

# Mapping and analysis of the implementation of the CAP

## Annex 3: Mapping report

Client: European Commission – DG Agriculture and Rural Development

Brussels, November 2016





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## Foreword

This annex forms part of the study “*Mapping and analysis of the implementation of the CAP*”. This study had three main objectives: (1) to map the implementation of the CAP by the 28 Member States, focusing on their implementation choices, the motivation for these choices and the importance attached to the three CAP general objectives; (2) to develop a typology for grouping Member States according to these choices; and (3) to answer the evaluation questions related to relevance, coherence, conditions for enabling effectiveness, administrative burden and contribution to the EU2020 strategy.

Annex 3 was compiled to fulfill the first objective of the study (mapping the implementation choices of the 28 Member States). The annex includes 26 Member State fiches and 6 regional fiches (for Belgium and the United Kingdom). The information contained in these mapping fiches is based on the following information:


- Pillar 1 choices as provided by the European Commission in December 2015 from the ISAMM database;
- Pillar 2 budget allocations as provided by the European Commission in December 2015;
- Pillar 2 implementation choices as contained in the RDPs with as a cut off point December 2015.

# Table of Content

Austria	8
Belgium – Flanders	18
Belgium – Wallonia	27
Bulgaria	35
Croatia	45
Cyprus	55
Czech Republic	63
Denmark	73
Estonia	81
Finland	91
France	101
Germany	127
Greece	149
Hungary	159
Ireland	169
Italy	177
Latvia	203
Lithuania	211
Luxembourg	221
Malta	229
Netherlands	237
Poland	245
Portugal	255
Romania	269
Slovakia	279
Slovenia	289
Spain	299
Sweden	319
United Kingdom – England	329
United Kingdom - Northern Ireland	337
United Kingdom – Wales	347
United Kingdom – Scotland	356



# Austria

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€4.15 billion <sup>1</sup>	€ 3.94 billion <sup>2</sup>				
Level of implementation	National	1 RDP (national) <sup>3</sup>				
DP (P.I) yearly national ceilings <sup>4</sup>	2015	2016	2017	2018	2019	2020
	€ 693,100,000	€ 692,400,000	€ 691,800,000	€ 691,700,000	€ 691,700,000	€ 691,700,000
Summary of P.I Direct Payment schemes	<b>Basic Payment Scheme</b>		66,08 % with option under Reg. (EU) 1307/2013, art. 22(2) at a rate of 3 %			
	<b>“Greening” Payment</b>		30%			
	<b>Payment for Young Farmers</b>		Up to 2 %			
	<b>Coupled Support</b>		Up to 1.92 %			
	<b>Small Farmers Scheme</b>		Up to €1,250/year			
<b>Areas with Natural Constraints</b>		Not implemented				
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input checked="" type="checkbox"/> No flexibility		<input type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I	
Austria decided not to implement flexibility between pillars.						
Active farmer definition	Member States shall define the concept of “active farmer”. Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Austria has identified the following criteria for “active farmer”<sup>5</sup>:</p> <ul style="list-style-type: none"> <li>(art. 9.1) ‘Minimal activity’ criteria shall be defined as follows: <ul style="list-style-type: none"> <li>Agricultural areas have to be covered at least by a greening during the vegetation period;</li> <li>Appropriate maintenance measures have to be carried out once a year, or at least every other year in the case of alpine meadows (“Bergmähder”), unless the area is subject to other strategies (e.g. environmental protection, other national or project requirements)</li> </ul> </li> <li>Austria will not maintain a negative list (art. 9(2)).</li> <li>A person or a group of persons which fall under the scope of art. 9 (2) are still eligible for direct payments as long as the direct payments received the previous year were equal or less than €1,250.</li> <li>Austria decided not to implement any additional economic or professional requirements (art. 9 (3)).</li> <li>The minimum requirement for receiving Direct Payment are physical threshold (1.5ha) and financial threshold (€150) in case of coupled payments for cattle, sheep or goats grazing on alpine pastures only.</li> </ul>					

<sup>1</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>2</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>3</sup> DG AGRI data on RDPs (2016)

<sup>4</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>5</sup> DG AGRI data (2016) AF Notification 1-08-2014.



	The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €1,250 in the previous year <sup>6</sup> .	
Basic Payments	Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.	
	66.08 % of national ceiling	<input checked="" type="checkbox"/> National model (single region) <input type="checkbox"/> Partial internal convergence <input type="checkbox"/> SAPS <input checked="" type="checkbox"/> Flat payment <input type="checkbox"/> Regional model
	<p>Austria has allocated annually about € 457,4 million to basic payments. The amount decreases from € 458 million in 2015 to € 457,2 million in 2020.</p> <p>Further key decisions taken by Austria concerning basic payments are:</p> <ul style="list-style-type: none"> <li>• Basic Payments represent 66,08% of the national ceiling for Pillar I<sup>7</sup>;</li> <li>• The level of implementation is national considering the whole territory as a single region<sup>8</sup>;</li> <li>• The minimum threshold for receiving Basic Payments are set at a minimum of 1.5 hectare of eligible land. In addition, the list of eligible farmers can be extended to those farmers who: <ul style="list-style-type: none"> <li>○ had produced fruits, vegetables, ware potatoes, seed potatoes or ornamental plants or cultivated vineyards in 2013</li> <li>○ received entitlements from the reserve in 2014 or never held entitlements but farmed in 2013<sup>9</sup>;</li> </ul> </li> <li>• The unit value of payment entitlements will be reached in 2019 after a transition period of 5 years. In the transition period, the value per payment entitlement is calculated as such: The difference between the initial value (varying across farmers) and the (uniform) final value of payment entitlements is divided by the number of transition years (5 years) which equals the annual adjustment relative to the previous year (e.g. value 2015 + adjustment = value 2016; value 2018 + adjustment = value 2019). Consequently, the final unit value of payment entitlements exceeds or falls short of the initial value. In Austria, it is expected that the unit value of the basic payment will be €195 per entitlement at the end of the process of flattening, amounting to a uniform-area payment of EUR 284 per payment entitlement if the 'greening payment' is included ;</li> </ul>	
Reduction of payments	Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.	
	<input checked="" type="checkbox"/> Degressivity: 100 % <input type="checkbox"/> Threshold: €0 <input type="checkbox"/> Application: 0	<input type="checkbox"/> Redistributive payment
	Austria decided to implement 100% of reduction for the part of the amount of direct payments exceeding 150,000 euros <sup>10</sup> . The reduction rate is fixed for all years.	
Greening	Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.	
	Green payment	
	<input checked="" type="checkbox"/> Equivalent practices	<input type="checkbox"/> Flat payment <input checked="" type="checkbox"/> Individual payment

<sup>6</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>7</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>8</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>9</sup> DG AGRI data on BPS-Allocation of payment entitlements (2016)

<sup>10</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.8.

<b>Permanent grassland</b>			
<b>Total area of ESPG in Natura 2000:</b> 15,276 ha (6 %)	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> <b>National application</b>	
<b>Ecological Focus Areas</b>			
8 types of EFAs	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation
<p>30% of Austria's national ceiling<sup>11</sup> which corresponds to €207,9m in 2015 and €207,5m in 2020 is allocated to greening<sup>12</sup>. The implementation of the greening payments will be done at national level<sup>13</sup>.</p> <p>Austria made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• Austria has decided to apply the derogation to the uniform greening payment per hectare, which means they implement an individual payment<sup>14</sup>;</li> <li>• It will implement equivalent practices and will apply individual payment at national level<sup>15</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 269,414 hectares are currently covered<sup>16</sup>; 15,276 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 6 % of the total permanent grassland<sup>17</sup>. No ESPG is designated outside Natura 2000<sup>18</sup>.</li> <li>• Austria has decided to focus on the following 8 Ecological Focus Areas<sup>19</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow</li> <li>○ Landscape features (4): ponds, ditches, traditional stone walls, natural monuments</li> <li>○ Areas with short rotation coppice – Austria's choices for short rotation coppice includes alder, birch, ash, poplar, willow</li> <li>○ Areas with catch crops, or green cover: 28 species</li> <li>○ Areas with nitrogen-fixing crops; applicable crops are chickpea, soybean, lentil, lupin, alfalfa, pea, clover, vetch (exc. Faba bean), faba bean</li> </ul> </li> </ul>			
<b>Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.</b>			
<b>Payment for Young Farmers</b>	<b>% of national ceiling: 2%</b>		
<p>Austria has decided to allocate 2% of its national ceiling to Young Farmers which corresponds to € 13 861 300 in 2015 which slightly decreases to €13 834 760 in 2020. There will be additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25 % of the national average per ha in 2019 multiplied by the number of activated ha. The threshold of eligible payment entitlements is set at 40 ha.</p>			
<b>Member States are allowed to choose to implement the coupled support for different sectors or regions.</b>			
<b>Voluntary coupled support</b>	<input checked="" type="checkbox"/> <b>Coupled support as % of national ceiling:</b> 1.92%	<input type="checkbox"/> Support for protein crops as % of national ceiling: 0 %	
<p>In Austria, 1.92 % of the national ceiling (which corresponds to € 13,3m in 2015 and in 2020) is allocated to Voluntary Coupled Support (VCS). The sectors covered by VCS are Beef and veal; and Sheepmeat and goatmeat. Throughout the planning period the amounts slightly change, but their overall distribution remains stable.<sup>20</sup></p> <p>The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period</p>			

<sup>11</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>12</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>13</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>14</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>15</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.6.

<sup>16</sup> DG AGRI data on Greening payment method of calculation (2016)

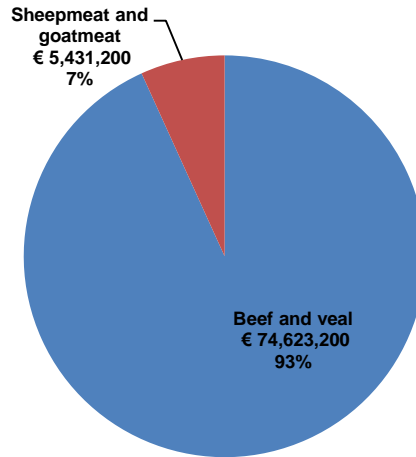
<sup>17</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>18</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>19</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

<sup>20</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

Figure 1 Shares of budget allocated per sector for VCS in Austria as a total of all years



Source: Ecorys based on DG AGRI data

**Other voluntary schemes under Pillar I**

Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers

Payment for areas with natural constraints     **Small farmers**

The voluntary scheme for areas with natural constraints is not implemented in Austria<sup>21</sup>.

All farmers who receive less than €1,250 of Direct Payments are automatically included in the small farmer scheme. They may have opted out by means of a notification by 15 Oct 2015. The annual amount of support per farmer is set at a maximum of € 1,250.

Yearly Union Support for P.II <sup>22</sup>	2014	2015	2016	2017	2018	2019	2020
€	557,806,503	559,329,914	560,883,465	562,467,745	564,084,777	565,713,368	567,266,225

Summary of measures implemented under P.II	Total public spending in € for 2014-2020	EU contribution	Implemented measures
	% of total budget		
€ 111.998.310 1,5%	50 %	M1.1: Support for vocational training and skills acquisition actions;	
		M1.2: Support for demonstration activities and information actions	
		M1.3: Support for short-term farm and forest management exchange as well as farm and forest visits.	
€ 21,825,686 0,3%	51 %	M2.1 support to help benefiting from the use of advisory services	
		M2.3 support for training of advisors	
€ 132.997.965 1,7%	50 %	M3.1 support for new participation in quality schemes	
		M3.2 support for information and promotion activities implemented by groups of producers in the internal market	
€ 856.436.892 11,1%	50 %	M4.1: support for investments in agricultural holdings;	
		M4.2: support for investments in processing/marketing and/or development of agricultural products;	
		M4.3: support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry;	

<sup>21</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.9.  
<sup>22</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

			M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.
€ 169.621.445 2,2%	50 %		M6.1: business start-up aid for young farmers; M6.4: support for investments in creation and development of non-agricultural activities;
€ 717.335.182 9,3%	50 %		M7.1: support for drawing up and updating of plans for the development of municipalities and villages in rural areas and their basic services and of protection and management plans relating to Natura 2000 sites and other areas of high nature value; M7.2: support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving; M7.3: support for broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government; M7.4: support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure; M7.5: support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure; M7.6: support for studies/investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites including related socioeconomic aspects, as well as environmental awareness actions;
€ 127.048.084 1,6%	50 %		M8.1: support for afforestation/creation of woodland (Article 21); M8.4: support for restoration of damage to forests from forest fires and natural disasters and catastrophic events (Article 24); M8.5: support for investments improving the resilience and environmental value of forest ecosystems (Article 25); M8.6: support for investments in forestry technologies and in processing, mobilising and marketing of forest products (Article 26).
€ 2.236.467.281 29,0%	51 %		M10.1: payment for agri-environment-climate commitments M10.2: support for conservation and sustainable use and development of genetic resources in agriculture
€ 783.989.055 10,2%	51 %		M11.2 payment to maintain organic farming practices and methods
€ 3.499.950 0,0%	51 %		M12.1 compensation payment for Natura 2000 agricultural areas
€ 1.763.972.158 22,9%	50 %		M13.1: compensation payment in mountain areas M13.2: compensation payment for other areas facing significant natural constraints M13.3: compensation payment to other areas affected by specific constraints
€ 209.996.666 2,7%	49 %		M14: animal welfare
€ 6.999.894 0,1%	50%		15.1 payment for forest-environmental and climate commitments 15.2 support for the conservation and promotion of forest genetic resources
€ 80.498.786 1,0%	50 %		M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies M16.3 Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets

		M16.5 Support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices. (Article 35 (2) (f) and (g))
		M16.8 Support for drawing up of forest management plans or equivalent instruments
		M16.9 Support for diversification of farming activities into activities concerning health care, social integration, community-supported agriculture and education about the environment and food
€ 246.204.000 3,2%	80 %	M19: support for LEADER local development (CLLD)
€ 230.996.314 3,0%	49 %	M20: technical assistance

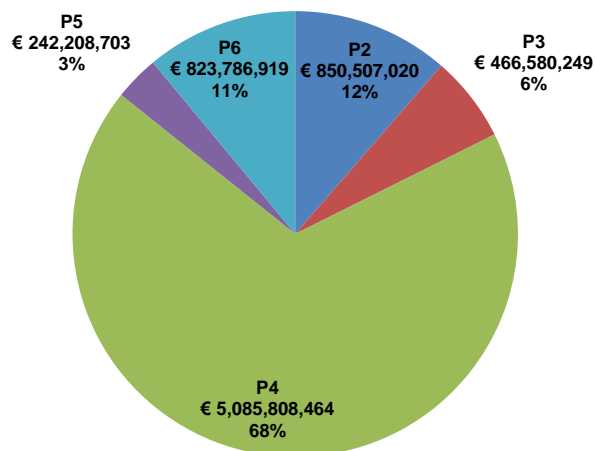
Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).

National RDP

Regional RDP

The total RDP budget for Austria is around €7,7 billion for the entire planning period. Austria has allocated more than half of its budget (68%) to Priority 4 “Restoring, preserving and enhancing ecosystems related to agriculture and forestry” followed by 12 % to Priority 2 “Competitiveness of agriculture and sustainable forestry”, 11 % to Priority 6 “Social inclusion and local development in rural areas” and 6% to Priority 3 “Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture”. The following figure provides an overview of the shares by Priority.

Figure 2 Budget allocated per Priority in Austria



Key focus areas for rural development

Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

### Overview

Austria has decided to offer 16 measures. In terms of budget allocation the highest amounts are allocated to:

- M10 "Agri-environment climate" (€2.236.467.281);
- M13 "Payments to areas facing natural or other specific constraints" (€1.763.972.158);
- M 4 "Investments in physical assets" (€856.436.891).

### M01 Knowledge transfer and information actions

Austria allocated 1,5 % of the total RDP budget to measure M01 knowledge transfer and information actions. The focus of this measure will lie on training for agricultural and forestry holdings and for persons engaged in the agricultural and forestry sector . The form in which training is training courses, workshops, coaching, demonstration activities, information actions, short-term farm exchange and excursions

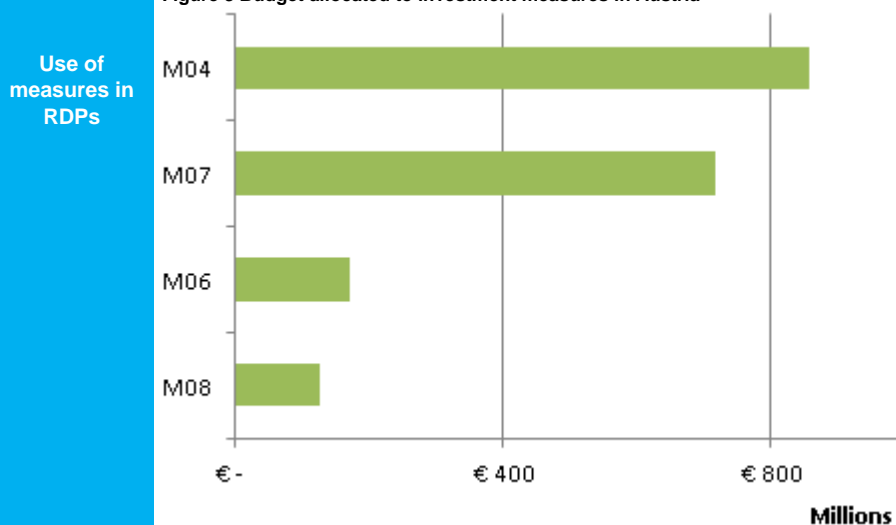
### Investment measures (M04, M05, M06, M07, M08)

Austria implemented investment measures:

- M4 "Investments in physical assets" (€856.436.892);
- M6 "Farm and business development (€169.621.445);
- M7 "Basic services and village renewal in rural areas" (€717.335.182); and
- M8 "Investments in forest area development and improvement of the viability of forests" (€127.048.084).

The following figure illustrates the budget allocation per investment measure.

Figure 3 Budget allocated to investment measures in Austria



Source: Ecorys based on DG AGRI data (2016)

For the investment measures M6 the links to intended job creation are explicitly made as they are implemented with the intention of strengthening the rural economy, creating new jobs and raising added value. For M7 and M8, the rationale is that by using these measures barriers to job creation are reduced.

Some of the investment measures are a combination of public and private investments with support rates ranging from 10 to 90 % (M4, M8). Other investment measures can be fully publicly financed as they will work with public tendering procedures (M6, M7, M8).

There is no specific focus on non-productive investments in any of the measures.

Investments in new and existing irrigation systems are also covered by these investment measures (i.e. M4.1).

### M10 Agri-Environment-Climate and M11 Organic Farming

Austria spends on M10 "Agri-environment-climate" € 2.236m of which the national contribution

Use of  
measures in  
RDPs

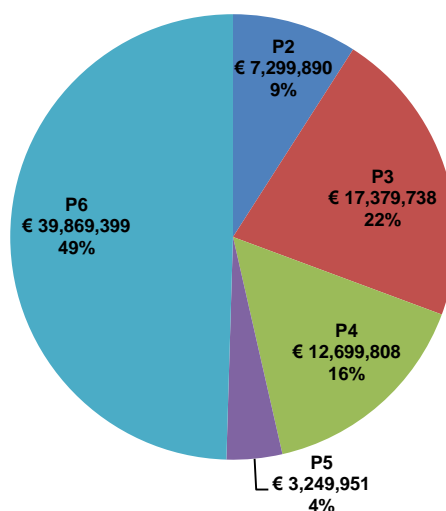
is 51%. Most of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are agricultural holdings. Examples of these operations include environmentally compatible and biodiversity-promoting management, greening of arable land, preventive groundwater protection and nature conservation.

For M11 “Organic Farming” € 783.989.055 of public spending has been allocated of which the national contribution accounts for 51 %. All of the expenditure is categorised under Priority 4. Beneficiaries have to comply with EU-Organic Regulation, be a recognised organic farm, maintain landscape elements and grassland and complete a training course in order to receive the payment under this measure. Only submeasure M11.2 “payments to maintain organic farming practices and methods”) is implemented.

**M16 Co-operation**

M16 “Cooperation” receives €80m of public spending of which 50% is national contribution. Under Priority 2 9 % of the total amount is spent, for Priority 3 22% is allocated, under Priority 4 16% and under Priority 6 49%.

**Figure 4. Division of budget for M16 over different priorities (P) for the 2014-2020 period**



Source: Ecorys based on DG AGRI data (2016)

The measure contributes to the objectives of all priorities. Following submeasures have been selected: M16.1, M16.2, M16.3, M16.4, M16.5, M16.8, M16.9

**M19 LEADER CLLD**

The total CLLD budget allocated under the EAFRD in Austria is € 246m. It will be implemented in 77 regions which have been selected on the basis of their local strategies All funds are targeted under Priority 6 “Fostering local development in rural areas”. 75% of the rural population is living in Leader regions. The target is to create 490 jobs.<sup>23</sup>

Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.

Targeting of RDP measures

Measures especially targeted at young farmers: measures M01, M02 and M06.  
 Measures targeted at small farms: none  
 Measures targeted at innovation activities: measures M01, M02 and M16.

Approaches taken to financial support in RDP

Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.

Simplified cost options are implemented in the following measures:

**1) Standard scales of unit costs:**

- Direct staff costs in M1 (submeasures 1.1, 1.2, 1.3), M2 (submeasure 2.3), M3 (submeasure 3.2), M7 (submeasures 7.1, 7.6), M16 (all submeasures) and M19 (all submeasures)
- Forest area development activities in M7 (submeasure 7.6) and M8 (submeasures


<sup>23</sup> DG AGRI (2016): RDP factsheet Austria

Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	8.4, 8.5, 8.6), - <i>Nature management plan activities in M7 (submeasure 7.6) (to be introduced within the first programme modification)</i>	
	<b>2) Lump sums:</b> - Small scale projects in M19 (submeasure 19.2)	
	<b>3) Flat-rate financing:</b> - Indirect staff costs as a percentage (ranging from 10 – 15%) of eligible direct staff costs in M1 (submeasures 1.1, 1.2, 1.3) and M19 (submeasure 19.4); <i>to be introduced within the first programme modification also for M3 (submeasure 2.3), M7 (submeasures 7.1, 7.6) and M16 (all submeasures).</i>	
	Financial instruments are not implemented in the RDP as there are respective national schemes.	
<b>The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.</b>		
	Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input checked="" type="checkbox"/> ERDF <input type="checkbox"/> ESF <input type="checkbox"/> EMFF





# Belgium – Flanders

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€ 1.32 billion <sup>24</sup>	€ 671.52 million <sup>25</sup>				
Level of implementation	Regional	2 RDPs (1 RDP for Flanders, 1 RDP for Wallonia) <sup>26</sup>				
DP (P.I) yearly national ceilings <sup>27</sup>	2015	2016	2017	2018	2019	2020
	€ 235,945,810	€ 226,328,860	€ 222,920,154	€ 213,788,024	€ 210,680,764	€ 210,680,764
Summary of P.I Direct Payment schemes	Basic Payment Scheme		57%			
	“Greening” Payment		30%			
	Payment for Young Farmers		Up to 2 %			
	Coupled Support		Up to 11 %			
	Small Farmers Scheme		Not implemented			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars,					
	<input type="checkbox"/> No flexibility	<input checked="" type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I		
Active farmer definition	Member States shall define the concept of “active farmer”. Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Flanders has identified following criteria for “active farmers”<sup>29</sup>:</p> <ul style="list-style-type: none"> <li>• Flanders has defined ‘minimum activity’ where not more than 50% of a farmer’s eligible agricultural area can be natural grassland and the farmer performs activities on at least 75% of the natural grassland.”;</li> <li>• Flanders will not make additions to the negative list (art. 9(2)).</li> <li>• A person or a group of persons which fall under the scope of art. 9 (2) can be regarded an active farmer if they can demonstrate any of the following evidence: <ul style="list-style-type: none"> <li>○ That the annual amount of direct payments is at least 5% of the total receipts obtained from non-agricultural activities</li> <li>○ The amount of receipts from agricultural activities represent at least one third of their total receipts proven by means of: <ul style="list-style-type: none"> <li>▪ accountancy data (financial statement);</li> <li>▪ their declaration of income taxes;</li> <li>▪ their declaration of ‘value added taxes’ (6% VAT for agricultural products);</li> </ul>                     The most recent fiscal year of for which all necessary documents are available.</li> <li>○ That its principal business or company objects consist of exercising an agricultural</li> </ul> </li> </ul>					

<sup>24</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>25</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>26</sup> DG AGRI data on RDPs (2016)

<sup>27</sup> Departement Landbouw en Visserij (2014) LARA 2014 – Landbouwrapport.

<sup>28</sup> Departement Landbouw en Visserij (2014) LARA 2014 – Landbouwrapport.

<sup>29</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	<p>activity. be used. In order to use this derogatory criterion, farmers who are a priori not active should provide the administration with a copy of VAT attestations that allow the calculation of the principal activity.</p> <ul style="list-style-type: none"> <li>Flanders decided not to implement any additional economic or professional requirements (art. 9 (3)).</li> </ul> <p>The exemption threshold for the active farmer clause is applicable to recipients who received no direct payments in the previous year. Flanders has put it there as there are no companies excluded due to negative list which guarantee the viability of rural areas, the exemption threshold is set to 0<sup>30</sup>.</p>					
<p><b>Basic Payments</b></p>	<p><b>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</b></p>					
	<table border="1"> <tr> <td data-bbox="411 600 726 660" rowspan="2">57% of national ceiling</td> <td data-bbox="726 600 1029 660"> <input type="checkbox"/> National model (single region)         </td> <td data-bbox="1029 600 1348 660"> <input checked="" type="checkbox"/> Partial internal convergence         </td> </tr> <tr> <td data-bbox="726 660 1029 734"> <input checked="" type="checkbox"/> Regional model         </td> <td data-bbox="1029 660 1348 734"> <input type="checkbox"/> Flat payment         </td> </tr> </table>	57% of national ceiling	<input type="checkbox"/> National model (single region)	<input checked="" type="checkbox"/> Partial internal convergence	<input checked="" type="checkbox"/> Regional model	<input type="checkbox"/> Flat payment
	57% of national ceiling		<input type="checkbox"/> National model (single region)	<input checked="" type="checkbox"/> Partial internal convergence		
<input checked="" type="checkbox"/> Regional model		<input type="checkbox"/> Flat payment				
<p>Flanders has allocated annually around € 125 million to basic payments. The amount decreases from € 134,489,112 in 2015 to € 120,088,035 in 2020.</p> <p>Further key decisions taken by Flanders concerning basic payments are:</p> <ul style="list-style-type: none"> <li>Basic Payments represent 57 % of the national ceiling for Pillar I<sup>31</sup>;</li> <li>The level of implementation is regional<sup>32</sup>;</li> <li>The minimum threshold for receiving Basic Payments are set at a minimum of 2 hectare of eligible. In addition, the list of eligible farmers can be extended to those farmers who:             <ul style="list-style-type: none"> <li>produced fruits, vegetables, ware potatoes, seed potatoes or ornamental plants in 2013; or</li> <li>cultivated a vineyard in 2013<sup>33</sup>.</li> </ul> <p>Furthermore, the number of entitlements to be allocated corresponds to the number of eligible hectares declared by the farmer in 2013, if the 2013 number is lower than the hectares he or she declares in 2015.</p> </li> <li>The Initial Unit Value is based on the value of payment entitlements in 2014;</li> <li>The implementation of internal convergence will be done by an approximation towards a flat rate in 2019 starting in 2015 by equal steps of 20% towards the uniform unit value<sup>34</sup>. The Initial Unit Value (IUV) of payment entitlements below the regional average have as target value 90% of the national average, the minimum level of payment entitlements in 2019 should be 60% of the regional average. For payment entitlements with an initial above the regional average in 2019 will be reduced. The reduction of the unit value shall be done by a proportional decrease of the difference between initial and regional value of payment entitlements (proportional decrease means that the percentage will vary proportionally to the difference between the average value of the entitlements and the initial unit value (IUV)) and it cannot be more than 30% of the initial unit.<sup>35,36</sup></li> </ul>						

<sup>30</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>31</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>32</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>33</sup> DG AGRI data on BPS-Allocation of payment entitlements (2016)

<sup>34</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>35</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf

<sup>36</sup> DG AGRI data (2016) on BPS Details Convergence

Reduction of payments	Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.		
	<input checked="" type="checkbox"/> Degressivity: 100%	<input type="checkbox"/> Redistributive payment	
	<input checked="" type="checkbox"/> Threshold: € 150,000		
<input type="checkbox"/> Application: not specific	Flanders decided to implement a cap on the part of the amount of Basic Payments exceeding € 150,000 <sup>3738</sup> . The reduction rate is fixed for all years. There will be no subtraction of salaries <sup>3940</sup> .		
Greening	Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.		
	Green payment		
	<input type="checkbox"/> Equivalent practices	<input type="checkbox"/> Flat payment	<input checked="" type="checkbox"/> Individual payment
	Permanent grassland		
	Total area of ESPG in Natura 2000: 12,188 ha (50 %)	<input type="checkbox"/> ESPG outside Natura 2000	<input checked="" type="checkbox"/> Regional application <input type="checkbox"/> National application
	Ecological Focus Areas		
	14 types of EFAs	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation <input type="checkbox"/> Forest cover derogation
	30% of Flanders' national ceiling <sup>41</sup> which corresponds to € 70,783,743 in 2015 and to € 63,204,229 in 2020 is allocated to greening <sup>42</sup> . The implementation of the greening payments will be done at regional level <sup>43</sup> .		
	Flanders made the following implementation choices concerning the greening payment:		
	<ul style="list-style-type: none"> <li>• Flanders has decided to apply the derogation to the uniform greening payment per hectare, which means they implement an individual payment<sup>44</sup>;</li> <li>• It will not implement any equivalent practices<sup>45</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at regional level, about 24,586 hectares are currently covered<sup>46</sup>; 12,188 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 50 % of the total permanent grassland<sup>47</sup>. No ESPG is designated outside Natura 2000<sup>48</sup>.</li> <li>• Flanders has decided to focus on the following 14 Ecological Focus Areas<sup>49</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow;</li> <li>○ Landscape features: hedges or wooded strips, trees in groups and field copses, field margins, ponds, ditches;</li> <li>○ Buffer strips;</li> <li>○ Ha of agro-forestry;</li> <li>○ Strips of eligible hectares along forest edges – with prod.</li> <li>○ Strips of eligible hectares along forest edges – no prod.</li> <li>○ Areas with short rotation coppice (7 species);</li> <li>○ Afforested areas;</li> <li>○ Areas with catch crops or green cover (21 species);</li> <li>○ Areas with nitrogen fixing crops (6 species): lupin, alfalfa, pea, clover, vetch (excl. faba bean), faba bean.</li> </ul> </li> </ul>		

<sup>37</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>38</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

<sup>39</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>40</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

<sup>41</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>42</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>43</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>44</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>45</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>46</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>47</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>48</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>49</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

Payment for Young Farmers	Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.						
	% of national ceiling: 2%						
	Flanders has decided to allocate 2% of their national ceiling to Young Farmers which corresponds to € 4,718,916 in 2015 which decreases to € 4,213,615 in 2020. There will be additional eligibility criteria implemented. The young farmer has to add an evidence of agricultural education to his aid application (either a certificate or diploma of basic education on agriculture or horticulture (secondary education, bachelor or master) or the "installation certificate" of the "starterscourse agriculture", a course organized in Flanders for farmers starting their agricultural business). The calculation of the yearly top up amount per beneficiary is equal to 25 % of the national average payment per ha in 2019 multiplied by the number of activated ha. The threshold of eligible payment entitlements is set at 90 ha.						
Voluntary coupled support	Member States are allowed to choose to implement the coupled support for different sectors or regions.						
	<input checked="" type="checkbox"/> Coupled support as % of national ceiling: 11% <input type="checkbox"/> Support for protein crops as % of national ceiling: 0%						
	In Flanders, 11% of the national ceiling (which corresponds to €25,954,039 in 2015 to € 25,749,871 in 2020) is allocated to Voluntary Coupled Support (VCS) <sup>50</sup> . The sector covered by VCS are beef and veal. <sup>51</sup>						
Other voluntary schemes under Pillar I	Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers						
	<input type="checkbox"/> Payment for areas with natural constraints <input type="checkbox"/> Small farmers						
	Neither the payment for areas with natural constraints, nor the small farmers scheme are implemented in Flanders.						
Yearly Union Support for P.II <sup>52</sup>	2014	2015	2016	2017	2018	2019	2020
	€ 21,306,176	€ 50,712,359	€ 57,272,066	€ 50,676,802	€ 50,620,024	€ 53,668,980	€ 53,570,125
Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures				
	€ 26.223.479 3,9%	58 %	M1.1: Support for vocational training and skills acquisition actions; M1.2: Support for demonstration activities and information actions;				
	€ 12.154.004 1,8%	65 %	M2.1 support to help benefiting from the use of advisory services M2.2 support for the setting up of farm management, farm relief and farm advisory services as well as forestry advisory services				
	€ 360.360.289 53,7%	57 %	M4.1: support for investments in agricultural holdings; M4.2: support for investments in processing/marketing and/or development of agricultural products; M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.				
	€ 49.730.251 7,4%	63 %	M6.1: business start-up aid for young farmers; M6.3: business start-up aid for the development of small farms;				
	€ 31.182.388	50 %	M7.1: support for drawing up and updating of plans for the				

<sup>50</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>51</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>52</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

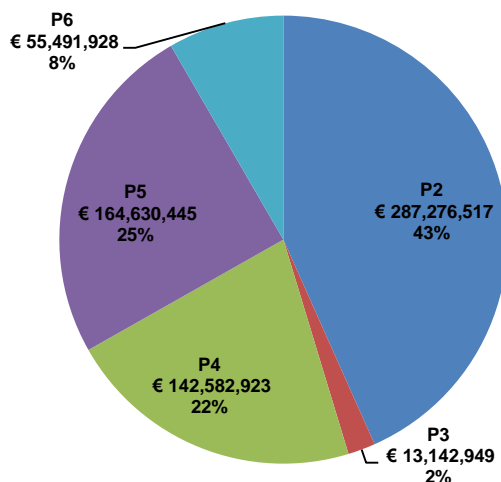
	4,6%		<p>development of municipalities and villages in rural areas and their basic services and of protection and management plans relating to Natura 2000 sites and other areas of high nature value;</p> <p>M7.2: support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving;</p> <p>M7.4: support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure;</p> <p>M7.5: support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure;</p> <p>M7.6: support for studies/investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites including related socioeconomic aspects, as well as environmental awareness actions;</p> <p>M7.7: support for investments targeting the relocation of activities and conversion of buildings or other facilities located inside or close to rural settlements, with a view to improving the quality of life or increasing the environmental performance of the settlement;</p>
	€ 7.868.924 1,2%	50 %	<p>M8.1: support for afforestation/creation of woodland</p> <p>M8.2: support of establishment and maintenance of agro-forestry systems</p> <p>M8.5: support for investments improving the resilience and environmental value of forest ecosystems;</p>
	€ 1.000.000 0,1 %	50 %	M9: Setting up of producer groups and organisations
	€ 123.388.125 18,4%	56 %	M10.1: payment for agri-environment-climate commitments
	€ 7.804.321 1,2%	57 %	<p>M11.1 payment to convert to organic farming practices and methods</p> <p>M11.2 payment to maintain organic farming practices and methods</p>
	€ 4.690.492 0,7 %	52 %	<p>M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability</p> <p>M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies</p> <p>M16.3 Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism</p> <p>M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets</p> <p>M16.5 Support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices. (</p> <p>M16.6 Support for cooperation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes</p> <p>M16.9 Support for diversification of farming activities into activities concerning health care, social integration, community-supported agriculture and education about the environment and food</p>
	€ 5.142.949 0,8 %	61 %	M17.1 crop, animal and plant insurance premium
	€ 33.579.540 5,0 %	57 %	<p>M19.1 preparatory support</p> <p>M19.2 support for implementation of operations under the CLLD strategy</p> <p>M19.3 preparation and implementation of cooperation activities of the local action group</p> <p>M19.4 support for running costs and animation</p>
	€ 8.400.000 1,3%	50 %	M20: Technical assistance

Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).

National RDP  Regional RDP

The total RDP budget for Flanders is at € 671,524,762 for the entire planning period. Flanders has allocated almost half of this budget (43 %) to Priority 2 “competitiveness of all types of agriculture and farm viability” followed by 25 % to Priority 5 “resource efficiency and shift towards a low carbon and climate resilient economy”, 22 % to Priority 4 “restoring, preserving and enhancing ecosystems”, 8 % to Priority 6 “social inclusion, poverty reduction, and economic development in rural areas” and 2% to Priority 3 “food chain organisation and risk management”. The following figure provides an overview of the shares by Priority.

Figure 5 Budget allocated per Priority in Flanders



Source: Calculations Ecorys based on DG AGRI data (2016)

Key focus areas for rural development

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

### Overview

Flanders has decided to offer 12 measures and technical assistance. In terms of budget allocation the highest amounts are allocated to:

- M4 “Investments in physical assets” (€ 360,360,289);
- M10 “Agri-environment-climate” (€ 123,388,125);
- M6 “Farm and business development” (€ 49,730,251);

### M01 Knowledge Transfer and Innovation actions

Flanders allocated 3.91% % of the total RDP budget to knowledge transfer and innovation actions. The focus of this measure will lie on the one hand on supporting farmers in further developing their technical and commercial knowledge, yet to also provide starters courses for future farmers. The beneficiaries of this measure are for submeasure 1.1 recognised general or regional centres for agricultural education and for submeasure 1.2 recognised centres for awareness-raising on sustainable agriculture<sup>53</sup>.

### Investment measures (M04, M05, M06, M07, M08)

Flanders implemented following investment measures:

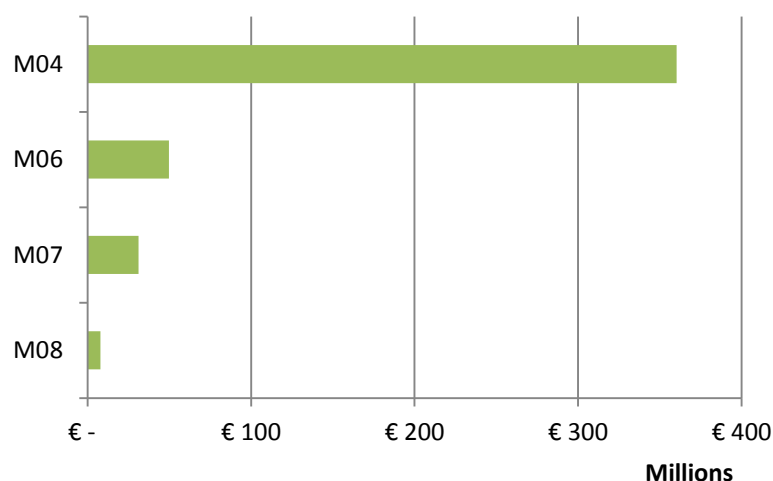
- M4 “Investments in physical assets” (€ 360,360,289);
- M6 “Farm and business development (€ 49,730,251);
- M7 “Basic services and village renewal in rural areas” (€ 31,182,388); and
- M8 “Investments in forest area development and improvement of the viability of forests”(€ 7,868,924).

The following figure illustrates the budget allocation per investment measure.

Use of measures in RDPs

<sup>53</sup> RDP of Flanders (17/07/2015)

**Figure 6 Budget allocated to investment measures in Flanders**



Source: Ecorys based on DG AGRI data (2016)

Links to expected job creation are not made explicitly for any of the implemented investment measures. However, possible effects of M04 on the creation of jobs are recognised.

Support rates for the implemented investment measures are as follows:

- M04:
  - M4.1 a subsidy covering up to 40% of the investment;
  - M4.2: a subsidy covering up to 30% of the investment or for a closed list of eligible activities which need to comply with sustainability criteria a range of 15-30% of support (depending on compliance with sustainability criteria);
  - M4.4: a subsidy covering 100% of the investment
- M06:
  - M6.1 a set subsidy depending on the number of criteria for the start up and the size of the basic payment regime ranging from a basic subsidy of €40,000 to € 55,000 and finally € 70,000.
  - M6.3 a set subsidy depending on the basic payment regime of the holding and whether the holding is a specialised organic cattlefarm or organic agricultural holdings combining arable farming and cattle breeding. The basic payment is € 7,000, if the holding complies with on additional criteria this is raised to € 11,000 and to €15,000 when two additional criteria are fulfilled.
- M07: project subsidies are foreseen. Level of support depends on the specificities of the projects. Support rates up to 100% of the investment costs are foreseen.
- M08:
  - M8.1 costs are covered based upon a standard costs calculation made by the agricultural institute (ILVO). Up to 90% of the plantation costs can be retrieved in 2 phases: 75% right after plantation and 25% 3-4 years after the plantation;
  - M8.1 up to 80% of the invoiced costs can be retrieved and if the farmer planted the trees himself additional support can be granted covering labour costs at a rate of € 200/ha;
  - M8.3: costs are covered up to 60% of the plantation costs based upon a standard cost calculation made by the agricultural institute (ILVO).

There is a focus on non-productive investments as M4.4 is implemented. This measure aims to support investments concerning nature and landscape management, erosion prevention and water management. Irrigation systems are not eligible for support under this submeasure.

#### **M10 Agri-Environment-Climate and M11 Organic Farming**

Flanders spends on M10 "Agri-environment-climate" € 123,388,125 of which the national contribution is either 50 or 100%<sup>54</sup>. 86% of the expenditure is categorised under Priority 4, the other 16% under Priority 5. The main beneficiaries of this measure are active farmers or groups of active farmers.

For M11 "Organic Farming" € 7,804,321 of public spending has been allocated of which the national contribution accounts for 50 or 100 %<sup>55</sup>. All of the expenditure is categorised under

<sup>54</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>55</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

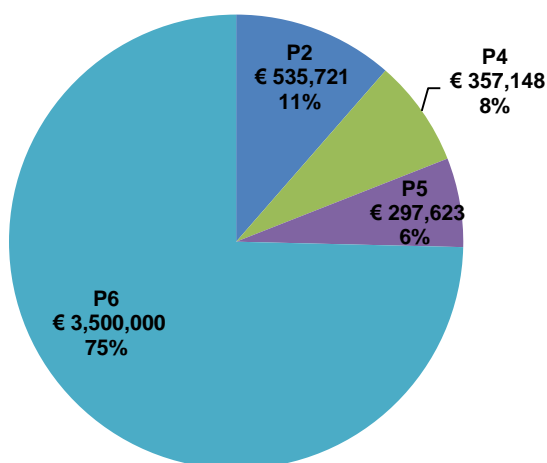


Priority 4. Beneficiaries are active farmers or groups of active farmers. In order to receive support under M11.1 "payment to convert to organic farming practices and methods" farmers should be a member of a certified control body for organic agriculture, yet the parcel should not have been part of an organic production unit in the last five years. Beneficiaries for M11.2 "payments to maintain organic farming practices and methods" should provide proof of membership to a certified control body for organic agriculture<sup>56</sup>.

#### M16 Co-operation

M16 "cooperation" receives € 4.690.492 of public spending of which 50 or 100 % is national contribution. Under Priority 2 11 % of the total amount is spent, for Priority 4 8% is allocated, under Priority 5 6% and under Priority 6 75%.

Figure 7. Division of budget for M16 over different priorities (P) for the 2014-2020 period



Following submeasures have been selected:

- M16.1 "Support for the establishment and operation of operational groups of the EIP";
- M16.2 "Support for pilot projects and for the development of new products, practices, processes and technologies";
- M16.3 "Cooperation among small operators";
- M16.4 "Support for horizontal and vertical cooperation among supply chain actors"
- M16.5 "Support for joint action undertaken with a view to mitigating or adapting to climate change";
- M16.6 "Support for cooperation among supply chain actors for sustainable provision of biomass";
- M16.9 "Support for diversification of farming activities"

#### M19 LEADER CLLD

The total CLLD budget allocated under the EAFRD in Flanders is € 33.579.540. All funds are targeted under Priority 6 "Fostering local development in rural areas". Around 30 % of the rural population is intended to be covered under Local Development Strategy. The target is to create 80 jobs.<sup>57</sup>

Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.

Targeting of RDP measures

Measures especially targeted at Young Farmers: M01, M02, M06  
Measures targeted at Small Farms: M04  
Measures targeted at Innovation Activities: M01, M02, M16,

Approaches taken to financial support in RDP

Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.

There is no specific mention of simplified cost options in the measure descriptions

No measures are using financial instruments.

<sup>56</sup> Flemish RDP (7/07/2015)

<sup>57</sup> DG AGRI (2016): RDP factsheet Flanders

Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.	
	Use of CLLD multi-fund option?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input type="checkbox"/> ERDF <input type="checkbox"/> ESF <input type="checkbox"/> EMFF

# Belgium – Wallonia

	Identifying information					
	Pillar I: Direct Payments		Pillar II			
EU Budget 2014 - 2020	€ 1.62 billion <sup>58</sup>		€ 264 million <sup>59</sup>			
Level of implementation	Regional		2 RDPs (1 RDP for Flanders, 1 RDP for Wallonia) <sup>60</sup>			
P.I yearly national ceilings <sup>61</sup>	2015	2016	2017	2018	2019	2020
	€ 281,047,249	€ 273,595,169	€ 269,474,387	€ 262,426,979	€ 258,612,652	€ 271,176,262
Summary of P.I Direct Payment schemes	Basic Payment Scheme		29.9%			
	“Greening” Payment		30%			
	Payment for Young Farmers		Up to 1.8%			
	Coupled Support		Up to 21.3%			
	Small Farmers Scheme		Not implemented			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input checked="" type="checkbox"/> No flexibility		<input type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I	
	Wallonia decided not to apply flexibility between pillars.					
Active farmer definition	Member States shall define the concept of “active farmer”. Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Wallonia has identified the following criteria for “active farmer”<sup>62</sup>:</p> <ul style="list-style-type: none"> <li>• Wallonia has defined ‘minimum activity’ as the following “annual or bi-annual activities” (art. 9.1); <ul style="list-style-type: none"> <li>○ For areas suitable for cultivation: <ul style="list-style-type: none"> <li>- the farmer should prevent scrub and woody encroachment of agricultural plots, while respecting and maintaining landscape features of these plots;</li> <li>- the farmer should cut woody vegetation between August 1 and September 30 of all agricultural parcels.</li> </ul> </li> <li>○ For areas suitable for grazing (permanent grasslands): <ul style="list-style-type: none"> <li>- grazing or mowing with dispensing of the mowing waste outside the plot at least once a year;</li> <li>- mowing accompanied by eliminating the cover and retaining the cuttings on the ground, once a year between the 1st of August and the 30th of September.</li> </ul> </li> </ul> </li> <li>• Wallonia will not maintain a negative list (art. 9(2)).</li> <li>• A person or a group of persons which fall under the scope of art. 9 (2) can be regarded an active farmer if they can demonstrate any of the following evidence: <ul style="list-style-type: none"> <li>○ That the annual amount of direct payments is at least 5% of the total receipts obtained</li> </ul> </li> </ul>					



<sup>58</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>59</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>60</sup> DG AGRI data on RDPs (2016)

<sup>61</sup> Departement Landbouw en Visserij (2014) LARA 2014 – Landbouwrapport.

<sup>62</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	<p>from non-agricultural activities</p> <ul style="list-style-type: none"> <li>○ That its agricultural activities are not insignificant, meaning that they represent at least one third of the total receipts obtained in the most recent fiscal year for which such evidence is available.</li> <li>• That its principal business or company objects consist of exercising an agricultural activity (as declared in an official business register).</li> <li>• Wallonia decided not to implement any additional economic or professional requirements (art. 9 (3)).</li> <li>• The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €350 in the previous year<sup>63</sup>.</li> </ul>								
Basic Payments	<p>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</p>								
	<table border="1"> <tr> <td data-bbox="416 591 727 645">29.9 % of national ceiling</td> <td data-bbox="732 591 1027 645"> <input type="checkbox"/> National model (single region)         </td> <td data-bbox="1032 591 1337 645"> <input checked="" type="checkbox"/> Partial internal convergence         </td> </tr> <tr> <td></td> <td data-bbox="732 651 1027 683"> <input type="checkbox"/> SAPS         </td> <td data-bbox="1032 651 1337 683"> <input type="checkbox"/> Flat payment         </td> </tr> <tr> <td></td> <td data-bbox="732 689 1027 719"> <input checked="" type="checkbox"/> Regional model         </td> <td></td> </tr> </table>	29.9 % of national ceiling	<input type="checkbox"/> National model (single region)	<input checked="" type="checkbox"/> Partial internal convergence		<input type="checkbox"/> SAPS	<input type="checkbox"/> Flat payment		<input checked="" type="checkbox"/> Regional model
29.9 % of national ceiling	<input type="checkbox"/> National model (single region)	<input checked="" type="checkbox"/> Partial internal convergence							
	<input type="checkbox"/> SAPS	<input type="checkbox"/> Flat payment							
	<input checked="" type="checkbox"/> Regional model								
	<p>Wallonia has allocated annually around € 150 million to basic payments. The amount decreases from € 157 million in 2015 to € 151 million in 2020.</p> <p>Further key decisions taken by Wallonia concerning basic payments are:</p> <ul style="list-style-type: none"> <li>• Basic Payments represent 29.9 % of the national ceiling for Pillar I<sup>64</sup>;</li> <li>• The level of implementation is regional<sup>65</sup>;</li> <li>• The minimum threshold for receiving Basic Payments are set at a minimum of 1 hectare of eligible land. In addition, the list of eligible farmers can be extended to those farmers who:             <ul style="list-style-type: none"> <li>○ Produced in 2013, fruit, vegetables, ware potatoes, seed potatoes, ornamental plants; or</li> <li>○ Have had a vineyard in 2013; or</li> <li>○ Have received payment entitlements from the reserve in 2014;<sup>66</sup>;</li> </ul> </li> <li>• The implementation of internal convergence will be in 5 equal steps towards 2019<sup>67</sup>. Wallonia decided that the value of the higher value entitlements should not be reduced by more than 30% of their Initial Unit Value for the purposes of increase of the value of the low value entitlements. The minimum level to be reached by low value entitlements is 60% of the regional unit value in 2019.<sup>6869</sup></li> <li>• The minimum level of a payment entitlement value in 2019 compared to the average is set at 60%. The IUUV will be based on the value of payments held by a farmer in 2014.</li> </ul>								
Reduction of payments	<p>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</p>								
	<table border="1"> <tr> <td data-bbox="416 1420 879 1451"> <input type="checkbox"/> Degressivity: 0%         </td> <td data-bbox="884 1420 1337 1503" rowspan="3"> <input checked="" type="checkbox"/> Redistributive payment         </td> </tr> <tr> <td data-bbox="416 1458 879 1489"> <input type="checkbox"/> Threshold: €0         </td> </tr> <tr> <td data-bbox="416 1496 879 1503"> <input type="checkbox"/> Application: 0         </td> </tr> </table>	<input type="checkbox"/> Degressivity: 0%	<input checked="" type="checkbox"/> Redistributive payment	<input type="checkbox"/> Threshold: €0	<input type="checkbox"/> Application: 0				
<input type="checkbox"/> Degressivity: 0%	<input checked="" type="checkbox"/> Redistributive payment								
<input type="checkbox"/> Threshold: €0									
<input type="checkbox"/> Application: 0									
	<p>Wallonia decided not to implement reduction of payments, but to implement the redistributive payment up to 17% of its regional ceiling for a maximum of 30 ha per beneficiary<sup>70</sup>. The first hectares will receive higher amounts of support than the last ones.</p>								

<sup>63</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>64</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>65</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>66</sup> DG AGRI data on BPS-Allocation of payment entitlements (2016)

<sup>67</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>68</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf

<sup>69</sup> DG AGRI data (2016) on BPS Details Convergence

<sup>70</sup> Platteau J., Van Gijsegem D. & Van Bogaert T. (Eds.) (2014) Landbouwrapport 2014. Departement Landbouw en Visserij, Brussel.

<b>Greening</b>	Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.			
	<b>Green payment</b>			
	<input type="checkbox"/> Equivalent practices	<input type="checkbox"/> Flat payment	<input checked="" type="checkbox"/> <b>Individual payment</b>	
	<b>Permanent grassland</b>			
	<b>Total area of ESPG in Natura 2000:</b> 9,050 ha (35 %)	<input type="checkbox"/> ESPG outside Natura 2000	<input checked="" type="checkbox"/> <b>Regional application</b> <input type="checkbox"/> National application	
<b>Ecological Focus Areas</b>				
<b>14 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation	
<p>30% of Wallonia's national ceiling<sup>71</sup> which corresponds to € 157 million in 2015 and to € 152 million in 2020 is allocated to greening<sup>72</sup>. The implementation of the greening payments will be done at regional level<sup>73</sup>.</p> <p>Wallonia made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• Wallonia has decided to apply the derogation to the uniform greening payment per hectare, which means they implement an individual payment<sup>74</sup>;</li> <li>• It will not implement any equivalent practices<sup>75</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 25,580 hectares are currently covered<sup>76</sup>; 9,050 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 35% of the total permanent grassland<sup>77</sup>. No ESPG is designated outside Natura 2000<sup>78</sup>.</li> <li>• Wallonia has decided to retain 14 Ecological Focus Areas<sup>79</sup>: <ul style="list-style-type: none"> <li>○ land lying fallow</li> <li>○ landscape features: hedges or wooded strips, trees in group and field copses, field margins, ponds, ditches</li> <li>○ buffer strips</li> <li>○ hectares of agro-forestry</li> <li>○ areas with short rotation coppice</li> <li>○ areas with catch crops or green areas with nitrogen-fixing crops, 5 species: lupin, clover, alfalfa, faba bean and vetch (except Vicia faba).</li> </ul> </li> </ul>				
<b>Payment for Young Farmers</b>				
Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.				
<b>% of national ceiling: 1.8%</b>				
Wallonia has decided to allocate 1.8% of their national ceiling to Young Farmers which corresponds to € 9.4 million in 2015 which decreases to € 9 million in 2020. There will be additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25% of the regional average per ha in 2019 multiplied by the number of activated payment entitlements. The threshold of eligible payment entitlements is set at 90 ha.				

