areas affected by specific constraints*: programmed by the 23 CSPs. Based on the indicative financial table with output for the 2027 financial year, it is estimated that, on average annually, the budget for areas affected by specific constraints should account for approximately 12 % of the ANCs envelope for 13 % of the ANCs area paid.

**Table 01: ANCs indicative financial allocations and planned output indicator by Member State.**

Member State	Total indicative financial allocation (Total public expenditure in €) (2023-2027)	O.12 (ha) <sup>9</sup> (FY2027)
AT	990.000.000,00	1.440.000
BE - Wallonia	44.300.000,00	233.158
BG	272.422.899,10	590.000
CY	26.500.000,00	106.709
CZ	874.376.582,80	2.003.514
DE	976.846.481,69	4.228.631
DK	13.085.000,00	38.993
EL	1.275.384.615,00	2.418.397
ES	654.132.106,30	4.798.422
FI	896.340.731,75	2.218.600

<sup>7</sup> NB: this figure reflects an incomplete picture of CAP Strategic Plan implementation as not all Member States have completed their indicator sets in the CSPs yet.

<sup>8</sup> The data referring to the financial table with output for the 2027 financial year have been taken as an annual estimate for the reason that the implementation of the Rural Development Programs continue to apply until 31 December 2025.

<sup>9</sup>See footnote 8.

FR	5.500.000.000,00	6.499.848
HR	213.685.156,25	612.256
IE	1.250.000.000,00	2.229.219
IT	1.460.151.554,27	2.476.059
LT	130.720.000,00	701.500
LU	87.024.000,00	118.400
MT	14.026.450,04	8.856
PL	1.480.000.000,00	7.079.748
PT	477.053.698,98	1.634.086
RO	663.985.705,00	5.138.928
SE	806.451.615,00	1.075.000
SI	240.000.000,00	340.000
SK	369.717.895,00	1.127.775
TOTAL	18.716.204.491,18	47.118.099

Source: DG AGRI (based on the financial tables with outputs planned in the CSPs adopted in 2022).

## 1.4 Design of the ANC's intervention

- **Beneficiaries**

In the period 2023-2027, only few eligibility conditions for payments for ANCs have been established in the CSPs. Beneficiaries must comply with the definition of “active farmers” defined by the Member State and payments for ANCs can only be granted for designated ANCs areas.

- **Minimum global payment amount per holding, farm size or livestock density**

The Member State may choose to define additional eligibility conditions, nevertheless only in strict alignment with the purpose and conditions of this type of intervention. In addition, the use of these criteria should be addressed with special caution in order to comply with the conditions set out in Annex 2 to the WTO Agreement on Agriculture.

Several Member States have established certain additional eligibility conditions for the following reasons:

- Minimum global payment amount per holding and/or farm size: for reasons of administrative efficiency (to avoid administrative burden). For example, 100 € and/or 0,5 hectare. These criteria, if justified, should be applied in accordance with the minimum requirements established for receiving direct payments.
- Minimum livestock density: it may occur that a Member State requires a minimum livestock density in order to determine whether grazing activities are carried out, thus ensuring the maintenance of permanent grassland. For example, 0,1 livestock units per hectare (LU). This criterion apply only in relation to grassland.

- **Differentiation of payment levels**

The payments compensate for costs incurred and income foregone related to the natural or other specific constraints of the designated area. Member States may decide to compensate for all or part of such additional costs incurred and income foregone.

Member States have established in the CSPs different levels of payments, expressing different degrees of constraints and different farming systems. The different levels of payments are justified by calculations of additional costs and income foregone, which the Member State must ensure, are adequate and accurate.

For example, differentiation of unit amounts can be based on criteria such as the severity of constraint (e.g., by ANCs category), or farming systems (e.g., intensive vs. extensive) in order to avoid overcompensation.

However, in order to comply with the requirements of paragraph 13 of Annex 2 to the WTO Agreement on Agriculture, payments cannot be based on the type or volume of production, prices, etc.

- **Rate of support**

The estimated average rate of support<sup>10</sup> by ANC category at Member State level is as follows:

Member State	ANC "mountain" (Art. 32.1.a) (€/ha)	ANC "other than mountain" (Art. 32.1.b) (€/ha)	ANC "specific" (Art. 32.1.c) (€/ha)
AT	201 €	88 €	63 €
BE- Flanders	-	-	-
BE - Wallonia	-	38 €	38 €
BG	112 €	50 €	49 €
CY	130 €	42 €	45 €
CZ	140 €	73 €	46 €
DE	97 €	46 €	37 €
DK	-	-	67 €
EE	-	-	-
EL	119 €	88 €	88 €
ES	48 €	16 €	60 €
FI	92 €	67 €	128 €
FR	229 €	117 €	115 €
HR	111 €	64 €	44 €
HU	-	-	-
IE	-	45 €	45 €
IT	68 €	31 €	72 €
LT	-	39 €	20 €
LU	-	147 €	147 €
LV	-	-	-
MT	-	-	264 €
NL	-	-	-
PL	113 €	44 €	43 €
PT	144 €	65 €	90 €
RO	82 €	12 €	42 €
SE	271 €	104 €	94 €
SI	155 €	131 €	88 €
SK	128 €	26 €	20 €

Source: DG AGRI (based on the financial tables with outputs planned for financial year 2027 of the CSPs adopted in 2022).

- **Degressivity**

Payments have to be degressive with the respective thresholds to be defined by the MS, as required by paragraph 13 of Annex 2 to the WTO Agreement on Agriculture (“Green Box”).

In all 23 CSPs, ANCs payments are degressive above a threshold level of area per holding. The proposed degressivity is different in each CSPs as it is established according to the specific situation of each Member State.

<sup>10</sup> See footnote 8.

ANNEX I – ANCs indicative financial allocations and planned output indicator by Member State for financial year 2027.

MS	ANC "mountain" (Art. 32.1.a)		ANC "other than mountain" (Art. 32.1.b)		ANC "specific" (Art. 32.1.c)		TOTAL ha/FY2027	TOTAL €/FY2027
	Planned Output O.12 FY2027 (ha)	TOT. FIN Y2027 (€)	Planned Output O.12 FY2027 (ha)	TOT. FIN Y2027 (€)	Planned Output O.12 FY2027 (ha)	TOT. FIN Y2027 (€)		
AT	1,100,000	221,100,000 €	140,000	12,320,000 €	200,000	12,600,000 €	1,440,000	246,020,000 €
BE - WAL			134,986	5,129,468 €	98,172	3,730,536 €	233,158	8,860,004 €
BG	403,000	45,136,000 €	172,500	8,625,000 €	14,500	710,500 €	590,000	54,471,500 €
CY	9,091	1,181,830 €	89,512	3,759,504 €	8,106	364,770 €	106,709	5,306,104 €
CZ	522,968	72,959,328 €	1,250,201	91,302,180 €	230,344	10,609,652 €	2,003,514	174,871,161 €
DE	555,956	53,729,306 €	2,527,361	117,325,034 €	1,145,314	42,720,929 €	4,228,631	213,775,268 €
DK					38,993	2,612,531 €	38,993	2,612,531 €
EL	1,361,199	162,254,897 €	934,298	82,031,336 €	122,901	10,790,690 €	2,418,397	255,076,924 €
ES	1,960,116	93,730,420 €	2,716,277	43,431,741 €	122,029	7,329,253 €	4,798,422	144,491,414 €
FI	1,166,000	107,272,000 €	1,038,000	69,546,000 €	14,600	1,870,114 €	2,218,600	178,688,114 €
FR	3,058,109	700,524,684 €	1,509,882	177,164,754 €	1,931,857	222,309,183 €	6,499,848	1,099,998,621 €
HR	96,255	10,684,257 €	467,436	29,915,922 €	48,565	2,136,852 €	612,256	42,737,031 €
IE			1,985,715	89,544,378 €	243,504	10,980,624 €	2,229,219	100,525,002 €
IT	1,489,780	101,640,179 €	978,637	30,052,484 €	7,642	548,121 €	2,476,059	132,240,784 €
LT			623,500	24,584,110 €	78,000	1,560,000 €	701,500	26,144,110 €
LU			101,400	14,905,800 €	17,000	2,499,000 €	118,400	17,404,800 €
MT					8,856	2,336,369 €	8,856	2,336,369 €
PL	153,037	17,308,630 €	5,764,591	251,142,826 €	1,162,120	49,948,416 €	7,079,748	318,399,873 €
PT	436,594	62,785,186 €	1,029,937	66,945,928 €	167,555	15,055,500 €	1,634,086	144,786,613 €
RO	1,255,000	102,910,000 €	3,733,928	44,807,136 €	150,000	6,300,000 €	5,138,928	154,017,136 €
SE	258,000	69,918,000 €	800,000	83,200,000 €	17,000	1,598,000 €	1,075,000	154,716,000 €
SI	248,000	38,400,320 €	36,000	4,698,000 €	56,000	4,901,680 €	340,000	48,000,000 €
SK	445,312	56,857,436 €	529,987	13,970,457 €	152,476	3,116,609 €	1,127,775	73,944,503 €
<b>TOTAL</b>	<b>14,518,417</b>	<b>1,918,392,473 €</b>	<b>26,564,148</b>	<b>1,264,402,058 €</b>	<b>6,035,534</b>	<b>416,629,330 €</b>	<b>47,118,099</b>	<b>3,599,423,861 €</b>
<b>%</b>	<b>31%</b>	<b>53%</b>	<b>56%</b>	<b>35%</b>	<b>13%</b>	<b>12%</b>	<b>100%</b>	<b>100%</b>

Source: DG AGRI (based on the financial tables with outputs planned for financial year 2027 of the CSPs adopted in 2022).

Note:

- a) TOT. FY2027: Annual indicative financial allocation (Total public expenditure in EUR) - Planned output\*Planned unit amount.
- b) Reference financial year 2027 because the implementation of the rural development programmes continue to apply until 31 December 2025.
- c) In grey, the Member State does not have the corresponding ANCs category.