<sup>71</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>72</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>73</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>74</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>75</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>76</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>77</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>78</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>79</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

<b>Voluntary coupled support</b>	<b>Member States are allowed to choose to implement the coupled support for different sectors or regions.</b>																	
	<input checked="" type="checkbox"/> <b>Coupled support as % of national ceiling:</b> 21.3 %				<input type="checkbox"/> Support for protein crops as % of national ceiling: 0%													
	<p>In Wallonia, 21.3% of the national ceiling (which corresponds to € 61.282.654 in 2015 to €57.760.543 in 2020) is allocated to Voluntary Coupled Support (VCS). The sectors covered by VCS are beef and veal, milk and milk products, sheep and goat meat . Throughout the planning period the amounts slightly change, but their overall distribution remains stable.<sup>80</sup></p> <p>The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period.</p> <p style="text-align: center;"><b>Figure 8 Shares of budget allocated per sector for VCS in Wallonia as a total of all years</b></p> <div style="text-align: center;"> <table border="1" style="margin: 10px auto;"> <caption>Data for Figure 8</caption> <thead> <tr> <th>Sector</th> <th>Amount (€)</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Beef and veal</td> <td>331,904,027</td> <td>93%</td> </tr> <tr> <td>Milk and milk products</td> <td>19,543,041</td> <td>6%</td> </tr> <tr> <td>Sheepmeat and goatmeat</td> <td>3,806,990</td> <td>1%</td> </tr> </tbody> </table> </div> <p style="text-align: center;"><i>Source: Ecorys based on DG AGRI data</i></p>							Sector	Amount (€)	Percentage	Beef and veal	331,904,027	93%	Milk and milk products	19,543,041	6%	Sheepmeat and goatmeat	3,806,990
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<b>Other voluntary schemes under Pillar I</b>	<b>Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers</b>																	
	<input type="checkbox"/> Payment for areas with natural constraints		<input type="checkbox"/> Small farmers															
Neither the voluntary scheme for areas with natural constraints nor the small farmer scheme are implemented in Wallonia <sup>81</sup> .																		
<b>Yearly Union Support for P.II<sup>82</sup></b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>											
	€ 16,652,066	€ 39,634,777	€ 44,761,585	€ 39,606,988	€ 39,562,612	€ 41,945,556	€ 41,868,295											
<b>Summary of measures implemented under P.II</b>	<b>Total public spending in € for 2014-2020</b>	<b>EU support rate</b>	<b>Implemented measures</b>															
	€ 7.000.000 1,1%	40 %	M1.1: Support for vocational training and skills acquisition actions; M1.2: Support for demonstration activities and information actions;															
	€ 155.800.000 23,8%	40 %	M4.1: support for investments in agricultural holdings; M4.2: support for investments in processing/marketing and/or development of agricultural products;															

<sup>80</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

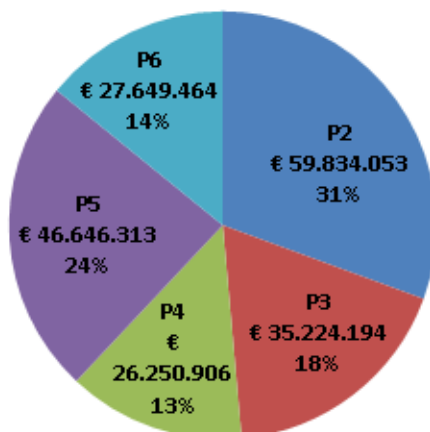
<sup>81</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

<sup>82</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

	€ 54.200.000 8,3%	40 %	M6.1: business start-up aid for young farmers;  M6.4: support for investments in creation and development of non-agricultural activities;
	€ 32.176.440 4,9%	40 %	M7.2: support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving;  M7.4: support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure;  M7.5: support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure;  M7.6: support for studies/investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites including related socioeconomic aspects, as well as environmental awareness actions;
	€ 4.500.000 0,7%	40 %	M8.2: support of establishment and maintenance of agro-forestry systems (Article 22);  M8.6: support for investments in forestry technologies and in processing, mobilising and marketing of forest products (Article 26).
	€ 147.500.000 22,5%	40 %	M10.1: payment for agri-environment-climate commitments
	€ 100.000.000 15,3%	40 %	M11.1 payment to convert to organic farming practices and methods  M11.2 payment to maintain organic farming practices and methods
	€ 39.125.020 6,0%	40 %	M12.1 compensation payment for Natura 2000 agricultural areas  M12.2 compensation payment for Natura 2000 forest areas
	€ 58.000.000 8,9%	40 %	M13.3: compensation payment to other areas affected by specific constraints
	€ 10.631.238 1,6%	52 %	M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies  M16.3 Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism  M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets  M16.9 Support for diversification of farming activities into activities concerning health care, social integration, community-supported agriculture and education about the environment and food
	€ 30.701.381 4,7%	43 %	M19: LEADER and CLLD
	€ 14.820.750 2,3%	40 %	M20: Technical assistance to Member States
Key focus areas for rural development	Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).		
	<input type="checkbox"/> National RDP		<input checked="" type="checkbox"/> Regional RDP
	The total RDP budget for Wallonia is at around € 654,454,830 for the entire planning period. Wallonia has allocated a third of this budget (31%) to Priority 2 “competitiveness of all types of agriculture and farm viability” followed by 24 % to Priority 5 “resource efficiency and shift		

towards a low carbon and climate resilient economy”, 18% to Priority 3 “food chain organisation and risk management”, 14% under Priority 6 and 13% to Priority 4 “restoring, preserving and enhancing ecosystems”. The following figure provides an overview of the shares by Priority.

Figure 9 Budget allocated per Priority in Wallonia



Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

#### Overview

Wallonia has decided to offer 12 measures. In terms of budget allocation the highest amounts are allocated to:

- M4 “Investments in physical assets” (€155.800.000);
- M10 “Agri-environment-climate” (€147.500.000);
- M11 “Organic farming” (€100.000.000).

#### M01 Knowledge Transfer and Innovation actions

Wallonia allocated 1.07% of the total RDP budget to knowledge transfer and innovation actions. The focus of this measure will lie on training for agricultural holdings, agricultural and silvicultural farmers but also young farmers.

The form in which training is implemented, as described by the RDP, is through courses, workshops, lectures, etc. In order to participate to these trainings, Wallonia has set out eligibility conditions.

in important ecological areas or in catchment areas.. Demonstration projects include more practical sections.

#### Investment measures (M04, M05, M06, M07, M08)

Wallonia implemented investment measures:

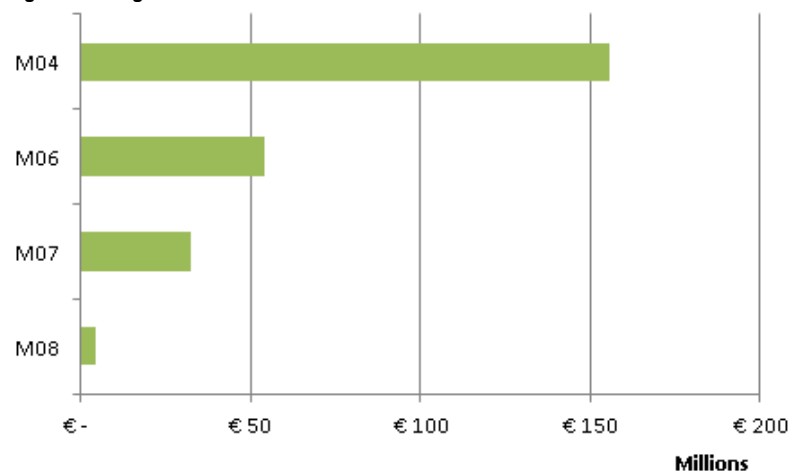
- M4 “Investments in physical assets” (€155.800.000);
- M6 “Farm and business development (€54.200.000);
- M7 “Basic services and village renewal in rural areas” (€32.176.440); and
- M8 “Investments in forest area development and improvement of the viability of forests”(€4.500.000).

The following figure illustrates the budget allocation per investment measure.

Use of  
measures in  
RDPs



**Figure 10 Budget allocated to investment measures in Wallonia**



Source: Ecorys based on DG AGRI data (2016)

For the investment measures M6 the links to intended job creation are explicitly made as they are implemented with the intention of strengthening the rural economy, creating new jobs and raising added value. Generation renewal, competitiveness as well as diversification are key priorities for Wallonia.

For M7 and M8, the rationale is that by using these measures barriers to job creation are reduced.

Some of the investment measures a combination of public and private investments are assumed with support rates ranging from 40% to 75% for M4, 50% to 75% for M6 and from 80% for M7.5 to 100% for M7.2 and M7.6, and from 40% for M.1 to 60% for M8.2. Other investment measures can be fully publicly financed as they will work with public tendering procedures (M7, M8).

There is no focus on non-productive investments in any of the measures.

Investments in new or existing irrigation systems are also covered by these investment measures (i.e. M6.4).

#### **M10 Agri-Environment-Climate and M11 Organic Farming**

Wallonia spends on M10 "Agri-environment-climate" €147.500.000 of which the national contribution is 22.54%<sup>83</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure is any natural or legal person identified as farmer according to art.4 Reg.1307/2013. For nowm Wallonia has not opted for collective beneficiaires. In addition, land managers (Natura 2000) can benefit from this measure.

For M11 "Organic Farming" € 100.000.000 of public spending has been allocated of which the national contribution accounts for 15.28%<sup>84</sup>. All of the expenditure is categorised under Priority 4. Beneficiaries should be active farmers as defined by art. 9 Reg.1307/2013, but also be registered at SIGEC (Integrated Administration and Control System), fill in an from on their land superficry and formally applied for a grant support and finally, notify its activities to an organism in charge of checks regarding organic farming.

#### **M16 Co-operation**

M16 "cooperation" receives €10.631.238 of public spending of which 1.62% is national contribution. The total amount is spent under Prioity 6.

The measure pursues the objective of a multisectorial and multifunctional approach of rural areas. Following submeasures have been selected:

- M16.2 " Support for pilot projects and for the development of new products, practices, processes and technologies";
- M16.3 "Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism";
- M16.4 "M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets"


<sup>83</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>84</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

Targeting of RDP measures	<ul style="list-style-type: none"> <li>M16.9 “M16.9 Support for diversification of farming activities into activities concerning health care, social integration, community-supported agriculture and education about the environment and food”</li> </ul> <p><b>M19 LEADER CLLD</b> The total CLLD budget allocated under the EAFRD in Wallonia is € 30.701.381. All funds are targeted under Priority 6 “Fostering local development in rural areas”. Around 31.55% of the rural population is intended to be covered under Local Development Strategy. The target is to create 75 jobs.<sup>85</sup></p>	
	<p><b>Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.</b></p>	
	<p>Measures especially targeted at Young Farmers: measures M01, M04 and M06. Measures targeted at Small Farms: none Measures targeted at Innovation Activities: measures M01 and M16.</p>	
Approaches taken to financial support in RDP	<p><b>Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.</b></p>	
	<p>Wallonia is not implementing simplified cost option.</p>	
Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	<p><b>The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.</b></p>	
	Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input checked="" type="checkbox"/> ERDF <input type="checkbox"/> ESF <input type="checkbox"/> EMFF

<sup>85</sup> DG AGRI (2016): RDP factsheet Wallonia

# Bulgaria

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€4,5 billion <sup>86</sup>	€ 2,3 billion <sup>87</sup>				
Level of implementation	National	1 RDP (National) <sup>88</sup>				
DP (P.I) yearly national ceilings <sup>89</sup>	2015	2016	2017	2018	2019	2020
	€ 720,900,000	€ 788,800,000	€ 789,600,000	€ 791,000,000	€ 792,500,000	€ 798,900,000
Summary of P.I Direct Payment schemes	Single Area Payment Scheme		47 %			
	"Greening" Payment		30%			
	Payment for Young Farmers		0.47% in 2015 and 0.58% from 2016			
	Coupled Support		Up to 13 % and 2% for protein crops			
	Small Farmers Scheme		Up to €1,250 per Small Farmer			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input checked="" type="checkbox"/> No flexibility	<input type="checkbox"/> P.I to P.II	<input type="checkbox"/> P.II to P.I			
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Bulgaria has identified the following criteria for "active farmer"<sup>90</sup>:</p> <ul style="list-style-type: none"> <li>• Bulgaria does not specify a minimum activity definition (art.4.2.b);</li> <li>• Bulgaria will maintain a negative list (art. 9(2)) and added to the list governmental and municipal administrations and divisions whose principal business activity is not agriculture.;</li> <li>• A person or a group of persons which fall under the scope of art. 9 (2) can be regarded an active farmer if they can demonstrate with verifiable evidence: <ul style="list-style-type: none"> <li>○ That its agricultural activities are not insignificant by providing the evidence that total receipts obtained from agricultural activities in the most recent fiscal year for which such evidence is available, represent at least one third (1/3) of the total receipts obtained in the most recent fiscal year for which such evidence is available;</li> <li>○ That its principal business or company objects consist of exercising an agricultural activity: <ul style="list-style-type: none"> <li>- Code of economic activity according the Commercial register, checked at the National Statistical Institute for sole traders and legal persons – commercial entities;</li> <li>- Code of economic activity according the BULSTAT Register, checked at the</li> </ul> </li> </ul> </li> </ul>					

<sup>86</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>87</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>88</sup> DG AGRI data on RDPs (2016)

<sup>89</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>90</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	<p>National Statistical Institute for the natural persons and legal persons – non-commercial entities.;</p> <ul style="list-style-type: none"> <li>• Bulgaria decided not to implement any additional economic or professional requirements (art. 9 (3));</li> <li>• Bulgaria set out minimum requirements for receiving Direct Payments for animal farmers receiving Voluntary Coupled Support: <ul style="list-style-type: none"> <li>○ Physical threshold: 0.5ha;</li> <li>○ Financial threshold: €100.</li> </ul> </li> </ul> <p>The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €3,000 in the previous year<sup>91</sup>.</p>								
<b>Basic Payments</b>	<p><b>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</b></p>								
	<table border="1"> <tr> <td data-bbox="419 618 730 674">47% of national ceiling</td> <td data-bbox="738 618 1034 674"> <input type="checkbox"/> National model (single region) </td> <td data-bbox="1042 618 1337 674"> <input type="checkbox"/> Partial internal convergence </td> </tr> <tr> <td></td> <td data-bbox="738 685 1034 741"> <input checked="" type="checkbox"/> SAPS </td> <td data-bbox="1042 685 1337 741"> <input type="checkbox"/> Flat payment </td> </tr> <tr> <td></td> <td data-bbox="738 752 1034 741"> <input type="checkbox"/> Regional model </td> <td></td> </tr> </table>	47% of national ceiling	<input type="checkbox"/> National model (single region)	<input type="checkbox"/> Partial internal convergence		<input checked="" type="checkbox"/> SAPS	<input type="checkbox"/> Flat payment		<input type="checkbox"/> Regional model
47% of national ceiling	<input type="checkbox"/> National model (single region)	<input type="checkbox"/> Partial internal convergence							
	<input checked="" type="checkbox"/> SAPS	<input type="checkbox"/> Flat payment							
	<input type="checkbox"/> Regional model								
	<p>Bulgaria has allocated annually about € 370 million to basic payments. The amount increases from € 339 million in 2015 to € 374 million in 2020.</p> <p>Further key decisions taken by Bulgaria concerning basic payments are:</p> <ul style="list-style-type: none"> <li>• Basic Payments represent 47% of the national ceiling for Pillar I<sup>92</sup>;</li> <li>• The level of implementation is national considering the whole territory as a single region<sup>93</sup>;</li> <li>• Bulgaria did not apply a list of eligible farmers nor a minimum size of holding necessary to qualify for the first allocation;</li> <li>• No information is provided regarding neither the IUUV based on payments, IUUV based on value of PE, the use of total past sectorial support nor the use of partial past sectorial support.</li> </ul>								
<b>Reduction of payments</b>	<p><b>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</b></p>								
	<table border="1"> <tr> <td data-bbox="419 1223 879 1256"> <input checked="" type="checkbox"/> Degressivity: 5 % or 100% (capping) </td> <td data-bbox="887 1223 1337 1256" rowspan="3"> <input checked="" type="checkbox"/> Redistributive payment </td> </tr> <tr> <td data-bbox="419 1267 879 1301"> <input type="checkbox"/> Threshold: €0 </td> </tr> <tr> <td data-bbox="419 1312 879 1346"> <input type="checkbox"/> Application: </td> </tr> </table> <p>Bulgaria decided to implement the minimum of 5 % reduction for the part of the amount of Basic Payments exceeding €150,000<sup>94</sup>, after applying this reduction 100% (capping) for the part of the amount exceeding €300,000<sup>96</sup>.</p> <p>Salaries linked to an agricultural activity paid and declared by the farmer, including taxes and social contributions, will be subtracted from the amount of Basic Payments received before the application of the reduction<sup>97</sup>.</p> <p>Bulgaria will apply redistributive payment at about 7% of its national ceiling in order to strengthen employment and take into account the diversity of Bulgarian farms benefiting from direct support. The estimated amount of redistributive payment is 76.69 €/ha.</p>	<input checked="" type="checkbox"/> Degressivity: 5 % or 100% (capping)	<input checked="" type="checkbox"/> Redistributive payment	<input type="checkbox"/> Threshold: €0	<input type="checkbox"/> Application:				
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<input type="checkbox"/> Application:									

<sup>91</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>92</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>93</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>94</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>95</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

<sup>96</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.37.

<sup>97</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>98</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

Greening	<p>Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.</p>			
	Green payment			
	<input type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> Flat payment	<input type="checkbox"/> Individual payment	
	Permanent grassland			
	<b>Total area of ESPG in Natura 2000:</b> <b>426,348 ha (100 %)</b>	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application	
			<input checked="" type="checkbox"/> National application	
	Ecological Focus Areas			
	<b>14 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation
	<p>30% of Bulgaria's national ceiling<sup>99</sup> which corresponds to over €216,375,300 in 2015 and to €238,887,600 in 2020 is allocated to greening<sup>100</sup>. The implementation of the greening payments will be done at national level<sup>101</sup>.</p> <p>Bulgaria made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• Bulgaria has decided to apply the derogation to the uniform greening payment per hectare, which means they implement an individual payment<sup>102</sup>;</li> <li>• It will not implement any equivalent practices<sup>103</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 426,348 hectares are currently covered<sup>104</sup>; all designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 100 % of the total permanent grassland<sup>105</sup>. No ESPG is designated outside Natura 2000<sup>106</sup>.</li> <li>• Bulgaria has decided to focus on the following 14 Ecological Focus Areas<sup>107</sup>: <ul style="list-style-type: none"> <li>• Land lying fallow</li> <li>• Terraces</li> <li>• Landscape features (7): Hedges or wooded strips, isolated strips, trees in line, trees in groups – field copses, field margins, ponds, ditches</li> <li>• Buffer strips: 5m min width , fertilizers are not allowed; other buffer strips: from 1m to 10m width max.</li> <li>• Strips eligible ha along forest edges – no prod.</li> <li>• Areas with short rotation coppice (8 species): alder, hazel, mulberry, poplar, plane, willow, lime, elm. Mineral fertilizers are allowed and the plan protection products are allowed only for poplars and willow up to 2 years of age.</li> <li>• Areas with catch crops or green cover: 24 species groups in 2 families.</li> <li>• Areas with nitrogen fixing crops (14 species): pinut, chickpea, soybean, lentil, birds foot-trefoil, lupin, alfalfa, sainfoin, bean, pea, clover, vetch (exc. Fafa bean), fafa bean and fafa bean.</li> </ul> </li> </ul>			

<sup>99</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>100</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>101</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>102</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>103</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>104</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>105</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>106</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>107</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

Payment for Young Farmers	Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.																			
	% of national ceiling: 0.47% in 2015 and 0.58% from 2016 %																			
	Bulgaria has decided to allocate 0.47% % of their national ceiling in 2015 and 0.58% from 2016 % to Young Farmers which corresponds to € 33 898 797 in 2015 which increases to € 46 184 936 in 2020. There will be additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25 % of SAPS multiplied by the number of activated ha. The threshold of eligible payment entitlements is set at 30ha.																			
Voluntary coupled support	Member States are allowed to choose to implement the coupled support for different sectors or regions.																			
	<input checked="" type="checkbox"/> Coupled support as % of national ceiling: 13%	<input checked="" type="checkbox"/> Support for protein crops as % of national ceiling: 2%																		
	In Bulgaria, 13 % of the national ceiling (which corresponds to € 118,636,350 in 2015 to € 119,443,800 in 2020) is allocated to Voluntary Coupled Support (VCS). Bulgaria has decided to additionally allocate the 2% VCS buffer for protein crops only <sup>108</sup> . The sectors covered by VCS are fruit and vegetables, beef and veal, milk and milk products, sheep and goat meat and protein crops. Throughout the planning period the amounts slightly change, but their overall distribution remains stable. <sup>109</sup>																			
	The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period																			
	<p><b>Figure 11 Shares of budget allocated per sector for VCS in Bulgaria as a total of all years</b></p> <table border="1"> <caption>Data for Figure 11: Shares of budget allocated per sector for VCS in Bulgaria</caption> <thead> <tr> <th>Sector</th> <th>Amount (€)</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Fruit and vegetables</td> <td>245,617,754</td> <td>34%</td> </tr> <tr> <td>Beef and veal</td> <td>163,138,362</td> <td>23%</td> </tr> <tr> <td>Milk and milk products</td> <td>143,514,006</td> <td>20%</td> </tr> <tr> <td>Protein crops</td> <td>95,278,540</td> <td>13%</td> </tr> <tr> <td>Sheepmeat and goatmeat</td> <td>67,040,388</td> <td>10%</td> </tr> </tbody> </table> <p>Source: Ecorys based on DG AGRI data</p>		Sector	Amount (€)	Percentage	Fruit and vegetables	245,617,754	34%	Beef and veal	163,138,362	23%	Milk and milk products	143,514,006	20%	Protein crops	95,278,540	13%	Sheepmeat and goatmeat	67,040,388	10%
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Protein crops	95,278,540	13%																		
Sheepmeat and goatmeat	67,040,388	10%																		
Other voluntary schemes under Pillar I	Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers																			
	<input type="checkbox"/> Payment for areas with natural constraints	<input checked="" type="checkbox"/> Small farmers																		
	<p>The voluntary scheme for areas with natural constraints is not implemented in Bulgaria<sup>110</sup>.</p> <p>Bulgaria has implemented the Small Farmers Scheme. Farmers will not be automatically included in the scheme. The annual amount of support per farmer is set at a maximum of € 1,250<sup>111</sup>.</p>																			

<sup>108</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>109</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>110</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

<sup>111</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.42.

Yearly Union Support for P.II <sup>112</sup>	2015	2016	2017	2018	2019	2020
	€ 502,807,341	€ 505,020,057	€ 340,409,994	€ 339,966,052	€ 339,523,306	€ 338,990,216
Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures			
	€ 25.394.596 0,9%	90 %	M1.1: Support for vocational training and skills acquisition actions; M1.2: Support for demonstration activities and information actions; M1.3: Support for short-term farm and forest management exchange as well as farm and forest visits.			
	€ 19.892.087 0,7%	85 %	M2.1 support to help benefiting from the use of advisory services M2.2 support for the setting up of farm management, farm relief and farm advisory services as well as forestry advisory services M2.3 support for training of advisors			
	€ 840.853.118 28,8%	79 %	M4.1: support for investments in agricultural holdings; M4.2: support for investments in processing/marketing and/or development of agricultural products; M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.			
	€ 270.661.105 9,3%	86 %	M6.1: business start-up aid for young farmers; M6.2: business start-up aid for non-agricultural activities in rural areas M6.3: business start-up aid for the development of small farms; M6.4: support for investments in creation and development of non-agricultural activities; M7.2: support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving; M7.5: support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure; M7.6: support for studies/investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites including related socioeconomic aspects, as well as environmental awareness actions;			
	€ 63.527.375 2,2%	84 %	M8.1: support for afforestation/creation of woodland (Article 21); M8.3: support for prevention of damage to forests from forest fires and natural disasters and catastrophic events (Article 23); M8.4: support for restoration of damage to forests from forest fires and natural disasters and catastrophic events (Article 24); M8.5: support for investments improving the resilience and environmental value of forest ecosystems (Article 25); M8.6: support for investments in forestry technologies and in processing, mobilising and marketing of forest products (Article 26).			
	€ 7.795.947 0,3%	90 %	M9: setting up of producer groups and organisations			
	€ 223.346.669 7,7%	75 %	M10.1: payment for agri-environment-climate commitments			
	€ 151.593.439 5,2%	75 %	M11.1 payment to convert to organic farming practices and methods M11.2 payment to maintain organic farming practices and methods			
	€ 139.676.037 4,8%	75 %	M12.1 compensation payment for Natura 2000 agricultural areas M12.2 compensation payment for Natura 2000 forest areas M12.3 compensation payment for agricultural areas included in river basin management plans			

<sup>112</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

€ 275.604.675 9,4%	75 %	M13.1: compensation payment in mountain areas	
		M13.2: compensation payment for other areas facing significant natural constraints	
		M13.3: compensation payment to other areas affected by specific constraints	
	€ 56.859.511 1,9%	85 %	M14: animal welfare
	€ 8.750.000 0,3%	75 %	15.1 payment for forest-environmental and climate commitments
			15.2 support for the conservation and promotion of forest genetic resources
€ 32.573.723 1,1%	90 %	M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability	
		M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies	
		M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets	
€ 131.484.277 4,5%	90 %	M19: support for LEADER local development (CLLD)	
€ 44.109.734 1,5%	85 %	M20: technical assistance	

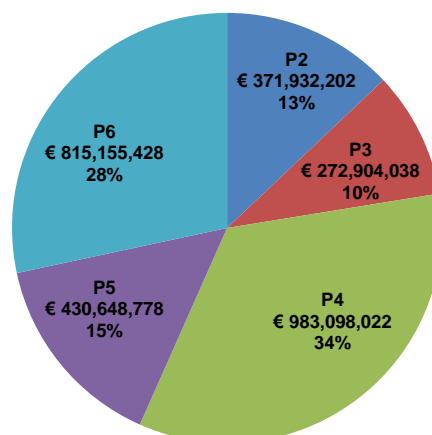
Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).

National RDP

Regional RDP

The total RDP budget for Bulgaria is around € 2.3 billion for the entire planning period. Bulgaria has allocated more than a third of this budget (34 %) to Priority 4 “restoring, preserving and enhancing ecosystems” followed by 28 % to Priority 6 “social inclusion, poverty reduction, and economic development in rural areas”, 15 % to Priority 5 “resource efficiency and shift towards a low carbon and climate resilient economy”, 13 % to Priority 2 “competitiveness of all types of agriculture and farm viability” and 10 % to Priority 3 “food chain organisation and risk management”. The following figure provides an overview of the shares by Priority.

Figure 12 Budget allocated per Priority in Bulgaria



Source: Calculations Ecorys based on DG AGRI data (2016)

Key focus areas for rural development



Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

**Overview**

Bulgaria has decided to offer 16 measures. In terms of budget allocation the highest amounts are allocated to:

- M4 “Investments in physical assets” (€840.853.118);
- M7 “Basic services and village renewal in rural areas” (€625.725.910);
- M13 “Payments to areas facing natural or other specific constraints” (€275.604.674);

**M01 Knowledge Transfer and Innovation actions**

Bulgaria allocated 0,9% of the total RDP budget to knowledge transfer and innovation actions. The measure provides support for trainings in the field of agriculture and forestry for persons engaged in the agricultural and forestry sector. It is envisaged 4 800 farmers and foresters to enhance their knowledge and to improve their skills including minimum 2000 small farmers, 1000 young farmers and 1000 farmers and foresters implementing activities related to the environmental and climate horizontal objectives.

The support encompasses activities for vocational training and acquiring of skills, through training courses, seminars, demonstration projects and visits to farms for short exchange of experience. The support under this measure does not include courses or trainings which are part of the standard educational programs of secondary or higher educational institutions.

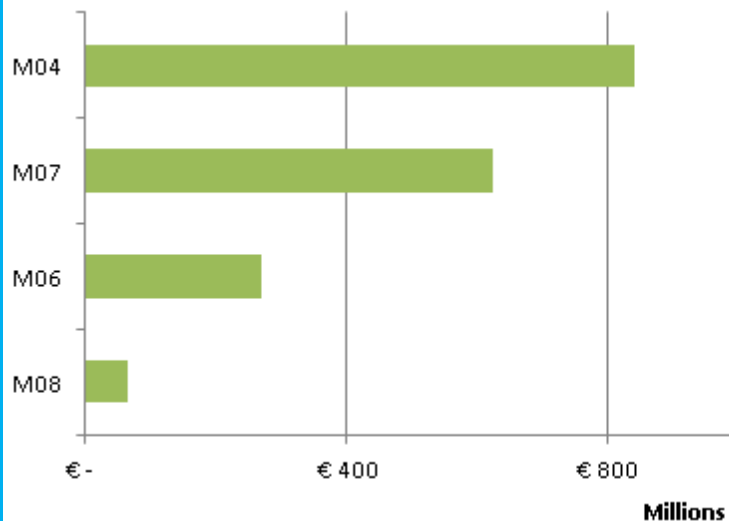
**Investment measures (M04, , M06, M07, M08)**

Bulgaria implemented investment measures:

- M4 “Investments in physical assets” (€840.853.118);
- M6 “Farm and business development (€270.661.104);
- M7 “Basic services and village renewal in rural areas” (€625.725.910); and
- M8 “Investments in forest area development and improvement of the viability of forests”(€63.527.375).

The following figure illustrates the budget allocation per investment measure.

**Figure 13 Budget allocated to investment measures in Bulgaria**



Source: Ecorys based on DG AGRI data (2016)

For investment measure M4 is indicated that the measure will contribute to job creation through the diversification of the rural economy by enterprises processing agricultural products. It is indicated that the measure supports priority 6A „Facilitating diversification, creation and development of small businesses and job creation“.

The support rates for M4 are between 50% and 70% of the total eligible costs for individual beneficiary and between 50 % and 90 % for projects with collective investments. The support rate for beneficiaries under the Thematic sub-programme for small farmers is 100%.

For investment measure M06 is written that the measure will contribute to priority 6A

„Facilitating diversification, creation and development of small businesses and job creation“. The measure has as an objective „Promoting employment and job creation and preservation of already existing jobs“.

The maximum applicable amount for support per beneficiary for sub-measure 6.1 and sub measure 6.2 is €25 000. The maximum applicable amount for support per beneficiary for sub measure 6.3 is fixed amount and it is €15 000. The support rate for sub-measure 6.4 is 75% of the eligible costs (maximum amount of the project €600 000 and minimum €100 000).

In **investment measure M07** are not make links to the intended job creation.

The financial support in this measure will be provided according to the „European Union Guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014 to 2020“. The support rate for municipalities, NGOs and community centres will be 100% in case they do not apply with an income generating project. If the project has a potential to generate income, the support rate will be defined on the basis of cost benefit analysis (if the beneficiary is a local religious branch, the support rate is defined to 75% in income generating projects (only under sub-measure 7.6).

For **investment measure M08** is only indicate that it will have contribution to priority 6A „Facilitating diversification, creation and development of small businesses and job creation“.

The support rate for sub measures 8.1, 8.3, 8.4 and 8.5 is 100%, with minimum project amount €1000 and maximum €2 500 000. The support rate for sub measure 8.6 is 50% from the total eligible costs for rural projects and 40% for other projects with minimum project amount of €5000 and maximum amount of €500 000.

The Ministry of Agriculture and Food in Bulgaria is working on the provision of support for investments in new and/or existing irrigation systems under sub-measure 4.1. A notification to the European Commission for introduction of such activities in sub-measure 4.1. is sent. The selection criteria for such types of investments will be discussed on the Monitoring Committee Meeting, scheduled for 11 of March 2016.

Sub measure 4.4 will be implemented. It will support non-productive investments that do not lead to a significant increase of the value, the profitability and the production capacity of the farm. The envisaged support is focused on activities related to the creation and restoration of plain and hilly landscapes characteristics of tree species from local origin, restoration and creation of wetlands, recovery of pastures, management of habitats, including in the scope of Natura 2000 and those related to control of soil erosion.

#### **M10 Agri-Environment-Climate and M11 Organic Farming**

Bulgaria spends on M10 "Agri-environment-climate" € € 223.346.669 of which the national contribution is 7.7%<sup>113</sup>. All of the expenditure is categorised under Priorities 4 and 5.

The main beneficiaries of this measure are farmers (natural and legal persons and sole traders) and scientific institutions (only for sub measure 10.1.6) The farmers have to be registered in the Integrated Administration and Control System (IACS) and to:

- cultivate grasslands of high nature value (the minimum area to participate in the measure is 0,3 - 0.5 hectares) (for sub measure 10.1.1, 10.1.2, 10.1.3)
- have grazing livestock (sheep, cattle) and have an annual permit for grazing, issued by the Directorates of National Parks Rila, Pirin and / or Central Balkan as well as from natural parks (for sub measure 10.1.4)
- bred endangered native breeds (sub measure 10.1.5)
- cultivate local varieties and populations of plants mentioned in the List of endangered local varieties and populations of plants (for sub measure 10.1.6).

For M11 "Organic Farming" € 151.593.439of public spending has been allocated of which the national contribution accounts for 5.2 %<sup>114</sup>. All of the expenditure is categorised under Priority 4. Beneficiaries should complete a training course and participate in advisory services in order to retain the payment under this measure<sup>115</sup>. Both submeasures (M11.1 "payment to convert to organic farming practices and methods" and M11.2 "payments to maintain organic farming practices and methods") are implemented.

The main beneficiaries of M11 are farmers (natural and legal persons and sole traders). They have to meet the definition for active farmer in accordance with Art. 9 of Regulation (EU) No 1307/2013 and to be registered in the Integrated Administration and Control System (IACS).

<sup>113</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>114</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>115</sup> Bulgarian Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme.

Additional eligibility criteria for sub measure 11.1:

- Farmers applying for support under this submeasure should have a contract with a supervisor for organic production changeover and / or continued management in accordance with the rules of organic production;
- Farmers must have at least 0.5 hectares to apply for support for organic crops in transition;
- Farmers must have a minimum of 20 colonies to apply for support for organic beekeeping in transition;
- Farmers must have at least 0.5 ha and a minimum of 1 animal unit to apply for support for organic farming.

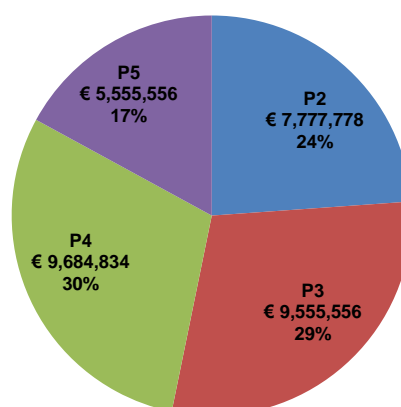
Additional eligibility criteria for sub measure 11.2:

- Farmers applying for support under this submeasure should have a contract with a supervisor for organic production; All plots of the block on the farm must be in transition to organic production and / or already have passed the period of transition. All animals on the farm need to be under the control of supervisor, if the applicant applies for organic livestock;
- Farmers must keep a dairy farm;
- By the end of the second year of the five-year commitment the beneficiary has to pass agroecological or biological training of at least 18 hours or demonstration training of at least three days related to measure 1 "Knowledge transfer and information actions" the RDP 2014-2020.

### M16 Co-operation

M16 "cooperation" receives € 32.573.723 of public spending of which 1.1% is national contribution. Under Priority 2 24% % of the total amount is spent, for Priority 3 29 % is allocated, under Priority 4 30 % and under Priority 5 17%.

Figure 14. Division of budget for M16 over different priorities (P) for the 2014-2020 period



Source: Ecorys based on DG AGRI data (2016)

The following submeasures have been selected: M16.1, M16.2, M16.4

The measure pursues the objective to support the implementation of interactive innovative models for achieving the objectives of the European Innovation Partnership (EIP) for agricultural productivity and sustainability, to promote cooperation for development of new products, practices, processes and technologies and to stimulate justified economic development of short supply chains, local markets and local food chains.

### M19 LEADER CLLD

The total CLLD budget allocated under the EAFRD in Bulgaria is €131,484,277. It will be carried out under a single thematic objective: promoting social inclusion and combatting poverty and any form of discrimination<sup>116</sup>. All funds are targeted under Priority 6 "Fostering local development in rural areas". Around 22.91% of the rural population is intended to be covered under Local Development Strategy. The target is to create 600 jobs.<sup>117</sup>

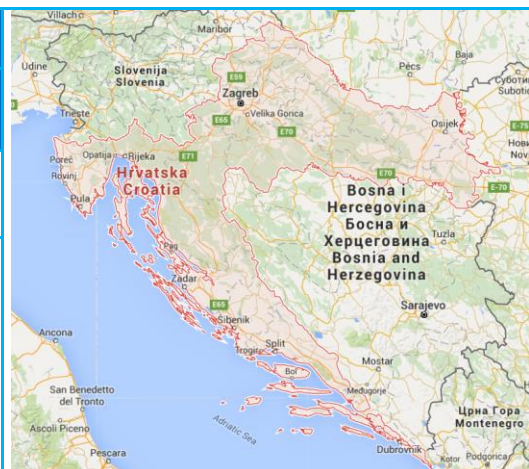
<sup>116</sup> Bulgarian Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme

<sup>117</sup> DG AGRI (2016): RDP factsheet Bulgaria

Targeting of RDP measures	Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.	
	Measures especially targeted at Young Farmers: measures M01, M02, M04 and M06. Measures targeted at Small Farms: none. Measures targeted at Innovation Activities: measures M01, M02 and M16.	
Approaches taken to financial support in RDP	Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.	
	The simplified costs option will be applied in Measure M01 and in Measure M19. Sub measures 4.1 and 4.2 are making use of financial instruments. At the moment is still on-going, as a transition instrument, the guarantee scheme developed under the Rural Development Programme 2007-2013. It is envisaged new financial instrument schemes to be elaborated as part of the RDP 2014 - 2020.	
Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.	
	Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input checked="" type="checkbox"/> ERDF <input checked="" type="checkbox"/> ESF <input checked="" type="checkbox"/> EMFF

# Croatia

	Identifying information					
	Pillar I: Direct Payments		Pillar II			
EU Budget 2014 - 2020	€1.07 billion <sup>118</sup>		€ 2.33 billion <sup>119</sup>			
Level of implementation	National		1 RDP (national) <sup>120</sup>			
DP (P.I) yearly national ceilings <sup>121122</sup>	2015	2016	2017	2018	2019	2020
	€ 183,700,000	€ 202,900,000	€ 241,100,000	€ 279,400,000	€ 317,600,000	€ 306,100,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		43 %			
	"Greening" Payment		30%			
	Payment for Young Farmers		Up to 0.02%			
	Coupled Support		Up to 15%			
	Small Farmers Scheme		Amount to be based on the total value of payments in 2015			
Areas with Natural Constraints		Not implemented				
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input type="checkbox"/> No flexibility		<input type="checkbox"/> P.I to P.II		<input checked="" type="checkbox"/> P.II to P.I	
Croatia has decided to implement flexibility between pillars, moving resources from Pillar II to Pillar I (15%). In total, for the period of 2014-2019, Croatia has decided to transfer € 298,98m from PII to PI.						
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Croatia has set no minimum activity for active farmers, yet decided to set the minimum requirements for receiving direct payments at the physical threshold of 1 ha or the financial threshold of € 100 in the case of coupled payments for animals.</p> <p>Croatia will not keep a negative list of businesses or activities not eligible for direct payments. It further identified 2 conditions for "active farmer"<sup>123</sup>:</p> <ul style="list-style-type: none"> <li>The agricultural activities are not insignificant if the total income from agricultural activities constitute at least 1/3 of the total revenues generated in the nearest fiscal year for which such evidence is available. Such natural or legal person or group of persons or entities will be required to complete records of income and show separately income from agricultural activities and in particular of non-agricultural activities by showing appropriate invoices and</li> </ul>					



<sup>118</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>119</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>120</sup> DG AGRI data on RDPs (2016)

<sup>121</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>122</sup> Croatia will introduce direct payments gradually according to a phasing-in schedule, as referred to in Article 17 of Regulation 1307/2013.

<sup>123</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	<p>documents;</p> <ul style="list-style-type: none"> <li>• Its principal business or company objects consist of exercising an agricultural activity proven by the NACE classification in the National Register of Companies kept by the Bureau of Statistics.</li> <li>• The exemption threshold for the “active farmer” clause is applicable to recipients of direct payments who received less than €5,000 of direct payments in the previous year<sup>124</sup>.</li> </ul>							
Basic Payments	<p>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</p>							
	<table border="1"> <tr> <td rowspan="3">43% of national ceiling</td> <td><input checked="" type="checkbox"/> National model (single region)</td> <td><input checked="" type="checkbox"/> Partial internal convergence</td> </tr> <tr> <td><input type="checkbox"/> SAPS</td> <td><input type="checkbox"/> Flat payment</td> </tr> <tr> <td><input type="checkbox"/> Regional model</td> <td></td> </tr> </table>	43% of national ceiling	<input checked="" type="checkbox"/> National model (single region)	<input checked="" type="checkbox"/> Partial internal convergence	<input type="checkbox"/> SAPS	<input type="checkbox"/> Flat payment	<input type="checkbox"/> Regional model	
	43% of national ceiling		<input checked="" type="checkbox"/> National model (single region)	<input checked="" type="checkbox"/> Partial internal convergence				
<input type="checkbox"/> SAPS			<input type="checkbox"/> Flat payment					
<input type="checkbox"/> Regional model								
<p>Croatia has allocated annually on average € 109 million to basic payments. The amount increases from € 79 million in 2015 to € 131,6 million in 2020.</p> <p>Further key decisions taken by Croatia concerning basic payments are:</p> <ul style="list-style-type: none"> <li>• Basic Payments represent 43 % of the national ceiling for Pillar I<sup>125</sup>;</li> <li>• The level of implementation is national considering the whole territory as a single region<sup>126</sup>;</li> <li>• The minimum threshold for receiving Basic Payments are set at a minimum of one hectare of eligible land. In addition, the list of eligible farmers can be extended to those farmers who: <ul style="list-style-type: none"> <li>◦ have fruits, vegetables, ware potatoes, seed potatoes or ornamental plants and cultivated vineyards in 2013</li> <li>◦ received entitlements from the reserve in 2014; or</li> <li>◦ never held entitlements but farmed in 2013<sup>127</sup>;</li> </ul> </li> <li>• The implementation of internal convergence will be done in 5 equal steps towards 2019<sup>128</sup>. <ul style="list-style-type: none"> <li>◦ The Initial Unit Value (IUV) of payment entitlements above the national average in 2019 will be reduced.</li> <li>◦ The target value for PE to be increased in value is to 100% of the 2019 averages.</li> <li>◦ The minimum level of payment entitlement value in 2019 is set at 60% of the national average.</li> <li>◦ The reduction of the value of payment entitlements above the average will be done in five proportionate steps.</li> </ul> <p>There will be no maximum decrease of the value of payment entitlements above the national average..<sup>129130</sup></p> </li> </ul>								
Reduction of payments	<p>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</p>							
	<table border="1"> <tr> <td><input type="checkbox"/> Degressivity</td> <td rowspan="3"><input checked="" type="checkbox"/> Redistributive payment 10%</td> </tr> <tr> <td><input type="checkbox"/> Threshold:</td> </tr> <tr> <td><input type="checkbox"/> Application:</td> </tr> </table>	<input type="checkbox"/> Degressivity	<input checked="" type="checkbox"/> Redistributive payment 10%	<input type="checkbox"/> Threshold:	<input type="checkbox"/> Application:			
	<input type="checkbox"/> Degressivity	<input checked="" type="checkbox"/> Redistributive payment 10%						
<input type="checkbox"/> Threshold:								
<input type="checkbox"/> Application:								
<p>Croatia will not implement the reduction of payments.</p> <p>Croatia decided to implement the redistributive payment.<sup>131</sup> 20 ha per holding will be included, the estimated unit rate will be around € 33.75.</p>								

<sup>124</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>125</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>126</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>127</sup> DG AGRI data on BPS-Allocation of payment entitlements (2016)

<sup>128</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>129</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf

<sup>130</sup> DG AGRI data (2016) on BPS Details Convergence

<sup>131</sup> DG AGRI data on the Redistributive Payment (form 5)

<b>Greening</b>	Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.		
	<b>Green payment</b>		
	<input type="checkbox"/> Equivalent practices	<input type="checkbox"/> Flat payment	<input checked="" type="checkbox"/> Individual payment
	<b>Permanent grassland</b>		
	<b>Total area of ESPG in Natura 2000:</b> 35,227 ha (80%)	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> National application
	<b>Ecological Focus Areas</b>		
<b>13 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation
<p>30% of Croatia's national ceiling<sup>132</sup> which corresponds to € 55,120,500 in 2015 and to € 91,824,000 in 2020 is allocated to greening<sup>133</sup>. The implementation of the greening payments will be done at national level<sup>134</sup>.</p> <p>Croatia made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• Croatia has decided to apply the derogation to the uniform greening payment per hectare, which means they implement an individual payment<sup>135</sup>;</li> <li>• It will not implement any equivalent practices<sup>136</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 4,4101.64 hectares are currently covered<sup>137</sup>; 35,227.97 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 80 % of the total permanent grassland<sup>138</sup>. No ESPG is designated outside Natura 2000<sup>139</sup>.</li> <li>• Croatia has decided to focus on the following 13 Ecological Focus Areas<sup>140</sup>: <ul style="list-style-type: none"> <li>○ land lying fallow;</li> <li>○ landscape features (7): hedges or wooded strips, isolated trees, trees in line, trees in groups, ponds, ditches, traditional stone walls</li> <li>○ buffer strips: 3m min. to 20m max. width.</li> <li>○ strips of eligible hectares along forest edges</li> <li>○ areas with short rotation coppice with no use of mineral fertilizer and/or plant protection products,</li> <li>○ areas with catch crops or green cover: 26 species (grouped in 5 families)</li> <li>○ areas with nitrogen-fixing crops: alder, birch, sweet chestnut, hornbeam, ash, poplar and willow. Mineral fertilisers and pesticides are not allowed.</li> </ul> </li> </ul>			
Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.			
<b>Payment for Young Farmers</b>	<b>% of national ceiling: 2 % in 2015, 1.5% from 2016 onwards</b>		
	Croatia has decided to allocate 2 % in 2015 and 1.5% from 2016 onwards of their national ceiling to Young Farmers which corresponds to € 3,674,700 in 2015 which increases to € 4,591,200 in 2020. There will be two additional eligibility criteria implemented: training requirements and the young farmers need to be the legal person in control. The calculation of the yearly top up amount per beneficiary is based upon a BPS flat rate. The threshold of eligible payment entitlements is set at 25 ha.		

<sup>132</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>133</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>134</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>135</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>136</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>137</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>138</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>139</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>140</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

<b>Voluntary coupled support</b>	<b>Member States are allowed to choose to implement the coupled support for different sectors or regions.</b>																									
	<input checked="" type="checkbox"/> Coupled support as % of national ceiling: 13%			<input checked="" type="checkbox"/> Support for protein crops as % of national ceiling: 2%																						
	<p>In Croatia, 15 % of the national ceiling (which corresponds to € 27,560,249 in 2015 to € 45,911,999 in 2020) is allocated to Voluntary Coupled Support (VCS). Croatia has decided to additionally allocate the 2% VCS buffer for protein crops only<sup>141</sup>. The sectors covered by VCS are beef and veal, fruit and vegetables, milk and milk production, protein crops, sheep meat and goat meat and sugar beet. Throughout the planning period the amounts slightly change, but their overall distribution remains stable.<sup>142</sup></p> <p>The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period:</p> <p style="text-align: center;"><b>Figure 15 Shares of budget allocated per sector for VCS in Croatia as a total of all years</b></p> <div style="text-align: center;"> <table border="1" style="margin: 10px auto;"> <caption>Data for Figure 15: Shares of budget allocated per sector for VCS in Croatia</caption> <thead> <tr> <th>Sector</th> <th>Amount (€)</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Beef and veal</td> <td>70,837,016</td> <td>31%</td> </tr> <tr> <td>Milk and milk products</td> <td>72,073,814</td> <td>31%</td> </tr> <tr> <td>Protein crops</td> <td>30,616,700</td> <td>13%</td> </tr> <tr> <td>Sugar beet</td> <td>23,167,472</td> <td>10%</td> </tr> <tr> <td>Fruit and vegetables</td> <td>14,834,436</td> <td>7%</td> </tr> <tr> <td>Sheepmeat and goatmeat</td> <td>18,095,808</td> <td>8%</td> </tr> </tbody> </table> </div> <p>Source: Ecorys based on DG AGRI data</p>						Sector	Amount (€)	Percentage	Beef and veal	70,837,016	31%	Milk and milk products	72,073,814	31%	Protein crops	30,616,700	13%	Sugar beet	23,167,472	10%	Fruit and vegetables	14,834,436	7%	Sheepmeat and goatmeat	18,095,808
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<b>Other voluntary schemes under Pillar I</b>	<b>Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers</b>																									
	<input type="checkbox"/> Payment for areas with natural constraints			<input checked="" type="checkbox"/> Small farmers																						
	<p>The voluntary scheme for areas with natural constraints is not implemented in Croatia<sup>143</sup>.</p> <p>Croatia has decided to implement the small farmers scheme. Farmers will be automatically included in the scheme if they receive less than € 657 of basic payments. The amount to be allocated per farmer will be based upon the total value of all the payments to be allocated in 2015.<sup>144</sup></p>																									
<b>Yearly Union Support for P.II<sup>145</sup></b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>																				
	€	€	€	€	€	€																				
	448,426,250	448,426,250	282,342,500	282,342,500	282,342,500	282,342,500																				

<sup>141</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>142</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>143</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

<sup>144</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

<sup>145</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791



Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures
	€ 13.333.333 0,6%	90 %	M1.1: Support for vocational training and skills acquisition actions;
			M1.2: Support for demonstration activities and information actions;
	€ 21.176.471 0,9%	85 %	M2.1 support to help benefiting from the use of advisory services
			M2.3 support for training of advisors
	€ 7.058.824 0,3%	85 %	M3.1 support for new participation in quality schemes
			M3.2 support for information and promotion activities implemented by groups of producers in the internal market
	€ 667.058.824 28,0%	85 %	M4.1: support for investments in agricultural holdings;
			M4.2: support for investments in processing/marketing and/or development of agricultural products;
			M4.3: support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry;
			M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.
	€ 118.117.647 5,0%	85 %	M5.2: support for investments for the restoration of agricultural land and production potential damaged by natural disasters, adverse climatic events and catastrophic events.
	€ 262.928.105 11,0%	86 %	M6.1: business start-up aid for young farmers;
			M6.2: business start-up aid for non-agricultural activities in rural areas;
M6.3: business start-up aid for the development of small farms;			
M6.4: support for investments in creation and development of non-agricultural activities;			
€ 265.882.353 11,2%	85 %	M7.1: support for drawing up and updating of plans for the development of municipalities and villages in rural areas and their basic services and of protection and management plans relating to Natura 2000 sites and other areas of high nature value;	
		M7.2: support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving;	
		M7.4: support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure;	
€ 92.941.176 3,9%	85 %	M8.5: support for investments improving the resilience and environmental value of forest ecosystems (Article 25);	
		M8.6: support for investments in forestry technologies and in processing, mobilising and marketing of forest products (Article 26).	
€ 8.888.889 0,4%	90 %	M9: setting up of producer groups and organisations	
€ 138.830.280 5,8%	85 %	M10.1: payment for agri-environment-climate commitments	
		M10.2: support for conservation and sustainable use and development of genetic resources in agriculture	
€ 128.309.623 5,4%	85 %	M11.1 payment to convert to organic farming practices and methods	
		M11.2 payment to maintain organic farming practices and methods	
€ 321.600.000 13,5%	85 %	M13.1: compensation payment in mountain areas	
		M13.2: compensation payment for other areas facing significant natural constraints	
		M13.3: compensation payment to other areas affected by specific constraints	
€ 8.333.333 0,3%	90 %	M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability	
		M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies	
		M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets	

€ 56.673.374 2,4%	85 %	M17.1 crop, animal and plant insurance premium
€ 139.875.000 5,9%	80 %	M18: financing of complementary national direct payments for Croatia
€ 67.540.725 2,8%	90 %	M19.1 preparatory support
		M19.2 support for implementation of operations under the CLLD strategy
		M19.3 preparation and implementation of cooperation activities of the local action group
		M19.4 support for running costs and animation
€ 64.746.544 2,7%	85 %	M20: technical assistance

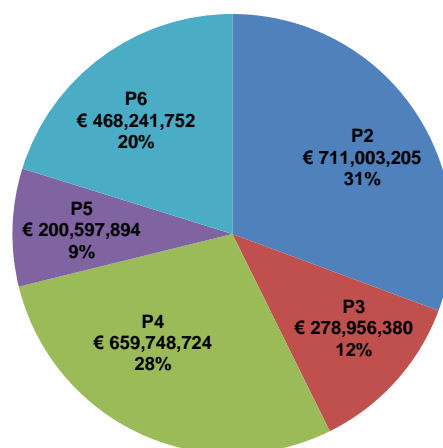
Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).

National RDP

Regional RDP

The total RDP budget for Croatia is at € 2,383,294,400 for the entire planning period. Croatia has allocated 31 % to Priority 1 “knowledge transfer and innovation” followed by 28 % to Priority 4 “restoring, preserving and enhancing ecosystems”, 20 % to Priority 6 “social inclusion, poverty reduction, and economic development in rural areas”, 12% to Priority 3 “food chain organisation and risk management” and 9% under Priority 5 “resource efficiency and shift towards a low carbon and climate resilient economy”. The following figure provides an overview of the shares by Priority in millions of euro.

Figure 16 Budget allocated per Priority in Croatia



Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

Use of measures in RDPs

#### Overview

Croatia has decided to offer 17 measures. In terms of budget allocation the highest amounts are allocated to:

- M4 “Investments in physical assets” (€667,058,823);
- M13 “Payments to areas facing natural or other specific constraints” (€321,600,000);
- M7 “Basic services and village renewal in rural areas” (€265,882,352);

#### M01 Knowledge Transfer and Innovation actions

Croatia allocated 0.51 % of the total RDP budget to knowledge transfer and innovation actions. The focus of this measure will lie on training for agricultural holdings located in important ecological areas or in catchment areas. The form in which training is implemented, as

described by the RDP, is through courses, workshops, lectures, etc. Demonstration projects include more practical sections.

The Advisory Service, an in-house body of the Ministry of Agriculture and private and public institutions will provide vocational training and knowledge transfer. The target groups are beneficiaries of agri-environment and climate measures, organic farmers and private forest holders benefitting from funding from the RDP as well as other farmers, young farmers and private forest holders. Specific vocational training courses and workshops will be implemented. The following topics will be addressed: sustainable practices, agri-environmental issues and innovation, which promote the economic growth and development of rural areas in Croatia and improve the sustainability, competitiveness, resource efficiency and environmental performance of the agricultural and forestry holdings.

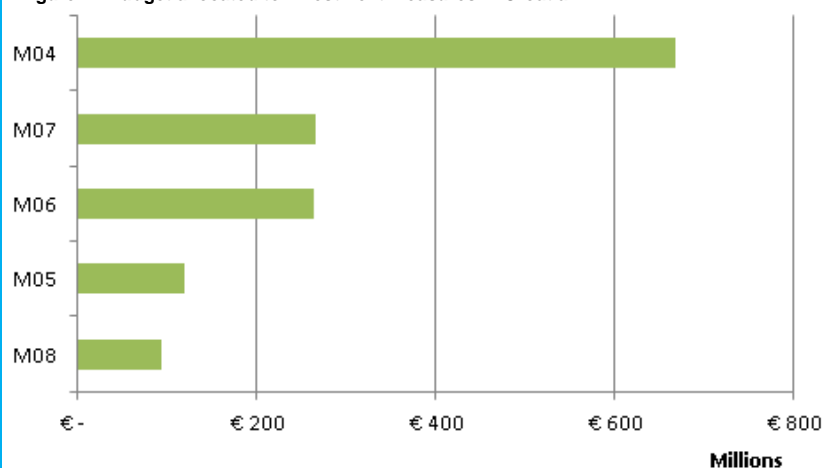
#### Investment measures (M04, M05, M06, M07, M08)

Croatia implemented investment measures:

- M4 "Investments in physical assets" (€667,058,823);
- M5 "Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate preventive actions" (€ 118.117.647);
- M6 "Farm and business development (€262,928,104);
- M7 "Basic services and village renewal in rural areas" (€265,882,352); and
- M8 "Investments in forest area development and improvement of the viability of forests"(€ 92.941.176).

The following figure illustrates the budget allocation per investment measure.

**Figure 17 Budget allocated to investment measures in Croatia**



Source: Ecorys based on DG AGRI data (2016)

For the investment measures M6, especially under sub-measure 6.2, as more and more family farms can no longer operate in an economically viable manner based solely on primary agricultural production and without additional revenue at the farm, the objective is to create an alternative for the underused labour force by providing employment for farms in nonagricultural activities and services. Support for investments in the development of non-agricultural activities through sub-measure 6.4 shall also help to increase economic activities in rural areas, maintain and create new jobs, as well as increasing the revenue of business entities.

Submeasure M 7.4 contributes to the economic and social development of the rural area in line with 2020 goals (investments which generate creation of new jobs are prioritized).

For the investment measure M8 the aim is to stimulate the development of micro, small and medium-sized enterprises within the forestry sector which will help to create jobs in rural areas thereby addressing the negative trend in employment in the sector identified in Need 19 and more generally creating new employment opportunities for rural areas to address Need 23.

Moreover, many agricultural holdings are also owners of smaller forest units. Therefore, forestry activities can be an additional income source, thereby contributing to the overall development of the rural economy.

Activities within the framework of this measure will foster the transfer of advanced technologies and innovative approaches in wood harvesting, pre-industrial wood processing and marketing of forest products, which will have numerous effects on business. The most relevant effect will for instance to increase productivity and employment rate with reduced production costs, improved quality of products and business processes, increased production flexibility and shorter delivery times.

Some investment measures are a combination of public and private investments with support rates ranging from 50% and lower to 100% (for M4, M8): 4.1 up to 75%, 4.2 up to 50%, 4.3 up to 100%, 4.4 up to 100%. Other investment measures can be fully publicly financed as they will work with public tendering procedures (M6, M7, M8): 6.1 up to 100%, 6.2 up to 100%, 6.3 up to 100%, 6.4 up to 70%, 7.1 up to 100%, 7.4 80-100%, 8.5 up to 100%, 8.6 up to 50%.

Measure 4.4 is implemented and it has a focus on non-productive investments.

Investments in new and existing irrigation systems are also covered by these investment measures (i.e. M4.1).

#### **M10 Agri-Environment-Climate and M11 Organic Farming**

Croatia spends on M10 "Agri-environment-climate" € 138,830,280 of which the national contribution is 15 %<sup>146</sup>. The expenditure is categorised under Priority 4 (80%) and Priority 5 (20%). The main beneficiaries of this measure are farmers or groups of farmers as defined in national Agriculture Act, registered in the Register of Agricultural Holdings and use the land registered in LPIS and public entities.

Croatia set out the following eligibility criteria regarding sub-measure M10.1. "Support for conservation and sustainable use and development of genetic resources in agriculture":

- Operations: Tilling and sowing on the terrain with slope for arable annual plants, Grassing of permanent crops Arable LPIS parcel with an average slope of 9-15 %. Eligible farm agricultural area is at least 0,5 ha while the minimum area of an LPIS parcel must be 0,05 ha.
- Preservation of high nature value grasslands LPIS parcel registered as high nature value grassland. Eligible farm agricultural area is at least 0,5 ha while the minimum area of an LPIS parcel must be 0,05 ha.
- Pilot measure for the protection of corncrake (Crex crex) LPIS parcel registered as grassland and habitat of corncrake (Crex crex). Eligible farm agricultural area is at least 0,5 ha while the minimum area of an LPIS parcel must be 0,05 ha.
- Pilot measure for the protection of butterflies LPIS parcel registered as grassland and located at the sites listed in the table Mowing schedule. Eligible farm agricultural area is at least 0,5 ha while the minimum area of an LPIS parcel must be 0,05 ha.
- Establishment of field strips LPIS parcel registered as arable land, surface area must be at least 1 ha. Eligible farm agricultural area is at least 1 ha while the minimum area of an LPIS parcel must be 1 ha.
- Maintaining extensive orchards LPIS parcel registered as extensive orchard with at least 50 to maximum 200 trees/ha. Eligible farm agricultural area is at least 0,5 ha while the minimum area of an LPIS parcel must be 0,05 ha.
- Maintaining extensive olive groves LPIS parcel registered as an extensive olive plantation with at least 25 and maximum 150 trees per hectare. Eligible farm agricultural area is at least 0,5 ha while the minimum area of an LPIS parcel must be 0,05 ha.
- Preservation of endangered autochthonous and protected breeds of domestic animals Eligible for support are only endangered native and protected species of domestic animals, certified by a professional body, organization or association.
- Preservation, sustainable use and development of genetic resources in agriculture
  - The beneficiary for plant genetic resources must have a working plan with detailed activities that contribute to the preservation of genetic material, an Annual plan describing activities to be carried out in the current year, human resources trained for collecting genetic material, have access to the CPGRD database.
  - The beneficiary for animal genetic resources must provide evidence of registration for the activity of conservation of animal genetic material issued by the competent ministry, have a working plan with detailed activities that contribute to the preservation of genetic material, have an Annual plan describing activities to be carried out in the current year, have human resources trained for collecting genetic material, have access to database of all domestic animals and farmers at national level.

For M11 "Organic Farming" € 138,830,280 of public spending has been allocated of which the national contribution accounts for 15 %<sup>147</sup>. All of the expenditure is categorised under Priority 4. Both submeasures (M11.1 "payment to convert to organic farming practices and methods" and M11.2 "payments to maintain organic farming practices and methods") are implemented. The main beneficiaries are farmers or groups of farmers as defined in national Agriculture Act, registered in the Register of Agricultural Holdings, use the land registered in LPIS, and are in conversion to organic production or maintain organic production in accordance with the Council Regulation (EC) No 834/2007

Eligibility criteria: Beneficiaries must comply with a definition of an active farmer in accordance with the meaning of Article 9 of the Regulation (EU) No 1307/2013. The application can be

<sup>146</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

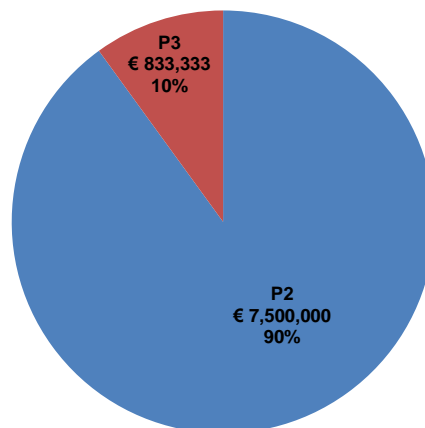
<sup>147</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

submitted if the farm agricultural area is at least 0,5 ha while the minimum area of an LPIS parcel must be 0,05 ha.

### M16 Co-operation

M16 "cooperation" receives € 8,333,333 of public spending of which 10 % is national contribution. Under Priority 2 90 % of the total amount is spent, for Priority 3 10 % is allocated.

Figure 18. Division of budget for M16 over different priorities (P) for the 2014-2020 period



The following submeasures have been selected:

- M16.1 "Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability;
- M16.2 "Support for pilot projects and for the development of new products, practices, processes and technologies";
- M16.4 "Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets".

### M19 LEADER CLLD

The total CLLD budget allocated under the EAFRD in Croatia is € 67,540,725. All funds are targeted under Priority 6 "Fostering local development in rural areas". Around 39.6 % of the rural population is intended to be covered under Local Development Strategy. The target is to create 180 jobs.<sup>148</sup>

Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.

Targeting of RDP measures

Measures especially targeted at Young Farmers: M01, M02, M06.  
Measures targeted at Small Farms: none.  
Measures targeted at Innovation Activities: M01, M02, M16.

Approaches taken to financial support in RDP

Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.

### M01 - Knowledge transfer and information actions

For sub-measure M 1.1 "Support for vocational training and skills acquisition actions" is using simplified cost options for the following costs categories:

- Staff costs: pursuant to Art 68 (2) of Regulation (EU) No 1303/2013, for the purposes of determining staff costs relating to the implementation of an operation, the hourly rate applicable shall be calculated by dividing the latest documented annual gross employment costs by 1.720 hours;
- Indirect costs: pursuant to Art 68 (1) b of Regulation (EU) No 1303/2013, a flat rate of 15 % of eligible direct staff costs shall be applied;
- Travel costs: in accordance with Art 67 (5) c of Regulation (EU) No 1303/2013, and with the rules for application of corresponding scales of unit costs, lump sums and flat rates applied under schemes for grants funded entirely by the Member State for a similar type

<sup>148</sup> DG AGRI (2016): RDP factsheet Croatia

of operation and beneficiary, the nationally established mileage allowance for private car use established pursuant to the Ordinance issued by the Ministry of Finance shall be applied for the mileage allowance in the case of travel by car;

- Per diems (exclusively for public bodies): in accordance with Art 67 (5) c of Regulation (EU) No 1303/2013, in accordance with the rules for application of corresponding scales of unit costs, lump sums and flat rates applied under schemes for grants funded entirely by the Member State for a similar type of operation and beneficiary, the per diem allowance for public bodies is established by Government decision pursuant to Art 11 Act on State Budget (OG 87/08 amended in OG 136/12);

For sub-measure M 1.2 “Support for demonstration activities and information actions”, the use of simplified financial costs in the case of in-house providing will be used for staff costs in accordance with the provisions of Article 68 (2) of Regulation (EU) No 1303/2013 to reduce the error rate and administrative burden.

**M 02: Advisory services, farm management and farm relief services**

For sub-measure M 2.1 “Support to help benefiting from the use of advisory services”: Simplified Cost Options shall be used solely for Advisory service for the following costs categories: staff costs, indirect costs, travel costs and per diem.

For sub-measure 2.3 “Support for training of advisors”, Simplified Cost Options shall be used solely for the following costs categories: for Advisory service travel costs and per diem. The use of simplified financial costs for staff costs in accordance with the provisions of Article 68 (2) of Regulation (EU) No 1303/2013 will reduce the error rate and administrative burden.

**M 09 – Setting-up of producer groups and organisations**

For sub-measure M 9.1 “Setting up of producer groups and organisations in the agriculture and forestry sectors”, Paying Agency has to ensure that appropriate control systems to check reasonableness of prices of eligible expenditure on the basis of real costs, but also simplified cost option as flat rate financing, standard scales of unit costs and lump sums might be envisaged for particular types of costs if appropriate

**M 16 - Co-operation**

For sub-measure M 16.4 “Support for horizontal and vertical co-operation among supply chain actors for the establishment and development of short supply chains and local markets, and for promotion activities in a local context relating to the development of short supply chains and local markets”, the Paying Agency has to ensure that appropriate control systems to check reasonableness of prices of eligible expenditure on the basis of real costs, but also simplified cost option as flat rate financing, standard scales of unit costs and lump sums might be envisaged for particular types of costs if appropriate.


Regarding the use of financial instruments, the Ministry of Agriculture has not planned to use financial instruments at this stage. However, the possibility of using Financial Instruments shall be assessed during Programme implementation within the evaluation activities particularly concerning measures relating to Priority 2. Due to the complex assessment and prefeasibility of FIs, in practice it is difficult to envisage their use operatively before 2016.

**The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.**

Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs

Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input type="checkbox"/> ERDF	<input type="checkbox"/> ESF
	<input checked="" type="checkbox"/> EMFF	

# Cyprus

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€299.82 million <sup>149</sup>	€132.21 million <sup>150</sup>				
Level of implementation	National	1 RDP (National) <sup>151</sup>				
DP (P.I) yearly national ceilings <sup>152</sup>	2015	2016	2017	2018	2019	2020
	€ 50,784,000	€ 50,225,000	€ 49,666,000	€ 49,155,000	€ 48,643,000	€ 48,643,000
Summary of P.I Direct Payment schemes	SAPS		61.3%			
	"Greening" Payment		30%			
	Payment for Young Farmers		Up to 1% in 2015, up to 0.7% from 2016-2020			
	Coupled Support		Up to 8 %			
	Small Farmers Scheme		Not implemented			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input checked="" type="checkbox"/> No flexibility		<input type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I	
Cyprus has chosen not to apply any flexibility between the pillars.						
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Cyprus has identified following criteria for "active farmers"<sup>153</sup>:</p> <ul style="list-style-type: none"> <li>Cyprus implements the minimum activity criteria (art. 9.1)<sup>154</sup>: <ul style="list-style-type: none"> <li>Areas naturally kept in a state suitable for cultivation, annual plowing is required in the Spring;</li> <li>Areas naturally kept in a state suitable for grazing, the grazing itself or at least seeding the pasture;</li> <li>Both minimum activities need to be carried out in at least 50% of the eligible area.</li> </ul> </li> <li>Cyprus opted for a physical threshold of 0.3 ha or a financial threshold of € 100 in case of animal-related coupled support.</li> <li>Cyprus will not extend the negative list (art. 9(2))</li> <li>Persons within the negative list can still receive direct payments if they fulfil any of following criteria; <ul style="list-style-type: none"> <li>The annual amount of direct payments is at least 5% of the total receipts obtained from non-agricultural activities in the most recent financial year;</li> </ul> </li> </ul>					

<sup>149</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>150</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>151</sup> DG AGRI data on RDPs (2016)

<sup>152</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>153</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>154</sup> Annex to European Parliament (2015) Implementation of the first pillar of the CAP 2014-2020 in the EU Member States.

Single Area Payment Scheme	<ul style="list-style-type: none"> <li>○ Its agricultural activities are not insignificant and thus amount to 1/3<sup>rd</sup> of the total receipts in the most recent fiscal year. The following proof should be provided: <ul style="list-style-type: none"> <li>▪ For legal persons - Official Documentation from the Registrar of Companies and Official Receiver (Ministry of Energy, Commerce Industry and Tourism of the Republic of Cyprus) regarding the activities of the specific entity.</li> <li>▪ For natural persons - Official Documentation from the Department of Social Insurance Services (Ministry of Labour, Welfare and Social Insurance of the Republic of Cyprus) regarding the person's professional activities.</li> </ul> </li> <li>○ Its principal business or company objects consist of exercising an agricultural activity. This will be based upon the classification of all performed activities under NACE rev. 2 classification.</li> <li>● Cyprus will not implement any additional economic or professional requirements.</li> </ul> <p>The exemption threshold for the "active farmer" clause is applicable to recipients who did not receive more than €5,000 in the previous year<sup>155</sup>.</p>
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Single Area Payment Scheme	<p>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</p>	
	61.3 % of national ceiling	<input type="checkbox"/> National model (single region) <input checked="" type="checkbox"/> SAPS <input type="checkbox"/> Regional model
		<input type="checkbox"/> Partial internal convergence <input type="checkbox"/> Flat payment
	<p>Cyprus has allocated annually around € 30 million to SAPS. The amount decreases from € 31 million in 2015 to € 27,9 million in 2020.</p> <p>Further key decisions taken by Cyprus concerning basic payments are:</p> <ul style="list-style-type: none"> <li>● SAPS represent 61,1% of the national ceiling for Pillar I<sup>156</sup>;</li> <li>● Cyprus will continue to apply the SAPS until 2020.</li> <li>● The level of implementation is national considering the whole territory as a single region<sup>157</sup>;</li> <li>● All ten Member States applying SAPS except Cyprus have decided to grant transitional national payments. Cyprus has deferred the decision owing to national budget constraints<sup>158</sup>.</li> </ul>	

Reduction of payments	<p>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</p>	
	<input checked="" type="checkbox"/> Degressivity: 5 % <input checked="" type="checkbox"/> Threshold: € 150,000 <input type="checkbox"/> Application:	<input type="checkbox"/> Redistributive payment
	<p>Cyprus decided to implement the minimum of 5% reduction for the part of the amount of SAPS exceeding €150,000<sup>159160</sup>. The reduction rate is fixed for all years. There will be no deduction of salaries.</p>	

<sup>155</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>156</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>157</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>158</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.70.

<sup>159</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>160</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)



<b>Greening</b>	<b>Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.</b>		
	<b>Green payment</b>		
	<input type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> <b>Flat payment</b>	<input type="checkbox"/> Individual payment
	<b>Permanent grassland</b>		
	<b>Total area of ESPG in Natura 2000: 557.83 ha (72%)</b>	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> <b>National application</b>
	<b>Ecological Focus Areas</b>		
<b>5 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation
<p>30% of Cyprus's national ceiling<sup>161</sup> which corresponds to over €15.2m in 2015 and to €14.6 in 2020 is allocated to greening<sup>162</sup>. The implementation of the greening payments will be done at national level<sup>163</sup>.</p> <p>Cyprus made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• With regard to green payment, Cyprus will apply a flat payments<sup>164</sup>,</li> <li>• It will not implement any equivalent practices<sup>165</sup>,</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 776.68 hectares are currently covered<sup>166</sup>; 557.83 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 72% of the total permanent grassland<sup>167</sup>. No ESPG is designated outside Natura 2000<sup>168</sup>.</li> <li>• Cyprus has decided to focus on the following 5 Ecological Focus Areas<sup>169</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow</li> <li>○ Buffer strips: 1m to 50m max. width.</li> <li>○ Ha of agro-forestry</li> <li>○ Afforested areas</li> <li>○ Areas with nitrogen fixing crops including: chickpea, vetchlings, lentil, alfalfa, bean, pea, clover, vetch (exc. faba bean), faba bean, bean.</li> </ul> </li> </ul>			
<b>Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.</b>			
<b>% of national ceiling: Up to 1% in 2015, up to 0.7% from 2016-2020</b>			
<p>Cyprus has decided to allocate 1 % of their national ceiling in 2015 and 0.7% from 2016 to 2020 to Young Farmers which corresponds to € 507,840 in 2015 which decreases to € 340.501 in 2020. There will be no additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25 % of the national average per ha in 2019 multiplied by the number of activated ha. The threshold of eligible payment entitlements is set at 90 ha.</p>			

<sup>161</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>162</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>163</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>164</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>165</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>166</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>167</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>168</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>169</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

<b>Voluntary coupled support</b>	<b>Member States are allowed to choose to implement the coupled support for different sectors or regions.</b>																
	<input checked="" type="checkbox"/> <b>Coupled support as % of national ceiling:</b> 8 %			<input type="checkbox"/> Support for protein crops as % of national ceiling: 0%													
	<p>In Cyprus, 7.9 % of the national ceiling (which corresponds to around € 4 m in 2015 to €3.9 m in 2020) is allocated to Voluntary Coupled Support (VCS). The sectors covered by VCS are fruit and vegetables; milk and milk products; and sheep meat and goat meat. Throughout the planning period the amounts slightly change, but their overall distribution remains stable.<sup>170</sup></p> <p>The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period.</p> <p style="text-align: center;"><b>Figure 19 Shares of budget allocated per sector for VCS in Cyprus as a total of all years</b></p> <div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <caption>Data for Figure 19</caption> <thead> <tr> <th>Sector</th> <th>Amount (€)</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Milk and milk products</td> <td>17,688,560</td> <td>75%</td> </tr> <tr> <td>Sheepmeat and goatmeat</td> <td>4,350,000</td> <td>18%</td> </tr> <tr> <td>Fruit and vegetables</td> <td>1,650,000</td> <td>7%</td> </tr> </tbody> </table> </div> <p style="text-align: center;"><i>Source: Ecorys based on DG AGRI data</i></p>						Sector	Amount (€)	Percentage	Milk and milk products	17,688,560	75%	Sheepmeat and goatmeat	4,350,000	18%	Fruit and vegetables	1,650,000
Sector	Amount (€)	Percentage															
Milk and milk products	17,688,560	75%															
Sheepmeat and goatmeat	4,350,000	18%															
Fruit and vegetables	1,650,000	7%															
<b>Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers</b>																	
<b>Other voluntary schemes under Pillar I</b>		<input type="checkbox"/> Payment for areas with natural constraints				<input type="checkbox"/> Small farmers											
<p>The voluntary scheme for areas with natural constraints is not implemented in Cyprus<sup>171</sup>.</p> <p>Small farmer scheme is not implemented in Cyprus<sup>172</sup>.</p>																	
<b>Yearly Union Support for P.II<sup>173</sup></b>																	
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>											
	€ 28,341,472	€ 28,345,126	€ 18,894,801	€ 18,892,389	€ 18,889,108	€ 18,881,481											
<b>Summary of measures implemented under P.II</b>																	
<b>Summary of measures implemented under P.II</b>	<b>Total public spending in € for 2014-2020</b> % of total budget	<b>EU support rate</b>	<b>Implemented measures</b>														
	€ 2.000.000 0,7%	53 %	M1.1: Support for vocational training and skills acquisition actions; M1.2: Support for demonstration activities and information actions; M1.3: Support for short-term farm and forest management exchange														

<sup>170</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>171</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

<sup>172</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.61.

<sup>173</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

			as well as farm and forest visits.
€ 3.000.000 1,1%	53 %		M3.1 support for new participation in quality schemes M3.2 support for information and promotion activities implemented by groups of producers in the internal market
€ 53.700.000 19,1%	53 %		M4.1: support for investments in agricultural holdings; M4.2: support for investments in processing/marketing and/or development of agricultural products; M4.3: support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry;
€ 7.000.000 2,5%	100 %		M6.1: business start-up aid for young farmers;
€ 15.000.000 5,3%	53 %		M7.2: support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving; M7.3: support for broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government; M7.4: support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure; M7.5: support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure;
€ 6.500.000 2,3%	53 %		M8.3: support for prevention of damage to forests from forest fires and natural disasters and catastrophic events (Article 23); M8.4: support for restoration of damage to forests from forest fires and natural disasters and catastrophic events (Article 24); M8.5: support for investments improving the resilience and environmental value of forest ecosystems (Article 25);
€ 3.000.000 1,1%	53 %		M9: setting up of producer groups and organisations
€ 60.000.000 21,4%	53 %		M10.1: payment for agri-environment-climate commitments
€ 24.000.000 8,5%	53 %		M11.1 payment to convert to organic farming practices and methods M11.2 payment to maintain organic farming practices and methods
€ 4.000.000 1,4%	53 %		M12.1 compensation payment for Natura 2000 agricultural areas
€ 38.000.000 13,5%	53 %		M13.1: compensation payment in mountain areas M13.2: compensation payment for other areas facing significant natural constraints M13.3: compensation payment to other areas affected by specific constraints
€ 7.000.000 2,5%	53 %		M14: animal welfare
€ 12.500.000 4,5%	53 %		M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets
€ 4.610.145 1,6%	53 %		M19.1 preparatory support M19.2 support for implementation of operations under the CLLD strategy M19.3 preparation and implementation of cooperation activities of the local action group M19.4 support for running costs and animation

€ 37.471.645  
13,3%

53 %

M20: technical assistance

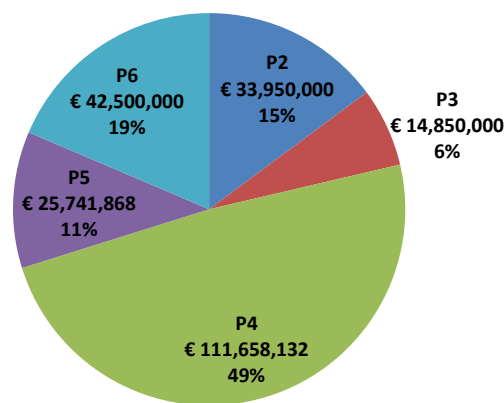
Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).

National RDP

Regional RDP

The total RDP budget for Cyprus is at around €228 m for the entire planning period. Cyprus has allocated almost half of this budget (49%) to Priority 4 "Restoring, preserving and enhancing ecosystems related to agriculture and forestry" followed by 19% to Priority 6 "Social inclusion and local development in rural areas", 15% to Priority 2 "Competitiveness of agriculture and sustainable forestry", 11% both to Priority 5 "Resource efficiency and climate", 6% to Priority 3 "food chain organisation and risk management". The following figure provides an overview of the shares by Priority.

Figure 20 Budget allocated per Priority in Cyprus



Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

#### Overview

Cyprus has decided to offer 16 measures. In terms of budget allocation the highest amounts are allocated to:

- M10 "Agri-environment- climate" (€60,000,000);
- M4 "Investments in physical assets" (€53,700,000);
- M13 "Payments to areas facing natural or other specific constraints" (€38,000,000);

#### M01 Knowledge Transfer and Innovation actions

Cyprus allocated 0,7% of the total RDP budget to knowledge transfer and innovation actions. The focus of this measure will lie on training for agricultural holdings located in important ecological areas or in catchment areas. The form in which training is implemented, as described by the RDP, is through courses, workshops, lectures, etc. Demonstration projects include more practical sections. Training actions will be undertaken by the Training Centres of the Ministry of Agriculture covering all sectors of entrepreneurial activities including farm economics management and all other technical aspects of cultivation and farm practises. Innovation actions shall be based on the creation and support of EIP's, aiming thereby to create the basis for the growth of innovation networks on the island.

#### Investment measures (M04, M05, M06, M07, M08)

Cyprus implemented investment measures:

- M4 "Investments in physical assets" (€53,700,000);
- M6 "Farm and business development" (€7,000,000);

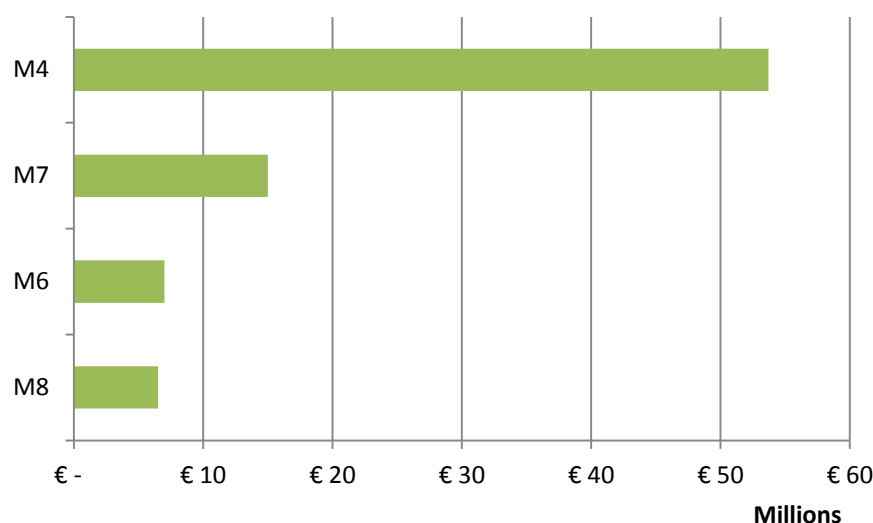
Key focus areas for rural development

Use of measures in RDPs

- M7 “Basic services and village renewal in rural areas” (€15,000,000); and
- M8 “Investments in forest area development and improvement of the viability of forests”( €6,500,000).

The following figure illustrates the budget allocation per investment measure.

**Figure 21 Budget allocated to investment measures in Cyprus**



Source: Ecorys based on DG AGRI data (2016)

For the investment measures M6 the links to intended job creation are explicitly made as they are implemented with the intention of strengthening the rural economy, creating new jobs and raising added value. For M7 and M8, the rationale is that by using these measures barriers to job creation are reduced. Measures 4 and 6 are specifically targeted at job creation for the agro food sector as the link between job creation and investments is explicitly defined in the selection criteria for M4 and in the core objective of M6.

Some of the investment measures a combination of public and private investments are assumed with support rates ranging from 40% to 100% (M4, M8). Other investment measures can be fully publicly financed as they will work with public tendering procedures (M6, M7, M8).

There is no focus on non-productive investments in any of the measures.

Investments in new or existing irrigation systems are also covered by these investment measures (i.e. M4.1). For instance, M4.3.2 is aiming to extend the coverage of recycled water via new infrastructure and M4.3.3 is targeted at innovative approaches in the management of irrigation eater networks using smrt IT systems.

#### **M10 Agri-Environment-Climate and M11 Organic Farming**

Cyprus spends on M10 “Agri-environment-climate” € 60,000,000 of which the national contribution is 47 %<sup>174</sup>. 87% of the expenditure is categorised under Priority 4, the remaining 13% under Priority 5. The main beneficiaries of this measure are farmers practising agro environmental measures according to the requirements of each sub-measure. There are ten sub-measures focusing on different agro environmental problems (water use, nitrate pollution) and /or different cultivations (including potatoes, vines, citrus).

For M11 “Organic Farming” € 24.000.000 of public spending has been allocated of which the national contribution accounts for 47 %<sup>175</sup>. All of the expenditure is categorised under Priority 4 Beneficiaries are farmers with the following additional prerequisites: Min land for support 0.3ha, Six year commitment

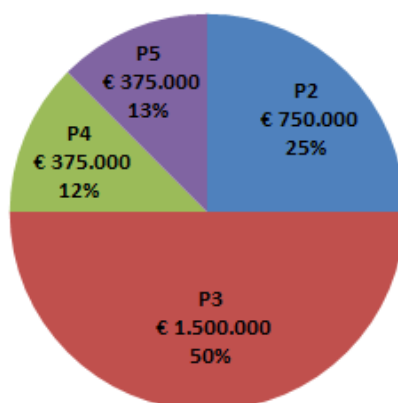
#### **M16 Co-operation**

M16 “cooperation” receives €12.500.000 of public spending of which 4.5 % is national contribution. Under Priority 3 50% of the total amount is spent, 25% under Priority 2, 13% under Priority and 12% under Priority 4.

<sup>174</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>175</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

Figure 22 Budget allocated to investment measures in Cyprus



Source: Ecorys based on DG AGRI data (2016)

The measure pursues the objective of supporting innovation networks and short supply chains. Following submeasures have been selected:

- M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability
- M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies
- M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets

**M19 LEADER CLLD**

The total CLLD budget allocated under the EAFRD in Cyprus is €4,6m. All funds are targeted under Priority 6 “Fostering local development in rural areas”. 11,6 % of the rural population is intended to be covered under Local Development Strategy. The target is to create 20 jobs.<sup>176</sup>

**Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.**

**Targeting of RDP measures**

Measures especially targeted at Young Farmers: M04, M06  
 Measures targeted at Small Farms: none  
 Measures targeted at Innovation Activities: M01, M16,

**Approaches taken to financial support in RDP**

**Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.**

Cyprus will not implement simplified cost option.  
 Cyprus will not make use of any financial instruments.


**Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs**

**The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.**

Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input type="checkbox"/> ERDF <input type="checkbox"/> ESF <input checked="" type="checkbox"/> EMFF	

<sup>176</sup> DG AGRI (2016): RDP factsheet Cyprus

# Czech Republic

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€5,241 million <sup>177</sup>	€ 2,170 million <sup>178</sup>				
Level of implementation	National	1 RDP (national) <sup>179</sup>				
DP (P.I) yearly national ceilings <sup>180</sup>	2015	2016	2017	2018	2019	2020
	€ 840,100,000	€ 839,300,000	€ 838,500,000	€ 856,700,000	€ 856,700,000	€ 872,800,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		54.8%			
	"Greening" Payment		30%			
	Payment for Young Farmers		Up to 1%			
	Coupled Support		Up to 13% and up to 2% for protein crops			
	Small Farmers Scheme		Not implemented			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input type="checkbox"/> No flexibility		<input checked="" type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I	
Czech Republic has decided to implement flexibility between pillars (from I to II) with a decreasing share across years from 3,4% (from 2015 to 2017) to 1,3% (in 2018 and 2019).						
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Czech Republic has identified the following criteria for "active farmer"<sup>181</sup>:</p> <ul style="list-style-type: none"> <li>• It has not set out a definition for "minimum activity" under art.4.2.b;</li> <li>• It will not maintain a negative list (art. 9(2));</li> <li>• The minimum requirement for receiving DP is a physical threshold of 1ha;</li> <li>• A person or a group of persons which fall under the scope of art. 9 (2) can be regarded an active farmer if they can provide: <ul style="list-style-type: none"> <li>○ a form published by the fund (SZIF) fulfilled by the information on total income or revenues and income or revenues from agricultural activity for last closed accounting period by the day of submission of application for the direct payment;</li> <li>○ an auditor's report that confirms the information on income and revenues with the accounting records of the applicant;</li> </ul> </li> <li>• Czech Republic decided not to implement any additional economic or professional requirements (art. 9 (3));</li> <li>• The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €5,000 in the previous year<sup>182</sup>.</li> </ul>					

<sup>177</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>178</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>179</sup> DG AGRI data on RDPs (2016)

<sup>180</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>181</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>182</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	<p>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</p>		
	54.8% of national ceiling	<input type="checkbox"/> National model (single region) <input checked="" type="checkbox"/> SAPS <input type="checkbox"/> Regional model	<input type="checkbox"/> Partial internal convergence <input type="checkbox"/> Flat payment
Basic Payments	<p>Czech Republic has allocated annually about € 465 million to basic payments. The amount increases from € 463 million in 2015 to € 478 million in 2020.</p> <p>Further key decisions taken by the Czech Republic concerning basic payments are:</p> <ul style="list-style-type: none"> <li>• Basic Payments represent 54.9 % of the national ceiling for Pillar I<sup>183</sup>;</li> <li>• The level of implementation is national considering the whole territory as a single region<sup>184</sup>;</li> <li>• Regarding the decisions on the population to be targeted under the first allocation, the Czech Republic neither uses a list of eligible farmers nor the rule of a minimum size of holding necessary to qualify for the first allocation;</li> <li>• The same remark counts for decisions regarding limitation on the number of entitlements to be allocated<sup>185</sup>;</li> <li>• No information is provided regarding neither the IUUV based on payments, IUUV based on value of PE, the use of total past sectorial support nor the use of partial past sectorial support .</li> </ul>		
	<p>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</p>		
Reduction of payments	<input checked="" type="checkbox"/> Degressivity: 5 % <input checked="" type="checkbox"/> Threshold: €150,000 <input type="checkbox"/> Application:	<input type="checkbox"/> Redistributive payment	
	<p>The Czech Republic decided to implement the minimum of 5% reduction for the part of SAPS exceeding 150,000<sup>186/187</sup>. The reduction will be applied to businesses with acreage of more than 1,150 ha) and it is fixed for all years.</p>		
	<p>Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.</p>		
Greening	<b>Green payment</b>		
	<input checked="" type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> Flat payment	<input type="checkbox"/> Individual payment
	<b>Permanent grassland</b>		
	<b>Total area of ESPG in Natura 2000:</b> 131,914.99 ha (100%)	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> National application
	<b>Ecological Focus Areas</b>		
<b>11 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation
	<p>30% of the Czech Republic's national ceiling<sup>188</sup> which corresponds to over €253,456,200 in 2015 and to €261,842,700 in 2020 is allocated to greening<sup>189</sup>. The implementation of the greening payments will be done at national level<sup>190</sup>.</p>		

<sup>183</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>184</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>185</sup> BPS – Allocation of payment entitlements (Form 4).xls

<sup>186</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>187</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)



	<p>The Czech Republic made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• It decided to apply the derogation to the uniform greening payment per hectare, which means that an individual payment is implemented<sup>191</sup>;</li> <li>• It will implement equivalent practices from 2016 onwards<sup>192</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at a national level, about 131,914.99 hectares are currently covered<sup>193</sup>, all designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 100 % of the total permanent grassland<sup>194</sup>. No ESGP is designated outside Natura 2000<sup>195</sup>.</li> <li>• It decided to focus on the following 11 Ecological Focus Areas<sup>196</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow</li> <li>○ Terraces</li> <li>○ Landscape features (6): solated trees, trees in line, trees in groups – field copses, field margins, ditches and field margins – slopes.</li> <li>○ Areas with short rotation coppice, 5 species: alder, hazel, ash, poplar, willow. Neither mineral fertilisers nor plant protection products are allowed.</li> <li>○ Afforested areas</li> <li>○ Areas with catch crops or green cover: 28 species.</li> <li>○ Areas with nitrogen fixing crops, 14 species: chickpea, vetch lings, lenti, birds foot-trefoil, lupin, alfalfa, sweet clover, sainfoin, bean, pea, clover, vetch (exc. Faba bean) and faba bean and bean.</li> </ul> </li> </ul>			
<b>Payment for Young Farmers</b>	<p><b>Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.</b></p>			
	<table border="1"> <tr> <td data-bbox="406 896 869 940"><b>% of national ceiling: 1%</b></td> <td data-bbox="869 896 1348 940"></td> </tr> <tr> <td colspan="2" data-bbox="406 940 1348 1131"> <p>The Czech Republic decided to allocate 1% of its national ceiling to Young Farmers which corresponds to € 8,448,540 in 2015 and increases to € 8,728,090 in 2020. There will be no additional eligibility criteria implemented. The calculation of the yearly top-up amount per beneficiary is equal to 25 % SAPS multiplied by the number of eligible hectares that the farmer has declared. The threshold of eligible payment entitlements is set at 90 ha.</p> </td> </tr> </table>	<b>% of national ceiling: 1%</b>		<p>The Czech Republic decided to allocate 1% of its national ceiling to Young Farmers which corresponds to € 8,448,540 in 2015 and increases to € 8,728,090 in 2020. There will be no additional eligibility criteria implemented. The calculation of the yearly top-up amount per beneficiary is equal to 25 % SAPS multiplied by the number of eligible hectares that the farmer has declared. The threshold of eligible payment entitlements is set at 90 ha.</p>
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<b>Voluntary coupled support</b>	<p><b>Member States are allowed to choose to implement the coupled support for different sectors or regions.</b></p>			
	<table border="1"> <tr> <td data-bbox="406 1232 869 1310"> <input checked="" type="checkbox"/> <b>Coupled support as % of national ceiling:</b> 13 % </td> <td data-bbox="869 1232 1348 1310"> <input checked="" type="checkbox"/> <b>Support for protein crops as % of national ceiling:</b> 2% </td> </tr> <tr> <td colspan="2" data-bbox="406 1310 1348 1713"> <p>In the Czech Republic, 13 % of the national ceiling (which corresponds to €126.728.157 in 2015 to €130.921.351 in 2020) is allocated to Voluntary Coupled Support (VCS). Czech Republic has decided to additionally allocate the 2% VCS buffer for protein crops only<sup>197</sup>. The sectors covered by VCS are beef and veal, fruit and vegetables, hops, milk and milk products, protein crops, sheep meat and goat meat, starch potato and sugar beet. Throughout the planning period the amounts slightly change, but their overall distribution remains stable.<sup>198</sup></p> <p>The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015 - 2020 period.</p> </td> </tr> </table>	<input checked="" type="checkbox"/> <b>Coupled support as % of national ceiling:</b> 13 %	<input checked="" type="checkbox"/> <b>Support for protein crops as % of national ceiling:</b> 2%	<p>In the Czech Republic, 13 % of the national ceiling (which corresponds to €126.728.157 in 2015 to €130.921.351 in 2020) is allocated to Voluntary Coupled Support (VCS). Czech Republic has decided to additionally allocate the 2% VCS buffer for protein crops only<sup>197</sup>. The sectors covered by VCS are beef and veal, fruit and vegetables, hops, milk and milk products, protein crops, sheep meat and goat meat, starch potato and sugar beet. Throughout the planning period the amounts slightly change, but their overall distribution remains stable.<sup>198</sup></p> <p>The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015 - 2020 period.</p>
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<sup>188</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>189</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>190</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>191</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>192</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>193</sup> DG AGRI data on Greening payment method of calculation (2016)

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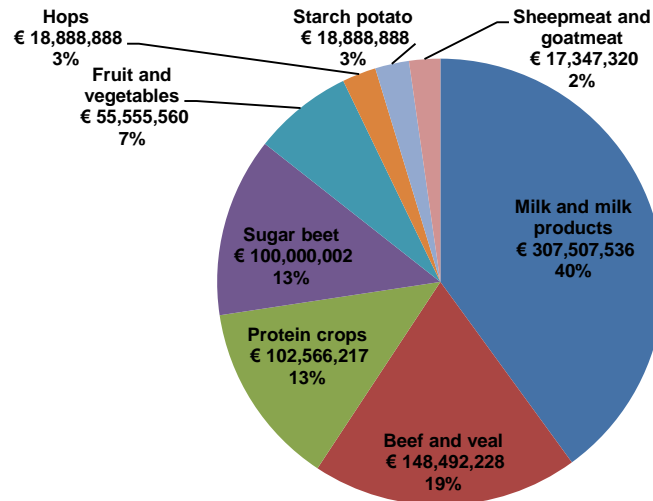
<sup>195</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>196</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

<sup>197</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>198</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

Figure 23 Shares of budget allocated per sector for VCS in Czech Republic as a total of all years



Source: Ecorys based on DG AGRI data

Other voluntary schemes under Pillar I	Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers	
	<input type="checkbox"/> Payment for areas with natural constraints	<input type="checkbox"/> Small farmers
	Neither payments for areas with natural constraints nor small farmer scheme are implemented in the Czech Republic.	

Yearly Union Support for P.II <sup>199</sup>	2015	2016	2017	2018	2019	2020
	€ 470.143.771	€ 503.130.504	€ 344.509.078	€ 343.033.490	€ 323.242.050	€ 321.615.103

Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures
	€ 3.329.684 0,1%	75 %	M1.1: Support for vocational training and skills acquisition actions M1.2: Support for demonstration activities and information actions
	€ 4.470.977 0,1%	75 %	M2.1 support to help benefiting from the use of advisory services
	€ 563.187.461 18,3%	75 %	M4.1: support for investments in agricultural holdings M4.2: support for investments in processing/marketing and/or development of agricultural products M4.3: support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives
	€ 119.896.293 3,9%	75 %	M6.1: business start-up aid for young farmers M6.4: support for investments in creation and development of non-agricultural activities;

<sup>199</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

	€ 78.078.412 2,5%	75 %	M8.1: support for afforestation/creation of woodland (Article 21)
			M8.2: support of establishment and maintenance of agro-forestry systems (Article 22)
			M8.3: support for prevention of damage to forests from forest fires and natural disasters and catastrophic events (Article 23)
			M8.4: support for restoration of damage to forests from forest fires and natural disasters and catastrophic events (Article 24)
			M8.5: support for investments improving the resilience and environmental value of forest ecosystems (Article 25)
			M8.6: support for investments in forestry technologies and in processing, mobilising and marketing of forest products (Article 26)
	€ 905.023.388 29,4%	75 %	M10.1: payment for agri-environment-climate commitments
	M10.2: support for conservation and sustainable use and development of genetic resources in agriculture		
	€ 350.713.064 11,4%	75 %	M11.1 payment to convert to organic farming practices and methods
			M11.2 payment to maintain organic farming practices and methods
	€ 4.157.400 0,1%	75 %	M12.1 compensation payment for Natura 2000 agricultural areas
			M12.2 compensation payment for Natura 2000 forest areas
			M12.3 compensation payment for agricultural areas included in river basin management plans
	€ 676.889.372 22,0%	75 %	M13.1: compensation payment in mountain areas
			M13.2: compensation payment for other areas facing significant natural constraints
			M13.3: compensation payment to other areas affected by specific constraints
	€ 66.666.667 2,2%	75 %	M14: animal welfare
	€ 7.821.288 0,3%	75 %	15.1 payment for forest-environmental and climate commitments
			15.2 support for the conservation and promotion of forest genetic resources
€ 110.286.387 3,6%	75 %	M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability	
		M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies	
		M16.3 Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism	
		M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets	
		M16.6 Support for cooperation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes\	
€ 153.711.601 5,0%	75 %	M19: support for LEADER local development (CLLD)	
€ 30.000.000 1,0%	75 %	M20: technical assistance	

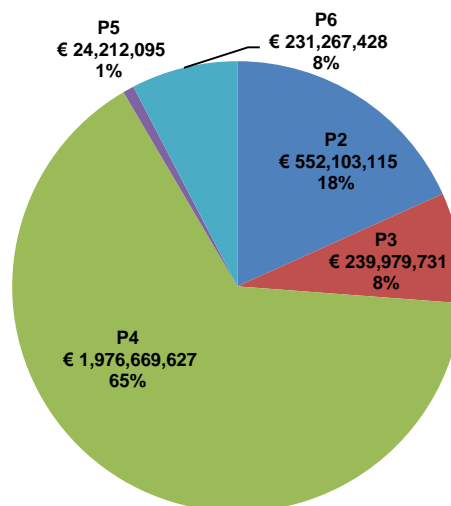
Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).

National RDP       Regional RDP

Key focus areas for rural development

The total RDP budget for the Czech Republic is around € 2,170 million for the entire planning period. The Czech Republic has allocated more than half of this budget (65 %) to Priority 4 “restoring, preserving and enhancing ecosystems” followed by 18 % to Priority 2 “competitiveness of all types of agriculture and farm viability”, 8 % to Priority 3 “food chain organisation and risk management”, 8 % to Priority 3 “food chain organisation and risk management” and 1% to Priority 5 “resource efficiency and shift towards a low carbon and climate resilient economy”. The following figure provides an overview of the shares by Priority.

Figure 24 Budget allocated per Priority in the Czech Republic



Source: Ecorys based on DG AGRI data (2016)

Use of measures in RDPs

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

## Overview

The Czech Republic has decided to offer 14 measures. In terms of budget allocation the highest amounts are allocated to:

- M10 "agri-environment- climate" (€ 905 023 388);
- M13 "payments to areas facing natural or other specific constraints" (€ 676 889 372);
- M04 "investments in physical assets" (€563 187 461).

## M01 Knowledge Transfer and Innovation actions

Czech Republic allocated 0.1% of the total RDP budget to knowledge transfer and innovation actions. The aims are:

- to improve knowledge and transfer results of science and research to the farmers;
- increase economic viability and competitiveness;
- support for lifelong learning;
- support for food chain, innovations, animal welfare, farming in LFA and NATURA and other areas with natural constraints.
- the restoration and increase of biological ecosystems.

Overall, the general objective is sustainable farming.

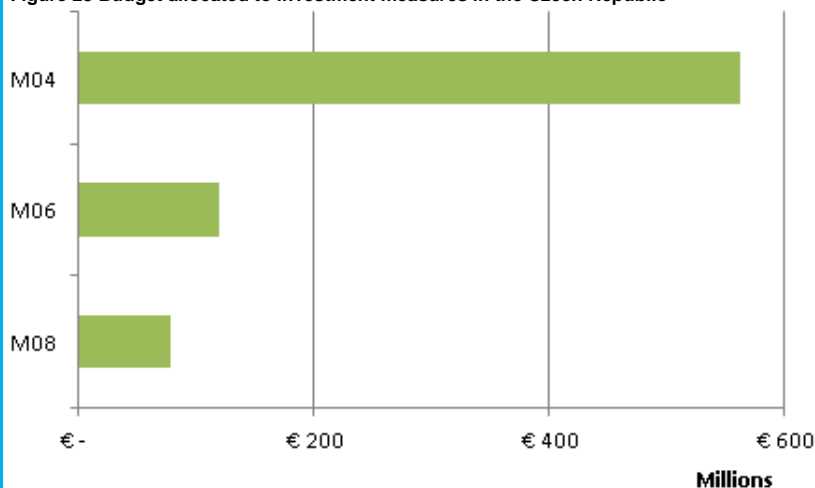
## Investment measures (M04, M05, M06, M07, M08)

The Czech Republic implemented investment measures:

- M4 "Investments in physical assets" (€ 563 187 461);
- M6 "Farm and business development (€ 119 896 293); and
- M8 "Investments in forest area development and improvement of the viability of forests" (€ 78 078 412).

The following figure illustrates the budget allocation per investment measure.

Figure 25 Budget allocated to investment measures in the Czech Republic



Source: Ecorys based on DG AGRI data (2016)

For the investment measures M6 the links to intended job creation are explicitly made as they are implemented with the intention of strengthening the rural economy, creating new jobs and raising added value. For young farmers who recently started their farming activity the support is €45 000.

Some of the investment measures use a combination of public and private investments with public support rates ranging from 40% to 60 % (M4) and 50%100 % (M8).

There is no focus on non-productive investments in any of the measures.

## M10 Agri-Environment-Climate and M11 Organic Farming

Czech Republic spends on M10 "Agri-environment-climate" €905.023.388 of which the national contribution is 29.4%<sup>200</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are farmers in LFA areas.

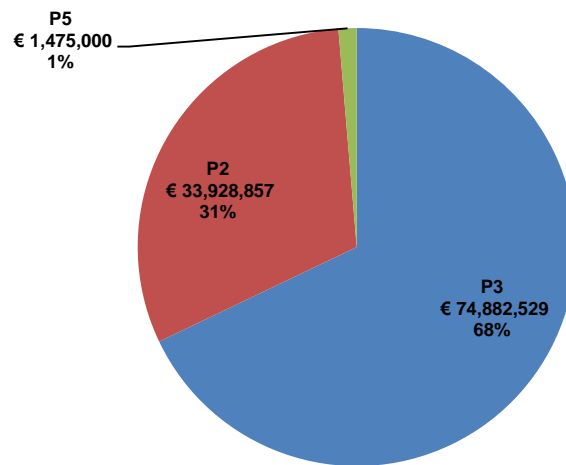
For M11 "Organic Farming" € 330.713.064 of public spending has been allocated of which the national contribution accounts for 11.4 %<sup>201</sup>. All of the expenditure is categorised under Priority 4.

<sup>200</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

### M16 Co-operation

M16 “cooperation” receives € 110 286 387 of public spending of which 3.6% is national contribution. Under Priority 3 68% of the total amount is spent, for Priority 2 31% is allocated and, under Priority 5 1 %.

Figure 26. Division of budget for M16 over different priorities (P) for the 2014-2020 period



Source: Ecorys based on DG AGRI data (2016)

The following submeasures are implemented (budget allocation in brackets):

- Support for EIP – €9 700 000;
- Support for development new technology, products in primary agri production – €17 700 000;
- Support for development of new products and marketing - €70 800 000;
- Support for cost of cooperation and projects €6 500 000;
- Support for horizontal and vertical cooperations, short suppliers chains €4 000 000;
- Support for cooperations in use biomass for energy production – €1 500 000.

### M19 LEADER CLLD

The total CLLD budget allocated under the EAFRD in the Czech Republic is € 153 711 601. It will be carried out under a single thematic objective: promoting social inclusion and combatting poverty and any form of discrimination<sup>202</sup>. All funds are targeted under Priority 6 “Fostering local development in rural areas”. Around 66.51% of the rural population is intended to be covered under Local Development Strategy. The target is to create 750 jobs.<sup>203</sup>

Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.

#### Targeting of RDP measures

Measures especially targeted at Young Farmers: measures M01 and M06.  
Measures targeted at Small Farms: none  
Measures targeted at Innovation Activities: measures M01, M02 and M16.

#### Approaches taken to financial support in RDP

Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.

Under LEADER, two measures are implemented:

- 85 % subsidy for SCLLD projects (€146 700 000)
- 80 % for projects, management a realisation of projects (€7 000 000)

<sup>201</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>202</sup> Czech Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme


<sup>203</sup> DG AGRI (2016): RDP factsheet Czech Republic.

Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs		The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.	
	Use of CLLD multi-fund option?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input type="checkbox"/> ERDF <input type="checkbox"/> ESF <input type="checkbox"/> EMFF	





# Denmark

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€5416 million <sup>204</sup>	€629 million <sup>205</sup>				
Level of implementation	National	1 RDP (National) <sup>206</sup>				
DP (P.I) yearly national ceilings <sup>207</sup>	2015	2016	2017	2018	2019	2020
	€ 870,200,000	€ 852,200,000	€ 834,300,000	€ 826,300,000	€ 818,300,000	€ 880,400,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		65%			
	"Greening" Payment		30%			
	Payment for Young Farmers		Up to 2%			
	Coupled Support		Up to 2.8%			
	Small Farmers Scheme		Not implemented			
	Areas with Natural Constraints		Up to 2.8%			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input type="checkbox"/> No flexibility	<input checked="" type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I		
Denmark has chosen to implement flexibility between Pillars, from Pillar I to Pillar II increasing from 5% (2015) to 7% (2019). <sup>208</sup>						
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Denmark has identified the following criteria for "active farmer"<sup>209</sup>:</p> <ul style="list-style-type: none"> <li>• The minimum requirement for receiving Direct Payment is set at 2 hectares (art. 10).</li> <li>• Denmark did not add a definition regarding minimum activity (art. 9.1);</li> <li>• Denmark will not maintain a negative list (art. 9(2))</li> <li>• A person or a group of persons which fall under the scope of art. 9 (2) can be regarded an active farmer if they can demonstrate with verifiable evidence that its principal business or company objects consist of exercising an agricultural activity, which is classified under a NACE code for agriculture and which is registered in the commercial register on revenue. In case of natural persons who are not registered in the central business register, the applicant must provide the most recent annual tax statement and based on the information contained herein, it will be decided what additional information the applicant must provide. It will on a case by case basis be decided specifically on what additional evidence is needed.</li> </ul>					

<sup>204</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>205</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>206</sup> DG AGRI data on RDPs (2016)

<sup>207</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>208</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.63.

<sup>209</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	<p>In addition, Denmark has decided that no direct payments are to be granted to natural or legal persons, or to groups of natural or legal persons whose principal activity or company objects do not consist of exercising an agricultural activity.</p> <ul style="list-style-type: none"> <li>Denmark decided not to implement any additional economic or professional requirements (art. 9 (3)).</li> </ul> <p>The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €5,000 in the previous year<sup>210</sup>.</p>		
Basic Payments	<p>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</p>		
	65 % of national ceiling	<input checked="" type="checkbox"/> National model (single region) <input type="checkbox"/> SAPS <input type="checkbox"/> Regional model	<input checked="" type="checkbox"/> Partial internal convergence  <input type="checkbox"/> Flat payment
	<p>Denmark has allocated on average € 550 million annually to basic payments. The amount increases from € 566 million in 2015 to € 572 million in 2020.</p> <p>Further key decisions taken by Denmark concerning basic payments are:</p> <ul style="list-style-type: none"> <li>Basic Payments represent 65% of the national ceiling for Pillar I<sup>211</sup>;</li> <li>The level of implementation is national considering the whole territory as a single region<sup>212</sup>;</li> <li>Regarding the decisions on the population to be targeted under the first allocation, Denmark did not apply a list of eligible farmers nor a minimum size of holding necessary to qualify for the first allocation.</li> <li>For internal convergence, Denmark does not apply maximum decrease in initial unit value</li> </ul>		
Reduction of payments	<p>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</p>		
	<input checked="" type="checkbox"/> Degressivity: 5 % <input type="checkbox"/> Threshold: € 0 <input type="checkbox"/> Application: 0	<input type="checkbox"/> Redistributive payment	
<p>Denmark decided to implement the minimum of 5% reduction for the part of the amount of Basic Payments exceeding € 150,000<sup>213214</sup>. The reduction rate is fixed for all years.</p>			
Greening	<p>Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.</p>		
	Green payment		
	<input type="checkbox"/> Equivalent practices	<input type="checkbox"/> Flat payment	<input checked="" type="checkbox"/> Individual payment
	Permanent grassland		
	Total area of ESPG in Natura 2000: 10,500 ha (20%)	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> National application
Ecological Focus Areas			
6 types of EFAs	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation

<sup>210</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>211</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>212</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>213</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>214</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

	<p>30% of Denmark's national ceiling<sup>215</sup> which corresponds to over € 261m in 2015 and to €264m in 2020 is allocated to greening<sup>216</sup>. The implementation of the greening payments will be done at national level<sup>217</sup>.</p> <p>Denmark made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• Denmark has decided to apply the derogation to the uniform greening payment per hectare, which means they implement an individual payment<sup>218</sup>;</li> <li>• Denmark will not implement any equivalent practices<sup>219</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 52.000 hectares are currently covered<sup>220</sup>; 10.500 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 20% of the total permanent grassland<sup>221</sup>. No ESPG is designated outside Natura 2000<sup>222</sup>.</li> <li>• Denmark has decided to focus on the following 6 Ecological Focus Areas<sup>223</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow</li> <li>○ 2 Landscape features <ul style="list-style-type: none"> <li>▪ Ponds</li> <li>▪ Other: protected ancient monuments</li> </ul> </li> <li>○ Buffer strips: GAEC 1, 2m min. width; use of fertilizers: NS; other buffer strips from 1m to 10m max.</li> <li>○ Area with short rotation coppice including, 10 species: maple, alder, birch, hornbeam, hazel, ash, poplar, oakm willow and elm.</li> <li>○ Areas with catch crops or green cover: 4 families<sup>224</sup></li> </ul> </li> </ul>	
Payment for Young Farmers	<p><b>Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.</b></p>	
	<p><b>% of national ceiling: 2 %</b></p>	
	<p>Denmark has decided to allocate 2% of their national ceiling to Young Farmers which corresponds to € 17,415,020 in 2015 which increases to € 17,607,680 in 2020. There will be no additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25% of the national average payment per ha multiplied by the number of activated ha. The threshold of eligible payment entitlements is set at 90ha.</p>	
Voluntary coupled support	<p><b>Member States are allowed to choose to implement the coupled support for different sectors or regions.</b></p>	
	<p><input checked="" type="checkbox"/> <b>Coupled support as % of national ceiling:</b> 2.8 %</p>	<p><input type="checkbox"/> Support for protein crops as % of national ceiling: 0 %</p>
	<p>In Denmark, 2.8 % of the national ceiling (which corresponds to €24m in 2015 to €24m in 2020) is allocated to Voluntary Coupled Support (VCS). The sectors covered by VCS are Beef and veal (100% of the support). Throughout the planning period the amounts do not change over the period 2015-2020.<sup>225</sup></p>	
Other voluntary schemes under Pillar I	<p><b>Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers</b></p>	
	<p><input checked="" type="checkbox"/> <b>Payment for areas with natural constraints</b></p>	<p><input type="checkbox"/> Small farmers</p>
	<p>The voluntary scheme for small farmers is not implemented in Denmark<sup>226</sup>.</p> <p>Denmark allocated almost €2,8 million in 2015 (€2,7 in 2020) to the scheme for areas with natural constraints. This corresponds to 0,32% of the national ceiling. The small farmers scheme is not implemented in Denmark<sup>227</sup>.</p>	

<sup>215</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>216</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>217</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>218</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>219</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>220</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>221</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>222</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>223</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

<sup>224</sup> Implementation-decisions-ms\_en.pdf, p. 28

<sup>225</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>226</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

Yearly Union Support for P.II <sup>228</sup>	2014	2015	2016	2017	2018	2019	2020
	€	€	€	€	€	€	€
	90.287.658	90.168.920	136.397.742	144.868.072	153.125.142	152.367.537	151.588.619
Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures				
	€ 37.471.645,294,13%	53-80%	M1.1: Support for vocational training and skills acquisition actions; M1.2: Support for demonstration activities and information actions;				
	€ 350.270.412,5838.62%	53-75 %	M4.1: support for investments in agricultural holdings; M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.				
	€ 2.894,340%	53 %	M5.1: support for investments in preventive actions aimed at reducing the consequences of probable natural disasters, adverse climatic events and catastrophic events;				
			M5.2: support for investments for the restoration of agricultural land and production potential damaged by natural disasters, adverse climatic events and catastrophic events.				
			M7.2: support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving;				
			M7.4: support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure;				
			M7.6: support for studies/investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites including related socioeconomic aspects, as well as environmental awareness actions;				
	€ 47.151.3935.20%	53-75 %	M8.1: support for afforestation/creation of woodland (Article 21); M8.4: support for restoration of damage to forests from forest fires and natural disasters and catastrophic events (Article 24) M8.5: support for investments improving the resilience and environmental value of forest ecosystems (Article 25);				
			M10.1: payment for agri-environment-climate commitments				
			M11.1 payment to convert to organic farming practices and methods M11.2 payment to maintain organic farming practices and methods				
	€ 21.372.0322.36%	75 %	M15.1 payment for forest-environmental and climate commitments				
	€ 30.600.2183.37%	53-80%	M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability				
M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies							
M16.6 Support for cooperation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes							
€ 54.818.4206.04%	53-80 %	M19: support for LEADER local development (CLLD)					
€ 47.501.5835.24%	53%	M20: technical assistance					

<sup>227</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.79.

<sup>228</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

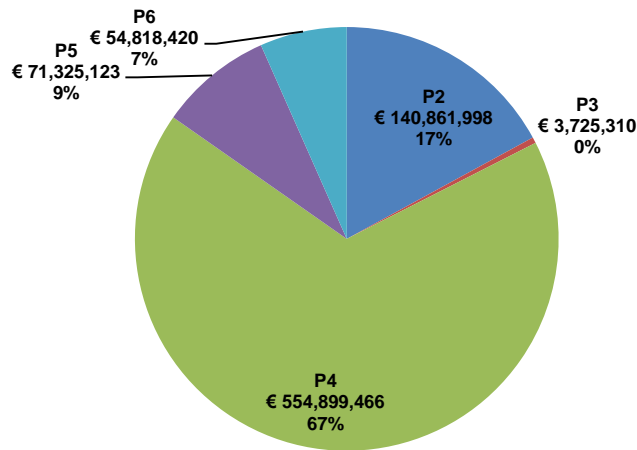
Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).

National RDP

Regional RDP

The total RDP budget for Denmark is at around €825 million for the entire planning period. Denmark has allocated more than half of this budget (67%) to Priority 4 “Restoring, preserving and enhancing ecosystems related to agriculture and forestry” followed by 17 % to Priority 2 “Competitiveness of agriculture and sustainable forestry”, 9% to Priority 5 “Resource efficiency and climate” and 7% to Priority 6 “Social inclusion and local development in rural areas”. The following figure provides an overview of the shares by Priority.

Figure 27 Budget allocated per Priority in Denmark



Source: Calculations Ecorys based on DG AGRI data (2016)

Key focus areas for rural development

Use of measures in RDPs

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

## Overview

Denmark has decided to offer 11 measures. In terms of budget allocation the highest amounts are allocated to:

- M4 "Investments in physical assets" (€350.270.413);
- M10 "Agri-environment- climate" (€189.156.248);
- M11 "Organic farming" (€111.191.105);

## M01 Knowledge Transfer and Innovation actions

Denmark allocated 4.13% of the total RDP budget to knowledge transfer and innovation actions. The focus of this measure will lie on training for within the primary sector. The form in which training is implemented, as described by the RDP, is through courses, workshops, lectures, etc. The measure consists of two submeasures of which one is dedicated to organic farming.

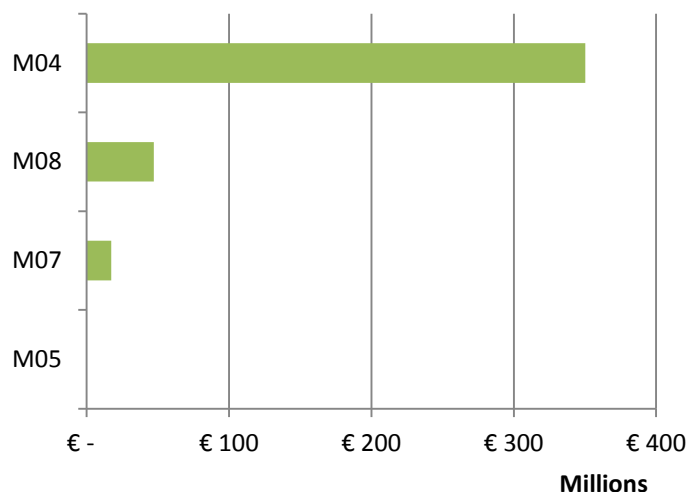
## Investment measures (M04, M05, M07, M08)

Denmark implemented investment measures:

- M4 "Investments in physical assets" (€ 350,270,413);
- M5 "Restoring agricultural production potential" (€ 2,894)
- M7 "Basic services and village renewal in rural areas" (€ 17,342,283); and
- M8 "Investments in forest area development and improvement of the viability of forests" (€ 47,151,393).

The following figure illustrates the budget allocation per investment measure.

Figure 28 Budget allocated to investment measures in Denmark



Source: Ecorys based on DG AGRI data (2016)

For the investment measures M6 the links to intended job creation are explicitly made as they are implemented with the intention of strengthening the rural economy, creating new jobs and raising added value. For M7 and M8, the rationale is that by using these measures barriers to job creation are reduced.

Some of the investment measures a combination of public and private investments are assumed with support rates ranging from 20 to 60 % and flat rate payments (M4, M8). Other investment measures can be fully publicly financed as they will work with public tendering procedures (M4, M5, M8). M7 relates only to commitments from former RDP.

Non-productive investments are included in M4 for investments related to environmental and climate targets in agriculture.

Investments in new or existing irrigation systems are not directly targeted, but can also be covered by these investment measures, if the undertakings are linked to a reduced impact on the environment (i.e. M4.1).

Targeting of RDP measures	<p><b>M10 Agri-Environment-Climate and M11 Organic Farming</b></p> <p>Denmark spends on M10 "Agri-environment-climate" € 189.156.248,00 of which the national contribution is 25 %<sup>229</sup>. The expenditure is categorised under Priority 4 (99.7%) and 5 (0.03%). The main beneficiaries of this measure are farmers with land inside Natura 2000 areas as these has the highest priority in targeting. Measures have been implemented on grazing and mowing of permanent grassland, wetlands and on changed water table management.</p> <p>For M11 "Organic Farming" € 111.191.105 of public spending has been allocated of which the national contribution accounts for 25 %<sup>230</sup>. All of the expenditure is categorised under Priority 4. Beneficiaries must be authorised for organic farming or have applied to be authorised.<sup>231</sup> Both submeasures (M11.1 "payment to convert to organic farming practices and methods" and M11.2 "payments to maintain organic farming practices and methods") are implemented.</p> <p><b>M15 environmental and climate-friendly forestry and forest protection</b></p> <p>This includes measures to support climate and environmentally forestry management practices as well as termination of management for 'untouched forest'. € 21.372.032,00 has been allocated to this measure.</p> <p><b>M16 Co-operation</b></p> <p>M16 "Cooperation" receives €54,8 million of public spending of which 47% is national contribution. Under Priority 2 99% of the total amount is spent, the remaining 1% falls under priority 5.</p> <p>The Following submeasures have been selected:</p> <ul style="list-style-type: none"> <li>• M16a: Cooperation in sustainable production of biomass.</li> <li>• M16b: Development projects. Projects on development of technologies etc. in the primary production.</li> </ul> <p><b>M19 LEADER CLLD</b></p> <p>The total CLLD budget allocated under the EAFRD in Denmark is € 47,5 million. All funds are targeted under Priority 6 "Fostering local development in rural areas". Around 50,87% of the rural population is intended to be covered under Local Development Strategy. The target is to create 411 jobs.<sup>232</sup></p> <p><b>Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.</b></p>	
	<p>Measures especially targeted at Young Farmers: none. Measures targeted at Small Farms: none Measures targeted at Innovation Activities: measures M01 and M16.</p>	
Approaches taken to financial support in RDP	<p><b>Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.</b></p>	
	<p>The RDP mentions for M4.1 that the simplified cost option may be implemented at a later stage. For other measures no reference to the SCO method is made.</p>	
Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	<p><b>The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.</b></p>	
	Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input type="checkbox"/> ERDF <input type="checkbox"/> ESF <input checked="" type="checkbox"/> EMFF

<sup>229</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>230</sup> DG AGRI data (2016). EAFRD Financial Plan by measure


<sup>231</sup> Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme.

<sup>232</sup> DG AGRI (2016): RDP factsheet Denmark.





# Estonia

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€837,894,000 <sup>233</sup>	€725,886,558				
Level of implementation	National	1 RDP (National) <sup>234</sup>				
DP (P.I) yearly national ceilings <sup>235</sup>	2015 € 114,400,000	2016 € 114,500,000	2017 € 123,700,000	2018 € 133,900,000	2019 € 143,900,000	2020 € 169,400,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme/SAPS		66 - 67 %			
	"Greening" Payment		30%			
	Payment for Young Farmers		Up to 0.3%			
	Coupled Support		Up to 4.2 %			
	Small Farmers Scheme		Up to €1,250 per Small Farmer			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input type="checkbox"/> No flexibility	<input checked="" type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I		
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Estonia has identified the following criteria for "active farmer"<sup>236</sup>:</p> <ul style="list-style-type: none"> <li>Estonia has defined 'minimum activity' as additional specifications of 'active farming' referring to management requirements for agricultural land (art. 4.2.b). Consequently, agricultural land should be cultivated with agricultural crops (by 15 June at the latest) or it should be mowed or chopped, kept in fallow or maintained in another way that gives the same result as mowing. After mowing or chopping the hay should be harvested (by 10 August at the latest). The requirements for mowing, chopping and hay harvesting do not apply in cases of: <ol style="list-style-type: none"> <li>grassland that is sown in the year of application;</li> <li>in cases when hay is grown for seed or as an energy crop;</li> <li>in cases when short rotation grassland is ploughed in as a green fertiliser in the year of application. If the farmer applies for the environmentally friendly farming payment from the RDP, he can mow or chop permanent grassland on every second in order to favour field birds (EE DP GC § 4).</li> </ol> </li> <li>In order to receive Direct Payment, farmers will have to respect a physical threshold (1ha) or a financial threshold (€100);</li> <li>Estonia will maintain a negative list for persons who are engaged in forestry only (art. 9(2));</li> <li>A person or a group of persons which fall under the scope of art. 9 (2) are still eligible for direct</li> </ul>					

<sup>233</sup> ECMultiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>234</sup> DG AGRI data on RDPs (2016)

<sup>235</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>236</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	<p>payments: 1) in cases set out in points a)- c) of article 9 (2) of regulation (EU) 1307/2013; 2) as long as the direct payments received in the previous year were equal to or less than 5,000 euros (EU CAP IA § 12 (5); EE DP GC § 2 (3) 2));</p> <ul style="list-style-type: none"> <li>Estonia decided to implement additional economic or professional requirements (art. 9 (3)). A person engaged in an activity listed in Article 9 of Regulation (EU) No 1307/2013 or in forestry has to keep accounts and submits verifiable evidence on income from economic activities, including agricultural activities;</li> <li>The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €5,000 in the previous year<sup>237</sup>.</li> </ul>		
<p>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</p>			
Basic Payments/SAPS	65.3 % of national ceiling	<input type="checkbox"/> National model (single region) <input checked="" type="checkbox"/> <b>SAPS</b> <input type="checkbox"/> Regional model	<input type="checkbox"/> Partial internal convergence  <input type="checkbox"/> Flat payment
	<p>Estonia has allocated on average € 86,5 million annually to basic payments. The amount increases from € 74 million in 2015 to € 110 million in 2020.</p> <p>Further key decisions taken by Estonia concerning basic payments are:</p> <ul style="list-style-type: none"> <li>Basic Payments/SAPS represent 65.3 % of the national ceiling for Pillar I<sup>238</sup>;</li> <li>The level of implementation is national considering the whole territory as a single region<sup>239</sup>;</li> <li>Estonia will not have national transitional payments.</li> </ul>		
<p>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</p>			
Reduction of payments	<input checked="" type="checkbox"/> <b>Degressivity: 5%</b> <input checked="" type="checkbox"/> <b>Threshold: € 150,000</b> <input type="checkbox"/> Application: not specific	<input type="checkbox"/> Redistributive payment	
	<p>Estonia decided to implement the minimum of 5% reduction for the part of the amount of direct payments exceeding 150,000 euros<sup>240,241</sup>. The reduction rate is fixed for all years.</p>		
<p>Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.</p>			
Greening	<b>Green payment</b>		
	<input type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> <b>Flat payment</b>	<input type="checkbox"/> Individual payment
	<b>Permanent grassland</b>		
	<b>Total area of ESPG in Natura 2000:</b> <b>130 ha (0.05%)</b>	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> <b>National application</b>
<b>Ecological Focus Areas</b>			
<b>8 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input checked="" type="checkbox"/> <b>Forest derogation cover</b>

<sup>237</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>238</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>239</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>240</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.87.

<sup>241</sup> RED – derogation, estimates, reduction applied (Form 5).xls

	<p>30% of Estonia's national ceiling<sup>242</sup> which corresponds to over €34.3 million in 2015 and to €50.8 million in 2020 is allocated to greening<sup>243</sup>. The implementation of the greening payments will be done at national level<sup>244</sup>.</p> <p>Estonia made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• Estonia has decided to apply a flat payment<sup>245</sup>;</li> <li>• It will not implement any equivalent practices<sup>246</sup>;</li> <li>• It will implement the forest cover exemption;</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 26,000 hectares are currently covered<sup>247</sup>; 130 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 0.005% of the total permanent grassland<sup>248</sup>. No ESPG is designated outside Natura 2000<sup>249</sup>.</li> <li>• Estonia has decided to focus on the following 8 Ecological Focus Areas<sup>250</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow</li> <li>○ Landscapes features (4): hedges or wooded strips, trees in line, trees in groups – field copses, ditches, traditional stone walls</li> <li>○ Areas with short rotation coppice: Willow</li> </ul> Mineral fertilizers and plant protection products are not allowed. <ul style="list-style-type: none"> <li>○ Areas with nitrogen fixing crops: birds foot-trefoil, alfalfa, sweet clover, sainfoin, bean, pea, clover, vetch (exc. Faba bean), faba bean, bean.</li> </ul> </li> </ul>	
<p><b>Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.</b></p>		
<p><b>Payment for Young Farmers</b></p>	<p><b>% of national ceiling: 0.3%</b></p>	
<p>Estonia has decided to allocate 0.3% of its national ceiling to Young Farmers which corresponds to € 3,431,340 in 2015 which increases to €5,080,980 in 2020. There will be no additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25 % of SAPS multiplied by the number of eligible hectares that the farmer has declared. The threshold of eligible payment entitlements is set at 39 ha.</p>		
<p><b>Member States are allowed to choose to implement the coupled support for different sectors or regions.</b></p>		
<p><b>Voluntary coupled support</b></p>	<p><input checked="" type="checkbox"/> <b>Coupled support as % of national ceiling:</b> <b>3.2 %</b></p>	<p><input type="checkbox"/> Support for protein crops as % of national ceiling: <b>0%</b></p>
<p>In Estonia, 3.2 % of the national ceiling (which corresponds to €4,2 million annually) is allocated to Voluntary Coupled Support (VCS). The sectors covered by VCS are beef and veal, fruit and vegetables, milk and milk products, sheepmeat and goatmeat. Throughout the planning period the amounts slightly change, but their overall distribution remains stable.<sup>251</sup></p> <p>The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period:</p>		

<sup>242</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>243</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>244</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>245</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>246</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>247</sup> DG AGRI data on Greening payment method of calculation (2016)

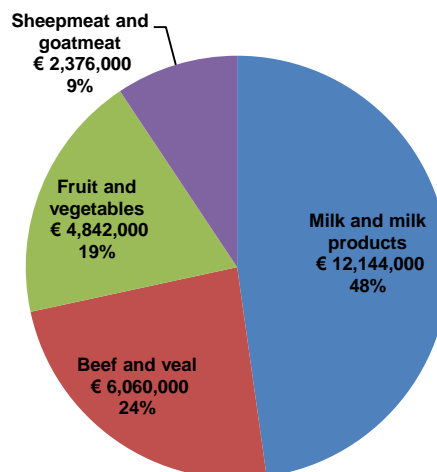
<sup>248</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>249</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>250</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

<sup>251</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

Figure 29 Shares of budget allocated per sector for VCS in Estonia as a total of all years



Source: Ecorys based on DG AGRI data (2016)

Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers

Payment for areas with natural constraints  Small farmers

Other voluntary schemes under Pillar I

The voluntary scheme for areas with natural constraints is not implemented in Estonia<sup>252</sup>.

Estonia has implemented the Small Farmers Scheme. Farmers will not be automatically included in the scheme. The annual amount of support is calculated as the total value of all payments that should be annually allocated to the farmer up to a maximum of €1,250 max. per year.

The payment will be individual<sup>253</sup>.

Yearly Union Support for P.II <sup>254</sup>	2014	2015	2016	2017	2018	2019	2020
	€	103,626,144	103,651,030	111,192,345	122,865,093	125,552,583	127,277,180

Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures
	€ 12.000.000 1,22%	89 %	M1.1: Support for vocational training and skills acquisition actions; M1.2: Support for demonstration activities and information actions; M1.3: Support for short-term farm and forest management exchange as well as farm and forest visits.
	€ 8.600.000 0,88%	85-100 %	M2.1 support to help benefiting from the use of advisory services M2.3 support for training of advisors
	€ 988.235 0,1%	85 %	M3.1 support for new participation in quality schemes M3.2 support for information and promotion activities implemented by groups of producers in the internal market

<sup>252</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

<sup>253</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.88.

<sup>254</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

€ 288.241.176 29,36%	75-85%	M4.1: support for investments in agricultural holdings; M4.2: support for investments in processing/marketing and/or development of agricultural products; M4.3: support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry; M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.
€ 118.194.588 12,04 %	82-100 %	M6.1: business start-up aid for young farmers; M6.3: business start-up aid for the development of small farms; M6.4: support for investments in creation and development of non-agricultural activities;
€ 10.000.000 1%	85-100%	M8.3: support for prevention of damage to forests from forest fires and natural disasters and catastrophic events (Article 23); M8.4: support for restoration of damage to forests from forest fires and natural disasters and catastrophic events (Article 24); M8.6: support for investments in forestry technologies and in processing, mobilising and marketing of forest products (Article 26).
€ 6.000.000 0,61%	89%	M9: setting up of producer groups and organisations
€ 244.927.000 24,95%	75-100%	M10.1: payment for agri-environment-climate commitments
€ 77.700.000 7,91%	75-100%	M11.1 payment to convert to organic farming practices and methods M11.2 payment to maintain organic farming practices and methods
€ 32.666.000 3,33%	75%	M12.1 compensation payment for Natura 2000 agricultural areas M12.2 compensation payment for Natura 2000 forest areas
€ 40.675.000 4,14%	85-100 %	M14: animal welfare
€ 18.700.000 1,90%	89 %	M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies M16.3 Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets M16.5 Support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices. (Article 35 (2) (f) and (g) M16.9 Support for diversification of farming activities into activities concerning health care, social integration, community-supported agriculture and education about the environment and food
€ 90.000.000 9,17%	90 %	M19: support for LEADER local development (CLLD)
€ 33.038.951 3,37%	85%	M20: technical assistance

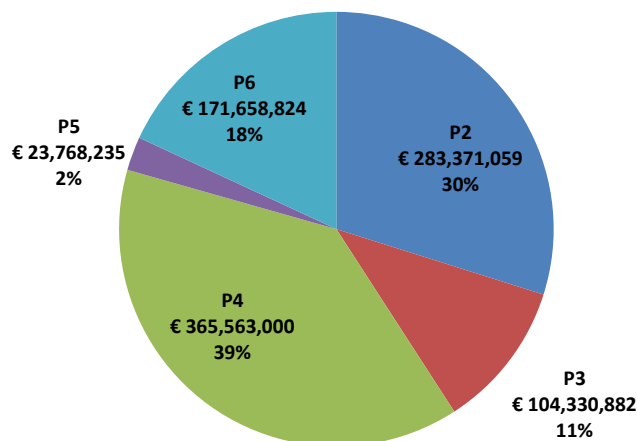
Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).

National RDP

Regional RDP

The total RDP budget for Estonia is at around €936 million for the entire planning period. Estonia has allocated 39% of this budget to Priority 4 “Restoring, preserving and enhancing ecosystems related to agriculture and forestry” followed by 30% to Priority 2 “Competitiveness of agriculture and sustainable forestry”, 18% to Priority 6 “Social inclusion and local development in rural areas” and 11% to Priority 3 “Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture”. The following figure provides an overview of the shares by Priority.

Figure 30 Budget allocated per Priority in Estonia



Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

### Overview

Estonia has decided to offer 14 measures. In terms of budget allocation the highest amounts are allocated to:

- M4 “Investments in physical assets” (€288,241,176);
- M10 “Agri-Environment Climate” (€244,927,000); and
- M6 “Farm and business development” (€118,194,588).

### M01 Knowledge Transfer and Innovation actions

Estonia allocated 1.22% of the total RDP budget to knowledge transfer and innovation actions. The general aim of the measure is to develop entrepreneurs and employees in agricultural, food and forestry sectors and to enhance transfer of new knowledge in order to support development of bioeconomy and adaptation to new challenges related to sustainable use of resources. The form in which training is implemented, as described by the RDP, is through courses, workshops, lectures, conferences, seminars and presentations etc.; publication of information and training materials and handbooks (incl. online publications); Demonstration projects include more practical sections.

### Investment measures (M04, M05, M06, M07, M08)

Estonia implemented investment measures:

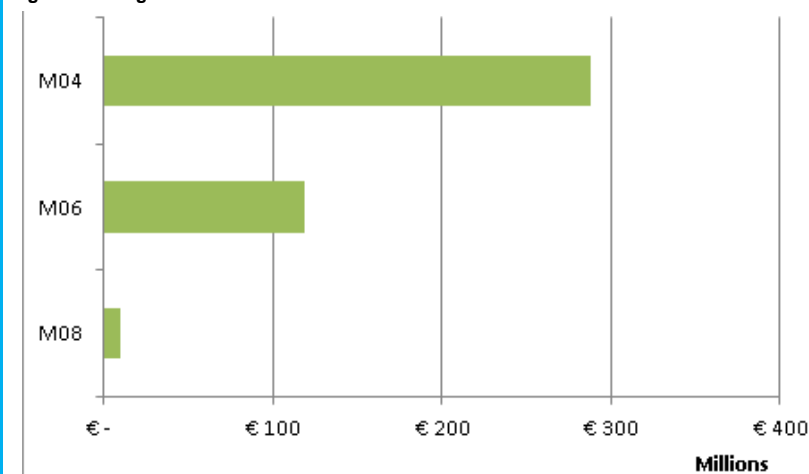
- M4 “Investments in physical assets” (€288,241,176);
- M6 “Farm and business development” (€118,194,588); and
- M8 “Investments in forest area development and improvement of the viability of forests”(€10,000,000).

The following figure illustrates the budget allocation per investment measure.

Key focus areas for rural development

Use of measures in RDPs

**Figure 31 Budget allocated to investment measures in Estonia**



Source: Ecorys based on DG AGRI data (2016)

The contribution of measure M6 to rural job creation is planned via investments into diversified (non-agricultural) rural enterprises.

For the investment measure M6 the links to intended job creation are explicitly made as they are implemented with the intention of strengthening the rural economy, creating new jobs and raising added value. For M7 and M8, the rationale is that by using these measures barriers to job creation are reduced.

For some of the investment measures a combination of public and private investments is used. In detail they are co-financed in the following way:

- M4.1 – up to 40%, in case of tractors 30%, max 500 000 euros per beneficiary per RDP period, max 1 500 000 euros per beneficiary per period if the beneficiary is pig-breeding cooperative;
- M4.2 – up to 40% for micro and small-sized enterprises (45% in cases of processing of organic produce; in case of co-operatives that market fruits and vegetables and animal products); up to 35% for medium-sized enterprises; and up to 25% for large enterprises. Co-operatives or firms of which co-ops have majority shares max 2 million euros per RDP period; large projects min 2 mln euros, max 18 mln euros; micro and small-sized enterprises up to 500 000 euros per RDP period, medium-sized and large enterprises min 100 000 euros per project, max 2 million euros per RDP period;
- M4.3 – investments into amelioration max 90%, irrigation max 40% (in cases of fruit and berry plantations and nurseries 75%) (max 260 000 euros per beneficiary per year and 520 000 euros per beneficiary per RDP period); in case of jointly used recipients 100%, in case of access roads 75% (max 30 000 euros per beneficiary per year and 60 000 euros per beneficiary per RDP period);
- M4.4 – 16 euros per metre (fence height 60-90 cm); 25 euros per metre (fence height >90 cm);
- M6.1 – up to 40 000 per beneficiary;
- M6.3 – Up to 15 000 euros per beneficiary per RDP period;
- M6.4 – up to 40%, max 150 000 euros per beneficiary per RDP period;
- M8.6 – up to 50%, in case of equipment 30% (max 100 000 per private forest owner and max 300 000 euros per forest owners co-op per RDP period);
- M8.3 and 8.4 – up to 90% in case of removing the damage; up to 80% in case of prevention of damage.

M4.4 is implemented and investments into irrigation systems are supported through M4.3.

#### **M10 Agri-Environment-Climate and M11 Organic Farming**

Estonia spends on M10 "Agri-environment-climate" €244.927.000 of which the national contribution is 0 and 25%<sup>255</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries are physical or legal persons engaged with agricultural activity.

For M11 "Organic Farming" € 77.700.000 of public spending has been allocated of which the national contribution accounts for either 0 or 25%<sup>256</sup>. All of the expenditure is categorised under Priority 4.

<sup>255</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

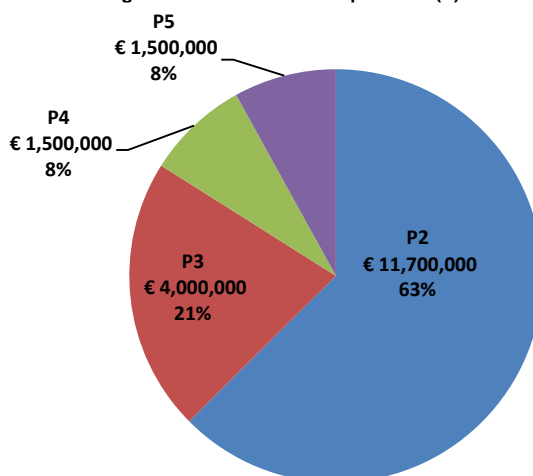
<sup>256</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

Beneficiaries should complete a training course and participate in advisory services in order to retain the payment under this measure<sup>257</sup>. Both submeasures (M11.1 “payment to convert to organic farming practices and methods” and M11.2 “payments to maintain organic farming practices and methods”) are implemented. The main beneficiaries are physical or legal persons engaged with agricultural activity.

### M16 Co-operation

M16 “Cooperation” receives €18 700 000 of public spending of which 1,90% is national contribution. Under Priority 6 total amount of budget is spent.

Figure 32. Division of budget for M16 over different priorities (P) for the 2014-2020 period



The following submeasures have been selected:

- M16.2;
- M16.3;
- M16.4;
- M16.5;
- M16.9.

### M19 LEADER CLLD

The total CLLD budget allocated under the EAFRD in Estonia is €33 million. It will be carried out under a single thematic objective: promoting social inclusion and combatting poverty and any form of discrimination<sup>258</sup>. All funds are targeted under Priority 6 “Fostering local development in rural areas”. Around 60% of the rural population is intended to be covered under Local Development Strategy. The target is to create 280 jobs.<sup>259</sup>

Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.

#### Targeting of RDP measures

Measures especially targeted at Young Farmers: measures M01, M02 and M06.  
Measures targeted at Small Farms: none.  
Measures targeted at Innovation Activities: measures M01, M02 and M06.

#### Approaches taken to financial support in RDP

Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.

Submeasures using the simplified cost option are: M1.1, M1.2, M1.3, M16.0, M16.2; M16.3, M16.5, M16.9, M19.1, M19.2, M19.3, M19.4.

Financial instruments are not being used.

<sup>257</sup> Estonian Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme.

<sup>258</sup> Estonian Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme

<sup>259</sup> DG AGRI (2016): RDP factsheet Estonia



Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.	
	Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input type="checkbox"/> ERDF <input checked="" type="checkbox"/> ESF <input type="checkbox"/> EMFF



# Finland

	Identifying information						
	Pillar I: Direct Payments		Pillar II				
EU Budget 2014 - 2020	€3.14 billion <sup>260</sup>		€ 2.38 billion <sup>261</sup>				
Level of implementation	National/Regional		2, RDP (Regional) <sup>262</sup>				
DP (P.I) yearly national ceilings <sup>263</sup>		2015	2016	2017	2018	2019	2020
	€	523,300,000	523,400,000	523,500,000	524,100,000	524,600,000	524,600,000
	<b>Basic Payment Scheme</b>		49%				
	<b>“Greening” Payment</b>		30%				
	<b>Payment for Young Farmers</b>		Up to 1 %				
	<b>Coupled Support</b>		Up to 20 % and 1% for protein crops				
	<b>Small Farmers Scheme</b>		Not implemented				
<b>Areas with Natural Constraints</b>		Not implemented					
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.						
	<input checked="" type="checkbox"/> No flexibility		<input type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I		
Finland has chosen not to apply any flexibility between the pillars <sup>264</sup> which means that there is no expected transfer of financial resources between pillars for the years 2015-2020, neither from Pillar I to Pillar II nor vice versa <sup>265</sup> .							
Active farmer definition	Member States shall define the concept of “active farmer”. Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.						
	Finland has identified the following criteria for “active farmer” <sup>266</sup> : <ul style="list-style-type: none"> <li>• Finland has not defined specific minimum activity (art. 4.2.b).</li> <li>• Finland will not maintain a negative list (art. 9(2)).</li> <li>• A person or a group of persons which fall under the scope of art. 9 (2) can be regarded an active farmer if they can demonstrate with verifiable evidence:               <ul style="list-style-type: none"> <li>○ That the agricultural activities are not insignificant by providing the evidence that receipts obtained from agricultural activities represent at least 5% of the total receipts obtained in the most recent fiscal year.</li> </ul> </li> </ul>						



<sup>260</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>261</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>262</sup> DG AGRI data on RDPs (2016)

<sup>263</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>264</sup> Overview MS choices DP document

<sup>265</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.94.

<sup>266</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	<ul style="list-style-type: none"> <li>○ That its principal business or company object consists is registered in the official business register.</li> <li>● Finland decided not to implement any additional economic or professional requirements (art. 9 (3)).</li> <li>● The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €5,000 in the previous year<sup>267</sup>.</li> </ul>						
<b>Basic Payments</b>	<p><b>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</b></p>						
	<table border="1"> <tr> <td data-bbox="416 488 730 546" rowspan="3"> <b>49 % of national ceiling</b> </td> <td data-bbox="730 488 1031 546"> <input type="checkbox"/> National model (single region)         </td> <td data-bbox="1031 488 1343 546"> <input type="checkbox"/> Partial internal convergence       </td> </tr> <tr> <td data-bbox="730 546 1031 582"> <input type="checkbox"/> SAPS       </td> <td data-bbox="1031 546 1343 582" rowspan="2"> <input checked="" type="checkbox"/> Flat payment by 2019       </td> </tr> <tr> <td data-bbox="730 582 1031 622"> <input checked="" type="checkbox"/> Regional model       </td> </tr> </table>	<b>49 % of national ceiling</b>	<input type="checkbox"/> National model (single region)	<input type="checkbox"/> Partial internal convergence	<input type="checkbox"/> SAPS	<input checked="" type="checkbox"/> Flat payment by 2019	<input checked="" type="checkbox"/> Regional model
	<b>49 % of national ceiling</b>		<input type="checkbox"/> National model (single region)	<input type="checkbox"/> Partial internal convergence			
<input type="checkbox"/> SAPS			<input checked="" type="checkbox"/> Flat payment by 2019				
<input checked="" type="checkbox"/> Regional model							
<p>Finland has allocated annually about € 256 million to basic payments. The amount decreases from €256,4 million in 2015 to €257 million in 2020.</p> <p>Further key decisions taken by Finland concerning basic payments are:</p> <ul style="list-style-type: none"> <li>● Basic Payments represent 49% of the national ceiling for Pillar I<sup>268</sup>,</li> <li>● The level of implementation is regional considering the whole territory as a several regions<sup>269</sup>,</li> <li>● Finland has chosen to divide its territory in two regions (AB and C) on the basis of an earlier division in three regions (A, B and C). The ceiling is divided between the new regions given the historical distribution of the Single Payment Scheme among the three previous regions, such that 50.3 % of the basic payment ceiling goes to Region AB and the remaining 49.7 % to Region C<sup>270</sup>;</li> <li>● Finland has decided to postpone the realization of a flat-rate payment to 2019<sup>271</sup>;</li> <li>● Regarding the decisions on the population to be targeted under the first allocation, Finland did not apply a list of eligible farmers nor a minimum size of holding necessary to qualify for the first allocation.</li> <li>● There are no decisions regarding limitation on the number of entitlements to be allocated<sup>272</sup>; According to Article 26 (5) of Regulation 1307/2013 Finland has decided to keep its existing payment entitlement<sup>273</sup>.</li> </ul>							
<b>Reduction of payments</b>	<p><b>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</b></p>						
	<table border="1"> <tr> <td data-bbox="416 1308 879 1344"> <input checked="" type="checkbox"/> Degressivity: 5 %       </td> <td data-bbox="879 1308 1343 1344" rowspan="3"> <input type="checkbox"/> Redistributive payment       </td> </tr> <tr> <td data-bbox="416 1344 879 1379"> <input checked="" type="checkbox"/> Threshold: € 150,000       </td> </tr> <tr> <td data-bbox="416 1379 879 1415"> <input type="checkbox"/> Application:       </td> </tr> </table> <p>Finland will apply 5% of reduction of payments for the part of the amount exceeding 150,000 euro According to estimates there will be no farms in Finland where the basic payment would be more than 150 000 euros. This means that the estimated product of reductions (notified in the form 01) is 0 euros for each year 2015-2019<sup>274</sup>.</p> <p>Salaries linked to an agricultural activity paid and declared by the farmer, including taxes and social contributions, will not be subtracted from the amount of Basic Payments received before the application of the reduction<sup>275,276</sup>.</p>	<input checked="" type="checkbox"/> Degressivity: 5 %	<input type="checkbox"/> Redistributive payment	<input checked="" type="checkbox"/> Threshold: € 150,000	<input type="checkbox"/> Application:		
<input checked="" type="checkbox"/> Degressivity: 5 %	<input type="checkbox"/> Redistributive payment						
<input checked="" type="checkbox"/> Threshold: € 150,000							
<input type="checkbox"/> Application:							

<sup>267</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>268</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>269</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>270</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>271</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>272</sup> BPS – Allocation of payment entitlements (Form 4).xls

<sup>273</sup> BPS-Details IUV.xls

<sup>274</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.98.

<sup>275</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>276</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

<b>Greening</b>	<p>Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.</p>		
	<b>Green payment</b>		
	<input type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> <b>Flat payment</b>	<input type="checkbox"/> Individual payment
	<b>Permanent grassland</b>		
	<b>Total area of ESPG in Natura 2000:</b> <b>2,700 ha (100 %)</b>	<input type="checkbox"/> ESPG outside Natura 2000	<input checked="" type="checkbox"/> <b>Regional application</b> <input type="checkbox"/> National application
	<b>Ecological Focus Areas</b>		
<b>4 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input checked="" type="checkbox"/> <b>Forest cover derogation</b>
<p>30% of Finland's national ceiling<sup>277</sup> which corresponds to over €156,999,900 in 2015 and to €157,389,300 in 2020 is allocated to greening<sup>278</sup>. The implementation of the greening payments will be done at regional level<sup>279</sup>.</p> <p>Finland made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• Finland has decided to apply the derogation to the uniform greening payment per hectare, which means they implement an individual payment<sup>280</sup>;</li> <li>• It will not implement any equivalent practices<sup>281</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 2,700 hectares are currently covered<sup>282</sup>, all designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 100 % of the total permanent grassland<sup>283</sup>. No ESPG is designated outside Natura 2000<sup>284</sup>.</li> <li>• Finland has decided to focus on the following 4 Ecological Focus Areas<sup>285</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow</li> <li>○ Landscape features (other landscape features): protected trees and natural monuments.</li> <li>○ Areas with short rotation coppice, 2 species: poplar and willow. Mineral fertilisers are not allowed, pesticides are not allowed and herbicides are allowed in year 1 and after 31/08 in last year.</li> <li>○ Areas with nitrogen fixing crops, 9 species: soybean, lupin, alfalfa, sweet clover, bean, pea, clover, vetch (exc. faba bean) and faba bean.</li> </ul> </li> </ul>			
<b>Payment for Young Farmers</b>			
<p>Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.</p>			
<b>% of national ceiling: 1% in 2015</b>			
<p>Finland has decided to allocate 1% of their national ceiling to Young Farmers which corresponds to € 5,233,330 in 2015 which increases to € 5,246,310 in 2020. There will be no additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25 % of the national average payment per ha multiplied by the number of activated ha. The threshold of eligible payment entitlements is set at 90 ha.</p>			

<sup>277</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>278</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>279</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>280</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>281</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>282</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>283</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>284</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>285</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

Member States are allowed to choose to implement the coupled support for different sectors or regions.

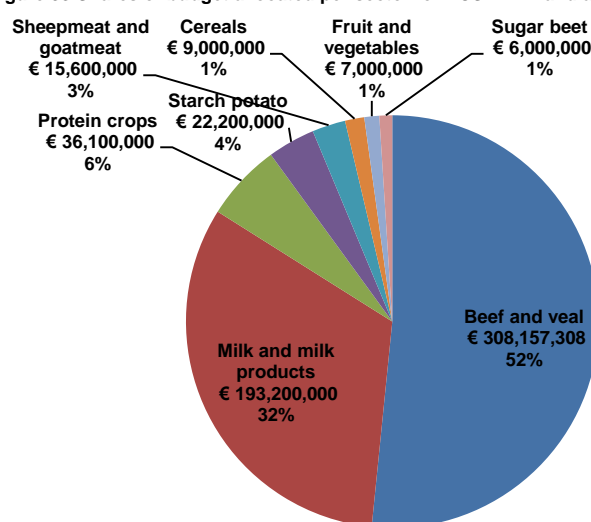
Coupled support as % of national ceiling: 20%

Support for protein crops as % of national ceiling: 1%

In Finland, 20 % of the national ceiling (which corresponds to € 104.666.600 in 2015 to € 94.433.580 in 2020) is allocated to Voluntary Coupled Support (VCS). Finland has decided to additionally allocate the 1% VCS buffer for protein crops only<sup>286</sup>. The sectors covered by VCS are beef and veal, milk and milk products, starch potato, sheep and goat meat, cereals, fruit and vegetables, sugar beet and protein crops. Throughout the planning period the amounts slightly change, but their overall distribution remains stable.<sup>287</sup>

The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period.

Figure 33 Shares of budget allocated per sector for VCS in Finland as a total of all years



Source: Ecorys based on DG AGRI data

Voluntary coupled support

Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers

Other voluntary schemes under Pillar I

Payment for areas with natural constraints  Small farmers

Neither the voluntary support for natural constraints nor the small farmers scheme are implemented in Finland<sup>288</sup>.

Yearly Union Support for P.II <sup>289</sup>	2014	2015	2016	2017	2018	2019	2020
€	335,440,8	336,933,7	338,456,2	340,009,0	341,593,4	343,198,3	344,77,57
	84	34	63	57	85	37	8

<sup>286</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>287</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>288</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, pp.98, 99.

<sup>289</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures
	€ 80.110.000 1,41%	37-42%	M1.1: Support for vocational training and skills acquisition actions;
			M1.2: Support for demonstration activities and information actions;
			M1.3: Support for short-term farm and forest management exchange as well as farm and forest visits.
	€ 34.340.000 0,61%	37-42%	M2.1 support to help benefiting from the use of advisory services
			M2.2 support for the setting up of farm management, farm relief and farm advisory services as well as forestry advisory services
			M2.3 support for training of advisors
	€ 389.252.920 6,86%	37-42%	M4.1: support for investments in agricultural holdings;
			M4.2: support for investments in processing/marketing and/or development of agricultural products;
			M4.3: support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry;
M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.			
€ 335.900.000 5,92%	37-42%	M6.1: business start-up aid for young farmers;	
		M6.2: business start-up aid for non-agricultural activities in rural areas;	
		M6.3: business start-up aid for the development of small farms;	
		M6.4: support for investments in creation and development of non-agricultural activities;	
		M6.5: payments for farmers eligible for the small farmers scheme who permanently transfer their holding to another farmer.	
€ 80.000.000 1,41%	42%	M7.1: support for drawing up and updating of plans for the development of municipalities and villages in rural areas and their basic services and of protection and management plans relating to Natura 2000 sites and other areas of high nature value;	
		M7.2: support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving;	
		M7.3: support for broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government;	
		M7.4: support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure;	
		M7.5: support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure;	
		M7.6: support for studies/investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites including related socioeconomic aspects, as well as environmental awareness actions;	
		M7.7: support for investments targeting the relocation of activities and conversion of buildings or other facilities located inside or close to rural settlements, with a view to improving the quality of life or increasing the environmental performance of the settlement;	
		M7.8 others.	
€ 1.600.800.151 28,21%	37-42%	M10.1: payment for agri-environment-climate commitments	
		M10.2: support for conservation and sustainable use and development of genetic resources in agriculture	
€ 330.403.000 5,82%	37-42%	M11.1 payment to convert to organic farming practices and methods	
		M11.2 payment to maintain organic farming practices and methods	
€	37-42%	M13.1: compensation payment in mountain areas	

	1.832.035.000 32,29%		M13.2: compensation payment for other areas facing significant natural constraints
			M13.3: compensation payment to other areas affected by specific constraints
	€ 458.000.000 8,07%	42%	M14: Animal Welfare
	€ 160.000.000 2,82%	42%	M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability
			M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies
			M16.3 Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism
			M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets
M16.5 Support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices. (Article 35 (2) (f) and (g))			
M16.6 Support for cooperation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes			
			M16.7 Support for non-CLLD strategies (non-Community-led Local Development)
			M16.8 Support for drawing up of forest management plans or equivalent instruments
			M16.9 Support for diversification of farming activities into activities concerning health care, social integration, community-supported agriculture and education about the environment and food
€ 301.644.000 5,32%	42-65%	M19: LEADER and CLLD	
€ 71.300.000 1,26%	37-42%	M20: Technical assistance to Member States	

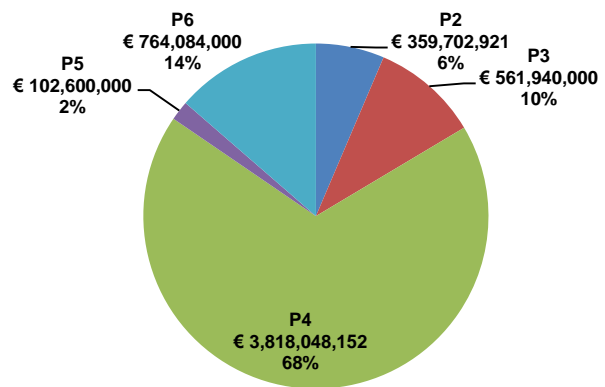
**Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).**

National RDP       Regional RDP

The total RDP budget for Finland is at around €2,380 million for the entire planning period. Finland has allocated more than half of this budget (68 %) to Priority 4 “restoring, preserving and enhancing ecosystems” followed by 14 % to Priority 6 “social inclusion, poverty reduction, and economic development in rural areas”, 10 % to Priority 3 “food chain organisation and risk management” and 6 % to Priority 2 “competitiveness of all types of agriculture and farm viability” and 2% to Priority 5 “resource efficiency and shift towards a low carbon and climate resilient economy”. The following figure provides an overview of the shares by Priority.

**Key focus areas for rural development**

**Figure 34 Budget allocated per Priority in Finland**



Source: Calculations Ecorys based on DG AGRI data (2016)



Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Cooperation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

**Overview**

Finland has decided to offer 12 measures. In terms of budget allocation the highest amounts are allocated to:

- M13 “payments to areas facing natural or other specific constraints” (€ 1.832.035.000);
- M10 “agri-environment-climate” (€ 1.600.800.152);
- M14 “animal welfare” (€ 458.000.000);

Mainland has decided to offer 12 measures. In terms of budget allocation the highest amounts are allocated to:

- M13 “payments to areas facing natural or other specific constraints” (€1.810.000.000);
- M10 “agri-environment-climate” (€1.586.331.757);
- M14 “animal welfare” (€458.000.000);

Aland has decided to offer 9 measures. In terms of budget allocation the highest amounts are allocated to:

- M11 “organic farming” (€22.035.000);
- M6 “farm and business development” (€14.468.395);
- M2 “advisory services, farm management and farm relief services” (€10.252.921);

**M01 Knowledge Transfer and Innovation actions**

On the aggregated level, 1.41% of the total RDP budget has been allocated to knowledge transfer and innovation actions.

Mainland spends 1.42% of the total RDP budget to knowledge transfer and innovation actions.

Aland spends 0.20% of the total RDP budget to knowledge transfer and innovation actions.

**Investment measures (M04, M05, M06, M07, M08)**

Mainland implemented investment measures:

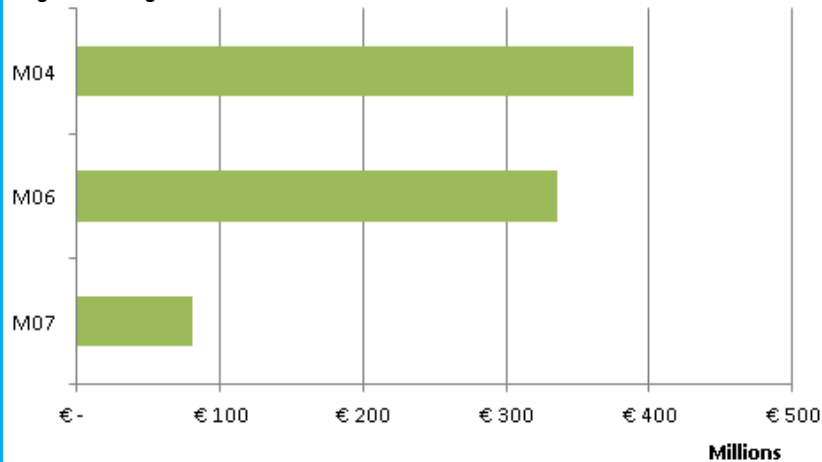
- M4 “Investments in physical assets” (€379.000.000);
- M6 “Farm and business development (€ 335.000.000);
- M7 “Basic services and village renewal in rural areas” (€ 80.000.000); and

Mainland implemented investment measures:

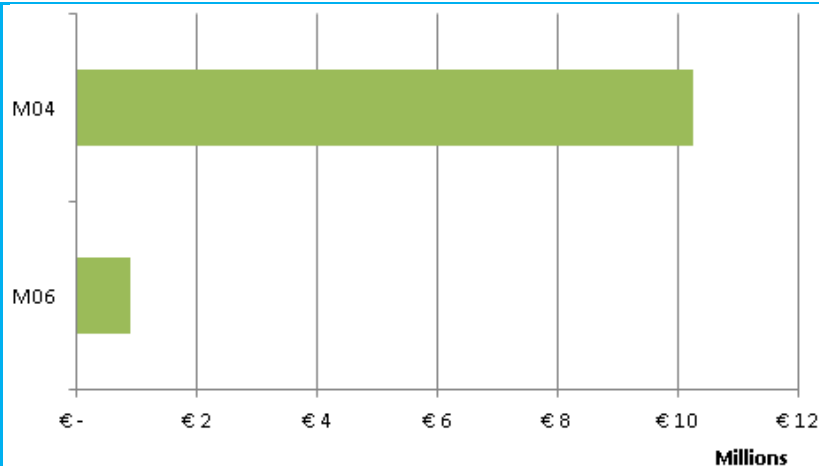
- M4 “Investments in physical assets” (€ 10.252.921);
- M6 “Farm and business development (€ 900.000); and

The following figure illustrates the budget allocation per investment measure.

**Figure 35 Budget allocated to investment measures in Mainland**



**Figure 36 Budget allocated to investment measures in Aland**



Source: Ecorys based on DG AGRI data (2016)

### M10 Agri-Environment-Climate and M11 Organic Farming

On the aggregated level, 28.21% of the total RDP budget has been allocated to agri-environment-climate.

Mainland spends on M10 "Agri-environment-climate" € 1.586.331.757 of which the national contribution is 28.23 %<sup>290</sup>. All of the expenditure is categorised under Priority 4

Aland spends on M10 "Agri-environment-climate" € 14.468.395 of which the national contribution is 26.09 %<sup>291</sup>. All of the expenditure is categorised under Priority 4.

On the aggregated level, 5,82% of the total RDP budget has been allocated to organic farming.

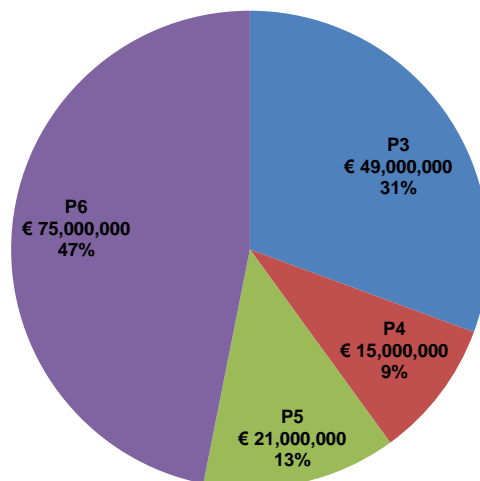
Mainland spends on M11 "Organic Farming" € 326.000.000 of which the national contribution accounts for 5,80 %<sup>292</sup>. All of the expenditure is categorised under Priority 4

Aland spends on M11 "Organic Farming" € 4.403.000 of which the national contribution accounts for 7,94%<sup>293</sup>. All of the expenditure is categorised under Priority 4.

### M16 Co-operation

M16 "cooperation" receives €160.000.000 of public spending of which 2,82 % is national contribution. Under Priority 6 47% of the total amount is spent, for Priority 3 31 % is allocated, under Priority 5 13 % and under Priority 4 9%.

Figure 37. Division of budget for M16 over different priorities (P) for the 2014-2020 period



<sup>290</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>291</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>292</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>293</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

	<p>Source: <i>Ecorys based on DG AGRI data (2016)</i></p> <p>Mainland M16 “cooperation” receives € 160,000 of public spending of which 2,85% is national contribution. Under Priority 6 48 % of the total amount is spent, 33% under Priority 3, 10% for Priority 4 and for Priority 5 9 % is allocated.</p> <p>Aland does not implement M16.</p> <p>Following submeasures have been selected in Mainland:</p> <ul style="list-style-type: none"> <li>• M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability;</li> <li>• M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies;</li> <li>• M16.3 Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism;</li> <li>• M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets;</li> <li>• M16.5 Support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices. (Article 35 (2) (f) and (g));</li> <li>• M16.6 Support for cooperation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes;</li> <li>• M16.9 Support for diversification of farming activities into activities concerning health care, social integration, community-supported agriculture and education about the environment and food.</li> </ul> <p><b>M19 LEADER CLLD</b></p> <p>The total aggregated CLLD budget allocated under the EAFRD in Finland is € 301.644.000.</p> <p>In Mainland, the total CLLD budget allocated under the EAFRD is € 300.000.000.<sup>294</sup> All funds are targeted under Priority 6 “Fostering local development in rural areas”. The target is to create 1700jobs.<sup>295</sup></p> <p>In Aland, the total CLLD budget allocated under the EAFRD is €1.644.000.<sup>296</sup>. All funds are targeted under Priority 6 “Fostering local development in rural areas”.<sup>297</sup></p>
<p><b>Targeting of RDP measures</b></p>	<p><b>Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.</b></p> <p><b>For Mainland:</b>  Measures especially targeted at Young Farmers: measures M1 and M6.  Measures targeted at Small Farms: none.  Measures targeted at Innovation Activities: measures M1, M2 and M16.</p> <p><b>For Aland:</b>  Measures especially targeted at Young Farmers: measures M6.  Measures targeted at Small Farms: none  Measures targeted at Innovation Activities: measures M1 and M2.</p>
<p><b>Approaches taken to financial support in RDP</b></p>	<p><b>Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.</b></p> <p>The simplified cost option and financial instruments are not used.</p>

<sup>294</sup> Finnish Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme


<sup>295</sup> DG AGRI (2016): RDP factsheet Mainland

<sup>296</sup> Finnish Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme

<sup>297</sup> DG AGRI (2016): RDP factsheet Aland

Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.	
	Use of CLLD multi-fund option?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input type="checkbox"/> ERDF <input type="checkbox"/> ESF <input type="checkbox"/> EMFF

# France

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€45 billion <sup>298</sup>	€10 billion <sup>299</sup>				
Level of implementation	Regional	28 RDPs <sup>300</sup>				
DP (P.I) yearly national ceilings <sup>301</sup>	2015	2016	2017	2018	2019	2020
	€ 7,302,100,000	€ 7,270,700,000	€ 7,239,000,000	€ 7,214,300,000	€ 7,189,500,000	€ 7,437,200,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		From 48.9% in 2015 to 34% in 2020			
	"Greening" Payment		30%			
	Payment for Young Farmers		Up to 1%			
	Coupled Support		Up to 15 %			
	Small Farmers Scheme		Not implemented			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input type="checkbox"/> No flexibility	<input checked="" type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I		
France decided to apply flexibility. In total France will transfer € 1,247,600,000, 3.3% from Pillar I to Pillar II to finance measures moving from P.I to P.II.						
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>France has identified the following criteria for "active farmer"<sup>302</sup>:</p> <ul style="list-style-type: none"> <li>• France implements the presence of self maintained areas (art. 9.1);</li> <li>• France will not maintain a negative list (art. 9(2)).</li> <li>• A person or a group of persons which fall under the scope of art. 9 (2) can be regarded an active farmer if they can demonstrate with verifiable evidence: <ul style="list-style-type: none"> <li>◦ that the agricultural activities are not insignificant by providing evidence that receipts from agricultural activities received during the most recent fiscal year available is greater than or equal to 33% of total revenue collected during this fiscal year;</li> <li>◦ that its principle business or company object consists of exercising an agricultural activity by providing the registration documents under the commercial register (the part called "Kbis") will be used as proof to verify that agricultural activity is the main activity of farmers, legal persons. As regards to natural persons, the certificate of affiliation to the MSA (Mutualité Sociale Agricole) or any other agricultural pensionfund for the head of the constitutes as sufficient evidence.</li> </ul> </li> <li>• France decided not to implement any additional economic or professional requirements (art. 9 (3)).</li> </ul>					

<sup>298</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>299</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>300</sup> DG AGRI data on RDPs (2016)

<sup>301</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>302</sup> DG AGRI data (2016) AF Notification 1-08-2014.

The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €200 in the previous year<sup>303</sup>.

Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.

34% of national ceiling	<input type="checkbox"/> National model (single region)	<input checked="" type="checkbox"/> Partial internal convergence
	<input type="checkbox"/> SAPS	<input checked="" type="checkbox"/> Flat payment
	<input checked="" type="checkbox"/> Regional model	

France has allocated annually around € 2,5 billion to basic payments. The amount decreases from € 2,482,727,600 in 2015 to € 2,528,648,000 in 2020.

Further key decisions taken by France concerning basic payments are:

- Basic Payments represent 48.99% in 2015 to 34% in 2020 of the national ceiling for Pillar I<sup>304305</sup>,

Table 1. Overview percentages of national ceiling for Pillar France has allocated yearly to the BPS

2015	2016	2017	2018	2019	2020
48,99%	44,00%	39,00%	34,00%	34,00%	34,00%

### Basic Payments

- The level of implementation is regional with 2 regions (Hexagone and Corse)<sup>306</sup>;
- France does not have a minimum size threshold for the first allocation of payment entitlements. The list of eligible farmers can be extended to those farmers who:
  - received, in 2014, entitlements from the reserve; or
  - never held entitlements but farmed in 2013.
 Additionally, France will implement limitations to hectares which were vineyards in 2013. These will not be considered under the first allocation of payment entitlements<sup>307</sup>.
- France, the mainland (Hexagone) excluding Corsica (which implements a regional flat rate in 2015), will implement a partial convergence of the unit value of entitlements towards 2019. France has opted for a model (for the mainland) for payment entitlements with a value above the average to converge in five equal steps to at least go 70% of the way towards the regional average value. If this would result in a loss higher than 30% of the IUUV the final value is fixed at 70% of the IUUV. This limitation will be financed by other payment entitlements for which the convergence towards the regional average in 2019 implies a loss of less than 30% of the IUUV towards the regional average. However, they will have gone further than 70% of the difference between the IUUV and the regional average calculated for 2019.
- The minimum level of a PE value in 2019 compared to the average is set at 60%. The IUUV will be based on payments in 2014 and will take into account for sectors not covered by the VCS any past sectoral support.

Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.

### Reduction of payments

<input type="checkbox"/> Degressivity: 0 %	<input checked="" type="checkbox"/> Redistributive payment
<input type="checkbox"/> Threshold: € 0	
<input type="checkbox"/> Application: 0	

France has decided not to implement the reduction of payments<sup>308</sup>.

France will implement the redistributive payment at national level<sup>309</sup>. The numbers of hectares per holding will be 52 and the national average redistributive payment will go from € 26/ha in

<sup>303</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>304</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>305</sup> DG AGRI data (2016); Overview of percentages of national ceilings allocated by scheme.

<sup>306</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>307</sup> DG AGRI data on BPS-Allocation of payment entitlements (2016)

<sup>308</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.106.

<sup>309</sup> French Chambers of Agriculture, 2016.

2015 to € 103/ha in 2018<sup>310</sup>. In addition, French Ministry of Agriculture has stated in September 2013 that the rate would be revised in 2018, including a rising.

Table 2. Overview percentages of national ceiling for Pillar I France allocated to the redistributive payment

2015	2016	2017	2018	2019	2020
5,01%	10,00%	15,00%	20,00%	20,00%	20,00%

<b>Greening</b>	<p><b>Member States have to allocate 30% of the national ceiling to the ‘green payment’.</b> Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply ‘equivalent practices’, either via the agri-environment-climate measure under the rural development policy or via a national or regional ‘certification scheme’.</p>			
	<b>Green payment</b>			
	<input checked="" type="checkbox"/> <b>Equivalent practice: Certification schemes</b>	<input checked="" type="checkbox"/> <b>Flat payment (Corse)</b>	<input checked="" type="checkbox"/> <b>Individual payment (Hexagone)</b>	
	<b>Permanent grassland</b>			
	<b>Total area of ESPG in Natura 2000: 1,111,000 ha (63 %)</b>	<input type="checkbox"/> <b>ESPG outside Natura 2000</b>	<input checked="" type="checkbox"/> <b>Regional application</b> <input type="checkbox"/> <b>National application</b>	
	<b>Ecological Focus Areas</b>			
	<b>18 types of EFAs</b>	<input type="checkbox"/> <b>Regional implementation</b>	<input type="checkbox"/> <b>Collective implementation</b>	<input type="checkbox"/> <b>Forest cover derogation</b>
	<p>30% of France’s national ceiling<sup>311</sup> which corresponds to over € 2,190,642,000 in 2015 and to € 2,231,160,000 in 2020 is allocated to greening<sup>312</sup>. The implementation of the greening payments will be done at national level<sup>313</sup>.</p>			
	<p>France made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• Mainland France (Hexagone) will apply the derogation to the uniform greening payment per hectare, which means they implement an individual payment<sup>314</sup>. In Corse a flat payment will be used<sup>315</sup>,</li> <li>• France will implement equivalent practices in the form of certification schemes which will mainly be focused on specialised producers of maize<sup>316</sup>,</li> <li>• The ratio and obligation for permanent grassland is calculated at regional level, 1,760,000 hectares are currently covered<sup>317</sup>; 1,111,000 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 63% of the total permanent grassland<sup>318</sup>. No ESPG is designated outside Natura 2000<sup>319</sup>.</li> <li>• France has decided to focus on the following 18 Ecological Focus Areas<sup>320</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow;</li> <li>○ Terraces;</li> <li>○ Land scape features: hedges or wooded strips, isolated trees, trees in line, trees in groups and field copses, field margins, ponds, ditches and traditional stone walls;</li> <li>○ Buffer strips;</li> <li>○ Ha of agro-forestry;</li> <li>○ Strips eligible ha along forest edges – no production</li> <li>○ Strips eligible ha along forest edges – with production</li> <li>○ Areas with short rotation coppice (9 species: maple, alder, birch, sweet chestnut, hornbeam, ash, poplar, wild cherry and willow).</li> <li>○ Afforested areas</li> <li>○ Areas with catch crops or green cover (42 species)<sup>321</sup></li> <li>○ Areas with nitrogen fixing crops (18 types: Pinut, Chickpea, Soybean, Vetchlings,</li> </ul> </li> </ul>			

<sup>310</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.107

<sup>311</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>312</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>313</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>314</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>315</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>316</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>317</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>318</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>319</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>320</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

<sup>321</sup> DG AGRI data Implementation-decisions-ms\_en.pdf, p. 28

Lentil, Birds foot-trefoil, Lupin, Alfalfa, Sweet Clover, Sainfoin, Bird's-foot , Bean Pea, Clover, Femugreek, Vetch (exc. Faba bean), Faba bean and Bean).

**Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.**

**1% of national ceiling**

**Payment for Young Farmers**

France has decided to allocate 1% of their national ceiling to Young Farmers which corresponds to € 73,021,400 in 2015 which increases to € 74,372,000 in 2020. France decided to have additional eligibility criteria implemented:

- A YF should have a diploma of a certain level (IV, general bachelor, technological or professional); or
- A YF should be able to prove that he has these competencies acquired through professional experience. This will be taken into account if:
  - The YF has a diploma of the level V or if the yf can show he or she has finished secondary studies and can prove he or she has worked in the agricultural production sector for at least 24 months in the three most recent years; or
  - The YF worked professionally in the agricultural production sector at least 40 months in the 5 most recent years.

The calculation of the yearly top up amount per beneficiary is equal to 25 % of the national average per ha multiplied by the number of eligible hectares that the farmer has declared. The threshold of eligible payment entitlements is set at 34 ha/entitlements.

**Member States are allowed to choose to implement the coupled support for different sectors or regions.**

**Coupled support as % of national ceiling:**  
13%

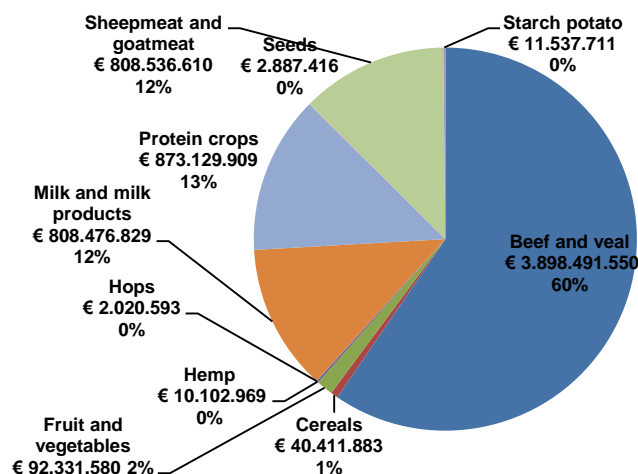
**Support for protein crops as % of national ceiling:**  
2 %

**Voluntary coupled support**

In France, 13% of the national ceiling (which corresponds to € 1,095,321,000 in 2015 to € 1,115,580,000 in 2020) is allocated to Voluntary Coupled Support (VCS). France has decided to additionally allocate the 2% VCS buffer for protein crops only<sup>322</sup>. The sectors covered by VCS are beef and veal, cereals, fruit and vegetables, hemp, hops, milk and milk products, protein crops, seeds, sheep meat and goat meat, starch potato.

The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period.

**Figure 38 Shares of budget allocated per sector for VCS in France as a total of all years**



Source: Ecorys based on DG AGRI data

<sup>322</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)



Other voluntary schemes under Pillar I	Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers						
	<input type="checkbox"/> Payment for areas with natural constraints			<input type="checkbox"/> Small farmers			
	The voluntary scheme for areas with natural constraints nor the small farmers scheme are implemented in France <sup>323</sup> .						
Yearly Union Support for P.II <sup>324</sup>	2014	2015	2016	2017	2018	2019	2020
	€ 4,353,019	€ 2,336,138,618	€ 2,363,567,980	€ 1,665,777,592	€ 1,668,304,328	€ 1,671,324,729	€ 1,675,377,983
Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures				
	€ 164,252,787 1.03%	50-90%	M1.1: Support for vocational training and skills acquisition actions M1.2: Support for demonstration activities and information actions				
	€ 108,195,699 0.68%	50-85%	M2.1 support to help benefiting from the use of advisory services M2.2 support for the setting up of farm management, farm relief and farm advisory services as well as forestry advisory services M2.3 support for training of advisors				
	€ 52,101,121 0.33%	50-85%	M3.1 support for new participation in quality schemes M3.2 support for information and promotion activities implemented by groups of producers in the internal market				
	€ 2,798,634,000 17.56%	25-85%	M4.1 support for investments in agricultural holdings M4.2 support for investments in processing/marketing and/or development of agricultural products M4.3 support for investments in infrastructure related to development, modernisation or adaptation of agri- culture and forestry M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.				
	€ 12,425,034 0.08%	50-85%	M5.1: support for investments in preventive actions aimed at reducing the consequences of probable natural disasters, adverse climatic events and catastrophic events; M5.2: support for investments for the restoration of agricultural land and production potential damaged by natural disasters, adverse climatic events and catastrophic events.				
	€ 1,366,217,430 8.57%	50-90%	M6.1: business start-up aid for young farmers; M6.2: business start-up aid for non-agricultural activities in rural areas; M6.3: business start-up aid for the development of small farms; M6.4: support for investments in creation and development of non-agricultural activities; M6.5: payments for farmers eligible for the small farmers scheme who permanently transfer their holding to another farmer.				
	€ 1.030.588.359 6.47%	50-85%	M7.1: support for drawing up and updating of plans for the development of municipalities and villages in rural areas and their basic services and of protection and management plans relating to Natura 2000 sites and other areas of high nature value; M7.2: support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving; M7.3: support for broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and				

<sup>323</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

<sup>324</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

		<p>provision of access to broadband and public e-government;</p> <p>M7.4: support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure;</p> <p>M7.5: support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure;</p> <p>M7.6: support for studies/investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites including related socioeconomic aspects, as well as environmental awareness actions;</p> <p>M7.7: support for investments targeting the relocation of activities and conversion of buildings or other facilities located inside or close to rural settlements, with a view to improving the quality of life or increasing the environmental performance of the settlement;</p> <p>M7.8 others.</p>
€ 303.796.468 1.91%	50-85%	<p>M8.1: support for afforestation/creation of woodland</p> <p>M8.2: support of establishment and maintenance of agro-forestry systems</p> <p>M8.3: support for prevention of damage to forests from forest fires and natural disasters and catastrophic events</p> <p>M8.4: support for restoration of damage to forests from forest fires and natural disasters and catastrophic events</p> <p>M8.5: support for investments improving the resilience and environmental value of forest ecosystems</p> <p>M8.6: support for investments in forestry technologies and in processing, mobilising and marketing of forest products</p>
€ 1.146.825 0.01%	63% and 80%	M.9 Setting up of producer groups and organisations
€ 1.572.416.217 9.87%	50-85%	<p>M10.1: payment for agri-environment-climate commitments</p> <p>M10.2: support for conservation and sustainable use and development of genetic resources in agriculture</p>
€ 751.811.538 4.72%	75% and 85%	<p>M11.1 payment to convert to organic farming practices and methods</p> <p>M11.2 payment to maintain organic farming practices and methods</p>
€ 3.475.462 0.02%	53%, 75% and 85%	<p>M12.1 compensation payment for Natura 2000 agricultural areas</p> <p>M12.2 compensation payment for Natura 2000 forest areas</p> <p>M12.3 compensation payment for agricultural areas included in river basin management plans</p>
€ 5.674.328.412 35.61%	72%, 75% and 85%	<p>M13.1 compensation payment in mountain areas</p> <p>M13.2 compensation payment to other areas affected by specific constraints</p> <p>M13.3 compensation payment to other areas affected by specific constraints</p>
€ 266.667 0.002%	75%	<p>15.1 payment for forest-environmental and climate commitments</p> <p>15.2 support for the conservation and promotion of forest genetic resources</p>
€ 281.769.155 1.77%	50-90%	<p>M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability</p> <p>M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies</p> <p>M16.3 Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism</p> <p>M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets</p> <p>M16.5 Support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices. (Article 35 (2) (f) and (g))</p> <p>M16.6 Support for cooperation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes</p> <p>M16.7 Support for non-CLLD strategies (non-Community-led Local</p>

		Development)
		M16.8 Support for drawing up of forest management plans or equivalent instruments
€ 600.750.000 3.77%	100%	M17.1 crop, animal and plant insurance premium
		M17.2 mutual funds for adverse climatic events, animal and plant diseases, pest infestations and environmental incidents
		M17.3 income stabilisation tool
€ 918.835.049 5.77%	53-90%	M19 LEADER CLLD (all submeasures)

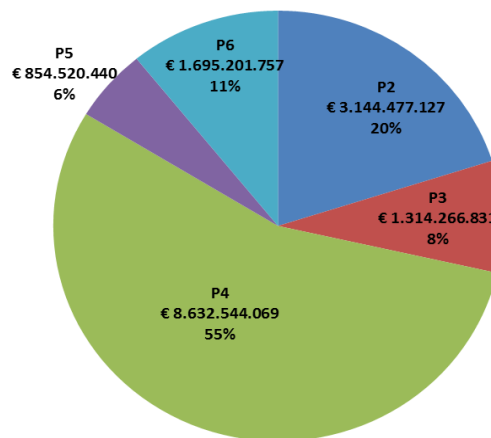
Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).

National RDP

Regional RDP

The total RDP budget for France is around € 15,935,633,797 for the entire planning period. France has allocated more than half of this budget (55 %) to Priority 4 “restoring, preserving and enhancing ecosystems” followed by 20 % to Priority 2 “competitiveness of all types of agriculture and farm viability”, 11 % to Priority 6 “social inclusion, poverty reduction, and economic development in rural areas”, 8 % to Priority 3 “food chain organisation and risk management” and 6% to Priority 5 “resource efficiency and shift towards a low carbon and climate resilient economy”. Also, a national framework (Ministry of Agriculture) has been established for some rural development measures regarding areas with natural constraints, agri environment climate measure, organic, young farmers and risk management. The following figure provides an overview of the shares by Priority.

Figure 39 Budget allocated per Priority in France as a whole



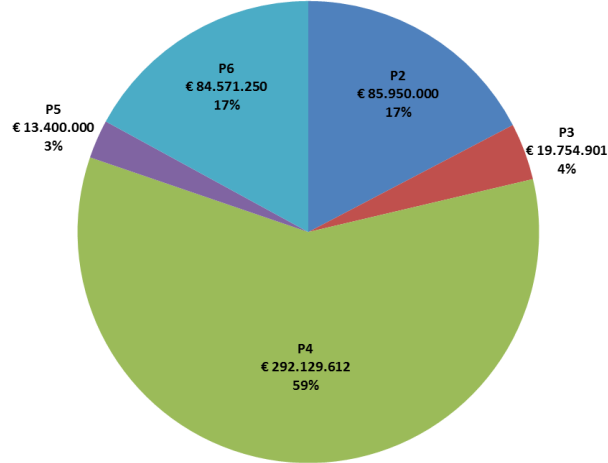
Key focus areas for rural development

Source: Calculations Ecorys based on DG AGRI data (2016)

As France has 28 RDPs, the breakdown of funds of all regional RDPs are given in the last pages of this fiche. In the following we further elaborate in further detail on the following exemplary three selected regions, which are geographically spread over France with different agricultural and climatic conditions: Bretagne, Centre and Provence Alpes Côte d’Azur (PACA).

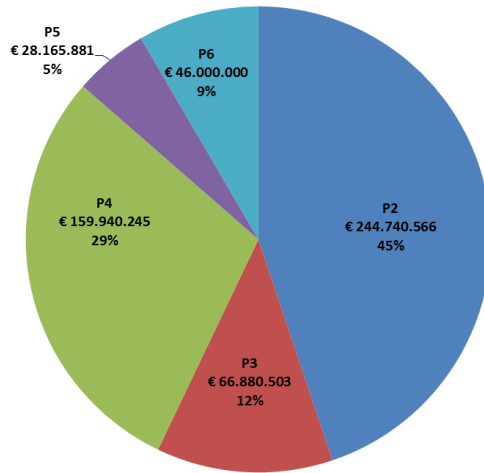
In the following figures, the breakdown of the funding for each of the regions is illustrated. Priority 2 receives the largest share of budget in Bretagne (45% of total), while Priority 4 receives the largest share in both Centre (59%) and PACA (73%).

Figure 40. Overview of budget per priority for the RDP of Centre



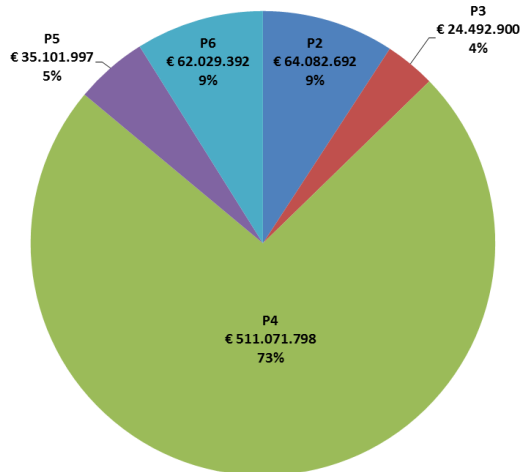
Source: Calculations Ecorys based on DG AGRI data (2016)

Figure 41. Overview of budget per priority for the RDP of Bretagne



Source: Calculations Ecorys based on DG AGRI data (2016)

Figure 42. Overview of budget per priority for the RDP of PACA



Source: Calculations Ecorys based on DG AGRI data (2016)

Use of measures in RDPs

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

## Overview

- Aggregating all RDPs in France, there are 17 measures used in the entire country. In terms of budget allocation the highest aggregated amounts are allocated to:
  - M13 "Payments to areas facing natural or other specific constraints" (€5,674,328,412);
  - M04 "Investments in physical assets" (€ 2,798,634,000);
  - M10 "Agri-environment-climate" (€ 1,572,416,217).
- Bretagne has decided to offer 14 measures. In terms of budget allocation the highest amounts are allocated to:
  - M04 "Investments in physical assets" (€ 246,981,132);
  - M10 "Agri-environment-climate" (€ 84,000,000);
  - M06 "farm and business development" (€ 78,750,000).
- Centre has decided to offer 11 measures. In terms of budget allocation the highest amounts are allocated to:
  - M13 "Payments to areas facing natural or other specific constraints" (€ 130,770,472);
  - M10 "Agri-environment-climate" (€ 106,225,807);
  - M07 "basic services and village renewal in rural areas" € 62,000,000).
- PACA has decided to offer 12 measures. In terms of budget allocation the highest amounts are allocated to:
  - M13 "Payments to areas facing natural or other specific constraints" (€ 284,276,372);
  - M10 "Agri-environment-climate" (€ 100,757,005);
  - M07 "basic services and village renewal in rural areas" (€ 98,671,019).

## M01 Knowledge Transfer and Innovation actions

On the aggregated level, 1.03% of the total RDP budget has been allocated to knowledge transfer and innovation actions.

Bretagne allocated 0.56 % of the total RDP budget to knowledge transfer and innovation actions. Bretagne will organise courses and workshops. The different themes will be defined on a yearly basis by a committee and will be linked to the different priorities. These trainings focus on agricultural sectors and also on silviculture. They will be organised by training organisms which propose the organisation of training actions on subjects directly related to regional priorities. The total minimum time a training should be is 7 hours, but, in addition, a traineeship can also be organised. The final beneficiaries are the active farmers in agriculture and silviculture.

Centre allocated 0.98% of the total RDP budget to knowledge transfer and innovation actions. Centre identified a main objective which is to increase the level of training in the agricultural, silvicultural and food-processing sectors, in order to reinforce competitiveness, increase added value in the enterprises and to develop employment for instance. The idea is to promote the transfer of scientific knowledge from research to stakeholders. The form in which the training is implemented is through meetings and thematic forums, demonstration projects, and visits to forestry sites. Beneficiaries of the measures are the active farmers in the agricultural, forestry and food-processing sectors. There is a wide range of beneficiaries such as for instance farmers, manager of SMEs, forestry experts, but also associations and unions.

PACA allocated 0.41% of the total RDP budget to knowledge transfer and innovation actions. PACA identified a main objective which is to increase the level of training in the agricultural, silvicultural and food-processing sectors. The support can be provided by any public or private institution or any association, organism or structure which is able to provide such training for the targeted beneficiaries. Beneficiaries of this measures will be farmers, entrepreneurs, forestry experts and even sometimes communes.

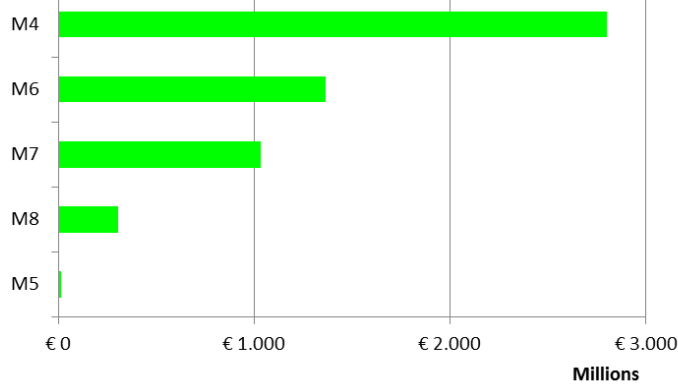
## Investment measures (M04, M05, M06, M07, M08)

At the aggregated level, the RDPs in France have implemented investment measures:

- M4 "Investments in physical assets" (€ 2,798,634,000);
- M5 "Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate preventive actions" (€ 12,425,034)
- M6 "Farm and business development (€ 1,366,217,430);
- M7 "Basic services and village renewal in rural areas" (€ 1,030,588,359); and
- M8 "Investments in forest area development and improvement of the viability of forests" (€ 303,796,468).

The following figures illustrates the budget allocation per investment measure.

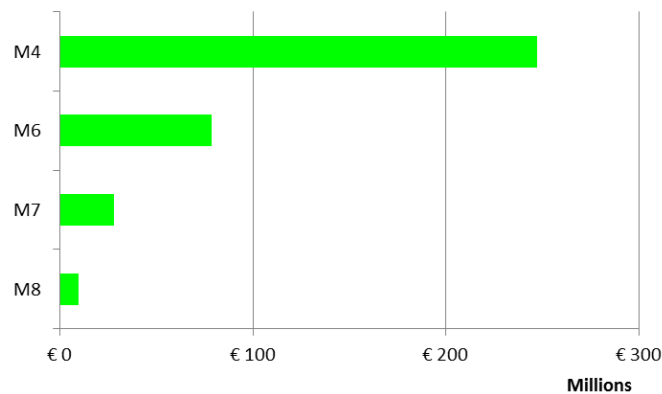
**Figure 43 Budget allocated to investment measures aggregated of all RDPs in France**



Source: Ecorys based on DG AGRI data (2016)

For Bretagne, Centre and PACA the distribution of funds in their RDPs for the investment measures are shown in the figures below.

**Figure 44. Budget allocated to investment measures in Bretagne**



Source: Ecorys based on DG AGRI data (2016)

In **Bretagne**, for the investment measures M6 the links to intended job creation are explicitly made as they are implemented with the intention of strengthening the rural economy, creating new jobs and raising added value. For M7 and M8, the rationale is that by using these measures barriers to job creation are reduced.

In **Bretagne**, investment measures aim to support installation but also contributes to facilitate diversification, creation and development of small business and job creation (focus area 6A) and local development in rural areas (focus area 6B). Two submeasures are foreseen

- Young farmer allocation (under submeasure 7.1). The type of support is a subsidy which will be transferred minimum two times (80% from the installation as chief operating of the young farmer and 20% at year 5 of the development plan of the exploitation, after assessment of the success of the project implementation)
- Subsidised loan (under submeasure 7.2) Cofinancing rate at 80%, the subsidised loan rate is set at 1% in disadvantaged areas and 2.5% in other areas during the subsidized period.

Regarding the implementation of M7 in Bretagne, measures 7.1 and 7.6 are part of the thematic objective 6 of the Common Strategic National Framework "Protect the environment and promote the sustainable and efficient use of resources"; they are also indirectly involved in the achievement of objective 5 "promote adaptation to climate change and prevention and risk management." All submeasures are supported by public aid. But some of them like for instance M7.6 under 'implementation or revision of a intervention policy in favor of wood netting, is cofinanced by the EU.

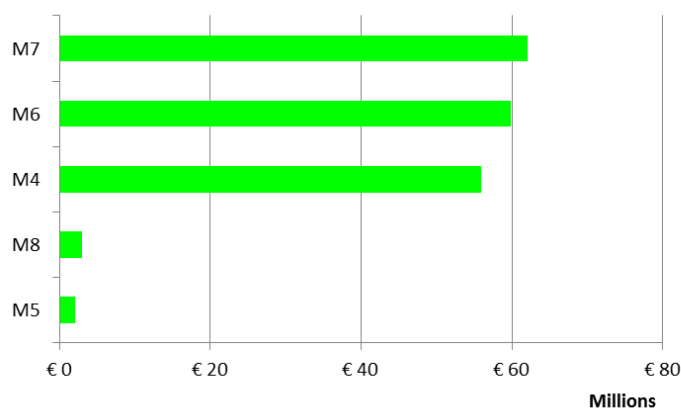
In **Bretagne**, for:

- Submeasure 4.1 and 4.2 the support rate is 40% and can be increased up to 50% for a young farmer, for a less favoured area and up to 60% for young farmer located in a less favoured area.
- Submeasure 4.3, for private projects: 50% (individual projects), 60% (forestry groups) and 80% of them subscribe to a local strategy for forestry development for instance. For public

projects: 100% support rate. And cofinancing rate under FEADER 53%. For some other individual projects falling under 4.3, up to 40% of the total investments can be supported, which can be increased up to 50% for a young farmer, for a less favoured area and up to 60% for young farmer located in a less favoured area.

Submeasure 4.4 is implemented and only open to public bodies. Investments in new and existing irrigation systems will be covered under submeasure 4.1.

**Figure 45. Budget allocated to investment measures in Centre**



Source: Ecorys based on DG AGRI data (2016)

In **Centre**, investment measure M6 aims to support the development of first processors enterprises and to encourage creation of new entities. Also, the region Centre wants to improve its touristic activity. Hence, two submeasures and an additional subsidy are foreseen:

- Creation and modernisation of touristic accommodations by private structures (under submeasure 6.1) with a maximum rate of 40% of public support per project.
- Creation and modernisation of touristic accommodations by public structures (under submeasure 6.2) with a maximum rate of 80% of public support per project.
- Support for wood transformation in rural areas with a public support rate of 40% per project.

Regarding the implementation of M7 in **Centre**, creation of local jobs is one of the objectives set under:

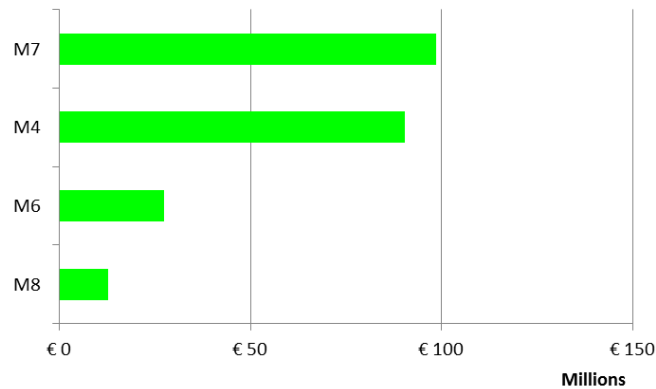
- Sub measure M7.1, assist engineering linked to preservation of agricultural property, which will be done through public subsidies;
- Sub measure M7.4, elaboration and implementation of health local schemes. One of the objectives is to ensure the renewal of professionals by creating new health centers. The support will take the form of a subsidy.

Regarding the implementation of M8 in Centre, job creation is not the direct nor the main objective.

In **Centre**,

- Submeasure 4.1: public support rate of 40%, which can be increased up to 60% for the installation of young farmers, collective investments and areas submitted to natural constraints operations and under PEI. The minimum amount (FEADER) mobilised per file and per applicant is of €2,500.
- Submeasure 4.2: public support rate of 40%, which can be increased up to 60% under PEI.
- Submeasure 4.3: support for improvement of wood transportation infrastructure (service roads). The support rate is 40% which can be increased to 60% if the project is carried out by a forest group and up to 80% if the project is submitted under a wood servicing scheme. The minimum support is set at € 5,000. Additionally, this measure will also support the improvement of water management by granting public subsidies.
- Submeasure 4.4 is implemented and focuses on the improvement of water quality and limiting biodiversity decline. The support will be granted as a public subsidy.

**Figure 46. Budget allocated to investment measures in PACA**



Source: Ecorys based on DG AGRI data (2016)

In **PACA**, this measure M6 aims to support the policy of installation and transmission in agriculture. Submeasures are implemented:

- Submeasure 6.3: Start up support for small farms development . The type of support is a subsidy which will be transferred two times. The basic amount will be different if the small farm is located in plane area (€6,000), a non-montaineaus disfavoured area (€7,000) or mountaneous area (€11,000). The basic amount can be increased based on a percentage applied to certain areas such as for instance installation outside family environment (+10%) or agro-ecological project (+10%).
- Young farmer's allocation (under submeasure 6.1). Support will be determined at national level ('cadre national')
- Financial engineering to support the installation (under submeasure 6.1). Type of support will be detailed after the ex ante ad hoc evaluation.
- Subsidized loans attributed to new incomers (under sub measure 6.1). These loans are intended to finance the expenses of the first installation, including for all or part of a farm recovery, its operating state and its adaptation. Support will be determined at national level ('cadre national').

Regarding the implementation of M7in **PACA** and the links to intended job creation, the following submeasures are relevant:

- Sub measure M7.5 the sub measure 'public investments in recreational infrastructures, information and touristic sites signalisation' is important but directly implemented towards job creation.
- Sub measure M7.4, the sub measure 'basic service for economy and rural population' is indirectly making reference to job creation through its objective of 'favorising economical insertion' and developing new services for rural populations.

Regarding the implementation of M8 in **PACA**, job creation is not the direct nor the main objective.

In **PACA**, for M04 following submeasures are implemented:

- Submeasure 4.1: the aim is encourage orchard renovation in order to allow a better adaptation of fruit growing to market expectations.
- Submeasure 4.2: the aim is to, among others, adapt and modernise production tools to increase competitiveness of processing companies and to implement and develop better coordination within the agri-food chain.
- Submeasure 4.3: it aims to support material and/or immaterial infrastructure linked to wood mobilisation.Public support has a ceiling of max. 50% for individual files, 60% of eligible depenses for forestry groups and 80% for files in a wood servicing scheme in the framework of a local forestry development strategy, including a servicing component.
- Submeasure 4.4: the objective is the preservation of water quality and more particular to prevent punctual phytosanitary pollutions. The rate of support is 80% of the eligible investment amount, brought to 100% if the project is located in a sensible water catchment areas or if the investment issupported by a public or private collective structure, and for investments linked to 'M10' operations or 'Bio'.

#### **M10 Agri-Environment-Climate and M11 Organic Farming**

Both of the measures are obligatory by the National Framework for the mainland. Beneficiaries need to comply with the set of rules for organic farming on the reserved area and they need to



conserve the amount of hectares dedicated to a certain categorie (e.g. vegetable growing). Furthermore, they need to comply with the active farmer definition<sup>325</sup>.

**Bretagne** spends on M10 "Agri-environment-climate" € 84.000.000 of which the national contribution is 25 %<sup>326</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are farms of pure races (cattle, sheep, goats, horses, pigs and poultry) and races in very small numbers or whose consanguinity rate is too high (or other criteria). This operation is implemented at regional level and it includes the following thematics:

- Preservation and management of biodiversity (in particular Natura 2000);
- Preservation and management of humid zones
- Preservation and management of wood network
- Recovery of soils quality and waters

**Centre** spends on M10 "Agri-environment-climate" € 106,225,807 of which the national contribution is 25%<sup>327</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are territories with biodiversity issues, Natura 2000 sites, national action plans and ecological coherence regional scheme. Examples of these operations include measures regarding mixed farming system ruminants, monogastrics, big cultures, intermediary zones and pastoral systems for instance.

**PACA** spends on M10 "Agri-environment-climate" € 100,757,005 of which the national contribution is 25 %<sup>328</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are less favoured areas, Natura 2000 areas but also farmers emitting significant amounts of greenhouse gas emissions and using pollutants . Examples of these operations include for instance individual and collective operations grassland and pastoral system.

For M11 "Organic Farming" in **Bretagne** € 37,333,333 of public spending has been allocated of which the national contribution accounts for 25%<sup>329</sup>. All of the expenditure is categorised under Priority 3 and Priority 4. Both submeasures (M11.1 "payment to convert to organic farming practices and methods"and M11.2 "payments to maintain organic farming practices and methods") are implemented.

For M11 "Organic Farming" in **Centre** € 26,666,667 of public spending has been allocated of which the national contribution accounts for 25 %<sup>330</sup>. All of the expenditure is categorised under Priority 4.

For M11 "Organic Farming" in **PACA** € 25,031,019 of public spending has been allocated of which the national contribution accounts for 25 %<sup>331</sup>. All of the expenditure is categorised under Priority 4.

#### **M16 Co-operation**

M16 "cooperation" receives € 281,769,155 of the aggregated public spending in France. Under Priority 2 34 % of the total amount is spent, for Priority 3 26 % is allocated, under Priority 4 14 %, 9% under Priority 5 under Priority 6 17 %.

<sup>325</sup> France National Framework Programme 23 March 2015

<sup>326</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>327</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

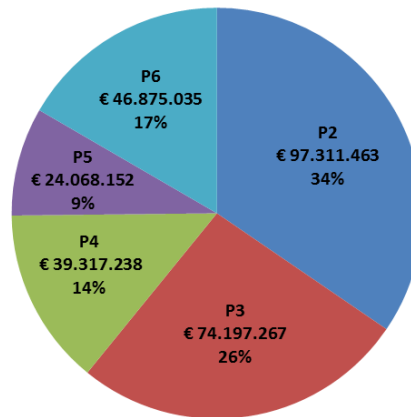
<sup>328</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>329</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>330</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

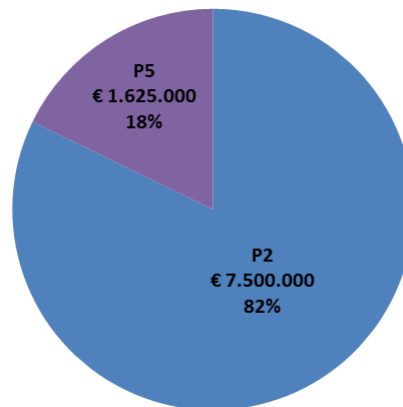
<sup>331</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

Figure 47. Division of aggregated budget for M16 in France over different priorities (P) for the 2014-2020 period



Bretagne M16 “cooperation” receives € 9,125,000 of public spending of which 20 % is national contribution. Under Priority 2 82 % of the total amount is spent and for Priority 5 18 % is allocated.

Figure 48. Division of budget for M16 in Bretagne over different priorities (P) for the 2014-2020 period

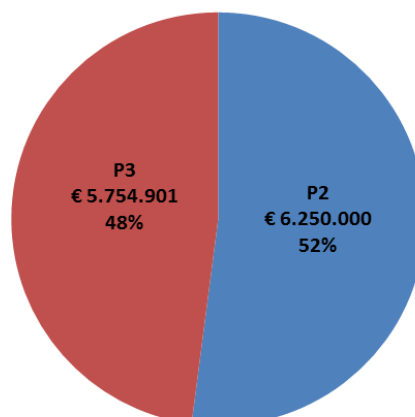


The measure pursues the objectives of Bretagne. Following submeasures have been selected:

- M16.1 ‘support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability’;
- M16.8 ‘support for drawing up of forest management plans or equivalent instruments’

Centre M16 “cooperation” receives € 12,004,901 of public spending of which 20 % is national contribution. Under Priority 2 52 % of the total amount is spent and for Priority 3 48 % is allocated.

Figure 49. Division of budget for M16 in Centre over different priorities (P) for the 2014-2020 period

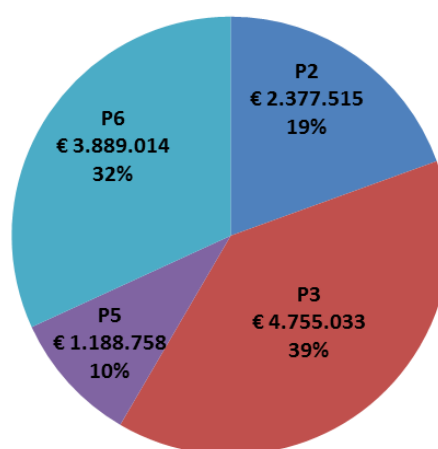


The measure pursues the objectives of Centre. Following submeasures have been selected:

- M16.1 'support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability';
- M16.2 'support for pilot projects, and for the development of new products, practices, processes and technologies'
- 16.4 'support for horizontal and vertical co-operation among supply chain actors for the establishment and development of short supply chains and local markets, and for promotion activities in a local context relating to the development of short supply chains and local markets'
- 16.5 'support for joint action undertaken with a view to mitigating or adapting to climate change, and for joint approaches to environmental projects and ongoing environmental practices'
- 16.6 'support for cooperation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes'

**PACA** M16 "cooperation" receives € 12,210,319 of public spending of which 20% is national contribution. Under Priority 2 19 % of the total amount is spent, for Priority 3 39 % is allocated, under Priority 5 10 % and under Priority 6 32 %.

**Figure 50. Division of budget for M16 in PACA over different priorities (P) for the 2014-2020 period**



The measure pursues the objectives of **PACA**. Following submeasures have been selected:

- M16.1 'support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability';
- M16.2 'support for pilot projects, and for the development of new products, practices, processes and technologies'
- 16.4 'support for horizontal and vertical co-operation among supply chain actors for the establishment and development of short supply chains and local markets, and for promotion activities in a local context relating to the development of short supply chains and local markets'
- 16.5 'support for joint action undertaken with a view to mitigating or adapting to climate change, and for joint approaches to environmental projects and ongoing environmental practices'
- 16.8 'support for drawing up of forest management plans or equivalent instruments'

#### **M19 LEADER CLLD**

The total aggregated CLLD budget allocated under the EAFRD in France is € 918,835,049.

In **Bretagne**, the total CLLD budget allocated under the EAFRD is € 46,000,000. All funds are targeted under Priority 6 "Fostering local development in rural areas". Around 64% of the rural population is intended to be covered under Local Development Strategy. The target is to create 105 jobs.<sup>332</sup>

In **Centre**, the total CLLD budget allocated under the EAFRD is € 29,571,250. All funds are targeted under Priority 6 "Fostering local development in rural areas". Around 44,88 % of the rural population is intended to be covered under Local Development Strategy. The target is to create 130 jobs.<sup>333</sup>

<sup>332</sup> DG AGRI (2016): RDP factsheet Bretagne

<sup>333</sup> DG AGRI (2016): RDP factsheet Centre

Targeting of RDP measures	<p>In <b>PACA</b>, the total CLLD budget allocated under the EAFRD is € 42,114,665.. All funds are targeted under Priority 6 “Fostering local development in rural areas”. Around 42,98% of the rural population is intended to be covered under Local Development Strategy. The target is to create 270 jobs.<sup>334</sup></p> <p><b>Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.</b></p>	
	<p><b>Bretagne:</b>  Measures especially targeted at Young Farmers: M04, M06  Measures targeted at Small Farms: none  Measures targeted at Innovation Activities: measures M01, M16</p> <p><b>Centre:</b>  Measures especially targeted at Young Farmers: M06  Measures targeted at Small Farms: none  Measures targeted at Innovation Activities: measures M01, M02, M16</p>	
	<p><b>PACA:</b>  Measures especially targeted at Young Farmers: M04, M06  Measures targeted at Small Farms: M06  Measures targeted at Innovation Activities: measures M01, M16,</p>	
Approaches taken to financial support in RDP	<p><b>Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.</b></p>	
	<p>Of the three regions under analysis, only Centre makes use of the simplified cost option for measure 16.5.</p> <p>None of the regional CLLD programmes make mention of financial instruments.</p>	
Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	<p><b>The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.</b></p>	
	Use of CLLD multi-fund option?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input type="checkbox"/> ERDF <input type="checkbox"/> ESF <input type="checkbox"/> EMFF

<sup>334</sup> DG AGRI (2016): RDP factsheet PACA

Table 1. Percentages of total public expenditure spent on each measure per RDP for France

	M1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M9	M 10	M 11	M12	M 13	M 15	M 16	M 176	M 19	M 20
Programme national de gestion des risques en agriculture	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	98%	0%	2%
National Rural Network Programme	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Guadeloupe	2%	5%	0%	55%	1%	7%	5%	1%	0%	6%	0%	0%	3%	0%	5%	0%	5%	4%
Martinique	4%	5%	0%	38%	1%	8%	12%	2%	0%	5%	0%	0%	6%	0%	9%	0%	5%	4%
Guyane	5%	2%	0%	27%	0%	5%	32%	3%	0%	1%	1%	0%	4%	0%	7%	0%	10%	4%
Reunion	7%	2%	0%	39%	1%	5%	8%	5%	0%	5%	1%	0%	9%	0%	11%	0%	5%	2%
Mayotte	4%	5%	0%	39%	0%	3%	25%	2%	0%	3%	0%	0%	1%	0%	8%	0%	5%	4%
Île-de-France	0%	0%	0%	25%	0%	11%	12%	6%	0%	12%	8%	0%	0%	0%	10%	0%	11%	4%
Champagne-Ardenne	1%	1%	0%	15%	0%	20%	4%	4%	0%	18%	7%	0%	14%	0%	3%	0%	9%	2%
Picardie	2%	1%	0%	20%	0%	15%	21%	1%	0%	21%	7%	0%	0%	0%	1%	0%	10%	2%
Haute-Normandie	1%	1%	1%	27%	0%	15%	19%	3%	0%	11%	8%	0%	0%	0%	2%	0%	8%	5%
Centre	1%	1%	0%	11%	0%	12%	12%	1%	0%	21%	5%	0%	26%	0%	2%	0%	6%	2%
Basse-Normandie	1%	1%	1%	24%	0%	18%	10%	1%	0%	12%	8%	0%	12%	0%	1%	0%	9%	3%
Bourgogne	1%	1%	0%	13%	0%	10%	6%	1%	0%	12%	5%	0%	43%	0%	2%	0%	5%	1%
Nord-Pas-de-Calais	2%	0%	1%	35%	0%	18%	2%	1%	0%	20%	7%	0%	0%	0%	1%	0%	9%	3%
Lorraine	1%	1%	0%	20%	0%	11%	6%	3%	0%	14%	7%	0%	33%	0%	1%	0%	4%	1%
Alsace	0%	0%	1%	20%	0%	11%	13%	2%	0%	23%	9%	0%	14%	0%	1%	0%	4%	2%
Franche-Comté	0%	0%	0%	10%	0%	11%	8%	1%	0%	6%	4%	0%	53%	0%	0%	0%	5%	1%
Pays de la Loire	1%	0%	0%	36%	0%	15%	0%	0%	0%	22%	12%	0%	3%	0%	1%	0%	8%	3%
Bretagne	1%	0%	0%	44%	0%	14%	5%	2%	0%	15%	7%	0%	0%	0%	2%	0%	8%	2%

Poitou-Charentes	1%	2%	0%	10%	0%	8%	8%	1%	0%	27%	9%	0%	25%	0%	1%	0%	7%	1%
Aquitaine	1%	0%	1%	16%	0%	8%	6%	12%	0%	7%	5%	0%	36%	0%	0%	0%	7%	1%
Midi-Pyrénées	1%	1%	0%	14%	0%	6%	4%	1%	0%	5%	5%	0%	56%	0%	1%	0%	6%	1%
Limousin	1%	0%	1%	10%	0%	6%	6%	1%	0%	7%	2%	0%	60%	0%	0%	0%	5%	1%
Rhône-Alpes	1%	1%	0%	13%	0%	9%	4%	1%	0%	6%	5%	0%	51%	0%	3%	0%	5%	1%
Auvergne	0%	0%	1%	12%	0%	7%	4%	1%	0%	5%	2%	0%	63%	0%	0%	0%	5%	1%
Languedoc-Roussillon	0%	0%	0%	19%	0%	8%	3%	2%	0%	12%	6%	0%	41%	0%	1%	0%	6%	1%
PACA	0%	0%	0%	13%	0%	4%	14%	2%	0%	14%	4%	0%	40%	0%	2%	0%	6%	1%
Programme de Développement Rural de la Corse (PDRC)	1%	0%	0%	12%	0%	5%	11%	4%	0%	7%	3%	0%	48%	0%	1%	0%	5%	3%

Table 3. Overview of public expenditure on Measure 1 to 10 for each RDP in France (in €)

	Measure 1	Measure 2	Measure 3	Measure 4	Measure 5	Measure 6	Measure 7	Measure 8	Measure 9	Measure 10
Programme national de gestion des risques en agriculture	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
National Rural Network Programme	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Guadeloupe	€ 3.499.798	€ 11.022.635	€ 292.659	€ 112.222.353	€ 2.941.176	€ 15.098.039	€ 9.447.059	€ 2.212.162	€ 0	€ 11.788.235
Martinique	€ 5.882.353	€ 7.058.824	€ 588.235	€ 57.647.059	€ 1.176.471	€ 12.941.176	€ 18.935.699	€ 3.235.294	€ 0	€ 8.235.294
Guyane	€ 6.494.118	€ 2.635.294	€ 105.882	€ 36.095.294	€ 0	€ 6.964.706	€ 42.082.353	€ 3.529.412	€ 0	€ 1.341.176
Reunion	€ 36.466.667	€ 10.440.000	€ 0	€ 201.740.000	€ 2.666.667	€ 23.160.000	€ 43.600.000	€ 25.366.667	€ 0	€ 23.200.000
Mayotte	€ 3.083.333	€ 3.890.000	€ 0	€ 30.500.000	€ 40.000	€ 2.460.000	€ 19.674.000	€ 1.910.000	€ 0	€ 2.300.000
Île-de-France	€ 0	€ 0	€ 0	€ 24.000.000	€ 0	€ 10.750.000	€ 12.000.000	€ 5.800.000	€ 0	€ 12.000.000
Champagne-Ardenne	€ 3.250.000	€ 3.396.226	€ 0	€ 45.094.340	€ 94.340	€ 57.242.925	€ 12.264.151	€ 13.113.208	€ 0	€ 53.786.667
Picardie	€ 3.174.603	€ 1.111.111	€ 0	€ 39.365.079	€ 0	€ 29.482.143	€ 41.111.111	€ 1.885.714	€ 0	€ 41.448.508
Haute-Normandie	€ 1.312.500	€ 1.600.000	€ 1.000.000	€ 45.066.667	€ 0	€ 24.625.000	€ 31.200.000	€ 5.266.667	€ 750.000	€ 17.600.000
Centre	€ 5.000.000	€ 2.600.000	€ 0	€ 55.933.333	€ 2.000.000	€ 59.900.000	€ 62.000.000	€ 3.000.000	€ 0	€ 106.225.807
Basse-Normandie	€ 6.250.000	€ 3.174.603	€ 2.698.413	€ 104.825.397	€ 0	€ 77.698.413	€ 41.269.841	€ 5.796.825	€ 0	€ 52.666.667
Bourgogne	€ 6.675.472	€ 5.283.019	€ 0	€ 100.245.283	€ 0	€ 76.527.830	€ 47.922.264	€ 6.320.755	€ 0	€ 95.150.463
Nord-Pas-de-Calais	€ 2.666.667	€ 0	€ 1.333.333	€ 61.182.354	€ 0	€ 30.702.747	€ 4.210.000	€ 2.316.667	€ 0	€ 34.800.000
Lorraine	€ 3.333.366	€ 2.380.952	€ 0	€ 88.651.059	€ 27.016	€ 47.768.552	€ 26.826.297	€ 12.761.644	€ 0	€ 62.933.333
Alsace	€ 710.832	€ 566.038	€ 943.396	€ 36.981.132	€ 0	€ 19.669.811	€ 22.754.717	€ 3.037.736	€ 0	€ 41.333.333
Franche-Comté	€ 1.904.762	€ 158.730	€ 200.000	€ 61.482.010	€ 0	€ 67.978.175	€ 47.581.743	€ 3.380.952	€ 0	€ 36.735.695
Pays de la Loire	€ 5.010.000	€ 1.510.000	€ 0	€ 242.087.411	€ 0	€ 98.480.189	€ 2.075.472	€ 1.200.000	€ 0	€ 146.813.333
Bretagne	€ 3.125.000	€ 0	€ 943.396	€ 246.981.132	€ 0	€ 78.750.000	€ 28.301.887	€ 9.874.214	€ 0	€ 84.000.000

Poitou-Charentes	€ 4.312.500	€ 12.698.413	€ 476.190	€ 56.587.302	€ 79.365	€ 42.420.635	€ 46.507.937	€ 3.841.270	€ 0	€ 151.311.761
Aquitaine	€ 8.490.566	€ 0	€ 8.490.566	€ 144.811.321	€ 0	€ 75.825.472	€ 55.590.077	€ 108.962.264	€ 0	€ 62.975.117
Midi-Pyrénées	€ 18.867.925	€ 20.754.717	€ 9.433.962	€ 257.320.755	€ 0	€ 105.660.377	€ 83.018.868	€ 14.528.302	€ 0	€ 89.761.736
Limousin	€ 5.139.791	€ 3.067.200	€ 6.131.913	€ 80.243.684	€ 0	€ 47.049.364	€ 46.021.643	€ 5.552.306	€ 0	€ 55.579.704
Rhône-Alpes	€ 15.200.000	€ 9.000.000	€ 3.900.000	€ 206.000.000	€ 2.800.000	€ 139.480.000	€ 66.000.000	€ 13.433.333	€ 0	€ 85.663.003
Auvergne	€ 6.666.667	€ 5.507.937	€ 10.634.921	€ 190.793.651	€ 0	€ 114.828.888	€ 68.571.429	€ 9.047.619	€ 396.825	€ 81.389.333
Languedoc-Roussillon	€ 2.698.413	€ 0	€ 3.968.254	€ 154.603.175	€ 0	€ 62.214.286	€ 28.150.794	€ 16.984.127	€ 0	€ 97.114.045
PACA	€ 2.912.456	€ 0	€ 0	€ 90.359.211	€ 0	€ 27.338.704	€ 98.671.019	€ 12.919.330	€ 0	€ 100.757.005
Programme de Développement Rural de la Corse (PDRC)	€ 2.125.000	€ 340.000	€ 960.000	€ 27.815.000	€ 600.000	€ 11.200.000	€ 24.800.000	€ 8.520.000	€ 0	€ 15.506.000



Table 4. Overview of public expenditure on Measure 11 to 20 for each RDP in France (in €)

	Measure 11	Measure 12	Measure 13	Measure 15	Measure 16	Measure 17	Measure 19	Measure 20
Programme national de gestion des risques en agriculture	€ 0	€ 0	€ 0	€ 0	€ 0	€ 600.750.000	€ 0	€ 13.207.547
National Rural Network Programme	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 43.394.740
Guadeloupe	€ 941.176	€ 529.412	€ 5.882.353	€ 0	€ 9.444.444	€ 0	€ 10.283.429	€ 7.567.736
Martinique	€ 588.235	€ 0	€ 9.411.765	€ 0	€ 13.529.412	€ 0	€ 8.294.118	€ 5.652.536
Guyane	€ 1.245.882	€ 0	€ 4.635.389	€ 0	€ 9.211.765	€ 0	€ 12.552.941	€ 4.870.493
Reunion	€ 4.906.667	€ 0	€ 45.333.333	€ 0	€ 58.186.667	€ 0	€ 27.733.333	€ 11.200.000
Mayotte	€ 0	€ 0	€ 1.020.000	€ 0	€ 6.091.667	€ 0	€ 3.533.333	€ 2.956.000
Île-de-France	€ 8.000.000	€ 26.667	€ 0	€ 0	€ 10.000.000	€ 0	€ 10.333.333	€ 4.371.874
Champagne-Ardenne	€ 20.000.000	€ 133.333	€ 41.733.333	€ 0	€ 9.600.000	€ 0	€ 27.275.000	€ 5.700.258
Picardie	€ 13.600.000	€ 282.977	€ 0	€ 0	€ 1.625.000	€ 0	€ 18.750.000	€ 3.174.603
Haute-Normandie	€ 13.333.333	€ 106.667	€ 0	€ 0	€ 3.987.500	€ 0	€ 12.500.000	€ 7.722.552
Centre	€ 26.666.667	€ 133.333	€ 130.770.472	€ 0	€ 12.004.901	€ 0	€ 29.571.250	€ 12.000.000
Basse-Normandie	€ 33.066.667	€ 133.333	€ 50.666.667	€ 0	€ 6.312.500	€ 0	€ 37.500.000	€ 11.971.648
Bourgogne	€ 41.200.000	€ 80.000	€ 327.185.261	€ 0	€ 14.027.736	€ 0	€ 36.650.000	€ 11.320.755
Nord-Pas-de-Calais	€ 12.800.000	€ 266.667	€ 0	€ 266.667	€ 1.750.000	€ 0	€ 16.428.571	€ 6.000.000
Lorraine	€ 31.120.000	€ 26.667	€ 147.988.387	€ 0	€ 6.602.671	€ 0	€ 19.733.667	€ 3.891.743
Alsace	€ 16.000.000	€ 0	€ 24.852.969	€ 0	€ 1.415.094	€ 0	€ 7.900.000	€ 4.301.887
Franche-Comté	€ 27.099.531	€ 192.483	€ 319.671.877	€ 0	€ 2.142.857	€ 0	€ 30.498.519	€ 6.880.121
Pays de la Loire	€ 81.600.000	€ 0	€ 20.533.333	€ 0	€ 4.130.000	€ 0	€ 56.250.000	€ 17.862.691
Bretagne	€ 37.333.333	€ 626.565	€ 666.667	€ 0	€ 9.125.000	€ 0	€ 46.000.000	€ 12.075.472

Poitou-Charentes	€ 47.333.333	€ 13.333	€ 137.299.210	€ 0	€ 3.000.000	€ 0	€ 38.475.000	€ 6.576.125
Aquitaine	€ 48.000.000	€ 133.333	€ 325.471.648	€ 0	€ 2.830.189	€ 0	€ 59.767.547	€ 5.660.377
Midi-Pyrénées	€ 86.744.457	€ 188.679	€ 1.062.088.905	€ 0	€ 16.981.132	€ 0	€ 115.481.265	€ 24.528.302
Limousin	€ 17.373.904	€ 13.333	€ 474.217.507	€ 0	€ 3.105.143	€ 0	€ 38.375.000	€ 9.523.810
Rhône-Alpes	€ 73.333.333	€ 133.333	€ 783.488.897	€ 0	€ 44.350.000	€ 0	€ 72.500.000	€ 16.824.728
Auvergne	€ 26.507.333	€ 133.333	€ 1.030.576.441	€ 0	€ 7.142.857	€ 0	€ 79.678.453	€ 12.938.095
Languedoc-Roussillon	€ 52.000.000	€ 133.333	€ 339.890.957	€ 0	€ 11.587.302	€ 0	€ 50.000.000	€ 9.244.286
PACA	€ 25.031.019	€ 188.679	€ 284.276.372	€ 0	€ 12.210.319	€ 0	€ 42.114.665	€ 7.206.028
Programme de Développement Rural de la Corse (PDRC)	€ 5.986.667	€ 0	€ 106.666.667	€ 0	€ 1.375.000	€ 0	€ 10.655.625	€ 5.999.167

Table 5. Overview of priorities in France (in €)

	P2	P3	P4	P5	P6
Programme national de gestion des risques en agriculture	0,00%	97,85%	0,00%	0,00%	0,00%
National Rural Network Programme	0,00%	0,00%	0,00%	0,00%	0,00%
Guadeloupe	29,45%	17,34%	12,92%	22,96%	13,61%
Martinique	50,46%	6,91%	14,59%	4,61%	19,74%
Guyane	40,60%	4,60%	5,73%	3,91%	41,46%
Reunion	25,89%	10,60%	24,24%	18,51%	18,59%
Mayotte	52,22%	3,35%	14,63%	0,00%	25,98%
Île-de-France	29,55%	11,51%	40,32%	1,44%	12,68%
Champagne-Ardenne	26,28%	5,17%	41,44%	10,62%	14,54%
Picardie	27,00%	0,00%	39,75%	2,71%	28,91%
Haute-Normandie	25,66%	6,95%	29,26%	11,01%	22,46%
Centre	16,93%	3,89%	57,53%	2,64%	16,65%
Basse-Normandie	32,61%	5,32%	39,05%	5,75%	14,51%
Bourgogne	20,59%	1,73%	62,68%	3,24%	10,29%
Nord-Pas-de-Calais	38,37%	8,37%	29,03%	7,42%	13,37%
Lorraine	27,87%	4,87%	56,30%	0,00%	10,10%
Alsace	26,33%	2,93%	51,80%	3,66%	12,90%
Franche-Comté	15,65%	1,91%	67,32%	3,83%	10,15%
Pays de la Loire	25,98%	9,63%	37,39%	16,06%	8,30%
Bretagne	43,88%	11,99%	28,67%	5,05%	8,25%


Poitou-Charentes	17,39%	1,12%	64,33%	0,63%	15,34%
Aquitaine	19,59%	5,29%	51,25%	12,86%	10,38%
Midi-Pyrénées	16,44%	2,97%	65,71%	3,77%	9,82%
Limousin	14,08%	2,10%	68,36%	4,81%	9,44%
Rhône-Alpes	17,13%	5,57%	68,26%	1,19%	6,75%
Auvergne	15,42%	2,21%	69,93%	2,92%	8,74%
Languedoc-Roussillon	14,32%	5,79%	63,84%	8,01%	6,93%
PACA	9,10%	3,48%	72,60%	4,99%	8,81%
Programme de Développement Rural de la Corse (PDRC)	18,00%	1,47%	63,37%	1,63%	12,83%

Table 6. Overview of priorities in France (in €)

	Priority 2	Priority 3	Priority 4	Priority 5	Priority 6	Total Public Expenditure
Programme national de gestion des risques en agriculture	€ 0	€ 600,750,000	€ 0	€ 0	€ 0	€ 600,750,000
National Rural Network Programme	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Guadeloupe	€ 59,834,053	€ 35,224,194	€ 26,250,906	€ 46,646,313	€ 27,649,464	€ 195,604,931
Martinique	€ 77,294,118	€ 10,588,235	€ 22,352,941	€ 7,058,824	€ 30,229,816	€ 147,523,934
Guyane	€ 53,495,294	€ 6,058,824	€ 7,551,860	€ 5,152,941	€ 54,635,294	€ 126,894,213
Reunion	€ 133,050,133	€ 54,464,377	€ 124,615,380	€ 95,136,776	€ 95,533,333	€ 502,800,000
Mayotte	€ 40,450,000	€ 2,591,667	€ 11,333,333	€ 0	€ 20,127,333	€ 74,502,333
Île-de-France	€ 28,750,000	€ 11,200,000	€ 39,226,667	€ 1,400,000	€ 12,333,333	€ 92,910,000
Champagne-Ardenne	€ 76,926,226	€ 15,129,528	€ 121,282,333	€ 31,084,094	€ 42,561,340	€ 286,983,522
Picardie	€ 52,656,746	€ 0	€ 77,516,803	€ 5,293,651	€ 56,369,048	€ 191,836,247
Haute-Normandie	€ 42,617,500	€ 11,550,000	€ 48,589,333	€ 18,291,500	€ 37,300,000	€ 158,348,333
Centre	€ 85,950,000	€ 19,754,901	€ 292,129,612	€ 13,400,000	€ 84,571,250	€ 495,805,763
Basse-Normandie	€ 141,553,571	€ 23,101,190	€ 169,471,825	€ 24,973,413	€ 62,959,325	€ 422,059,325
Bourgogne	€ 158,246,604	€ 13,288,679	€ 481,715,724	€ 24,902,925	€ 79,114,151	€ 757,268,083
Nord-Pas-de-Calais	€ 67,046,785	€ 14,621,688	€ 50,730,405	€ 12,972,700	€ 23,352,093	€ 168,723,672
Lorraine	€ 126,553,163	€ 22,126,532	€ 255,629,137	€ 0	€ 45,844,778	€ 450,153,610
Alsace	€ 47,518,868	€ 5,283,019	€ 93,482,040	€ 6,603,774	€ 23,277,358	€ 176,165,059

<b>Franche-Comté</b>	€ 94,803,562	€ 11,564,440	€ 407,922,768	€ 23,219,235	€ 61,517,328	€ 599,027,333
<b>Pays de la Loire</b>	€ 176,028,919	€ 65,260,955	€ 253,337,893	€ 108,811,972	€ 56,250,000	€ 659,689,738

# Germany

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€30.6 billion <sup>335</sup>	€ 8.21 billion <sup>336</sup>				
Level of implementation	National/Regional	13 RDPs (Regional) <sup>337</sup>				
DP (P.I) yearly national ceilings <sup>338</sup>	2015	2016	2017	2018	2019	2020
	€	€	€	€	€	€
	4,912,800,000	4,880,500,000	4,848,100,000	4,820,300,000	4,792,600,000	5,018,400,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		62%			
	“Greening” Payment		30%			
	Payment for Young Farmers		Up to 1%			
	Coupled Support		Not implemented			
	Small Farmers Scheme		Up to €1250 per small farmer			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input type="checkbox"/> No flexibility		<input checked="" type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I	
	Germany has decided to move financial resources from Pillar I to Pillar II (4,5% of transfer from 2015 to 2019) <sup>339</sup> . There is a political commitment to use the resources to support organic farming, grassland areas and less-favoured areas, to improve animal husbandry and animal welfare, and to favour agri-environmental-climate measures.					
Active farmer definition	Member States shall define the concept of “active farmer”. Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Germany has identified the following criteria for “active farmer”<sup>340</sup>:</p> <ul style="list-style-type: none"> <li>In Germany ‘minimum activity’ (art.4.2.b) is the agricultural activity which must be carried out on agricultural area not used for production in the year of application which is: <ul style="list-style-type: none"> <li>mowing of the vegetation growth and removal of the mowing material once a year;</li> <li>cutting and complete spread of the vegetation growth all over the agricultural area once a year. As specified in DirektZahlDurchV, para. 2(2)), deviations from DirektZahlDurchV, para. 2(1) may be approved through the respective state authority upon application if relevant for nature and environment conservation (e.g. with respect to conservation of feral bird species or their habitats). DirektZahlDurchV, para. 2(3) specifies that activities deviating from DirektZahlDurchV, para. 2(1) and 2(2) are still considered agricultural</li> </ul> </li> </ul>					

<sup>335</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>336</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>337</sup> DG AGRI data on RDPs (2016)

<sup>338</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>339</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.112.

<sup>340</sup> DG AGRI data (2016) AF Notification 1-08-2014.

Basic Payments	<p>activities in accordance with Reg. (EU) 1307/2013, art. 4(1)c.ii</p> <ul style="list-style-type: none"> <li>○ if the applicant complies with the requirements of agri-environmental and climate measures of states which are in conflict with the requirements as specified in DirektZahlDurchV, para. 2(1) and 2(2)</li> <li>○ but which ensure that the agricultural area is maintained in a state suitable for grazing or cultivation.</li> </ul> <ul style="list-style-type: none"> <li>● Germany will maintain a negative list (art. 9(2) and add mining businesses excluded from receiving direct payments.</li> <li>● A person or a group of persons which fall under the scope of art. 9 (2) can be regarded an active farmer if they can demonstrate with verifiable evidence: <ul style="list-style-type: none"> <li>○ that the agricultural activities are not insignificant by providing evidences that: <ul style="list-style-type: none"> <li>- the agricultural area is declared by the applicant in the application for direct payments of the respective year</li> <li>- and the area is available to the applicant at the final submission date of the application (exceptions are made in case of force majeure or exceptional circumstances).</li> </ul> </li> <li>○ that its principle business or company object consists of activities of equestrian businesses falling within the scope of the negative list: <ul style="list-style-type: none"> <li>- solely because of operating sports or recreational businesses including boarding stables</li> <li>- or because they manage an agricultural area of less than 38 hectares are still considered not insignificant if, on average, no more than 3 livestock units (LU) are kept per hectare between January and April of the year of application for direct payments (DirektZahlDurchV, para.7(2) in accordance with Reg. (EU) 1307/2013, art. 9(2) 3rd subpara. letter b). The equines considered under this paragraph are horses younger than 3 years, small horses, ponies, donkeys, mules (all 0.7 LU) as well as horses of 3 years and older (1.1 LU) (DirektZahlDurchV, para.7(2) and Annex II).</li> </ul> </li> </ul> </li> <li>● Germany decided not to implement any additional economic or professional requirements (art. 9 (3)).</li> <li>● The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €5,000 in the previous year<sup>341</sup>.</li> </ul>
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Basic Payments	<p><b>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</b></p>	
	<input type="checkbox"/> National model (single region) <input type="checkbox"/> SAPS <input checked="" type="checkbox"/> <b>Regional model until 2018</b>	<input type="checkbox"/> Partial internal convergence <input checked="" type="checkbox"/> <b>National flat rate payment in 2019</b>
	<p>62 % of national ceiling</p>	
	<p>Germany has allocated annually about € 3 billion to basic payments. The amount decreases from € 3,050,831,412 in 2015 to €3,116,423,295 in 2020.</p> <p>Further key decisions taken by Germany concerning basic payments are:</p> <ul style="list-style-type: none"> <li>● Basic Payments represent 62% of the national ceiling for Pillar I<sup>342</sup>;</li> <li>● The model of convergence will be a National flat rate payment in 2019 (Regional model until 2018) with a differentiation of basic payment scheme between 2015 and 2018. The uniform unit value is expected to amount to 176 euro/ha (without greening) in 2019 and the subsequent years.</li> <li>● Farmers who are eligible for payments entitlements in Germany have a minimum of one hectare of land, had a vineyard in 2013, received entitlements from the reserve in 2014 or never held entitlements but farmed in 2013<sup>343</sup>;</li> </ul> <p>Germany has decided to not base its initial unit value on 2014 payments, nor on value of payments entitlements. In addition, Germany will not keep the existing payment entitlements. Finally, Germany will not use neither past sectorial support nor partial sectorial support its basic payments scheme<sup>344</sup>.</p>	

<sup>341</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>342</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>343</sup> BPS-Allocation of payment entitlements (Form 4).xls

<sup>344</sup> BPS-Details IU.V.



Reduction of payments	Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.		
	<input type="checkbox"/> Degressivity: 0%	<input checked="" type="checkbox"/> Redistributive payment	
	<input type="checkbox"/> Threshold: € 0		
	<input type="checkbox"/> Application: 0		
Germany had decided not to apply reduction of payments <sup>345</sup> , yet will apply the redistributive payment on the first 16 ha with an estimated value of €30 per unit.			
Greening	Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.		
	Green payment		
	<input type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> Flat payment	<input type="checkbox"/> Individual payment
	Permanent grassland		
	Total area of ESPG in Natura 2000: 615,000 hectares ha (64 %)	<input type="checkbox"/> ESPG outside Natura 2000	<input checked="" type="checkbox"/> Regional application <input type="checkbox"/> National application
	Ecological Focus Areas		
	17 types of EFAs	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation <input type="checkbox"/> Forest cover derogation
	30% of Germany's national ceiling <sup>346</sup> which corresponds to over €1,473,831,600 in 2015 and to €1,505,518,500 in 2020 is allocated to greening <sup>347</sup> . The implementation of the greening payments will be done at regional level <sup>348</sup> .		
	Germany made the following implementation choices concerning the greening payment:		
	<ul style="list-style-type: none"> <li>• Germany will not implement any equivalent practices<sup>349</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 958,000 hectares are currently covered<sup>350</sup>; 615,000 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 64% of the total permanent grassland<sup>351</sup>. No ESPG is designated outside Natura 2000<sup>352</sup>.</li> <li>• Germany has decided to focus on the following 17 Ecological Focus Areas<sup>353</sup>. <ul style="list-style-type: none"> <li>○ Land lying fallow;</li> <li>○ Terraces ;</li> <li>○ Landscape features in accordance with the rules on cross compliance (8): Hedges, Single trees, Trees in line, Field shrubbery, Field margins, Other landscape features (wetlands, ponds, biotopes).</li> <li>○ Buffer strips: 1m to 20m max width;</li> <li>○ Hectares of agro-forestry ;</li> <li>○ Strips of eligible hectares along forest edges;</li> <li>○ Areas with short rotation coppice: 6 – alder, birch, ash, poplar, oak and willow. Neither mineral fertilisers nor plant protection products are not allowed;</li> <li>○ Afforested areas;</li> <li>○ Areas with catch crops, or green cover established by the planting and germination of seeds: 84 species;</li> <li>○ Areas with nitrogen-fixing crops, 13 species: soybean, lentil, birds foot trefoil, lupin, alfalfa, sweet clover, sainfoin, bird's foot, bean, pea, clover, vetch (exc. faba bean) and bean.</li> </ul> </li> </ul>		

<sup>345</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.117.

<sup>346</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>347</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>348</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>349</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>350</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>351</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>352</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>353</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

Payment for Young Farmers	Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.						
	% of national ceiling: 1%						
	Germany has decided to allocate 1% of their national ceiling to Young Farmers which corresponds to € 49,127,720 in 2015 which increases to € 50,183,950 in 2020. There will be no additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25 % of the national average value of basic payment by the number of payment entitlements that the farmer has activated. The threshold of eligible payment entitlements is set at 90ha.						
Voluntary coupled support	Member States are allowed to choose to implement the coupled support for different sectors or regions.						
	<input type="checkbox"/> Coupled support as % of national ceiling: 0%				<input type="checkbox"/> Support for protein crops as % of national ceiling: 0%		
	Germany decided not to implement voluntary coupled support <sup>354</sup> .						
Other voluntary schemes under Pillar I	Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers						
	<input type="checkbox"/> Payment for areas with natural constraints				<input checked="" type="checkbox"/> Small farmers		
	<p>The voluntary scheme for areas with natural constraints is not implemented in Germany<sup>355</sup>.</p> <p>Germany has implemented the small farmers scheme. Farmers will not be automatically included in the scheme. The annual amount of support per farmer is set at a maximum of € 1,250. This annual payment is calculated as the total value of all the payments that should be annually allocated to the farmer up to a maximum of EUR 1,250 per year<sup>356</sup>.</p>						
Yearly Union Support for P.II <sup>357</sup>	2014	2015	2016	2017	2018	2019	2020
	€664,601,903	€1.498,240,410	€1,685,574,112	€1,404,073,302	€1,400,926,899	€1,397,914,658	€1,394,588,766
Summary of measures implemented under P.II	Total public spending in € for 2014-2020	EU support rate	Implemented measures				
	% of total budget						
	€ 111.422.611 0.79%	45-100%	M1.1: Support for vocational training and skills acquisition actions;				
			M1.2: Support for demonstration activities and information actions;				
		M1.3: Support for short-term farm and forest management exchange as well as farm and forest visits.					
	€	45-100%	M2.1 support to help benefiting from the use of advisory services				

<sup>354</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.119.

<sup>355</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

<sup>356</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

<sup>357</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

	104.355.280 0.74%		M2.2 support for the setting up of farm management, farm relief and farm advisory services as well as forestry advisory services
			M2.3 support for training of advisors
	€ 2.292.018.0 10 16.2%	45-100%	M4.1: support for investments in agricultural holdings;
			M4.2: support for investments in processing/marketing and/or development of agricultural products;
			M4.3: support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry;
			M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.
	€ 506.239.595 3.58%	53-75%	M5.1: support for investments in preventive actions aimed at reducing the consequences of probable natural disasters, adverse climatic events and catastrophic events;
			M5.2: support for investments for the restoration of agricultural land and production potential damaged by natural disasters, adverse climatic events and catastrophic events.
	€ 71.150.516 0.5%	50-75%	M6.1: business start-up aid for young farmers;
			M6.2: business start-up aid for non-agricultural activities in rural areas;
M6.3: business start-up aid for the development of small farms;			
M6.4: support for investments in creation and development of non-agricultural activities;			
M6.5: payments for farmers eligible for the small farmers scheme who permanently transfer their holding to another farmer.			
€ 2.180.132.0 62 15.41%	45-100%	M7.1: support for drawing up and updating of plans for the development of municipalities and villages in rural areas and their basic services and of protection and management plans relating to Natura 2000 sites and other areas of high nature value;	
		M7.2: support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving;	
		M7.3: support for broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government;	
		M7.4: support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure;	
		M7.5: support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure;	
		M7.6: support for studies/investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites including related socioeconomic aspects, as well as environmental awareness actions;	
		M7.7: support for investments targeting the relocation of activities and conversion of buildings or other facilities located inside or close to rural settlements, with a view to improving the quality of life or increasing the environmental performance of the settlement;	
		M7.8 others.	
€ 267.027.540 1.89%	45-100%	M8.1: support for afforestation/creation of woodland (Article 21);	
		M8.2: support of establishment and maintenance of agro-forestry systems;	
		M8.3: support for prevention of damage to forests from forest fires and natural disasters and catastrophic events;	
		M8.4: support for restoration of damage to forests from forest fires and natural disasters and catastrophic events;	

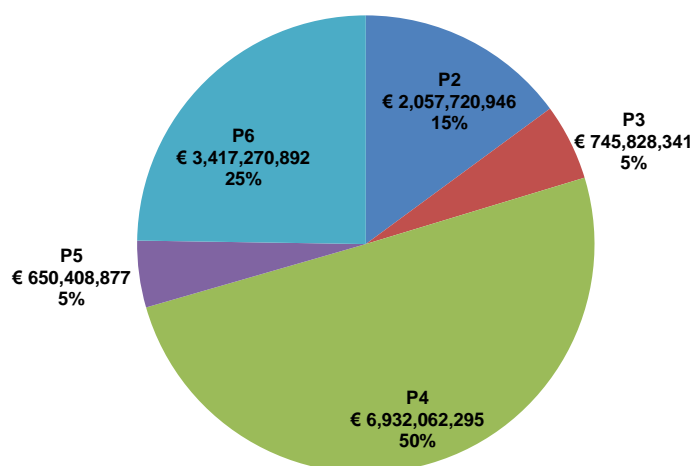
		M8.5: support for investments improving the resilience and environmental value of forest ecosystems;
		M8.6: support for investments in forestry technologies and in processing, mobilising and marketing of forest products.
€ 2.899.755.766 20.5%	45-100%	M10.1: payment for agri-environment-climate commitments M10.2: support for conservation and sustainable use and development of genetic resources in agriculture
€ 1.612.901.014 11.40%	45-100%	M11.1 payment to convert to organic farming practices and methods M11.2 payment to maintain organic farming practices and methods
€ 119.982.222 0.85%	45-100%	M12.1 compensation payment for Natura 2000 agricultural areas M12.2 compensation payment for Natura 2000 forest areas M12.3 compensation payment for agricultural areas included in river basin management plans
€ 1.627.732.204 11.51%	45-100%	M13.1: compensation payment in mountain areas M13.2: compensation payment for other areas facing significant natural constraints M13.3: compensation payment to other areas affected by specific constraints
€ 113.222.222 0.8%	45-100%	M14: Animal Welfare
€ 12.220.667 0.09%	75-100%	15.1 payment for forest-environmental and climate commitments 15.2 support for the conservation and promotion of forest genetic resources
€ 207.368.979 1.47%	50-100%	M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies M16.3 Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets M16.5 Support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices. (Article 35 (2) (f) and (g)) M16.6 Support for cooperation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes M16.7 Support for non-CLLD strategies (non-Community-led Local Development) M16.8 Support for drawing up of forest management plans or equivalent instruments M16.9 Support for diversification of farming activities into activities
€ 1.684.892.663 11.91%	50-90%	M19: LEADER and CLLD
€ 337.069.064 2.38%	45-75%	M20: Technical assistance to Member States

Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).

National RDP       Regional RDP

The total RDP budget for Germany is at around € 8.2 billion for the entire planning period. Germany has allocated half of this budget to Priority 4 “restoring, preserving and enhancing ecosystems” followed by 25 % to Priority 6 “social inclusion, poverty reduction, and economic development in rural areas”, 15% to Priority 2 “competitiveness of all types of agriculture and farm viability”, 5 % to Priority 3 “food chain organisation and risk management” and 5% to Priority 5 “resource efficiency and shift towards a low carbon and climate resilient economy” . The following figure provides an overview of the shares by Priority in millions of euro.

Figure 51 Budget allocated per Priority in Germany

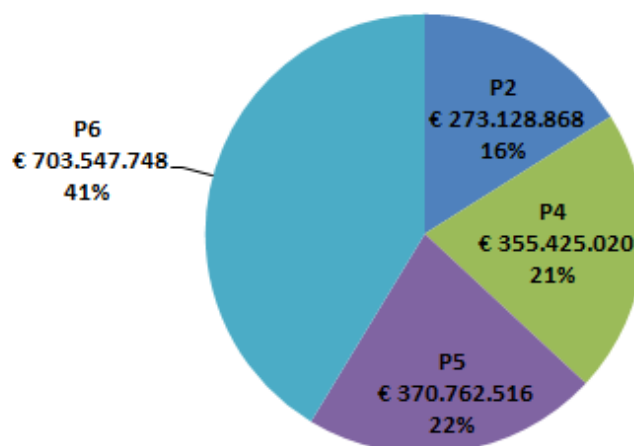


Source: Calculations Ecorys based on DG AGRI data (2016)

As Germany has 13 RDPs, the breakdown of funds of all regional RDPs are given in the last pages of this fiche. In the following we further elaborate in further detail on the following exemplary three selected regions, which are geographically spread over Germany with different agricultural and climatic conditions: Berlin-Brandenburg, Bavaria and North-Rhine-Westphalia.

In the following figures, the breakdown of the funding for each of the regions is illustrated. Priority 6 receives the largest share of budget in Bavaria (60 % of total), while Priorities 4 and 5 receive more or less the same budget in the three regions.

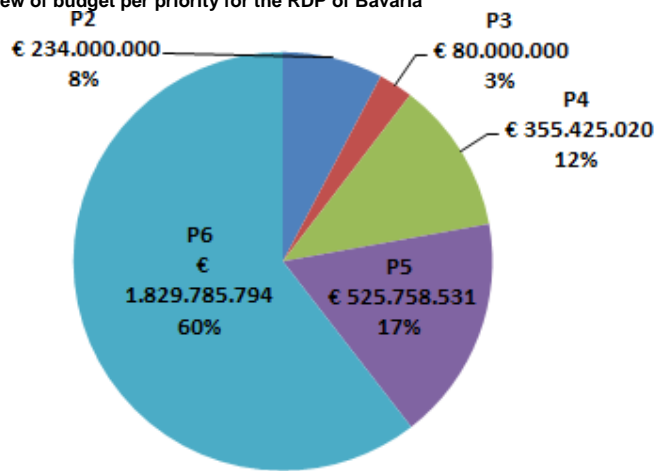
Figure 52. Overview of budget per priority for the RDP of Berlin-Brandenburg



Source: Calculations Ecorys based on DG AGRI data (2016)

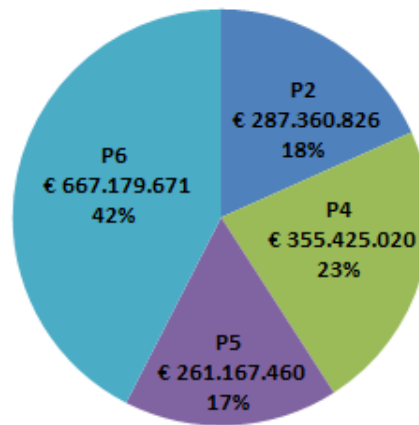
Key focus areas for rural development

Figure 53. Overview of budget per priority for the RDP of Bavaria



Source: Calculations Ecorys based on DG AGRI data (2016)

Figure 54. Overview of budget per priority for the RDP of North-Rhine-Westphalia



Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

**Overview**

Aggregating all RDPs in Germany, there are 16 measures used in the entire country. In terms of budget allocation the highest aggregated amounts are allocated to:

- M10 "Agri-environment-climate" (€ 2.899.755.766);
- M04 "Investments in physical assets" (€ 2.292.018.010);
- M07 "Basic services and village renewal in rural areas" (€ 2.180.132.062);
- Berlin-Brandenburg has decided to offer 14 measures. In terms of budget allocation the highest amounts are allocated to:
  - M10 "Agri-environment-climate" (€ 800,260,765);
  - M12 "Natura 2000 and Water Framework Directive payments" (€ 776,000,000);
  - M11 "Organic farming" (€ 412,000,000).
- Bavaria has decided to offer 9 measures. In terms of budget allocation the highest amounts are allocated to:
  - M13 "Payments to areas facing natural or other specific constraints" (€ 414,470,515);
  - M06 "Farm and business development" (€ 282,150,004);
  - M20 "Technical assistance" (€ 210,099,654).
- North-Rhine-Westphalia has decided to offer 13 measures. In terms of budget allocation the highest amounts are allocated to:
  - M08 "Investments in forest area development and improvement of the viability of forests" (€ 332,878,800);

- M02 “Advisory services, farm management and farm relief services” (€ 267,969,200);
- M12 “Natura 2000 and Water Framework Directive payments” (€ 166,666,800).

### M01 Knowledge Transfer and Innovation actions

On the aggregated level, 0.79% of the total RDP budget has been allocated to knowledge transfer and innovation actions.

**Brandenburg-Berlin** allocated 0.88% of the total RDP budget to knowledge transfer and innovation actions. The focus of this measure will lie on persons active in agriculture and forestry. The form in which training is implemented, as described by the RDP, is through trainings, seminars, workshops and information events for as well as field trips.

**Bavaria** does not implement this measure.

**North-Rhine-Westphalia** allocated 0.72 % of the total RDP budget to knowledge transfer and innovation actions. The focus of this measure is very broad and aims at providing an extensive offer of information and additional training measures to increase knowledge and skills related to the job. The format is not specified.

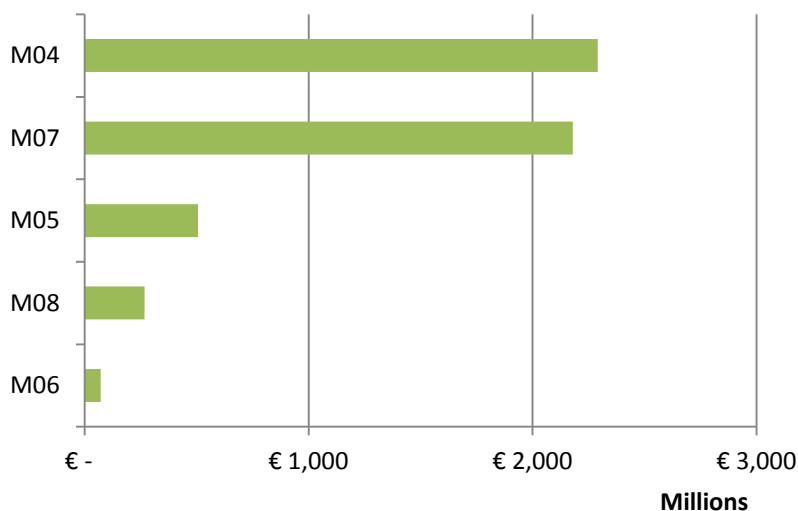
### Investment measures (M04, M05, M06, M07, M08)

At the aggregated level, the RDPs in Germany have implemented investment measures:

- M4 “Investments in physical assets” (€ 2.292.018.010);
- M6 “Farm and business development (€ 71.150.516);
- M7 “Basic services and village renewal in rural areas” (€ 2.180.132.062); and
- M8 “Investments in forest area development and improvement of the viability of forests”(€ 267.027.540).

The following figure illustrates the budget allocation per investment measure.

**Figure 55 Budget allocated to investment measures aggregated of all RDPs in Germany**



Source: Ecorys based on DG AGRI data (2016)

For Brandenburg-Berlin, Bavaria and North-Rhine-Westphalia the distribution of funds in their RDPs for the investment measures are shown in the figures below.

In Brandenburg-Berlin, for the investment measure M6 the links to intended job creation are explicitly made as they intend the creation of non-agricultural jobs in rural areas. For measures M4, M7 and M8 the link is not explicitly made.

The investment measures are usually financed through a combination of public and private investments. They have minimum and maximum investment volumes. The percentage of support depends on the submeasure and the specific support requested. In some cases also a 100% financing is possible.

Sub-measure M4.4 is not implemented.

Investments in new or existing irrigation systems are also covered by these investment measures (i.e. M4.1).

**Figure 56. Budget allocated to investment measures in Brandenburg-Berlin**



Source: Ecorys based on DG AGRI data (2016)

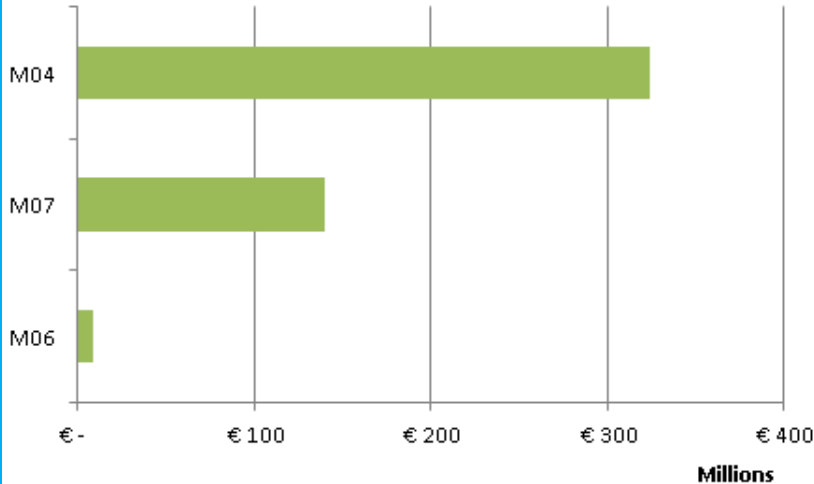
In Bavaria, for the investment measures M7 the links to intended job creation are explicitly made as they are implemented with the intention of strengthening basic services and renewal of villages in rural areas to generate jobs. Measures M6 and M7 do not explicitly provide links to intended job creation. M8 is not implemented in Bavaria.

As in the case of Brandenburg-Berlin the investment measures are usually financed through a combination of public and private investments. They have minimum and maximum investment volumes. The percentage of support depends on the submeasure and the specific support requested. In some cases also a 100% financing is possible.

Sub-measure M4.4 is not implemented.

Under M4 also irrigation systems should be covered. Sub-measure M4.1 does not specifically mention irrigation anymore.

**Figure 57. Budget allocated to investment measures in Bavaria**



Source: Ecorys based on DG AGRI data (2016)

In North-Rhine-Westphalia, the links to intended job creation in M4, M7 and M8 are not explicitly made. M6 is not implemented.

Similar to Brandenburg-Berlin and Bavaria the investment measures are usually financed through a combination of public and private investments. They have minimum and maximum investment volumes. The percentage of support depends on the submeasure and the specific support requested. Details of percentage co-financing depend for example on the number of cows. In some cases also a 100% financing is possible.

There is a focus on non-productive investments as M4.4 support for non-productive investments linked to the achievement of agri-environment-climate objectives is implemented.



Investments in new or existing irrigation systems are not mentioned in the investment measures.

**Figure 58. Budget allocated to investment measures in North-Rhine-Westphalia**



Source: Ecorys based on DG AGRI data (2016)

### M10 Agri-Environment-Climate and M11 Organic Farming

On the aggregated level, 20.5% of the total RDP budget has been allocated to environment-climate.

Brandenburg-Berlin spends on M10 "Agri-environment-climate" € 95.169.333 of which the national contribution is 7.07 %<sup>358</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are farmers and other persons working in farming.

Bavaria spends on M10 "Agri-environment-climate" € 800.260.765 of which the national contribution is 30.41%<sup>359</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are owners of farms or fields in agricultural use of which they actively farm at least three hectares, gardening and similar companies and communities of alpine pasture.

North-Rhine-Westphalia spends on M10 "Agri-environment-climate" € 323.518.333 of which the national contribution is 27.52 %<sup>360</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are active owners of fields which are (at least partially) in agricultural use.

On the aggregated level, 11.4% of the total RDP budget has been allocated to organic farming.

For M11 "Organic Farming" in Brandenburg-Berlin € 177.805.333 of public spending has been allocated of which the national contribution accounts for 13.21 %<sup>361</sup>. All of the expenditure is categorised under Priority 4. Beneficiaries should complete a training course and participate in advisory services in order to retain the payment under this measure<sup>362</sup>. Both submeasures (M11.1 "payment to convert to organic farming practices and methods" and M11.2 "payments to maintain organic farming practices and methods") are implemented.

For M11 "Organic Farming" in Bavaria € 412.000.000 of public spending has been allocated of which the national contribution accounts for 15.65 %<sup>363</sup>. All of the expenditure is categorised under Priority 4. Beneficiaries should complete a training course and participate in advisory services in order to retain the payment under this measure<sup>364</sup>. Both submeasures (M11.1 "payment to convert to organic farming practices and methods" and M11.2 "payments to maintain organic farming practices and methods") are implemented.

For M11 "Organic Farming" in North-Rhine-Westphalia € 132.777.778 of public spending has been allocated of which the national contribution accounts for 11.30 %<sup>365</sup>. All of the expenditure is

<sup>358</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>359</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>360</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>361</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>362</sup> German Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme.

<sup>363</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>364</sup> German Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme.

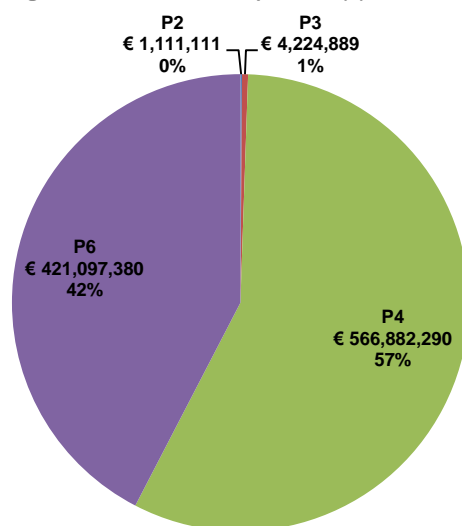
<sup>365</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

categorised under Priority 4. Beneficiaries should complete a training course and participate in advisory services in order to retain the payment under this measure<sup>366</sup>. Both submeasures (M11.1 “payment to convert to organic farming practices and methods” and M11.2 “payments to maintain organic farming practices and methods”) are implemented.

### M16 Co-operation

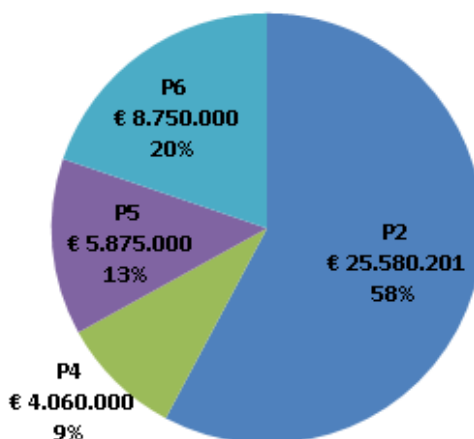
M16 “cooperation” receives €207.368.979 of public spending of which 57 % is national contribution. Under Priority 4 42 % of the total amount is spent, for Priority 3 1 % is allocated and under Priority 2 1%.

Figure 59. Division of budget for M16 over different priorities (P) for the 2014-2020 period



In Brandenburg-Berlin M16 “cooperation” receives € 44.265.201 of public spending of which 3.29 % is national contribution.

Figure 60. Division of budget for M16 in Brandenburg-Berlin over different priorities (P) for the 2014-2020 period



Source: Calculations Ecorys based on DG AGRI data (2016)

The measure pursues the objectives of innovation, environmental protection, reduction of climate change and adaptation to its consequences. Following submeasures have been selected:

- M16.1 “ Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability”;
- M16.3 “Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism”;

<sup>366</sup> Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme.

- M16.5 “Support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices. (Article 35 (2) (f) and (g) “.

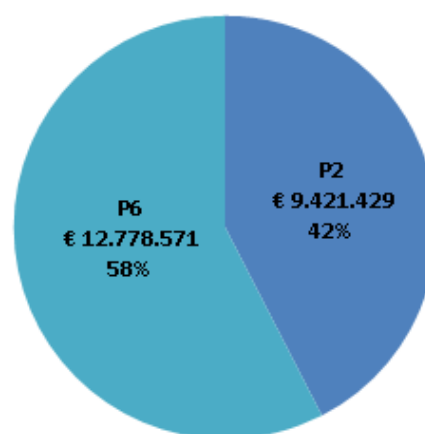
In Bavaria M16 “cooperation” receives € 4.000.000 of public spending of which 0.15 % is national contribution. The total amount is spent and for Priority 2.

The measure pursues the objectives of strengthening research, technological progress, innovation, competitiveness, reduction of CO2 emissions, adaptation to climate change, risk management, protection of environment and resource efficiency. The following submeasures have been selected:

- M16.1 “ Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability“;
- M16.2 “Support for pilot projects and for the development of new products, practices, processes and technologies”.

In North-Rhine-Westphalia M16 “cooperation” receives € 22.200.000 of public spending of which 1.89% is national contribution. Under Priority 6 58% of the total amount is spent and for Priority 2 42% is allocated.

**Figure 61 Division of budget for M16 in North-Rhine-Westphalia over different priorities (P) for the 2014-2020 period**



Source: Calculations Ecorys based on DG AGRI data (2016)

The measure pursues the objectives of innovation, agricultural productivity and sustainability, and regional cooperation. Following submeasures have been selected:

- M16.1 “ Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability“;
- M16.2 “Support for pilot projects and for the development of new products, practices, processes and technologies“;
- M16.7 “Support for non-CLLD strategies (non-Community-led Local Development)”.

#### **M19 LEADER CLLD**

The total aggregated CLLD budget allocated under the EAFRD in Germany is € 1.684.892.663.

In Brandenburg-Berlin, the total CLLD budget allocated under the EAFRD is € 348.875.000. It will be carried out under a single thematic objective: promoting social inclusion and combatting poverty and any form of discrimination<sup>367</sup>. All funds are targeted under Priority 6 “Fostering local development in rural areas”. Around 54.25 % of the rural population is intended to be covered under Local Development Strategy. The target is to create 350 jobs.<sup>368</sup>

In Bavaria, the total CLLD budget allocated under the EAFRD is € 152.000.000. It will be carried out under a single thematic objective: promoting social inclusion and combatting poverty and any form of discrimination<sup>369</sup>. All funds are targeted under Priority 6 “Fostering local development in

<sup>367</sup>Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme

<sup>368</sup> DG AGRI (2016): RDP factsheet

<sup>369</sup>Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme

<p><b>Targeting of RDP measures</b></p>	<p>rural areas". Around 56.68 % of the rural population is intended to be covered under Local Development Strategy. The target is to create 100 jobs.<sup>370</sup></p> <p>In North-Rhine-Westphalia, the total CLLD budget allocated under the EAFRD is €72.500.000. It will be carried out under a single thematic objective: promoting social inclusion and combatting poverty and any form of discrimination<sup>371</sup>. All funds are targeted under Priority 6 "Fostering local development in rural areas". Around 47.63% of the rural population is intended to be covered under Local Development Strategy. The target is to create 36 jobs.<sup>372</sup></p>	
	<p><b>Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.</b></p>	
	<p>In Brandenburg-Berlin: Measures especially targeted at Young Farmers: none. Measures targeted at Small Farms: none. Measures targeted at Innovation Activities: measures M01, M02 and M16.</p> <p>In Bavaria: Measures especially targeted at Young Farmers: none. Measures targeted at Small Farms: none. Measures targeted at Innovation Activities: measure M16.</p> <p>In North-Rhine-Westphalia: Measures especially targeted at Young Farmers: none. Measures targeted at Small Farms: none. Measures targeted at Innovation Activities: measures M01, M02 and M16.</p>	
<p><b>Approaches taken to financial support in RDP</b></p>	<p><b>Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.</b></p>	
	<p>In North-Rhine-Westphalia measure M19 implemented in sub-measure M19.4 the simplified cost option. Bavaria and Brandenburg-Berlin do not offer this option.</p> <p>Financial instruments are not used.</p>	
<p><b>Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs</b></p>	<p><b>The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.</b></p>	
	<p><b>Use of CLLD multi-fund option?</b></p>	<p><input type="checkbox"/> Yes                      <input checked="" type="checkbox"/> No</p>
	<p><b>If yes, which other ESI funds are used (or planned to be used) for CLLD?</b></p>	<p><input type="checkbox"/> ERDF <input type="checkbox"/> ESF <input type="checkbox"/> EMFF</p>

<sup>370</sup> DG AGRI (2016): RDP factsheet

<sup>371</sup> Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme

<sup>372</sup> DG AGRI (2016): RDP factsheet

Table 6. Percentages of total public expenditure spent on each measure per RDP for Germany

	M01	M02	M04	M05	M06	M07	M08	M10	M11	M12	M13	M14	M15	M16	M19	M20
<b>Germany - National Framework</b>	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
<b>Germany - Rural Network Programme</b>	0,23%	2,86%	20,99%	0,00%	2,03%	3,59%	1,28%	30,83%	12,22%	0,21%	15,63%	0,26%	0,00%	1,62%	6,25%	2,01%
<b>Baden-Württemberg</b>	0,00%	0,00%	12,31%	0,00%	0,32%	5,32%	0,00%	30,41%	15,65%	0,00%	29,49%	0,00%	0,00%	0,15%	5,78%	0,58%
<b>Bavaria</b>	0,88%	0,20%	12,02%	5,49%	0,38%	9,50%	5,81%	7,07%	13,21%	2,09%	10,32%	0,00%	0,00%	3,29%	25,92%	3,82%
<b>Berlin + Brandenburg</b>	0,00%	0,00%	21,34%	0,00%	1,21%	19,25%	2,84%	3,62%	24,16%	0,00%	10,19%	0,00%	0,00%	1,01%	12,39%	3,99%
<b>Hesse</b>	0,47%	1,56%	22,34%	5,00%	0,47%	27,75%	2,42%	13,05%	13,90%	1,67%	0,00%	0,00%	0,28%	0,44%	7,32%	3,34%
<b>Mecklenburg-Vorpommern</b>	3,50%	0,59%	17,67%	6,00%	0,00%	28,19%	0,00%	17,45%	5,95%	0,00%	6,09%	1,69%	0,00%	3,21%	7,94%	1,74%
<b>Lower Saxony + Bremen</b>	0,72%	0,62%	16,24%	0,00%	0,00%	16,49%	4,56%	27,52%	11,30%	2,46%	3,97%	7,00%	0,00%	1,89%	6,17%	1,07%
<b>North Rhine-Westphalia</b>	0,61%	0,84%	20,48%	4,99%	2,11%	3,38%	0,00%	25,96%	22,65%	0,00%	0,00%	0,00%	0,00%	1,41%	13,03%	4,53%
<b>Rhineland-Palatinate</b>	0,00%	0,00%	15,80%	0,00%	1,72%	21,29%	1,03%	17,11%	15,45%	1,37%	8,55%	0,00%	0,00%	0,00%	13,74%	3,93%
<b>Saarland</b>	1,27%	0,00%	21,57%	0,00%	0,00%	0,75%	2,86%	15,79%	4,08%	0,00%	10,33%	0,00%	0,00%	0,86%	39,99%	2,50%
<b>Saxony</b>	0,00%	0,00%	9,83%	10,92%	0,00%	36,30%	1,46%	14,51%	6,43%	2,12%	4,80%	0,00%	0,34%	1,01%	8,10%	4,17%
<b>Saxony-Anhalt</b>	0,60%	3,08%	7,41%	20,69%	0,00%	21,45%	1,81%	14,06%	9,71%	2,57%	1,26%	0,00%	0,00%	2,15%	12,65%	2,56%
<b>Schleswig-Holstein</b>	0,46%	0,46%	17,79%	0,00%	0,76%	24,18%	1,66%	26,89%	4,33%	0,00%	14,05%	0,00%	0,59%	1,24%	5,71%	1,90%

<b>FörderInitiative Ländliche Entwicklung in Thüringen 2014 - 2020 (FILET)</b>	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
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Table 7. Overview of public expenditure on Measure 1 to 10 for each RDP in Germany (in €)

	M01	M02	M04	M05	M06	M07	M08	M10
Germany - National Framework	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Germany - Rural Network Programme	€ 3.130.000	€ 38.500.000	€ 282.150.004	€ -	€ 27.320.000	€ 48.300.000	€ 17.150.000	€ 414.470.515
Baden-Württemberg	€ -	€ -	€ 324.000.000	€ -	€ 8.400.000	€ 140.000.000	€ -	€ 800.260.765
Bavaria	€ 11.900.000	€ 2.666.667	€ 161.806.667	€ 73.842.000	€ 5.095.849	€ 127.821.522	€ 78.233.333	€ 95.169.333
Berlin + Brandenburg	€ -	€ -	€ 106.000.000	€ -	€ 6.000.000	€ 95.600.000	€ 14.100.000	€ 18.000.000
Hesse	€ 5.625.667	€ 18.667.200	€ 267.969.200	€ 60.000.000	€ 5.668.000	€ 332.878.800	€ 29.000.000	€ 156.475.629
Mecklenburg-Vorpommern	€ 56.872.500	€ 9.637.137	€ 287.289.325	€ 97.529.670	€ -	€ 458.469.057	€ -	€ 283.747.536
Lower Saxony + Bremen	€ 8.444.444	€ 7.333.333	€ 190.939.398	€ -	€ -	€ 193.777.778	€ 53.555.556	€ 323.518.333
North Rhine-Westphalia	€ 3.200.000	€ 4.400.000	€ 106.699.000	€ 26.000.000	€ 11.000.000	€ 17.600.000	€ -	€ 135.230.000
Rhineland-Palatinate	€ -	€ -	€ 9.200.000	€ -	€ 1.000.000	€ 12.400.000	€ 600.000	€ 9.966.290
Saarland	€ 14.500.000	€ -	€ 245.592.097	€ -	€ -	€ 8.500.000	€ 32.519.456	€ 179.834.748
Saxony	€ -	€ -	€ 107.999.900	€ 120.000.000	€ -	€ 398.800.000	€ 15.999.933	€ 159.389.283
Saxony-Anhalt	€ 3.750.000	€ 19.150.943	€ 46.161.006	€ 128.867.925	€ -	€ 133.584.906	€ 11.289.262	€ 87.560.000
Schleswig-Holstein	€ 4.000.000	€ 4.000.000	€ 156.211.413	€ -	€ 6.666.667	€ 212.400.000	€ 14.580.000	€ 236.133.333

Förderinitiative Ländliche Entwicklung in Thüringen 2014 - 2020 (FILET)	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
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Table 8. Overview of public expenditure on Measure 11 to 20 for each RDP in Germany (in €)

	M11	M12	M13	M14	M15	M16	M19	M20
<b>Germany - National Framework</b>	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 10.000.000
<b>Germany - Rural Network Programme</b>	€ 164.255.000	€ 2.800.000	€ 210.099.654	€ 3.500.000	€ -	€ 21.800.000	€ 84.000.000	€ 27.000.000
<b>Baden-Württemberg</b>	€ 412.000.000	€ -	€ 776.000.000	€ -	€ -	€ 4.000.000	€ 152.000.000	€ 15.159.754
<b>Bavaria</b>	€ 177.805.333	€ 28.160.000	€ 138.914.667	€ -	€ -	€ 44.265.201	€ 348.875.000	€ 51.466.667
<b>Berlin + Brandenburg</b>	€ 120.000.000	€ -	€ 50.589.000	€ -	€ -	€ 5.000.000	€ 61.554.714	€ 19.830.854
<b>Hesse</b>	€ 166.666.800	€ 20.000.000	€ -	€ -	€ 3.334.000	€ 5.336.000	€ 87.745.667	€ 40.000.000
<b>Mecklenburg-Vorpommern</b>	€ 96.741.769	€ -	€ 98.966.667	€ 27.500.000	€ -	€ 52.175.000	€ 129.125.158	€ 28.242.745
<b>Lower Saxony + Bremen</b>	€ 132.777.778	€ 28.888.889	€ 46.666.667	€ 82.222.222	€ -	€ 22.200.000	€ 72.500.000	€ 12.577.778
<b>North Rhine-Westphalia</b>	€ 118.000.000	€ -	€ -	€ -	€ -	€ 7.333.333	€ 67.872.309	€ 23.600.000
<b>Rhineland-Palatinate</b>	€ 9.000.000	€ 800.000	€ 4.981.000	€ -	€ -	€ -	€ 8.000.000	€ 2.290.262
<b>Saarland</b>	€ 46.494.000	€ -	€ 117.600.000	€ -	€ -	€ 9.840.000	€ 455.427.522	€ 28.468.891
<b>Saxony</b>	€ 70.666.667	€ 23.333.333	€ 52.708.883	€ -	€ 3.733.334	€ 11.111.111	€ 88.931.181	€ 45.829.733
<b>Saxony-Anhalt</b>	€ 60.493.667	€ 16.000.000	€ 7.833.333	€ -	€ -	€ 13.375.000	€ 78.750.000	€ 15.916.394

Schleswig-Holstein	€ 38.000.000	€ -	€ 123.372.333	€ -	€ 5.153.333	€ 10.933.333	€ 50.111.111	€ 16.685.985
FörderInitiative Ländliche Entwicklung in Thüringen 2014 - 2020 (FILET)	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 10.000.000

**Table 9. Overview of public expenditure on Priority in Germany (in €)**

	P2	P3	P4	P5	P6
Germany - National Framework	€ 40.450.000	€ 2.591.667	€ 11.333.333	€ 0	€ 20.127.333
Germany - Rural Network Programme	€ 28.750.000	€ 11.200.000	€ 39.226.667	€ 1.400.000	€ 12.333.333
Baden-Württemberg	€ 76.926.226	€ 15.129.528	€ 121.282.333	€ 31.084.094	€ 42.561.340
Bavaria	€ 52.656.746	€ 0	€ 77.516.803	€ 5.293.651	€ 56.369.048
Berlin + Brandenburg	€ 42.617.500	€ 11.550.000	€ 48.589.333	€ 18.291.500	€ 37.300.000
Hesse	€ 85.950.000	€ 19.754.901	€ 292.129.612	€ 13.400.000	€ 84.571.250
Mecklenburg-Vorpommern	€ 141.553.571	€ 23.101.190	€ 169.471.825	€ 24.973.413	€ 62.959.325
Lower Saxony + Bremen	€ 158.246.604	€ 13.288.679	€ 481.715.724	€ 24.902.925	€ 79.114.151
North Rhine-Westphalia	€ 67.046.785	€ 14.621.688	€ 50.730.405	€ 12.972.700	€ 23.352.093
Rhineland-Palatinate	€ 126.553.163	€ 22.126.532	€ 255.629.137	€ 0	€ 45.844.778
Saarland	€ 47.518.868	€ 5.283.019	€ 93.482.040	€ 6.603.774	€ 23.277.358
Saxony	€ 94.803.562	€ 11.564.440	€ 407.922.768	€ 23.219.235	€ 61.517.328
Saxony-Anhalt	€ 176.028.919	€ 65.260.955	€ 253.337.893	€ 108.811.972	€ 56.250.000
Schleswig-Holstein	€ 244.740.566	€ 66.880.503	€ 159.940.245	€ 28.165.881	€ 46.000.000

**Table 10. Overview of public expenditure on Priority in Germany (in %)**

	P2	P3	P4	P5	P6
Germany - National Framework	0%	0%	0%	0%	0%
Germany - Rural Network Programme	24%	0%	60%	7%	7%
Baden-Württemberg	9%	0%	68%	12%	11%
Bavaria	15%	5%	48%	1%	27%
Berlin + Brandenburg	20%	3%	41%	0%	33%
Hesse	16%	9%	41%	2%	28%
Mecklenburg-Vorpommern	15%	8%	38%	7%	32%
Lower Saxony + Bremen	16%	9%	52%	2%	20%
North Rhine-Westphalia	17%	7%	51%	4%	17%
Rhineland-Palatinate	15%	0%	45%	1%	36%
Saarland	18%	0%	36%	3%	40%
Saxony	9%	11%	38%	0%	37%
Saxony-Anhalt	5%	23%	37%	4%	30%
Schleswig-Holstein	17%	2%	50%	0%	29%

# Greece

	Identifying information					
	Pillar I: Direct Payments		Pillar II			
EU Budget 2014 - 2020	€12 billion <sup>373</sup>		€ 4 billion <sup>374</sup>			
Level of implementation	Regional		1 RDP (national) <sup>375</sup>			
DP (P.I) yearly national ceilings <sup>376</sup>	2015	2016	2017	2018	2019	2020
	€ 2,109,800,000	€ 2,087,000,000	€ 2,064,100,000	€ 2,043,300,000	€ 2,022.400.000	€ 2.119.000.000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		60%			
	"Greening" Payment		30%			
	Payment for Young Farmers		Up to 2%			
	Coupled Support		Up to 8 %			
	Small Farmers Scheme		€ 500 - € 1.250 per small farmer			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input type="checkbox"/> No flexibility		<input checked="" type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I	
Greece decided to implement flexibility between pillars (from pillar I to pillar II) at a rate of 5%.						
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Greece has identified the following criteria for "active farmer"<sup>377</sup>:</p> <ul style="list-style-type: none"> <li>Greece has defined 'minimum activity' as an activity which has to be carried out in more than 50% of eligible area: <ul style="list-style-type: none"> <li>For grazing land: retaining 0.7 livestock units per hectare (0.7LSU/ha)</li> <li>For arable crops: ploughing at least once per year</li> <li>For tree crops: one tree trimming / lower branches pruning every two years</li> </ul> </li> <li>The minimum requirements for receiving Direct Payments is a financial threshold of € 250.<sup>378</sup></li> <li>Greece will not maintain a negative list (art. 9(2)).</li> <li>A person or a group of persons which fall under the scope of art. 9 (2) can be regarded an active farmer if they can demonstrate with verifiable evidence: <ul style="list-style-type: none"> <li>the annual amount of direct payments is at least 5% of the total receipts obtained from non-agricultural activities in the most recent fiscal year (y-1)</li> </ul> </li> </ul>					



<sup>373</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>374</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>375</sup> DG AGRI data on RDPs (2016)

<sup>376</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>377</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>378</sup> ISAMM data indicates only a financial threshold of € 100, while the study of the European Parliament (2015) indicates a physical threshold of 0.4ha and an exception for farmers receiving animal-related coupled support and the smaller Aegean Islands.

	<ul style="list-style-type: none"> <li>○ its agricultural activities are not insignificant and amount to at least 1/3 of the total receipts in the most recent fiscal year (y-1)</li> <li>○ its principal business or company objects consist of exercising an agricultural activity</li> <li>● Greece decided to implement additional economic or professional requirements (art. 9 (3)) if the annual amount of direct payments is higher than 5,000 euro, then direct payments should be equal to at least 10% of total receipts obtained from non-agricultural activities in the most recent fiscal year (y-1).</li> </ul> <p>The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €5,000 in the previous year<sup>379</sup>.</p>					
<b>Basic Payments</b>	<p>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</p>					
	<table border="1"> <tr> <td data-bbox="411 629 730 689" rowspan="2"><b>60 % of national ceiling</b></td> <td data-bbox="730 629 1031 689"> <input type="checkbox"/> National model (single region)         </td> <td data-bbox="1031 629 1343 689"> <input checked="" type="checkbox"/> <b>Partial internal convergence</b> </td> </tr> <tr> <td data-bbox="730 689 1031 763"> <input checked="" type="checkbox"/> <b>Regional model</b> </td> <td data-bbox="1031 689 1343 763"> <input type="checkbox"/> Flat payment         </td> </tr> </table>	<b>60 % of national ceiling</b>	<input type="checkbox"/> National model (single region)	<input checked="" type="checkbox"/> <b>Partial internal convergence</b>	<input checked="" type="checkbox"/> <b>Regional model</b>	<input type="checkbox"/> Flat payment
	<b>60 % of national ceiling</b>		<input type="checkbox"/> National model (single region)	<input checked="" type="checkbox"/> <b>Partial internal convergence</b>		
<input checked="" type="checkbox"/> <b>Regional model</b>		<input type="checkbox"/> Flat payment				
<p>Greece has allocated annually around € 1billion to basic payments. The amount increases from €1,153,179,600 in 2015 to €1,158,706,200 in 2020.</p> <p>Further key decisions taken by Greece concerning basic payments are:</p> <ul style="list-style-type: none"> <li>● Basic Payments represent 60% of the national ceiling for Pillar I<sup>380</sup>;</li> <li>● The level of implementation is regional considering the whole territory as several regions<sup>381</sup>;</li> <li>● In Greece, three regions have been chosen on the basis of their agronomic characteristics: pasture/grazing land (25% of the basic payment ceiling), arable land/crop land (47 %) and tree crops &amp; vineyards (28 %)<sup>382</sup>;</li> <li>● Farmers who are eligible for payments entitlements in Greece have a minimum of 0.4 ha of land, produced fruit, vegetables, ware potatoes, seed potatoes or had a vineyard in 2013, received entitlements from the reserve in 2014 or never held entitlements but farmed in 2013<sup>383</sup>;</li> <li>● Greece will base its calculations for IUUV on the value of payment entitlements in 2014<sup>384</sup>.</li> <li>● The implementation of partial internal convergence will be in equal steps (a linear reduction) towards 2019<sup>385</sup>. Greece decided that the maximum reduction of the value of payment entitlements above the national average is 30% of their initial unit value. The target value of payment entitlements is to increase by at least 90% of the difference between the initial unit value and the 2019 average value. The minimum level to be reached by low entitlements is of 60% of the regional average unit value.<sup>386</sup></li> </ul>						
<b>Reduction of payments</b>	<p>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</p>					
	<table border="1"> <tr> <td data-bbox="411 1469 879 1503"> <input checked="" type="checkbox"/> <b>Degressivity: 100 %</b> </td> <td data-bbox="879 1469 1343 1570" rowspan="3"> <input type="checkbox"/> Redistributive payment         </td> </tr> <tr> <td data-bbox="411 1503 879 1536"> <input checked="" type="checkbox"/> <b>Threshold: € 150,000</b> </td> </tr> <tr> <td data-bbox="411 1536 879 1570"> <input type="checkbox"/> Application:         </td> </tr> </table>	<input checked="" type="checkbox"/> <b>Degressivity: 100 %</b>	<input type="checkbox"/> Redistributive payment	<input checked="" type="checkbox"/> <b>Threshold: € 150,000</b>	<input type="checkbox"/> Application:	
	<input checked="" type="checkbox"/> <b>Degressivity: 100 %</b>	<input type="checkbox"/> Redistributive payment				
<input checked="" type="checkbox"/> <b>Threshold: € 150,000</b>						
<input type="checkbox"/> Application:						
<p>Greece decided to implement 100 % reduction for the part of the amount of Basic Payments exceeding 150,000<sup>387</sup><sup>388</sup>. The reduction rate is fixed for all years. Greece will implement a deduction of salary linked to agricultural activity<sup>389</sup>.</p>						

<sup>379</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>380</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>381</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>382</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, .69.

<sup>383</sup> BPS-Allocation of payment entitlements (Form 4).xls

<sup>384</sup> BPS – Details IUUV

<sup>385</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>386</sup> DG AGRI data (2016) on BPS Details Convergence

<sup>387</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>388</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

Greening	Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.		
	<b>Green payment</b>		
	<input type="checkbox"/> Equivalent practices	<input type="checkbox"/> Flat payment	<input checked="" type="checkbox"/> Individual payment
	<b>Permanent grassland</b>		
	<b>Total area of ESPG in Natura 2000:</b> 489,922.99 ha (100 %)	<input type="checkbox"/> ESPG outside Natura 2000	<input checked="" type="checkbox"/> Regional application <input type="checkbox"/> National application
	<b>Ecological Focus Areas</b>		
<b>6 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation
	30% of Greece's national ceiling <sup>390</sup> which corresponds to €576,589,800 in 2015 and to €579,353,100 in 2020 is allocated to greening <sup>391</sup> . The implementation of the greening payments will be done at regional level <sup>392</sup> .		
	Greece made the following implementation choices concerning the greening payment: <ul style="list-style-type: none"> <li>• Greece has decided to apply the derogation to the uniform greening payment per hectare, which means they implement an individual payment<sup>393</sup>;</li> <li>• It will not implement any equivalent practices<sup>394</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 489,922.99 hectares are currently covered<sup>395</sup>, all designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 100 % of the total permanent grassland<sup>396</sup>. No ESPG is designated outside Natura 2000<sup>397</sup>.</li> <li>• Greece has decided to focus on the following 6 Ecological Focus Areas<sup>398</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow;</li> <li>○ Landscape features (3): Trees in line, trees in groups and field copses, ditches;</li> <li>○ Buffer strips: 1m min to 1m max width.</li> <li>○ Areas with nitrogen-fixing crops (11): Chickpea, lentil, birds foot trefoil, lupin, alfalfa, bean, pea, clover, vetch (exc. Faba bean), faba bean and bean.</li> </ul> </li> </ul>		
Payment for Young Farmers	Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.		
	<b>% of national ceiling: 2%</b>		
	Greece has decided to allocate 2% of their national ceiling to Young Farmers which corresponds to € 38,439,320 in 2015 which increases to € 38,623,540 in 2020. There will be no additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25% of the average value of the payment entitlements held by the farmer. The threshold of eligible payment entitlements is set at 25 ha.		
Voluntary coupled support	Member States are allowed to choose to implement the coupled support for different sectors or regions.		
	<input checked="" type="checkbox"/> Coupled support as % of national ceiling: <b>8 %</b>	<input type="checkbox"/> Support for protein crops as % of national ceiling:	

<sup>389</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.126.

<sup>390</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>391</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>392</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>393</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>394</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>395</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>396</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>397</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>398</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

0 %

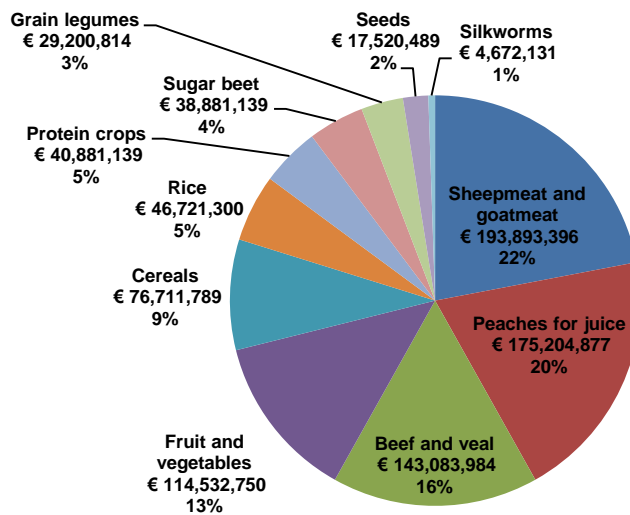
In Greece, 8% of the national ceiling (which corresponds to €141.600.000 in 2015 to €146.578.611 in 2020) is allocated to Voluntary Coupled Support (VCS). The sectors covered by VCS are beef and veal, cereals, fruit and vegetables, grain legumes, protein crops, rice, seeds, sheep meat and goat meat, silkworms and sugar beet.

Reg. (EU)1307/2013, art. 52 (3) provides Member States the opportunity to not only support the sectors laid out in art. 52 (2), but to support certain regions where specific types of farming or specific agricultural sectors that are particularly important for economic, social or environmental reasons and undergo significant difficulties. Hence, Greece has allocated to an 11th sector about €30m which corresponds to animal production for farmers who had special entitlements in accordance with Reg 73/2009 and who have at their disposal no eligible hectares for the activation of payment entitlements under the basic payment scheme [art. 52(4)].

Throughout the planning period the amounts slightly change, but their overall distribution remains stable. 399

The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period.

Figure 62 Shares of budget allocated per sector for VCS in Greece as a total of all years



Source: Ecorys based on DG AGRI data

**Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers**

Payment for areas with natural constraints     Small farmers

Other voluntary schemes under Pillar I

The voluntary scheme for areas with natural constraints is not implemented in Greece<sup>400</sup>.

Greece has implemented the small farmers scheme. Farmers will be automatically included in the scheme. The annual amount of support per farmer is set at a maximum of € 1,250. This annual amount is equal to the total value of all the payments that should be annually allocated to the farmer.

Yearly Union Support for P.II <sup>401</sup>	2015	2016	2017	2018	2019	2020
	€907,059,60	€1,007,736.8	€703,471,24	€701,719,72	€700,043,07	€698,261,326
	8	21	5	2	1	

<sup>399</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>400</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

<sup>401</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791



Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures
	€ 73.708.772 <sup>402</sup> 1,4%	90-95 %	M1.1: Support for vocational training and skills acquisition actions;
			M1.2: Support for demonstration activities and information actions;
			M1.3: Support for short-term farm and forest management exchange as well as farm and forest visits.
	€ 143.388.703 2,7%	63-85 %	M2.1 support to help benefiting from the use of advisory services
			M2.2 support for the setting up of farm management, farm relief and farm advisory services as well as forestry advisory services
			M2.3 support for training of advisors
	€ 45.910.820 0,9%	63-95 %	M3.1 support for new participation in quality schemes
			M3.2 support for information and promotion activities implemented by groups of producers in the internal market
	€1.317.618,87 6 24,8%	63-85 %	M4.1: support for investments in agricultural holdings;
M4.2: support for investments in processing/marketing and/or development of agricultural products;			
M4.3: support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry;			
M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.			
€ 45.884.385 0,9%	63-95 %	M5.1: support for investments in preventive actions aimed at reducing the consequences of probable natural disasters, adverse climatic events and catastrophic events;	
		M5.2: support for investments for the restoration of agricultural land and production potential damaged by natural disasters, adverse climatic events and catastrophic events.	
€ 406.542.790 7,6%	63-95 %	M6.1: business start-up aid for young farmers;	
		M6.2: business start-up aid for non-agricultural activities in rural areas;	
		M6.3: business start-up aid for the development of small farms;	
		M6.4: support for investments in creation and development of non-agricultural activities;	
		M6.5: payments for farmers eligible for the small farmers scheme who permanently transfer their holding to another farmer.	
€ 110.596.806 2,1%	63-95 %	M7.1: support for drawing up and updating of plans for the development of municipalities and villages in rural areas and their basic services and of protection and management plans relating to Natura 2000 sites and other areas of high nature value;	
		M7.2: support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving;	
		M7.3: support for broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government;	

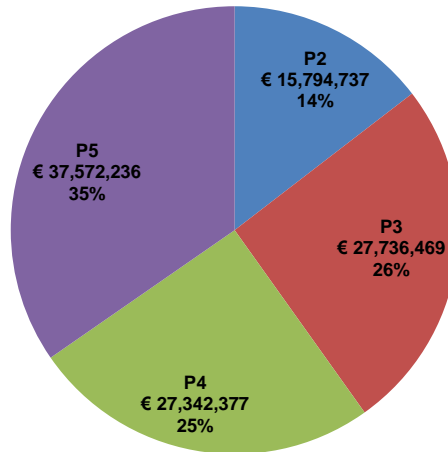
<sup>402</sup> Data added, are published in table 11.2 pages 1085-88 of the RDP version approved on Dec. 2016

			M7.4: support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure;
			M7.5: support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure;
			M7.6: support for studies/investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites including related socioeconomic aspects, as well as environmental awareness actions;
			M7.7: support for investments targeting the relocation of activities and conversion of buildings or other facilities located inside or close to rural settlements, with a view to improving the quality of life or increasing the environmental performance of the settlement;
			M7.8 others.
	€ 298.951.255 5,6%	63-85 %	M8.1: support for afforestation/creation of woodland (Article 21);
			M8.2: support of establishment and maintenance of agro-forestry systems (Article 22);
			M8.3: support for prevention of damage to forests from forest fires and natural disasters and catastrophic events (Article 23);
			M8.4: support for restoration of damage to forests from forest fires and natural disasters and catastrophic events (Article 24);
			M8.6: support for investments in forestry technologies and in processing, mobilising and marketing of forest products (Article 26).
€ 26.324.561 0,5%	90-95 %	M9: Setting up of producer groups and organisations	
€ 416.636.892 7,8%	85 %	M10.1: payment for agri-environment-climate commitments	
		M10.2: support for conservation and sustainable use and development of genetic resources in agriculture	
€ 789.578.431 14,8%	85 %	M11.1 payment to convert to organic farming practices and methods	
		M11.2 payment to maintain organic farming practices and methods	
€ 8.823.529 0,2%	85 %	M12.1 compensation payment for Natura 2000 agricultural areas	
		M12.2 compensation payment for Natura 2000 forest areas	
		M12.3 compensation payment for agricultural areas included in river basin management plans	
€ 1.030.418.313 19,4%	85-100 %	M13.1: compensation payment in mountain areas	
		M13.2: compensation payment for other areas facing significant natural constraints	
		M13.3: compensation payment to other areas affected by specific constraints	
€ 11.471.096 0,2%	63-95 %	M14: Animal Welfare <sup>403</sup>	
€ 108.445.819 2,0%	63-95%	M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability	
		M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies	

<sup>403</sup> MEASURE M15 is missing from the Greek RDP

			M16.3 Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism
			M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets
			M16.5 Support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices. (Article 35 (2) (f) and (g))
			M16.6 Support for cooperation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes
			M16.7 Support for non-CLLD strategies (non-Community-led Local Development)
			M16.8 Support for drawing up of forest management plans or equivalent instruments
			M16.9 Support for diversification of farming activities into activities concerning health care, social integration, community-supported agriculture and education about the environment and food
	€ 421.052.632 7,9%	95 %	M19: LEADER and CLLD
	€ 63.157.895 1,2%	95 %	M20: Technical assistance to Member States
<b>Key focus areas for rural development</b>	<p>Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).</p> <p><input checked="" type="checkbox"/> National RDP      <input type="checkbox"/> Regional RDP</p> <p>The total RDP budget for Greece is at around € 4 billion for the entire planning period. Greece has allocated more than third of this budget (35 %) to Priority 5 “resource efficiency and shift towards a low carbon and climate resilient economy” followed by 26 % to Priority 3 “food chain organisation and risk management”, 25 % to Priority 4 “restoring, preserving and enhancing ecosystems” and 14 % to Priority 2 “competitiveness of all types of agriculture and farm viability”. The following figure provides an overview of the shares by Priority in millions of euro.</p>		

Figure 63 Budget allocated per Priority in Greece



Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

#### Overview

Greece has decided to offer 17 measures. In terms of budget allocation the highest amounts are allocated to:

- M4 “investments in physical assets” (€1,317,618,876);
- M13 “payments to areas facing natural or other specific constraints” (€1,030,418,313);
- M11 “organic farming” (€789,578,431);

#### M01 Knowledge Transfer and Innovation actions

Greece allocated 1.4% of the total RDP budget to knowledge transfer and innovation actions. Priority of training will be given to livestock producers. SME employees in processing and trade are also eligible for training under the measure. Typical educational and training practices will be applied, as well as techniques of active participation of farmers, group learning, workshops and practical involvement as well as training on specific needs and exchanges and visits among farms will also be available.

#### Investment measures (M04, M05, M06, M07, M08)

- a. Job creation of the above measures is not explicitly mentioned. M04 / M05 / M07 / M08 therefore we can assume these links are not made
- b. Support rates for each measure  
M01-100%, M02- , M03 -3000€/farm, M04 – 40-75%, M05 – 80-100%, M06 various amounts, M07- 100%, M8 – 40-100%, M09 – 2-10%, M10 – 140-765/ha/year, M11 – 600-900/ha/year, M12 – 168/ha/year, M13- 100/ha/year, M14 – up to500 per livestock unit for 5 years, M15 - 100%, M16 various, M19 – 100%.

There are wide differences among the submeasures, as well as in the lump-sums paid per hectare or the livestock unit, depending on the Strategy provisions

- c. Submeasure 4.4 is implemented
- d. Submeasure 4.1 covers only new irrigation systems

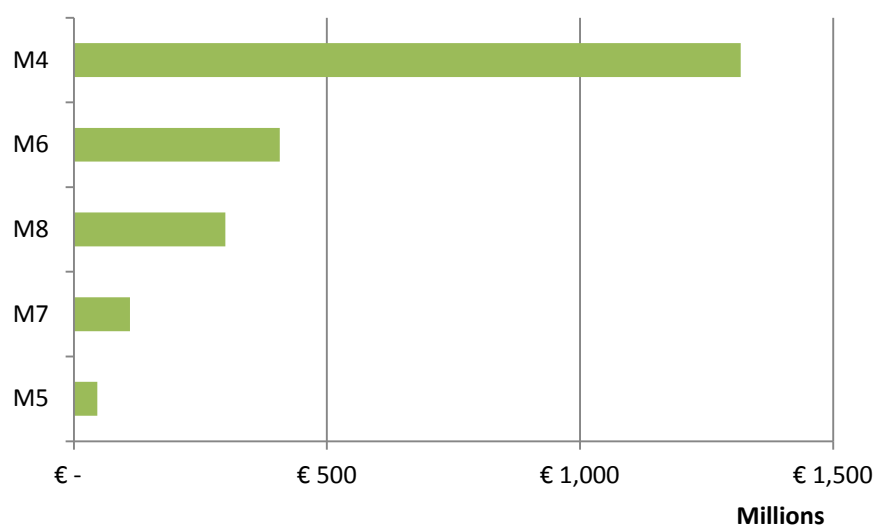
Greece implemented investment measures:

- M4“Investments in physical assets” (€1,317,618,876);
- M5 “Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate preventive actions” (€ 45.884.385);
- M6 “Farm and business development (€406,542,790);
- M7 “Basic services and village renewal in rural areas” (€110,596,806); and
- M8 “Investments in forest area development and improvement of the viability of forests”( € 298.951.255).

Use of  
measures in  
RDPs

The following figure illustrates the budget allocation per investment measure.

**Figure 64 Budget allocated to investment measures in Greece**



Source: Ecorys based on DG AGRI data (2016)

**M10 Agri-Environment-Climate and M11 Organic Farming**

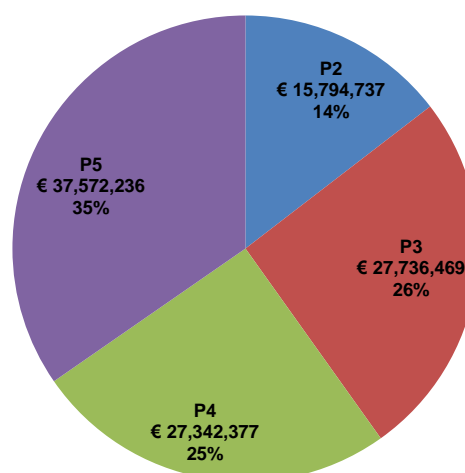
Greece spends on M10 "Agri-environment-climate" €416,636,892 of which the national contribution is 7.8 %<sup>404</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are persons or legal entities, or a group of them that appear in the Register of Farmers or Farm Businesses

For M11 "Organic Farming" € 789,578,431 of public spending has been allocated of which the national contribution accounts for 14.8 %<sup>405</sup>. All of the expenditure is categorised under Priority 4. Beneficiaries are farmers (Reg 1307/13, ar.9) or legal entities or group of them

**M16 Co-operation**

M16 "cooperation" receives € 108,445,819 of public spending of which 2% is national contribution. Under Priority 5 35 % of the total amount is spent, for Priority 3 26% is allocated, under Priority 4 25% and under Priority 2 14%.

**Figure 65. Division of budget for M16 over different priorities (P) for the 2014-2020 period**



<sup>404</sup> DG AGRI data (2016). EAFRD Financial Plan by measure


<sup>405</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

	<b>M19 LEADER CLLD</b> The total CLLD budget allocated under the EAFRD in Greece is €421,052,632. It will be carried out under a single thematic objective: promoting social inclusion and combatting poverty and any form of discrimination <sup>406</sup> . All funds are targeted under Priority 6 “Fostering local development in rural areas”. Around 46.22% of the rural population is intended to be covered under Local Development Strategy. The target is to create 2 000 jobs. <sup>407</sup>	
<b>Targeting of RDP measures</b>	<b>Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.</b>  Measures especially targeted at Young Farmers: measure M06. Measures targeted at Small Farms: none Measures targeted at Innovation Activities: measures M01, M02 and M06.	
<b>Approaches taken to financial support in RDP</b>	<b>Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.</b>  Neither simplified cost nor financial instruments are used.	
<b>Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs</b>	<b>The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.</b>  <b>Use of CLLD multi-fund option?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<b>If yes, which other ESI funds are used (or planned to be used) for CLLD?</b>	<input type="checkbox"/> ERDF <input type="checkbox"/> ESF <input type="checkbox"/> EMFF

<sup>406</sup> Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme

<sup>407</sup> DG AGRI (2016): RDP factsheet Greece

# Hungary

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€7,622,306,000	€3,455,336,493				
Level of implementation	National	1 RDP (National) <sup>408</sup>				
DP (P.I) yearly national ceilings <sup>409</sup>	2015	2016	2017	2018	2019	2020
	€ 1,276,700,000	€ 1,275,500,000	€ 1,274,100,000	€ 1,274,000,000	€ 1,273,900,000	€ 1,269,200,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		54.8 %			
	"Greening" Payment		30%			
	Payment for Young Farmers		Up to 0.2 %			
	Coupled Support		Up to 13% and 2% for protein crops			
	Small Farmers Scheme		Maximum payment of € 1,250			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input type="checkbox"/> No flexibility		<input type="checkbox"/> P.I to P.II		<input checked="" type="checkbox"/> P.II to P.I	
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Hungary has identified following criteria for "active farmers"<sup>410</sup>:</p> <ul style="list-style-type: none"> <li>• Hungary implements the minimum activity criteria which is related to the characteristics to be met by an agricultural area in order to be deemed maintained in a state suitable for grazing or cultivation.</li> <li>• Hungary opted for a physical threshold of 0.3ha or € 100 for farmers receiving animal-related coupled support;</li> <li>• Hungary will not extend the negative list (art. 9(2));</li> <li>• Hungary applies following readmission criteria:</li> <li>• Hungary has chosen to establish alternative criteria. The agricultural area of an entity has to be at least 20 hectares; or <ul style="list-style-type: none"> <li>○ The farmer's total agricultural receipts are at least 40% of their total receipts in the most recent financial year; or</li> <li>○ An agricultural activity shall be considered to be the principal business or company object if recorded as a principal business or company object in the official business register (in the case of sole proprietorships it is recorded at the national tax authority).</li> </ul> </li> <li>• Hungary will not implement any additional economic or professional requirements.</li> </ul> <p>The exemption threshold for the "active farmer" clause is applicable to recipients who did not receive more than €5,000 in the previous year<sup>411, 412</sup>.</p>					

<sup>408</sup> DG AGRI data on RDPs (2016)

<sup>409</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>410</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>411</sup> DG AGRI data (2016) AF Notification 1-08-2014.

Single Area Payment Scheme	Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.		
	54.8 % of national ceiling	<input checked="" type="checkbox"/> National model (single region)	<input type="checkbox"/> Partial internal convergence
		<input type="checkbox"/> SAPS <input type="checkbox"/> Regional model	<input type="checkbox"/> Flat payment
<p>Hungary has allocated annually about € 735 million to SAPS. The amount decreases from €737 million in 2015 to €695 million in 2020.</p> <p>Further key decisions taken by Hungary concerning SAPS are:</p> <ul style="list-style-type: none"> <li>• SAPS represents 54,8 % of the national ceiling for Pillar<sup>413</sup>;</li> <li>• The level of implementation is national considering the whole territory as a single region<sup>414</sup>;</li> <li>• Hungary will provide national transitional payments<sup>415</sup>.</li> </ul>			
Reduction of payments	Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.		
	<input checked="" type="checkbox"/> Degressivity: 5% and 100%	<input type="checkbox"/> Redistributive payment	
	<input checked="" type="checkbox"/> Threshold: € 150,000-176,000 (5%) € 176,000 (100%)		
<input type="checkbox"/> Application: not specific			
<p>Hungary decided to implement 5% of reduction for the part of SAPS between 150,000 Euro and 176,000 Euro and 100% of reduction for the part of SAPS exceeding 176,000<sup>416</sup>. The maximum threshold is set at 1,200 ha, after that the area payment is set to 0%. The reduction rate is fixed for all years.</p> <p>Hungary will not apply a deduction of salaries coming from agricultural activities.</p>			
Greening	Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.		
	<b>Green payment</b>		
	<input type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> Flat payment	<input type="checkbox"/> Individual payment
	<b>Permanent grassland</b>		
	Total area of ESPG in Natura 2000: 499,691 ha (100 %)	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> National application
	<b>Ecological Focus Areas</b>		
18 types of EFAs	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation

<sup>412</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>413</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>414</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>415</sup> BPS – Details IUUV.xls

<sup>416</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>417</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)



30% of Hungary's national ceiling<sup>418</sup> which corresponds to over €403,7 million in 2015 and to €380,7 million in 2020 is allocated to greening<sup>419</sup>. The implementation of the greening payments will be done at national level<sup>420</sup>.

Hungary made the following implementation choices concerning the greening payment:

- Hungary has decided to implement greening by use of a flat payment<sup>421</sup>;
- It will not implement any equivalent practices<sup>422</sup>;
- The ratio and obligation for permanent grassland is calculated at national level, about 499.6 thousand hectares are currently covered<sup>423</sup>; All of this grassland is designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 100 % of the total permanent grassland<sup>424</sup>. No ESGP is designated outside Natura 2000<sup>425</sup>.
- Hungary has decided to focus on the following 18 Ecological Focus Areas<sup>426</sup>:
  - Land lying fallow
  - Terraces
  - Buffer strips
  - Landscapes features: 8 – hedges or wooded strips, isolated trees, trees in line, trees in groups – field copses, ponds, ditches and other (protected ancient monuments).
  - Buffer strips
  - Ha of agro-forestry
  - Strips eligible ha along forest edges – no prod.
  - Areas with short rotation coppice: 7 – maple, alder, ash, walnut, poplar, oak and willow.
  - Afforested areas
  - Areas with catch crops or green cover: 15 species.
  - Areas with nitrogen fixing crops: 14 – crown vetch, chickpea, vetchlings, lentil, birds foot-trefoil, lupin, alfalfa, sweet clover, sainfoin, bean, pea, clover, vetch (exc. faba bean).

**Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.**

**Payment for Young Farmers**

**% of national ceiling: 0.2 % (0.4 in 2016)**

Hungary has decided to allocate 0.2 % (0.4% in 2016) of their national ceiling to Young Farmers which corresponds to € 26,914,920 in 2015 which decreases to € 25,383,160 in 2020. There will be no additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25 % of the national average per ha in 2019 multiplied by the number of activated ha. The threshold of eligible payment entitlements is set at 90 ha.

**Member States are allowed to choose to implement the coupled support for different sectors or regions.**

**Voluntary coupled support**

**Coupled support as % of national ceiling:**  
13 %

**Support for protein crops as % of national ceiling:**  
2%

In Hungary, 15 % of the national ceiling (which corresponds to € 201 million in 2015 to € 190 million in 2020) is allocated to Voluntary Coupled Support (VCS). Hungary has decided to additionally allocate the 2% VCS buffer for protein crops only. The sectors covered by VCS are beef and veal, fruit and vegetables, milk and milk products protein crops, rice, sheep meat and goat meat and sugar beet. Throughout the planning period the amounts slightly change, but their overall distribution remains stable.<sup>427</sup>

The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period.

<sup>418</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>419</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>420</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>421</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>422</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>423</sup> DG AGRI data on Greening payment method of calculation (2016)

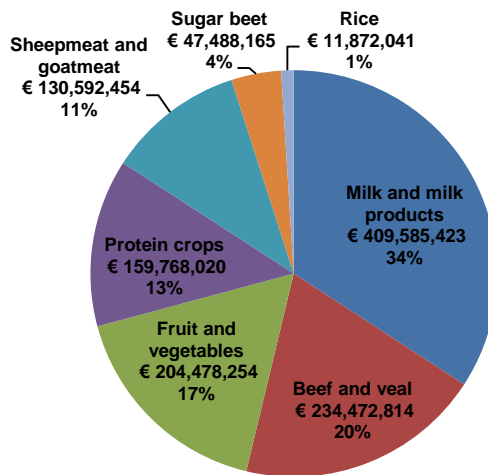
<sup>424</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>425</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>426</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

<sup>427</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

Figure 66 Shares of budget allocated per sector for VCS in Hungary as a total of all years



Source: Ecorys based on DG AGRI data

Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers

Payment for areas with natural constraints  Small farmers

Other voluntary schemes under Pillar I

The voluntary scheme for areas with natural constraints is not implemented in Hungary<sup>428</sup>.

Farmers will not be automatically included in the scheme. The annual amount of support per farmer is set at a maximum of € 1,250, amounts under € 500 will be rounded up. The inclusion in the small farmer scheme is voluntary, the annual payment is calculated as the total value of all the payments that should be allocated in 2015 and the payment is individual. The aim of the payments is to reduce the administrative costs linked to the management and control of direct support ;

Yearly Union Support for P.II <sup>429</sup>	2015	2016	2017	2018	2019	2020
€	742,851,235	737,099,981	488,620,684	488,027,342	487,402,356	486,662,895

Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures
	€ 53.535.986 1,3%	89 %	M1.1: Support for vocational training and skills acquisition actions; M1.2: Support for demonstration activities and information actions; M1.3: Support for short-term farm and forest management exchange as well as farm and forest visits.
€ 45.464.177 1,1%	83 %	M2.1 support to help benefiting from the use of advisory services M2.2 support for the setting up of farm management, farm relief and farm advisory services as well as forestry advisory services M2.3 support for training of advisors	
€ 33.578.353 0,8%	83 %	M3.1 support for new participation in quality schemes M3.2 support for information and promotion activities implemented by groups of producers in the internal market	
€ 1.424.707.955 34,1%	81 %	M4.1: support for investments in agricultural holdings; M4.2: support for investments in processing/marketing and/or development of agricultural products; M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.	

<sup>428</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

<sup>429</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

€ 21.021.332 0,5%	83 %	M5.1: support for investments in preventive actions aimed at reducing the consequences of probable natural disasters, adverse climatic events and catastrophic events;
€ 327.574.048 7,8%	85 %	M6.1: business start-up aid for young farmers; M6.2: business start-up aid for non-agricultural activities in rural areas; M6.3: business start-up aid for the development of small farms; M6.4: support for investments in creation and development of non-agricultural activities;
€ 278.847.892 6,7%	83 %	M7.2: support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving; M7.4: support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure;
€ 209.412.763 5,0%	78 %	M8.1: support for afforestation/creation of woodland M8.2: support of establishment and maintenance of agro-forestry systems M8.3: support for prevention of damage to forests from forest fires and natural disasters and catastrophic events M8.4: support for restoration of damage to forests from forest fires and natural disasters and catastrophic events M8.5: support for investments improving the resilience and environmental value of forest ecosystems M8.6: support for investments in forestry technologies and in processing, mobilising and marketing of forest products
€ 84.143.082 2,0%	89 %	M9: setting up of producer groups and organisations
€ 638.200.527 15,3%	81 %	M10.1: payment for agri-environment-climate commitments M10.2: support for conservation and sustainable use and development of genetic resources in agriculture
€ 210.960.501 5,1%	80 %	M11.1 payment to convert to organic farming practices and methods M11.2 payment to maintain organic farming practices and methods
€ 165.725.129 4,0%	75 %	M12.1 compensation payment for Natura 2000 agricultural areas M12.2 compensation payment for Natura 2000 forest areas M12.3 compensation payment for agricultural areas included in river basin management plans
€ 76.208.075 1,8%	75 %	M13.2: compensation payment for other areas facing significant natural constraints M13.3: compensation payment to other areas affected by specific constraints
€ 117.793.592 2,8%	96 %	M14: animal welfare
€ 51.691.200 1,2%	75 %	15.1 payment for forest-environmental and climate commitments 15.2 support for the conservation and promotion of forest genetic resources
€ 51.162.705 1,2%	89 %	M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability M16.3 Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets M16.5 Support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices. M16.9 Support for diversification of farming activities into activities concerning health care, social integration, community-supported agriculture and education about the environment and food
€ 95.312.974 2,3%	83 %	M17.1 crop, animal and plant insurance premium M17.3 income stabilisation tool

€ 191.783.852 4,6%	89 %	M19: support for LEADER local development (CLLD)
€ 96.865.821 2,3 %	85 %	M20: technical assistance

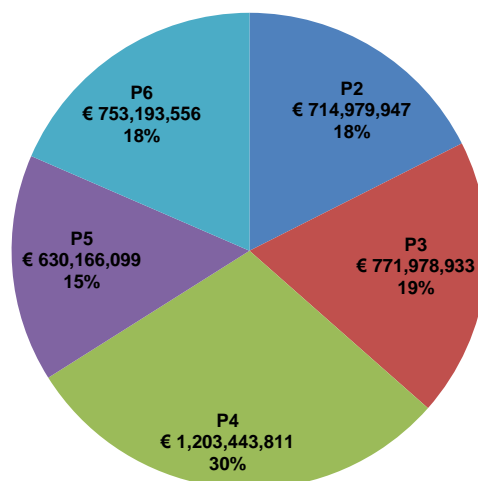
Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).

National RDP

Regional RDP

The total RDP budget for Hungary is at around €4 billion for the entire planning period. Hungary has allocated almost third of this budget (30 %) to Priority 4 “Restoring, preserving and enhancing ecosystems related to agriculture and forestry” followed by 19% to Priority 3 “Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture”, 18% to Priority 2 “Competitiveness of agriculture and sustainable forestry” and 18% to Priority 6 “Social inclusion and local development in rural areas”. The following figure provides an overview of the shares by Priority in millions of euro.

Figure 67 Budget allocated per Priority in Hungary



Source: Calculations Ecorys based on DG AGRI data (2016)

Key focus areas for rural development

Use of measures in RDPs

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

## Overview

Hungary has decided to offer 19 measures. In terms of budget allocation the highest amounts are allocated to:

- M4 "Investments in physical assets" (€ 1.424.707.955);
- M10 "Agri-environment- climate" (€ 638.200.527);
- M6 "Farm and business development" (€ 327.574.048);

## M01 Knowledge Transfer and Innovation actions

Hungary allocated 1% of the total RDP budget to knowledge transfer and innovation actions. The focus of this measure will lie on training for young farmers and short supply chains. The form in which training is implemented, as described by the RDP, is through courses, workshops, lectures, but also study trips and exchange programmes.

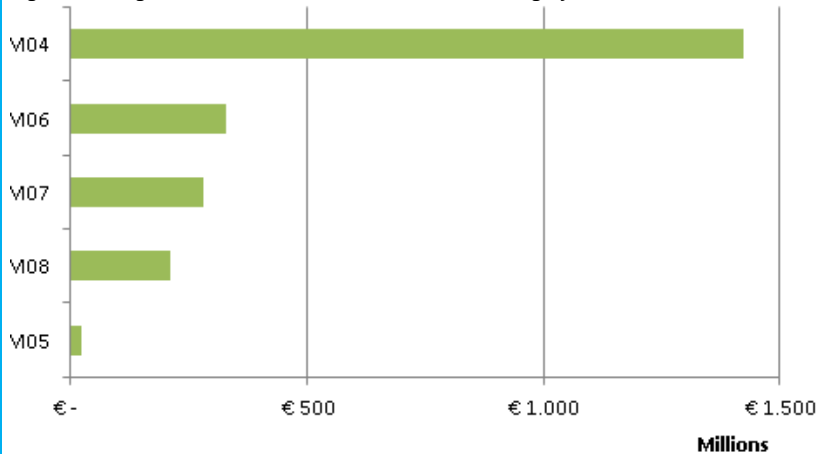
## Investment measures (M04, M05, M06, M07, M08)

Hungary implemented investment measures:

- M4 "Investments in physical assets" (€ 1.424.707.955);
- M5 "Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate preventive actions" (€ 21.021.332);
- M6 "Farm and business development" (€ 327.574.048);
- M7 "Basic services and village renewal in rural areas" (€ 278.847.892); and
- M8 "Investments in forest area development and improvement of the viability of forests" (€ 209.412.763).

The following figure illustrates the budget allocation per investment measure.

Figure 68 Budget allocated to investment measures in Hungary



Source: Ecorys based on DG AGRI data (2016)

The links between the investment measures and intended job creation are implied by the special attention given to small and medium-sized enterprises.

Some of the investment measures are assumed with support rates ranging from 40% (for central Hungary) to 50% (elsewhere). An additional support of 10% is granted if it is a collective investment. Therefore innovative projects can be supported up to 50% or 60%.

There is a focus on non-productive investments in any of the measures. Hungary implements submeasures 4.4.1 and 4.4.2.

Investments in new and existing irrigation systems are also covered by these investment measures (i.e. M4.1.4).

## M10 Agri-Environment-Climate and M11 Organic Farming

Hungary spends on M10 "Agri-environment-climate" €638 million of which the national contribution is either 0 or 25%<sup>430</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are agricultural producers and other land users.

For M11 "Organic Farming" €210 million of public spending has been allocated of which the national contribution accounts for either 0 or 25%<sup>431</sup>. All of the expenditure is categorised under

<sup>430</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

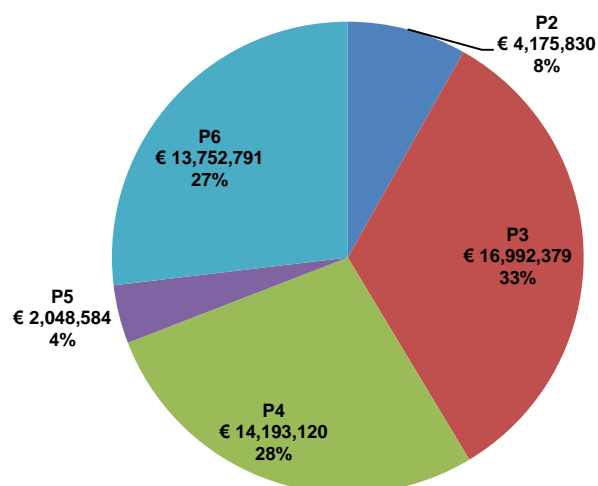
<sup>431</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

Priority 4. Beneficiaries should complete a training course and participate in advisory services in order to retain the payment under this measure<sup>432</sup>. Both submeasures (M11.1 “payment to convert to organic farming practices and methods” and M11.2 “payments to maintain organic farming practices and methods”) are implemented. Finally, farmers should fulfil the nitrate sensitive good practice requirement in accordance to art.29.2 of Reg.1305/2013.

### M16 Co-operation

M16 “Cooperation” receives €51 million of public spending of which 10 or 20% is national contribution. Under Priority 2 8% of the total amount is spent, for Priority 3 33% is allocated, under Priority 4 28% and under Priority 6 27%.

Figure 69. Division of budget for M16 over different priorities (P) for the 2014-2020 period



Source: Ecorys based on DG AGRI data (2016)

Following submeasures have been selected:

- M16.1 Support for the establishment and operation of operational groups of the EIP
- M16.3 Cooperation among small operators in organising joint work processes
- M16.4 Support for horizontal and vertical cooperation among supply chain actors
- M16.5 Support for joint action undertaken with a view to mitigating or adapting to climate change
- M16.9 Support for diversification of farming activities into activities concerning health care, social integration, community-supported agriculture and education about the environment and food

### M19 LEADER CLLD

The total CLLD budget allocated under the EAFRD in Hungary is €191 million. It will be carried out under a single thematic objective: promoting social inclusion and combatting poverty and any form of discrimination<sup>433</sup>. All funds are targeted under Priority 6 “Fostering local development in rural areas”. Around 68% of the rural population is intended to be covered under Local Development Strategy. The target is to create 500 jobs.<sup>434</sup>

Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.

Targeting of RDP measures

Measures especially targeted at Young Farmers: M01, M02, M04, M06,  
Measures targeted at Small Farms: none  
Measures targeted at Innovation Activities: M01, M02, M16

Approaches taken to financial support in

Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.

<sup>432</sup> Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme.

<sup>433</sup> Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme


<sup>434</sup> DG AGRI (2016): RDP factsheet

RDP	14 submeasures (M4.4, 8.1, 8.2, 10.1, 10.2, 11.1, 11.2, 12.1, 12.2, 13.2, 14.1) implemented in Hungary are using the simplified cost option.	
	3 submeasures are making use of financial instruments: M6.1, M6.2, M6.3.	
Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	<b>The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.</b>	
	Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input checked="" type="checkbox"/> ERDF <input checked="" type="checkbox"/> ESF <input checked="" type="checkbox"/> EMFF





# Ireland

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€ 7,279,467,000 <sup>435</sup>	€ 2,189,985,153 <sup>436</sup>				
Level of implementation	National	1 RDP (National) <sup>437</sup>				
DP (P.I) yearly national ceilings <sup>438</sup>	2015	2016	2017	2018	2019	2020
	€ 1,214,800,000	€ 1,213,300,000	€ 1,211,800,000	€ 1,211,400,000	€ 1,211,000,000	€ 1,211,100,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		67.8 %			
	"Greening" Payment		30%			
	Payment for Young Farmers		Up to 2 %			
	Coupled Support		Up to 0.25 %			
	Small Farmers Scheme		Not implemented			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input checked="" type="checkbox"/> No flexibility		<input type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I	
	Ireland has chosen not to apply any flexibility between the pillars for the years 2015-2020 .					
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Ireland has identified following criteria for "active farmers"<sup>439</sup>:</p> <ul style="list-style-type: none"> <li>• Ireland implements the minimum activity criteria as a minimum stocking rate for farmers on marginal land.</li> <li>• Ireland opted for a financial threshold of € 100 for receiving direct payments</li> <li>• Ireland will not extend the negative list (art. 9(2));</li> <li>• Ireland applies following readmission criteria: <ul style="list-style-type: none"> <li>◦ An agricultural activity is not insignificant if the holding exceeds 32 hectares (the average size of agricultural holding in Ireland) (art. 9 (2) b); or</li> <li>◦ An agricultural activity will be considered to be the 'principal business or company objects' of a person or group of persons if recorded as such in the Companies Registration Office or if the average annual amount of receipts obtained from the agricultural activity for the three most recent fiscal years for which such evidence is available represents at least 40% of the average annual total receipts obtained by the person or group of persons for the same period.</li> </ul> </li> </ul>					

<sup>435</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>436</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>437</sup> DG AGRI data on RDPs (2016)

<sup>438</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>439</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	<ul style="list-style-type: none"> <li>Ireland will not implement any additional economic or professional requirements.</li> </ul> <p>The exemption threshold for the “active farmer” clause is applicable to recipients who did not receive more than €5,000 in the previous year<sup>440</sup>.</p>							
Basic Payments	<p>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</p> <table border="1"> <tr> <td rowspan="3">67.8 % of national ceiling</td> <td><input checked="" type="checkbox"/> National model (single region)</td> <td><input checked="" type="checkbox"/> Partial internal convergence (2019)</td> </tr> <tr> <td><input type="checkbox"/> SAPS</td> <td><input type="checkbox"/> Flat payment</td> </tr> <tr> <td><input type="checkbox"/> Regional model</td> <td></td> </tr> </table>	67.8 % of national ceiling	<input checked="" type="checkbox"/> National model (single region)	<input checked="" type="checkbox"/> Partial internal convergence (2019)	<input type="checkbox"/> SAPS	<input type="checkbox"/> Flat payment	<input type="checkbox"/> Regional model	
	67.8 % of national ceiling		<input checked="" type="checkbox"/> National model (single region)	<input checked="" type="checkbox"/> Partial internal convergence (2019)				
			<input type="checkbox"/> SAPS	<input type="checkbox"/> Flat payment				
<input type="checkbox"/> Regional model								
<p>Ireland has allocated annually around € 820 million to basic payments. The amount decreases from € 823,772,034 in 2015 to € 821,102,748 in 2020.</p> <p>Further key decisions taken by Ireland concerning basic payments are:</p> <ul style="list-style-type: none"> <li>Basic Payments represent 67.8 % of the national ceiling for Pillar I<sup>441</sup>;</li> <li>The level of implementation is national considering the whole territory as a single region<sup>442</sup>;</li> <li>Ireland did not specify a minimum size of the holding necessary to qualify for the first allocation . Eligibility criteria can be extended to farmers who: <ul style="list-style-type: none"> <li>produced fruits in 2013; or</li> <li>produced vegetables in 2013; or</li> <li>produced ware potatoes in 2013; or</li> <li>produced seed potatoes in 2013; or</li> <li>produced never held entitlements, but farmed in 2013.<sup>443</sup>;</li> </ul> </li> <li>The number of entitlements allocated should correspond to the number of eligible hectares declared by the farmer in 2013, if the number of eligible hectares declared in 2015 is lower than the number in 2013;</li> <li>For basic payments, Ireland will base its initial unit value on value of pre existing entitlements in 2014, according to article 26.3 R1307/2013 and it will use of total past sectorial support.</li> <li>The implementation of internal convergence will be partial in equal annual steps between 2015 and 2019<sup>444</sup>. Entitlements with an Initial Unit Value below 90% of the national unit value shall have their value increased by one third of the difference between their Initial Unit Value and 90% of the national unit value in 2019 as per article 25(4) of Regulation (EU) No 1307/2013. A fixed percentage reduction will be applied to the value of entitlements with an Initial Unit Value in excess of 100% of the national average unit value in 2019. The fixed percentage will be calculated on the basis of the amount required to fund the increase in the value of those entitlements which have an Initial Unit Value below 90% of the national average unit value and to ensure that no payment entitlement shall have a unit value lower than 60% of the national unit value in 2019. By 2019, no farmer should receive no more than € 700.per ha (including the greening payment)<sup>445446</sup></li> </ul>								
Reduction of payments	<p>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</p> <table border="1"> <tr> <td><input checked="" type="checkbox"/> Degressivity: 100 %</td> <td rowspan="3"><input type="checkbox"/> Redistributive payment</td> </tr> <tr> <td><input checked="" type="checkbox"/> Threshold: € 150,000</td> </tr> <tr> <td><input type="checkbox"/> Application: not specific</td> </tr> </table>	<input checked="" type="checkbox"/> Degressivity: 100 %	<input type="checkbox"/> Redistributive payment	<input checked="" type="checkbox"/> Threshold: € 150,000	<input type="checkbox"/> Application: not specific			
	<input checked="" type="checkbox"/> Degressivity: 100 %	<input type="checkbox"/> Redistributive payment						
	<input checked="" type="checkbox"/> Threshold: € 150,000							
<input type="checkbox"/> Application: not specific								
<p>Ireland decided to implement 100 % reduction for the part of the amount of Basic Payments exceeding € 150,000<sup>447448</sup>. The reduction rate is fixed for all years.</p>								

<sup>440</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>441</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>442</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>443</sup> DG AGRI data on BPS-Allocation of payment entitlements (2016)

<sup>444</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>445</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf

<sup>446</sup> DG AGRI data (2016) on BPS Details Convergence

<sup>447</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>448</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

Salaries linked to an agricultural activity paid and declared by the farmer, including taxes and social contributions, will not be subtracted from the amount of Basic Payments received before the application of the reduction<sup>449,450</sup>.

Ireland decided not to implement the redistributive payment.

Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.

#### Green payment

<input checked="" type="checkbox"/> Equivalent practices under AEC scheme	<input type="checkbox"/> Flat payment	<input checked="" type="checkbox"/> Individual payment
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#### Permanent grassland

Total area of ESPG in Natura 2000: 613.63 ha (2 %)	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> National application
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#### Ecological Focus Areas

11 types of EFAs	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation
------------------	--	--	--

30% of Ireland's national ceiling<sup>451</sup> which corresponds to €364,500,900 in 2015 and to €363,319,800 in 2020 is allocated to greening<sup>452</sup>. The implementation of the greening payments will be done at national level<sup>453</sup>.

### Greening

Ireland made the following implementation choices concerning the greening payment:

- Ireland has decided to apply the derogation to the uniform greening payment per hectare, which means they implement an individual payment<sup>454</sup>;
- It will implement equivalent practices under an agri-environment scheme<sup>455</sup>;
- The ratio and obligation for permanent grassland is calculated at national level, 32,933.22 hectares are currently covered<sup>456</sup>; 613.63 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 2 % of the total permanent grassland<sup>457</sup>. No ESPG is designated outside Natura 2000<sup>458</sup>.
- Ireland has decided to focus on the following 11 Ecological Focus Areas<sup>459</sup>:
  - Land lying fallow
  - Landscape features (5): hedges or wooded strips, trees in line, trees in groups – field copses, ditches, other: protected archeological sites
  - Buffer strips: 2m min. Fertilisers are not allowed.
  - Areas with short rotation coppice: 10 – maple, alder, birch, sweet chestnut hazel, ash, poplar, oak, willow, lime. Mineral fertilisers are not allowed. Regarding plant protection products, herbicides and insecticides are not allowed for 2 years with exceptions.
  - Afforested areas
  - Areas with catch crops or green cover: 14 species
  - Areas with nitrogen fixing crops: 7 crops – lupin, alfalfa, bean, pea, clover, faba bean and bean.

<sup>449</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>450</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

<sup>451</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>452</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>453</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>454</sup> DG AGRI data on Greening payment method of calculation (2016)

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<sup>456</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>457</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>458</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>459</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

Payment for Young Farmers	Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.						
	% of national ceiling: up to 2 %						
	<p>Ireland has decided to allocate up to 2 % of their national ceiling to Young Farmers which corresponds to € 24,300,060 in 2015 which decreases to € 24,221,320 in 2020. There will be additional eligibility criteria implemented, which are the following:</p> <ul style="list-style-type: none"> <li>The young farmers should have either completed, or be participating in, a recognised course of education in agriculture giving rise to an award at level 6 or its equivalent on the National Framework of Qualifications (NFQ). Alternatively persons who commit to undertaking such a course of education in agriculture before the 30 September 2016, and provide verifiable evidence of such intention, will be considered as fulfilling this requirement:</li> <li>It will only be applied to young farmers in control over the legal person</li> </ul> <p>The calculation of the yearly top up amount per beneficiary is equal to 25 % of the national average payment per ha in 2019 multiplied by the number of activated ha. The threshold of eligible payment entitlements is set at 50 ha.</p>						
Voluntary coupled support	Member States are allowed to choose to implement the coupled support for different sectors or regions.						
	<input checked="" type="checkbox"/> Coupled support as % of national ceiling: 0.25 %			<input checked="" type="checkbox"/> Support for protein crops as % of national ceiling: 0.25 %			
	<p>In Ireland, 0.25 % of the national ceiling (which corresponds to € 18 million for the entire programming period) is allocated to Voluntary Coupled Support (VCS). All of this VCS is allocated to protein crops<sup>460</sup>.</p> <p>The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period.</p>						
Other voluntary schemes under Pillar I	Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers						
	<input type="checkbox"/> Payment for areas with natural constraints			<input type="checkbox"/> Small farmers			
	Ireland will neither implement payments for areas with natural constraints nor the small farmer scheme <sup>461</sup> .						
Yearly Union Support for P.II <sup>462</sup>	2014	2015	2016	2017	2018	2019	2020
	€ 469,633,941	€ 469,724,442	€ 313,007,411	€ 312,891,690	€ 312,764,355	€ 312,570,314	€ 2,190,592,153
Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures				
	€ 126,100,000 3.22%	53%	M1.1: Support for vocational training and skills acquisition actions				
	€ 8,000,000 0.20%	53%	M2.1 support to help benefiting from the use of advisory services M2.3 support for training of advisors				
	€ 425,001,887 10.84%	53% for P2 and 5 100% for P4	M4.1 support for investments in agricultural holdings M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.				

<sup>460</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>461</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, pp.150 and 151.

<sup>462</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

€ 6,000,000 0.15%	53%	M7.6: support for studies/investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites including related socioeconomic aspects, as well as environmental awareness actions;
€ 1,584,980,630 40.43%	56% for P5 56-100% for P4 53%	M10.1: payment for agri-environment-climate commitments
		M10.2: support for conservation and sustainable use and development of genetic resources in agriculture
€ 56,000,000 1.43%	53%	M11.1 payment to convert to organic farming practices and methods
		M11.2 payment to maintain organic farming practices and methods
€ 73,252,830 1.87%	53-100%	M12.1 compensation payment for Natura 2000 agricultural areas
€ 1,370,000,000 34.94%	53%	M13.2 compensation payment to other areas affected by specific constraints
		M13.3 compensation payment to other areas affected by specific constraints
€ 7,000,000 0.18%	53%	M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability
		M16.3 Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism
€ 249,206,349 6.36%	63%	M19 LEADER CLLD (all submeasures)

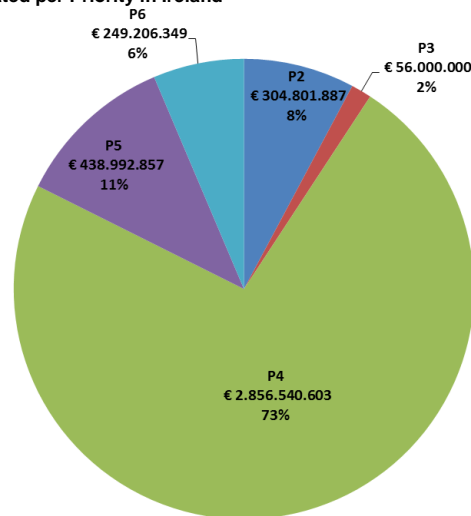
Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).

National RDP

Regional RDP

The total RDP budget for Ireland is € 2,190,592,153 for the entire programming period. Ireland has dedicated almost three quarters of its budget to Priority 4 “Restoring, preserving and enhancing ecosystems related to agriculture and forestry” followed by 11% to Priority 5 “Resource efficiency and shift towards a low carbon and climate resilient economy”, 8% to Priority 2 “Viability and competitiveness of farms, sustainable forest management”, 6% to Priority 6 “Economic development and social inclusion” and 2% to Priority 3 “Food chain organisation, processing and marketing”. The following figure provides an overview of the shares by Priority in percentages of budget and the absolute amount of budget spent.

Figure 70 Budget allocated per Priority in Ireland



Source: Calculations Ecorys based on DG AGRI data (2016)

Key focus areas for rural development

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

**Overview**

Ireland has decided to implement 10 measures. In terms of total budget allocation the highest amounts are allocated to

- M10 «Agri-Environment-Climate» (€ 1,584,980,630)
- M13 «Payments to areas facing natural or other specific constraints» (€ 1,370,000,000)
- M4 «Investments in physical assets» (€ 425,001,886)

**M01 Knowledge Transfer and Innovation actions**

Ireland allocated 3.22% (€ 126,100,000) of its total RDP budget to knowledge transfer and innovation actions. The measure is implemented under Priority 2 (Focus Area 2A), Priority 3 (Focus Area 3B), Priority 4 (Focus Area 4A, 4B, 4C) and Priority 5 (Focus Area 5D) The focus of this measure will lie on the advisors/trainers and the participating farmers. The knowledge transfer and innovation actions will focus on the optimisation of efficiency by adopting new technology and best commercial practice. Additionally, Ireland identified in its RDP SWOT Needs and stakeholder consultation deficiencies in the knowledge base in areas such as business skills, environmental and climate change issues and animal health and welfare issues. It has therefore decided to implement “innovative delivery solutions that will go beyond the traditional approach” (RDP of Ireland, p.149). This will be achieved by starting sectoral Knowledge Transfer Groups which are farmer meetings facilitated by highly qualified advisors and will involve the transfer and exchange of information and best practice. All participating farmers will also be required to develop a Farm Improvement Plan (FIP) in the initial year of participation and to update it in each of the 2nd and 3rd years of the scheme. The sectoral Knowledge Transfer Groups will also be vital in the successful implementation of M10 “Agri-Environment-Climate”.

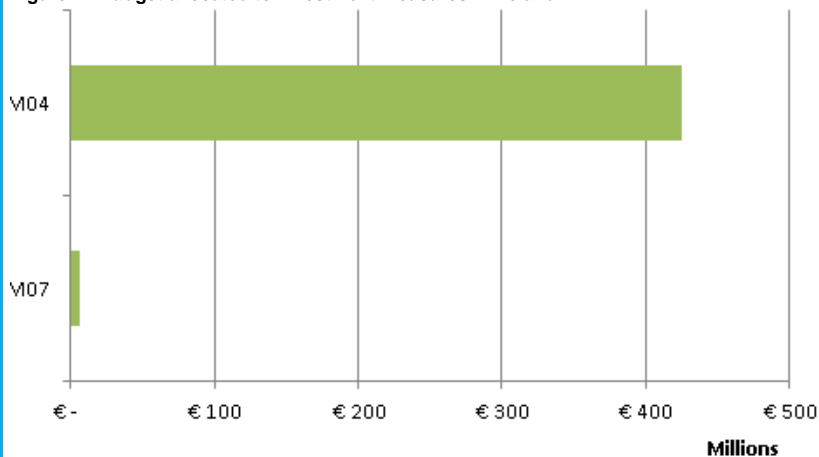
**Investment measures (M04, M05, M06, M07, M08)**

Ireland implemented following investment measures:

- M04 “Investments in physical assets” (€ 425,001,886)
- M07 “Basic services and village renewal in rural areas” (€ 6,000,000)

Neither of the investments measures make explicit links to job creation. M04 includes the sub-measure for non-productive investments, which will fall under the framework set out for M10 “Agri-environment climate” and is financed by the budget set out for M10. M4.4 is the only measure under the investment measures eligible for 100% financing. For M4.1, the support will be given as a capital investment grant scheme and can cover a rate of 40% (up to 60% for young farmers. For M7.6 the grant can go up to a maximum of 75% of all investment costs (max. support is € 25.000).

**Figure 71 Budget allocated to investment measures in Ireland**



Source: Ecorys based on DG AGRI data (2016)

**M10 Agri-Environment-Climate and M11 Organic Farming**

Ireland spends on M10 Agri-Environment-Climate € 1,584,980,630. The national contribution ranges from 44% under Priority 5 and partly under Priority 4, and 100% under Priority 4. 24 % of the budget is categorised under Priority 5, 76% under Priority 4. Ireland will implement M10 by use of two submeasures (M10.1 twice) using the Green Low Carbon Agri-Environment Scheme

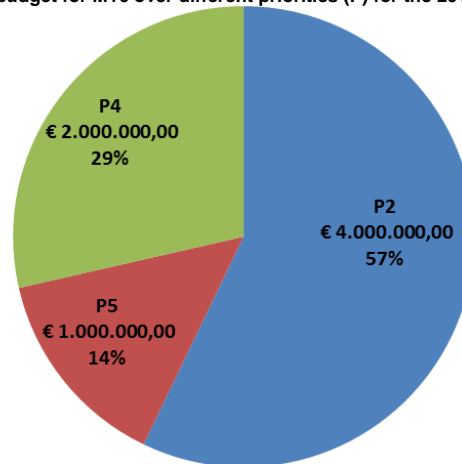
(GLAS) and the Beef Data and Genomics Programme (BDGP).

For M 11 “Organic Farming” € 56.000.000 of the total public spending has been allocated of which the national contribution accounts for 47%. All of the expenditure is categorised under Priority 4. All first time applicants need to complete a course which is not covered by RDP funds. Furthermore, all beneficiaries should be active organic farmers, registered with DAFM and licensed by one of the Organic Control Bodies.

**M16 Co-operation**

M16 “Cooperation” receives € 7.000.000 of public spending of which 47% is national contribution. Under Priority 2 57% of the total amount is spent, for Priority 5 14% is allocated and under Priority 4 29%.

Figure 72. Division of budget for M16 over different priorities (P) for the 2014-2020 period



Source: Ecorys based on DG AGRI data (2016)

The measure pursues the objectives of closing the innovation gap between research and agricultural practice. Focus lies on competitiveness and increasing efficiency. The following submeasures have been implemented:

- M16.1 - Support for European Innovation Partnerships (EIP) and
- M16.3 - (other) co-operation among small operators

**M19 LEADER CLLD**

The total CLLD budget allocated under the EAFRD in Ireland is € 249,206,349<sup>463</sup>. It will be carried out under a number of indicative themes which the LDS need to choose or get inspiration from. All funds are targeted under Priority 6 “Fostering local development in rural areas”. 74,40% of the rural population is intended to be covered under Local Development Strategy. The target is to create 3100 jobs.<sup>464</sup>

Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.

Targeting of RDP measures

Measures especially targeted at Young Farmers: M04, M16  
 Measures targeted at Small Farms: none  
 Measures targeted at Innovation Activities: M01, M02, M16

Approaches taken to financial support in RDP

Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.

2 measures (M04 and M19) implemented in Ireland will be using the simplified cost option for submeasures M4.1, M19.1 and M19.4.


No measures will make use of financial instruments.

<sup>463</sup> DG AGRI (2016): RDP factsheet Ireland  
<sup>464</sup> DG AGRI (2016): RDP factsheet Northern Ireland

Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.	
	Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input checked="" type="checkbox"/> ERDF <input type="checkbox"/> ESF <input checked="" type="checkbox"/> EMFF



# Italy

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€23 billion <sup>465</sup>	€ 10,4 billion <sup>466</sup>				
Level of implementation	National	21 RDP (Regional) <sup>467</sup>				
DP (P.I) yearly national ceilings <sup>468</sup>	2015	2016	2017	2018	2019	2020
	€ 3,897,100,000	€ 3,847,300,000	€ 3,797,200,000	€ 3,750,000,000	€ 3,702,400,000	€ 3,704,300,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		58%			
	"Greening" Payment		30%			
	Payment for Young Farmers		Up to 1 %			
	Coupled Support		Up to 11 %			
	Small Farmers Scheme		Up to € 1250 per small farmer			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input checked="" type="checkbox"/> No flexibility		<input type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I	
	Italy has chosen not to apply any flexibility between the pillars <sup>469</sup> which means that there is no expected transfer of financial resources between pillars for the years 2015-2020 <sup>470</sup> .					
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Italy has identified the following criteria for "active farmer"<sup>471</sup>:</p> <ul style="list-style-type: none"> <li>• 'Minimum activity' consists of "at least one ordinary farming activity" which respects cross compliance.</li> <li>• Regarding the minimum requirements for receiving DP, Italy applies a financial threshold (€250 in 2015 and 2016; €300 from 2017).</li> <li>• Italy will maintain a negative list (art. 9(2) for natural and legal persons working as banking/financial broker and/or commercial broker such as: <ul style="list-style-type: none"> <li>○ Companies, cooperatives and mutual insurances with functions of insurances and re-insurances;</li> <li>○ Public administrations , with exception of public bodies with functions of</li> </ul> </li> </ul>					

<sup>465</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>466</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>467</sup> DG AGRI data on RDPs (2016)

<sup>468</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>469</sup> Overview MS choices DP document

<sup>470</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.154.

<sup>471</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	<p>training/experimentation on agricultural topics and public bodies with civic uses.</p> <ul style="list-style-type: none"> <li>• A person or a group of persons which fall under the scope of art. 9 (2) can be regarded an active farmer if they can demonstrate with verifiable evidence: <ul style="list-style-type: none"> <li>◦ That the annual amount of direct payments is at least 5 % of the total receipts that it obtained from non-agricultural activities;</li> <li>◦ That the agricultural activities are not insignificant by providing that the total receipts obtained from agricultural activities represent at least 1/3 of the total receipts obtained</li> </ul> </li> <li>• Italy decided to implement additional economic or professional requirements (art. 9 (3)). Farmers have to register to the National Social Security (INPS) as Direct Farmer, Agricultural Entrepreneur, Sharecrop farmer or Colonnat partiaire. In order to register they have to own an active VAT number for Agricultural activity and provide annual VAT returns, as from 2016, only for farms with more than 50% of the agricultural surfaces not located in disadvantaged or mountain areas (R. 1257/1999)</li> <li>• The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €5,000 and which are farms with more than 50% of the agricultural surfaces located in disadvantaged or mountain areas. The threshold is set at 1,250 for other farms<sup>472</sup>.</li> </ul>					
Basic Payments	<p>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</p>					
	<table border="1"> <tr> <td data-bbox="416 784 730 918" rowspan="3">58 % of national ceiling</td> <td data-bbox="730 784 1029 840"> <input checked="" type="checkbox"/> National model (single region) </td> <td data-bbox="1029 784 1343 840"> <input checked="" type="checkbox"/> Partial internal convergence </td> </tr> <tr> <td data-bbox="730 840 1029 873"> <input type="checkbox"/> SAPS </td> <td data-bbox="1029 840 1343 873" rowspan="2"> <input type="checkbox"/> Flat payment </td> </tr> <tr> <td data-bbox="730 873 1029 918"> <input type="checkbox"/> Regional model </td> </tr> </table>	58 % of national ceiling	<input checked="" type="checkbox"/> National model (single region)	<input checked="" type="checkbox"/> Partial internal convergence	<input type="checkbox"/> SAPS	<input type="checkbox"/> Flat payment
58 % of national ceiling	<input checked="" type="checkbox"/> National model (single region)		<input checked="" type="checkbox"/> Partial internal convergence			
	<input type="checkbox"/> SAPS		<input type="checkbox"/> Flat payment			
	<input type="checkbox"/> Regional model					
	<p>Italy has allocated annually about € 2 billion to basic payments. The amount decreases from €2,263,182,620 in 2015 to €2,148,515,460 in 2020.</p> <p>Further key decisions taken by Italy concerning basic payments are:</p> <ul style="list-style-type: none"> <li>• Basic Payments represent 58% of the national ceiling for Pillar I<sup>473</sup>;</li> <li>• The level of implementation is national considering the whole territory as a single region<sup>474</sup>;</li> <li>• Farmers who are eligible for payments entitlements in Italy have a minimum of 0.5 hectare of land, produced in 2013 fruits, vegetables, ware potatoes, seed potatoes, ornamental plants, had a vineyard in 2013, received entitlements from the reserve in 2014 or never held entitlements but farmed in 2013<sup>475</sup>;</li> <li>• Italy will base its calculations for IUUV on Article 26 (2) of Regulation 1307/2013. Italy will also take into account support granted to other relevant sectors in the calendar year 2014 as laid out in Article 26 (6) of Regulation 1307/2013<sup>476</sup>.</li> <li>• Italy will implement a partial convergence. The implementation of internal convergence will be partial towards 2019<sup>477</sup>.</li> <li>• The Initial Unit Value (IUUV) of payment entitlements above the national average in 2019 will be reduced. The reduction of the unit value cannot be more than 30% and the payment entitlements cannot have a lower unit value than the national average in 2019. Italy will apply a proportional method to decrease value of payment entitlements above average.</li> <li>• The minimum level of payment entitlements value in 2019 is set at 60%<sup>478</sup>.</li> </ul>					
Reduction of payments	<p>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</p>					
	<table border="1"> <tr> <td data-bbox="416 1624 877 1657"> <input checked="" type="checkbox"/> Degressivity: 50-100 % </td> <td data-bbox="877 1624 1343 1657" rowspan="3"> <input type="checkbox"/> Redistributive payment </td> </tr> <tr> <td data-bbox="416 1657 877 1691"> <input checked="" type="checkbox"/> Threshold: € 150,000-500,000 </td> </tr> <tr> <td data-bbox="416 1691 877 1715"> <input type="checkbox"/> Application: </td> </tr> </table>	<input checked="" type="checkbox"/> Degressivity: 50-100 %	<input type="checkbox"/> Redistributive payment	<input checked="" type="checkbox"/> Threshold: € 150,000-500,000	<input type="checkbox"/> Application:	
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<sup>472</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>473</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>474</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>475</sup> BPS-Allocation of payment entitlements (Form 4).xls

<sup>476</sup> BPS-Details IUUV.xls

<sup>477</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>478</sup> DG AGRI data (2016) on BPS Details Convergence

	Italy decided to implement 50% reduction for the part of the amount of Basic Payments exceeding 150,000 and 100% reduction for the part of the amount of Basic Payments exceeding 500,000 <sup>479,480</sup> .				
	Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.				
	<b>Green payment</b>				
	<input type="checkbox"/> Equivalent practices <input type="checkbox"/> Flat payment <input checked="" type="checkbox"/> Individual payment				
	<b>Permanent grassland</b>				
	<table border="1"> <tr> <td>Total area of ESPG in Natura 2000: 869,545 ha (100 %)</td> <td><input type="checkbox"/> ESPG outside Natura 2000</td> <td><input type="checkbox"/> Regional application <input checked="" type="checkbox"/> National application</td> </tr> </table>	Total area of ESPG in Natura 2000: 869,545 ha (100 %)	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> National application	
Total area of ESPG in Natura 2000: 869,545 ha (100 %)	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> National application			
	<b>Ecological Focus Areas</b>				
	<table border="1"> <tr> <td>18 types of EFAs</td> <td><input type="checkbox"/> Regional implementation</td> <td><input type="checkbox"/> Collective implementation</td> <td><input type="checkbox"/> Forest cover derogation</td> </tr> </table>	18 types of EFAs	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation
18 types of EFAs	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation		
<b>Greening</b>	<p>30% of Italy's national ceiling<sup>481</sup> which corresponds to €1,170,611,700 in 2015 and to €1,111,301,100 in 2020 is allocated to greening<sup>482</sup>. The implementation of the greening payments will be done at national level<sup>483</sup>.</p> <p>Italy made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• Italy has decided to apply the derogation to the uniform greening payment per hectare, which means they implement an individual payment<sup>484</sup>;</li> <li>• It will not implement any equivalent practices<sup>485</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 869,545 hectares are currently covered<sup>486</sup>, all are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 100% of the total permanent grassland<sup>487</sup>. No ESPG is designated outside Natura 2000<sup>488</sup>.</li> <li>• Italy has decided to focus on the following 18 Ecological Focus Areas<sup>489</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow</li> <li>○ Terraces</li> <li>○ Landscape features: 9 – hedges or wooded strips, isolated trees, trees in line, trees in groups – filed copses, field margins, ponds, ditches, traditional stone walls and other (no description).</li> <li>○ Buffer strips: 1m min to 5m max.</li> <li>○ Ha of agro forestry</li> <li>○ Strips eligible ha along forest edges – no prod.</li> <li>○ Areas with short rotation coppice: 5 – alder, poplar, plane, willow and elm. Mineral fertilizer are not allowed, so are plant protection products except bio insecticides.</li> <li>○ Areas with nitrogen fixing crops: 19 – pinut, chickpea, dolichos, soybean, liquorice, french honey suckler, vetchlings, lentil, birds foot- trefoil, lupin, alfalfa, sainfoin, bean, pea, clover, fenugreek, vetch (exc. faba bean) and bean.</li> </ul> </li> </ul>				
<b>Payment for Young Farmers</b>	Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.				

<sup>479</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>480</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

<sup>481</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>482</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>483</sup> DG AGRI data on Greening payment method of calculation (2016)

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<sup>488</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>489</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

	<b>% of national ceiling: 1%</b>		Italy has decided to allocate 1% of their national ceiling to Young Farmers which corresponds to € 39,020,390 in 2015 which decreases to € 37,043,370 in 2020. There will be no additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25% of the average value of payment entitlements held by the farmer by the number of entitlements that has activated. The threshold of eligible payment entitlements is set at 90ha.																													
<b>Voluntary coupled support</b>	<b>Member States are allowed to choose to implement the coupled support for different sectors or regions.</b>																															
	<input checked="" type="checkbox"/> <b>Coupled support as % of national ceiling:</b> 11%	<input type="checkbox"/> Support for protein crops as % of national ceiling: 0%																														
	In Italy, 11% of the national ceiling (which corresponds to €429.224.291 in 2015 to €407.477.070 in 2020) is allocated to Voluntary Coupled Support (VCS). The sectors covered by VCS are beef and veal, fruit and vegetables, milk and milk products, olive oil, region, rice, sheep meat and goat meat and sugar beet.																															
The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period.																																
<b>Figure 73 Shares of budget allocated per sector for VCS in Italy as a total of all years</b>																																
<table border="1"> <thead> <tr> <th>Sector</th> <th>Amount (€)</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Region</td> <td>€ 891,939,311</td> <td>36%</td> </tr> <tr> <td>Beef and veal</td> <td>€ 627,105,793</td> <td>25%</td> </tr> <tr> <td>Milk and milk products</td> <td>€ 518,673,954</td> <td>21%</td> </tr> <tr> <td>Rice</td> <td>€ 132,416,761</td> <td>5%</td> </tr> <tr> <td>Sugar beet</td> <td>€ 100,187,022</td> <td>4%</td> </tr> <tr> <td>Olive oil</td> <td>€ 74,952,886</td> <td>3%</td> </tr> <tr> <td>Sheepmeat and goatmeat</td> <td>€ 87,445,030</td> <td>3%</td> </tr> <tr> <td>Fruit and vegetables</td> <td>€ 65,708,695</td> <td>3%</td> </tr> </tbody> </table>						Sector	Amount (€)	Percentage	Region	€ 891,939,311	36%	Beef and veal	€ 627,105,793	25%	Milk and milk products	€ 518,673,954	21%	Rice	€ 132,416,761	5%	Sugar beet	€ 100,187,022	4%	Olive oil	€ 74,952,886	3%	Sheepmeat and goatmeat	€ 87,445,030	3%	Fruit and vegetables	€ 65,708,695	3%
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Source: Ecorys based on DG AGRI data																																
<b>Other voluntary schemes under Pillar I</b>	<b>Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers</b>																															
	<input type="checkbox"/> Payment for areas with natural constraints	<input checked="" type="checkbox"/> <b>Small farmers</b>																														
The voluntary scheme for areas with natural constraints is not implemented in Italy <sup>490</sup> .																																
Regarding small farmers scheme, the annual amount of support per farmer is set at € 1,250 per farmer. <sup>491</sup> .																																
<b>Yearly Union Support for P.II<sup>492</sup></b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>																										
	€2.223.480.180	€2.231.599.688	€1.493.380.162	€1.495.583.530	€1.498.573.799	€1.501.763.408																										

<sup>490</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

<sup>491</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

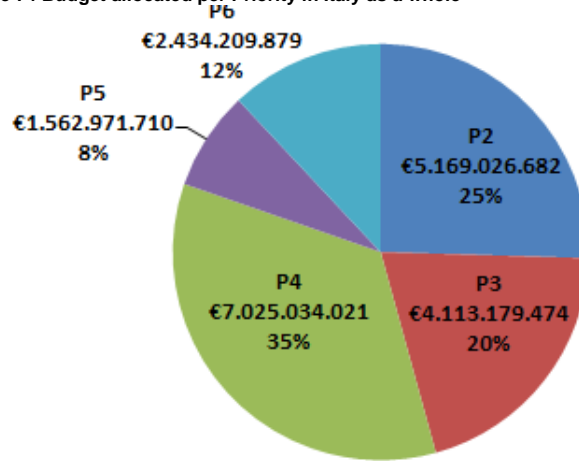
<sup>492</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures
	€ 242.857.811 1,16%	43-61%	M1.1: Support for vocational training and skills acquisition actions
			M1.2: Support for demonstration activities and information actions
	€ 311.271.042 1,49%	43-61 %	M2.1 support to help benefiting from the use of advisory services
			M2.2 support for the setting up of farm management, farm relief and farm advisory services as well as forestry advisory services
			M2.3 support for training of advisors
	€ 182.742.705 0,88%	43-61%	M3.1 support for new participation in quality schemes
			M3.2 support for information and promotion activities implemented by groups of producers in the internal market
	€ 5.678.727.092 27,22%	43-61%	M4.1 support for investments in agricultural holdings
			M4.2 support for investments in processing/marketing and/or development of agricultural products
M4.3 support for investments in infrastructure related to development, modernisation or adaptation of agri- culture and forestry			
M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.			
€ 228.976.331 1,10%	43-61%	M5.1: support for investments in preventive actions aimed at reducing the consequences of probable natural disasters, adverse climatic events and catastrophic events;	
		M5.2: support for investments for the restoration of agricultural land and production potential damaged by natural disasters, adverse climatic events and catastrophic events.	
€ 1.592.032.923 7,63%	43-61%	M6.1: business start-up aid for young farmers;	
		M6.2: business start-up aid for non-agricultural activities in rural areas;	
		M6.3: business start-up aid for the development of small farms;	
		M6.4: support for investments in creation and development of non-agricultural activities;	
		M6.5: payments for farmers eligible for the small farmers scheme who permanently transfer their holding to another farmer.	
€ 1.012.450.429 4,85%	43-61%	M7.1: support for drawing up and updating of plans for the development of municipalities and villages in rural areas and their basic services and of protection and management plans relating to Natura 2000 sites and other areas of high nature value;	
		M7.2: support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving;	
		M7.3: support for broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government;	
		M7.4: support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure;	
		M7.5: support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure;	
		M7.6: support for studies/investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites including related socioeconomic aspects, as well as environmental awareness actions;	
		M7.7: support for investments targeting the relocation of activities and conversion of buildings or other facilities located inside or close to rural settlements, with a view to improving the quality of life or increasing the environmental performance of the settlement;	
		M7.8 others.	
€ 1.369.612.212 6,57%	43-61%	M8.1: support for afforestation/creation of woodland	
		M8.2: support of establishment and maintenance of agro-forestry systems	
		M8.3: support for prevention of damage to forests from forest fires and natural disasters and catastrophic events	

			M8.4: support for restoration of damage to forests from forest fires and natural disasters and catastrophic events
			M8.5: support for investments improving the resilience and environmental value of forest ecosystems
			M8.6: support for investments in forestry technologies and in processing, mobilising and marketing of forest products
€ 23.322.688 0,11%	43-61%		M.9 Setting up of producer groups and organisations
€ 2.520.109.591 12,08%	43-61%		M10.1: payment for agri-environment-climate commitments
			M10.2: support for conservation and sustainable use and development of genetic resources in agriculture
€ 1.689.305.135 8,10%	43-61%		M11.1 payment to convert to organic farming practices and methods
			M11.2 payment to maintain organic farming practices and methods
€ 105.061.731 0,50%	43-61%		M12.1 compensation payment for Natura 2000 agricultural areas
			M12.2 compensation payment for Natura 2000 forest areas
			M12.3 compensation payment for agricultural areas included in river basin management plans
€ 1.530.800.090 7,34%	43-61%		M13.1 compensation payment in mountain areas
			M13.2 compensation payment to other areas affected by specific constraints
			M13.3 compensation payment to other areas affected by specific constraints
€ 302.529.314 1,45%	43-61%		M14 Animal Welfare
€ 51.641.999 0,25%	43-61%		15.1 payment for forest-environmental and climate commitments
			15.2 support for the conservation and promotion of forest genetic resources
€ 684.745.761 3,28%	43-61%		M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability
			M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies
			M16.3 Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism
			M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets
			M16.5 Support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices. (Article 35 (2) (f) and (g))
			M16.6 Support for cooperation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes
			M16.7 Support for non-CLLD strategies (non-Community-led Local Development)
			M16.8 Support for drawing up of forest management plans or equivalent instruments
€ 1.590.800.000 7,63%	45 %		M17.1 crop, animal and plant insurance premium
			M17.2 mutual funds for adverse climatic events, animal and plant diseases, pest infestations and environmental incidents
			M17.3 income stabilisation tool
€ 1.187.434.913 5,69%	43-61%		M19 LEADER CLLD (all submeasures)
€ 554.790.716 2,66%	43-61%		M20 Technical assistance
<b>Key focus areas for rural development</b>	<p>Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).</p> <input type="checkbox"/> National RDP <input checked="" type="checkbox"/> Regional RDP		

The total RDP budget for Italy is at around € 10.4 billion for the entire planning period. Italy has allocated more than third of this budget (35 %) to Priority 4 “restoring, preserving and enhancing ecosystems” followed by 25 % to Priority 2 “competitiveness of all types of agriculture and farm viability”, 20 % to Priority 3 “food chain organisation and risk management”, 12% to Priority 6 “social inclusion, poverty reduction, and economic development in rural areas” and 8% to Priority 5 “resource efficiency and shift towards a low carbon and climate resilient economy”. The following figure provides an overview of the shares by Priority in millions of euro.

**Figure 74 Budget allocated per Priority in Italy as a whole**

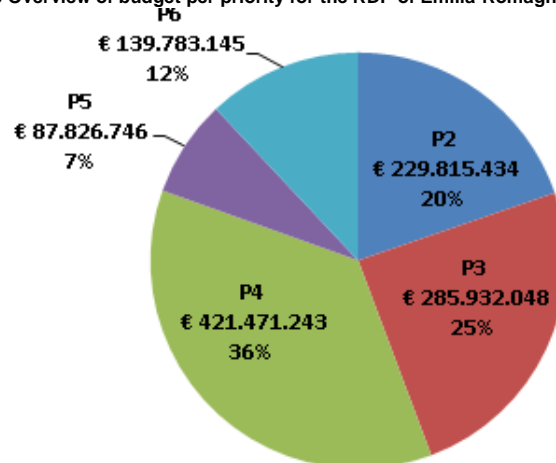


Source: Calculations Ecorys based on DG AGRI data (2016)

As Italy has 21 RDPs, the breakdown of funds of all regional RDPs are given in the last pages of this fiche. In the following we further elaborate in further detail on the following exemplary three selected regions, which are geographically spread over Italy with different agricultural and climatic conditions: Emilia-Romagna, Sicily and Tuscany.

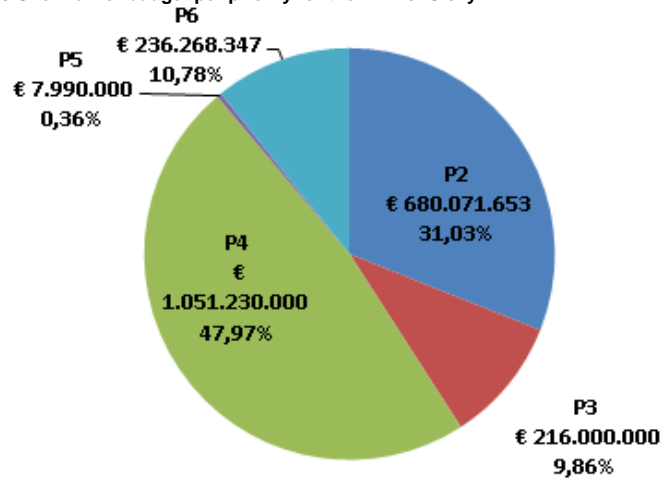
In the following figures, the breakdown of the funding for each of the regions is illustrated. Priority 4 receives the largest share of budget in Sicily (48 % of total), while Priorities 2 and 3 receive a similar share in both Emilia-Romagna (20% and 25%) and Tuscany (25% and 21%).

**Figure 75 Overview of budget per priority for the RDP of Emilia-Romagna**



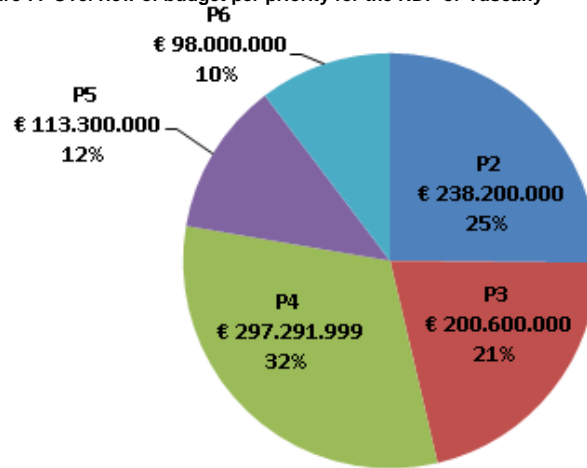
Source: Calculations Ecorys based on DG AGRI data (2016)

Figure 76 Overview of budget per priority for the RDP of Sicily



Source: Calculations Ecorys based on DG AGRI data (2016)

Figure 77 Overview of budget per priority for the RDP of Tuscany



Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

### Overview

- Aggregating all RDPs in Italy, there are 19 measures used in the entire country. In terms of budget allocation the highest aggregated amounts are allocated to:
  - M4 "Investments in physical assets" (€ 5.678.727.092);
  - M10 "Agri-environment-climate" (€ 2.520.109.591);
  - M11 "Organic farming" (€ 1.689.305.135).
- Emilia-Romagna has decided to offer 16 measures. In terms of budget allocation the highest amounts are allocated to:
  - M4 "Investments in physical assets" (€ 346.710.939);
  - M10 "Agri-environment-climate" (€ 175.924.045);
  - M6 "Farm and business development" (€ 104.748.785).
- Sicily has decided to offer 16 measures. In terms of budget allocation the highest amounts are allocated to:
  - M4 "Investments in physical assets" (€ 712.000.000);
  - M11 "Organic farming" (€ 417.000.000);
  - M6 "Farm and business development" (€ 244.700.000).
- Tuscany has decided to offer 15 measures. In terms of budget allocation the highest amounts are allocated to:
  - M4 "Investments in physical assets" (€ 283.200.000);
  - M8 "Investments in forest area development and improvement of the viability of forests"



- ” (€ 143.000.000);
- o M11 “Organic farming” (€129.000.000).

**M01 Knowledge Transfer and Innovation actions**

On the aggregated level, 1.16% of the total RDP budget has been allocated to knowledge transfer and innovation actions.

On the aggregated level, 1.16% of the total RDP budget has been allocated to knowledge transfer and innovation actions.

Emilia-Romagna allocated 1.83% of the total RDP budget to knowledge transfer and innovation actions. The focus of this measure will lie on favouring the knowledge transfer and the competences' growth of the practitioners operating in the rural field. The form in which the measure is implemented are strictly correlated to the regional ambits and technological trajectories for the agro-food system of the Smart Specialization Strategy.

Sicily allocated 0.41% of the total RDP budget to knowledge transfer and innovation actions. The focus of this measure will lie on training for agricultural, food and forestry holdings, as well as for territory managers and other SME firms located and operating in rural areas. The form in which training is implemented, as described by the RDP, is through courses, workshops, coaching, laboratory activities and internships.

Tuscany allocated 0.83% of the total RDP budget to knowledge transfer and innovation actions. The focus of this measure will lie on training for agricultural, food and forestry holdings, as well as for territory managers and other SME firms located and operating in rural areas, including those subordinated to local Regional authorities. The form in which training is implemented, as described by the RDP, is through courses, workshops, coaching, training, demonstration activities and information actions.

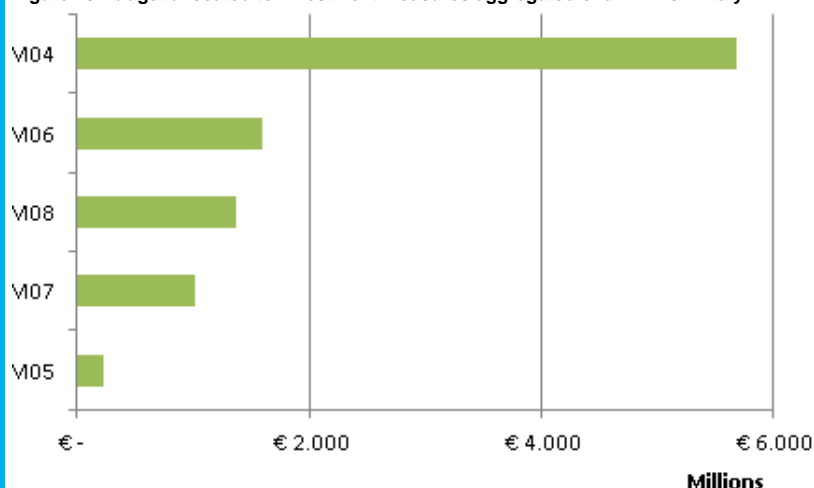
**Investment measures (M04, M05, M06, M07, M08)**

At the aggregated level, the RDPs in Italy have implemented investment measures:

- M4“Investments in physical assets” (€ 5.678.727.092 );
- M5 “Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate preventive actions” (€ 228.976.331)
- M6 “Farm and business development (€ 1.592.032.923);
- M7 “Basic services and village renewal in rural areas” (€ 1.012.450.429); and
- M8 “Investments in forest area development and improvement of the viability of forests”(€ 1.369.612.212).

The following figure illustrates the budget allocation per investment measure.

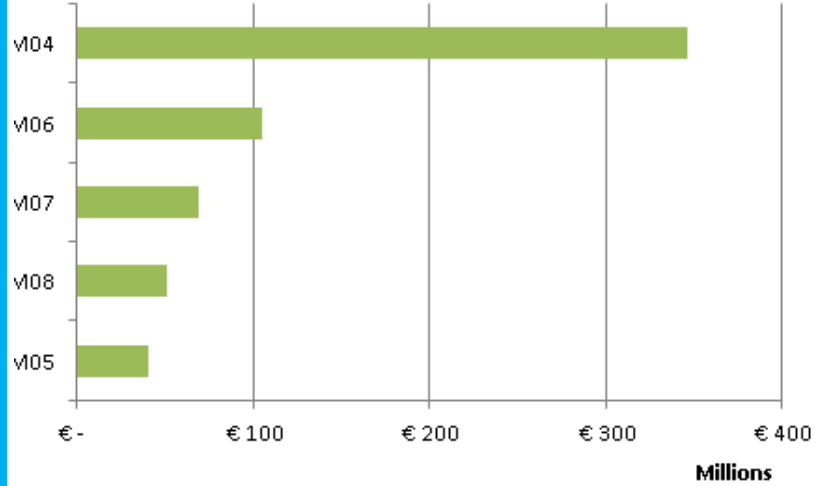
**Figure 78 Budget allocated to investment measures aggregated of all RDPs in Italy**



Source: Ecorys based on DG AGRI data (2016)

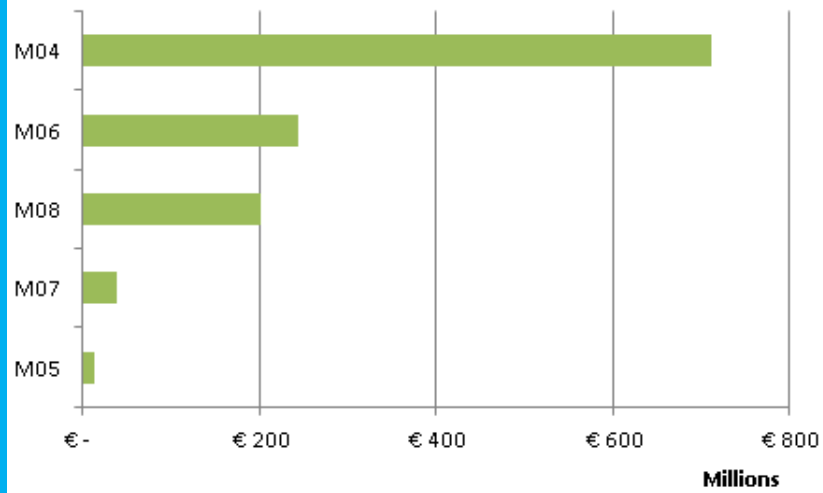
For Emilia-Romagna, Sicily and Tuscany the distribution of funds in their RDPs for the investment measures are shown in the figures below.

Figure 79 Budget allocated to investment measures in Emilia-Romagna



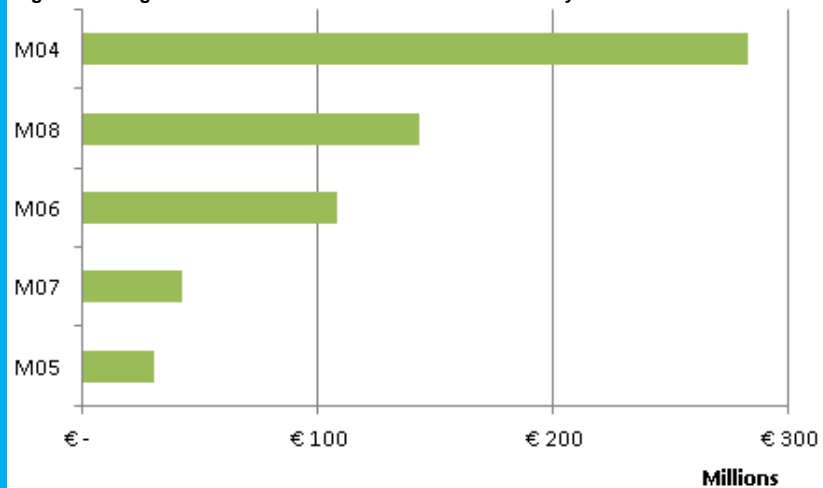
Source: Ecorys based on DG AGRI data (2016)

Figure 80 Budget allocated to investment measures in Sicily



Source: Ecorys based on DG AGRI data (2016)

Figure 81 Budget allocated to investment measures in Tuscany



Source: Ecorys based on DG AGRI data (2016)

For Emilia-Romagna, for the investment measures M6 the links to intended job creation are explicitly made as they are implemented with the intention of favouring generational turnover and farm diversification. In particular, M6 supports young and professional farmers installation, agro-tourism and didactic farms, renewable energy production.

For M7 and M8, the rationale is that by using these measures barriers to job creation are reduced.

Some of the investment measures a combination of public and private investments are assumed with support rates ranging from 20 to 60 % (M4, M8). Other investment measures can be fully publicly financed as they will work with public tendering procedures (M6, M7, M8).

Non-productive investments are provided by M4.4 for the creation or restoration of natural and semi-natural habitats, for sustaining the renaturalisation of hill and mountain areas (with the intent of sustaining the increase in fauna).

Investments in new or existing irrigation systems are also covered by these investment measures (i.e. M4.1).

For Sicily For the investment measures M6 the links to intended job creation are explicitly made as they are implemented with the intention of favouring young, especially, female, farmers installation and off-farm activities in order to reduce unemployment and to contrast depopulation. For M7 and M8, the rationale is that by using these measures barriers to job creation are reduced.

Some of the investment measures a combination of public and private investments are assumed with support rates ranging from 0 to 50 % (M4, M8). Other investment measures can be fully publicly financed as they will work with public tendering procedures (M6, M7, M8).

Non-productive investments are provided by M4.4 for the improvement and valorisation of specific vegetation, naturalistic and environmental aspects of the agricultural areas and for the recovery of particular plant ecosystems typical of the Mediterranean maquis.

Investments in new or existing irrigation systems are also covered by these investment measures (i.e. M4.1).

For Tuscany, for the investment measures M6 the links to intended job creation are explicitly made as they are implemented with the intention of favouring young farmers installation and off-farm activities. In particular, M6 supports young and professional farmers installation in rural areas with the intent of limiting the abandonment rates and improving the innovation up-take, modernization and diversification. Installation of off-farm activities is supported with the intent of fostering economic growth, creating jobs and favouring sustainable development in rural areas. For M7 and M8, the rationale is that by using these measures barriers to job creation are reduced.

Some of the investment measures a combination of public and private investments are assumed with support rates ranging from 0 to 70 % (M4, M8). Other investment measures can be fully publicly financed as they will work with public tendering procedures (M6, M7, M8).

Non-productive investments are provided by M4.4 for the restoration and conservation of natural and semi-natural habitats, for protecting wild flora and fauna, for improving biodiversity, rebuilding of characteristic elements of rural landscape, protecting rural areas from erosion and geologic disruption and collecting water in natural and artificial basins.

Investments in new or existing irrigation systems are also covered by these investment measures (i.e. M4.1).

#### **M10 Agri-Environment-Climate and M11 Organic Farming**

On the aggregated level, 12.08% of the total RDP budget has been allocated to Agri-Environment-Climate.

Emilia-Romagna spends on M10 "Agri-environment-climate" €175.924.045 of which the national contribution is 14.79%<sup>493</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are farmers and farmers' associations, including cooperatives. Examples of these operations include integrated production, conservative practices and organic matter storage, management of characteristic elements of agrarian landscape, effluents management.

Sicily spends on M10 "Agri-environment-climate" €226.000.000 of which the national contribution is 10.21%<sup>494</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are farmers, farmers' associations and territorial managers, subordinated to local authorities, which farm land confiscated to mafia . Examples of these

<sup>493</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>494</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

operations include integrated production, eco-compatible and conservative practices, biodiversity improvement, maintenance of traditional landscape, breeding of animal races in risk of extinction, etc....

Tuscany spends on M10 "Agri-environment-climate" €59.000.000 of which the national contribution is 6.13%<sup>495</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are farmers and regional authorities. Examples of these operations include integrated production, tillage reduction, land grassing, sustainable genetic resources management, soil and organic matter conservation.

On the aggregated level, 12.08% of the total RDP budget has been allocated to Agri-Environment-Climate.

Emilia-Romagna, for M11 "Organic Farming" € 100.559.339 of public spending has been allocated of which the national contribution accounts for 8.45%<sup>496</sup>. All of the expenditure is categorised under Priority 4. Both submeasures (M11.1 "payment to convert to organic farming practices and methods" and M11.2 "payments to maintain organic farming practices and methods") are implemented.

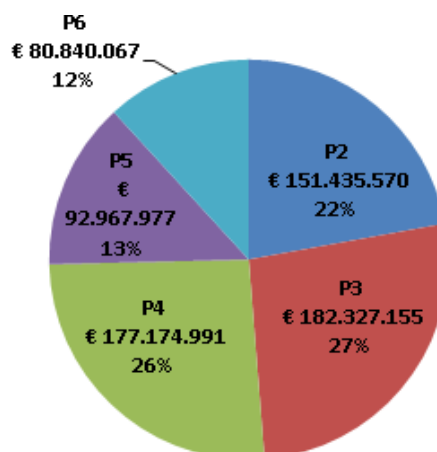
Sicily for M11 "Organic Farming" € 417.000.000 of public spending has been allocated of which the national contribution accounts for 18.85%<sup>497</sup>. All of the expenditure is categorised under Priority 4. Both submeasures (M11.1 "payment to convert to organic farming practices and methods" and M11.2 "payments to maintain organic farming practices and methods") are implemented.

Tuscany for M11 "Organic Farming" € 129.000.000 of public spending has been allocated of which the national contribution accounts for 13.41%<sup>498</sup>. All of the expenditure is categorised under Priority 4. Beneficiaries may make use of M01 and M02 in order to improve the environmental performances of agricultural and forestry biodiversity, management of water resources, soil fertility and prevention of geological disruption, diffusion of criteria for projecting and management of irrigation systems. Both submeasures (M11.1 "payment to convert to organic farming practices and methods" and M11.2 "payments to maintain organic farming practices and methods") are implemented.

#### M16 Co-operation

M16 "cooperation" receives € 684.745.761 of public spending of which 3.28 % is national contribution. Under Priority 3 27% of the total amount is spent, for Priority 4 26% is allocated, under Priority 2 22%, 13% for Priority 5 and 12% for Priority 6.

Figure 82 Division of aggregated budget for M16 in Italy over different priorities (P) for the 2014-2020 period



Source: Ecorys based on DG AGRI data (2016)

Emilia-Romagna M16 "cooperation" receives € 63.207.651 of public spending of which 5.31% is national contribution. Under Priority 3 34% of the total amount is spent, for Priority 4 28% is allocated, 19% for Priority 2, 16% under Priority 5 and 3% to Priority 6.

<sup>495</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

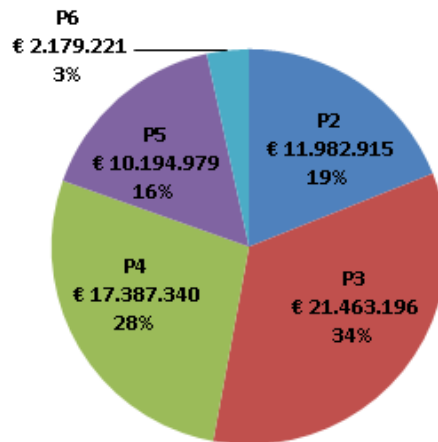
<sup>496</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>497</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>498</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

The measure pursues the objectives of favouring multiple forms of cooperation between farms and between farms, other subjects operating in the agro-food value chain, researchers and advisors. The following submeasures have been selected: M16.1; M16.3; M16.4; M16.5; M16.9

Figure 83 Division of aggregated budget for M16 in Emilia-Romagna over different priorities (P) for the 2014-2020 period

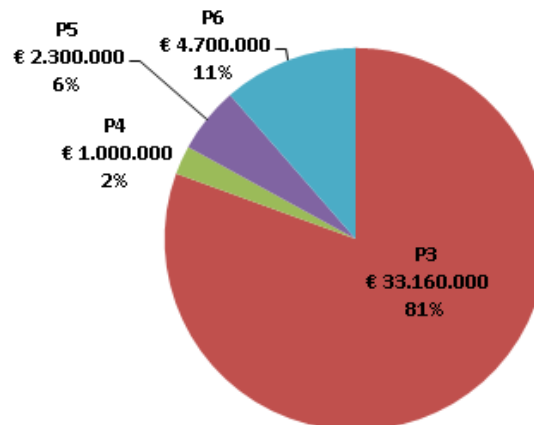


Source: Ecorys based on DG AGRI data (2016)

**Sicily** M16 “cooperation” receives € 41.160.000 of public spending of which 1.86% is national contribution. Under Priority 3 81% of the total amount is spent, for Priority 6 11%, 6% for Priority 5 and 2% under Priority 4.

The measure pursues the objectives of empowering the role of farms in project activities to realize together with research bodies in order to favour the inclusion in national and international networks, clusters, groups and partnerships. Following submeasures have been selected: M16.1; M16.2; M16.3; M16.4; M16.6; M16.8; M16.9

Figure 84 Division of aggregated budget for M16 in Sicily over different priorities (P) for the 2014-2020 period

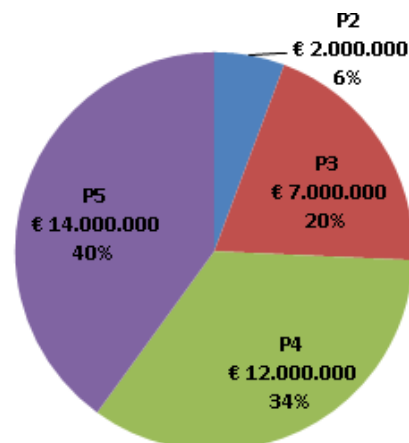


Source: Ecorys based on DG AGRI data (2016)

**Tuscany** M16 “cooperation” receives € 35.000.000 of public spending of which 3.64% is national contribution. Under Priority 5 40% of the total amount is spent, for Priority P4 34% is allocated, 20% for Priority 3 and 6% under Priority 2.

The measure pursues the objectives of reducing the distance and creating contact points between research and productive actors; reducing the distance between research projects and farms’ needs; improving the ability of the extension system in facilitating and accompanying farmers in adoption and implementing innovations on farms. Following submeasures have been selected: M16.1; M16.2; M16.3; M16.4; M16.5; M16.6; M16.8; M16.9

Figure 85. Division of aggregated budget for M16 in Tuscany over different priorities (P) for the 2014-2020 period



Source: Ecorys based on DG AGRI data (2016)

### M19 LEADER CLLD

The total aggregated CLLD budget allocated under the EAFRD in Italy is €1.187.434.913.

In **Emilia-Romagna**, the total CLLD budget allocated under the EAFRD in Italy is € 66.397.799. It will be carried out under a single thematic objective: promoting social inclusion and combatting poverty and any form of discrimination<sup>499</sup>. All funds are targeted under Priority 6 "Fostering local development in rural areas". Around 17.44 % of the rural population is intended to be covered under Local Development Strategy. The target is to create 111 jobs.<sup>500</sup>

In **Sicily**, the total CLLD budget allocated under the EAFRD in Italy is € 122.650.000. It will be carried out under a single thematic objective: promoting social inclusion and combatting poverty and any form of discrimination<sup>501</sup>. All funds are targeted under Priority 6 "Fostering local development in rural areas". Around 83.17 % of the rural population is intended to be covered under Local Development Strategy. The target is to create 495 jobs.<sup>502</sup>

In **Tuscany**, the total CLLD budget allocated under the EAFRD in Italy is € 58.000.000. It will be carried out under a single thematic objective: promoting social inclusion and combatting poverty and any form of discrimination<sup>503</sup>. All funds are targeted under Priority 6 "Fostering local development in rural areas". Around 30.13 % of the rural population is intended to be covered under Local Development Strategy. The target is to create 90 jobs.<sup>504</sup>

**Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.**

### Targeting of RDP measures

In Emilia-Romagna

Measures especially targeted at Young Farmers: measures M01, M02, M04 and M06.

Measures targeted at Small Farms: none

Measures targeted at Innovation Activities: measures M01 and M16.

In Sicily

Measures especially targeted at Young Farmers: measures M01, M02, M04 and M06.

Measures targeted at Small Farms: none

Measures targeted at Innovation Activities: measures M01, M02 and M16.

In Tuscany

Measures especially targeted at Young Farmers: measures M01, M02, M04 and M06.

Measures targeted at Small Farms: none

Measures targeted at Innovation Activities: measures M01, M02 and M16.

<sup>499</sup> Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme

<sup>500</sup> DG AGRI (2016): RDP factsheet Emilia-Romagna

<sup>501</sup> Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme

<sup>502</sup> DG AGRI (2016): RDP factsheet Sicily

<sup>503</sup> Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme

<sup>504</sup> DG AGRI (2016): RDP factsheet Tuscany

Approaches taken to financial support in RDP	<p>Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.</p>	
	<p>2 measures (M1 and M8) implemented in <b>Emilia-Romagna</b> are using the simplified cost option for submeasures M1.1; M8.1.1; M8.1.2; M8.1.3.</p> <p>10 measures (M1, M2, M3, M4, M5, M6; M7, M8, M10 and M16) implemented in <b>Sicily</b> are using the simplified cost option for submeasures M1.3; M2.1; M3.2; M4.1-2-3-4; M5.2; M6.1-2; M7.1-2-3; M8.6; M10.1-2; M16.1-2-3-4.</p> <p>For <b>Tuscany</b>, the use of simplified cost option is mentioned as requested/suggested by the Commission. However, no reference is found in the text of the RDP.</p>	
	<p>The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.</p>	
Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input checked="" type="checkbox"/> ERDF <input type="checkbox"/> ESF <input checked="" type="checkbox"/> EMFF

Table 11. Percentages of total public expenditure spent on each measure per RDP for Italy

	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12	M13	M14	M15	M16	M17	M19	M20
Italy - Rural Development Programme (National)	0,00%	0,00%	0,00%	13,60%	0,00%	0,00%	0,00%	0,00%	0,00%	4,71%	0,00%	0,00%	0,00%	0,00%	0,00%	4,36%	74,34%	0,00%	3,00%
Italy - Rural Network Programme	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%
Abruzzo	1,08%	1,19%	1,62%	29,16%	1,39%	12,25%	8,89%	3,01%	0,00%	12,93%	6,94%	0,00%	9,25%	0,00%	0,00%	3,33%	0,00%	5,55%	3,43%
Bolzano	0,38%	0,00%	0,00%	13,10%	0,00%	7,02%	5,13%	6,00%	0,00%	27,29%	2,46%	0,00%	31,93%	0,00%	0,00%	0,49%	0,00%	5,54%	0,66%
Emilia-Romagna	1,83%	0,71%	0,68%	29,14%	3,35%	8,80%	5,83%	4,30%	0,00%	14,79%	8,45%	0,70%	7,55%	0,88%	0,00%	5,31%	0,00%	5,58%	2,09%
Friuli-Venezia Giulia	1,69%	2,33%	1,15%	31,78%	0,00%	7,26%	5,69%	8,10%	0,34%	9,79%	2,36%	0,51%	13,51%	0,34%	0,00%	4,83%	0,00%	6,90%	3,42%
Lazio	0,86%	1,64%	0,70%	27,77%	2,28%	14,20%	7,94%	2,91%	0,31%	5,79%	14,74%	0,00%	5,64%	1,68%	0,00%	3,23%	0,00%	7,77%	2,50%
Liguria	1,62%	0,87%	1,51%	26,77%	2,02%	8,67%	6,76%	15,26%	0,41%	4,78%	3,85%	1,92%	9,62%	0,79%	0,00%	3,77%	0,00%	7,94%	3,43%
Lombardia	0,84%	3,52%	0,50%	35,33%	0,00%	5,92%	4,54%	8,92%	0,00%	20,76%	3,28%	0,29%	6,74%	0,00%	0,00%	1,49%	0,00%	5,70%	2,18%
Marche	1,97%	0,93%	2,04%	22,73%	2,42%	8,29%	5,39%	6,88%	0,37%	5,17%	14,87%	0,84%	7,99%	0,93%	0,19%	4,94%	0,00%	11,26%	2,79%
Piemonte	4,07%	3,11%	2,81%	26,64%	0,96%	5,58%	8,16%	3,53%	0,00%	24,10%	2,33%	0,44%	5,49%	0,00%	0,30%	3,22%	0,00%	6,07%	3,19%



				%						%									
<b>Toscana</b>	0,83%	3,96%	0,42%	29,49 %	3,12%	11,24 %	4,35%	14,89 %	0,00%	6,14%	13,43 %	0,00%	1,04%	0,00%	0,04%	3,64%	0,00%	6,04%	1,36%
<b>Trento</b>	0,83%	0,41%	0,00%	32,57 %	0,00%	5,64%	5,46%	3,32%	0,00%	17,02 %	0,90%	0,00%	24,29 %	0,00%	0,00%	1,94%	0,00%	5,97%	1,66%
<b>Umbria</b>	1,17%	2,20%	0,82%	23,18 %	2,05%	3,99%	11,76 %	9,17%	0,00%	16,14 %	3,89%	0,91%	7,19%	0,62%	0,57%	7,79%	0,00%	5,54%	3,00%
<b>Valle d'Aosta</b>	0,29%	0,00%	1,45%	19,28 %	0,00%	3,12%	5,51%	3,48%	0,00%	20,51 %	1,65%	0,58%	31,31 %	5,80%	0,00%	0,62%	0,00%	5,58%	0,82%
<b>Veneto</b>	1,96%	3,11%	1,51%	37,73 %	0,69%	11,12 %	4,37%	3,58%	0,00%	14,04 %	1,84%	0,00%	10,14 %	0,10%	0,00%	2,35%	0,00%	6,03%	1,43%
<b>Molise</b>	2,88%	3,84%	0,96%	26,38 %	0,00%	4,80%	14,39 %	5,76%	0,00%	6,71%	8,63%	0,00%	11,41 %	0,00%	0,00%	5,28%	0,00%	5,61%	3,36%
<b>Sardegna</b>	0,23%	1,22%	0,38%	19,86 %	1,15%	6,11%	4,84%	3,13%	0,38%	12,48 %	5,98%	0,00%	17,58 %	17,25 %	0,38%	2,42%	0,00%	5,85%	0,76%
<b>Basilicata</b>	1,34%	0,56%	0,85%	21,78 %	1,70%	8,51%	6,90%	13,34 %	0,24%	12,06 %	12,84 %	3,79%	4,16%	0,00%	0,00%	2,98%	0,00%	5,54%	3,43%
<b>Calabria</b>	0,72%	1,66%	2,34%	28,53 %	0,91%	4,75%	3,99%	9,12%	0,00%	7,04%	21,73 %	0,00%	6,77%	2,57%	0,00%	1,60%	0,00%	6,01%	2,25%
<b>Campania</b>	1,58%	0,76%	0,44%	31,04 %	0,57%	9,00%	8,35%	9,44%	0,27%	12,27 %	1,91%	0,00%	12,02 %	0,11%	1,80%	3,14%	0,00%	5,55%	1,75%
<b>Puglia</b>	1,53%	2,01%	1,10%	32,66 %	1,22%	10,38 %	1,22%	6,72%	0,31%	14,23 %	12,70 %	0,00%	0,00%	0,00%	0,00%	3,97%	0,00%	9,65%	2,31%
<b>Sicily</b>	0,41%	0,32%	0,50%	32,18 %	0,56%	11,06 %	1,72%	9,14%	0,00%	10,21 %	18,85 %	1,90%	4,63%	0,00%	0,18%	1,86%	0,00%	5,54%	0,96%

Table 12. Overview of public expenditure on Measure 1 to 10 for each RDP in Italy (in €)

	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10
Italy - Rural Development Programme (National)	€ -	€ -	€ -	€ 291.000.000	€ -	€ -	€ -	€ -	€ -	€ 100.800.000
Italy - Rural Network Programme	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Abruzzo	€ 4.650.000	€ 5.150.000	€ 7.000.000	€ 126.100.000	€ 6.000.000	€ 53.000.000	€ 38.470.000	€ 13.000.000	€ -	€ 55.916.790
Bolzano	€ 1.400.000	€ -	€ -	€ 48.006.522	€ -	€ 25.720.896	€ 18.779.104	€ 22.000.000	€ -	€ 100.000.000
Emilia-Romagna	€ 21.745.888	€ 8.436.809	€ 8.065.770	€ 346.710.939	€ 39.842.521	€ 104.748.785	€ 69.312.141	€ 51.147.999	€ -	€ 175.924.045
Friuli-Venezia Giulia	€ 5.000.000	€ 6.900.000	€ 3.400.000	€ 94.100.000	€ -	€ 21.500.000	€ 16.850.000	€ 24.000.000	€ 1.000.000	€ 29.000.000
Lazio	€ 6.644.889	€ 12.671.633	€ 5.439.536	€ 214.675.385	€ 17.616.679	€ 109.753.919	€ 61.359.114	€ 22.480.735	€ 2.379.796	€ 44.778.351
Liguria	€ 5.085.000	€ 2.740.000	€ 4.745.000	€ 83.955.000	€ 6.330.000	€ 27.200.000	€ 21.190.000	€ 47.870.000	€ 1.290.000	€ 15.000.000
Lombardia	€ 9.750.000	€ 40.800.000	€ 5.750.000	€ 409.000.000	€ -	€ 68.500.000	€ 52.500.000	€ 103.250.000	€ -	€ 240.300.000
Marche	€ 10.600.000	€ 5.000.000	€ 11.000.000	€ 122.300.000	€ 13.000.000	€ 44.600.000	€ 29.000.000	€ 37.000.000	€ 2.000.000	€ 27.800.000
Piemonte	€ 44.500.000	€ 34.000.000	€ 30.700.000	€ 291.000.000	€ 10.500.000	€ 61.000.000	€ 89.130.000	€ 38.550.000	€ -	€ 263.253.618
Toscana	€ 8.000.000	€ 38.000.000	€ 4.000.000	€ 283.200.000	€ 30.000.000	€ 108.000.000	€ 41.800.000	€ 143.000.000	€ -	€ 59.000.000
Trento	€ 2.500.000	€ 1.250.000	€ -	€ 98.200.000	€ -	€ 17.000.000	€ 16.471.000	€ 10.000.000	€ -	€ 51.300.000
Umbria	€ 10.300.000	€ 19.300.000	€ 7.200.000	€ 203.200.000	€ 18.000.000	€ 35.000.000	€ 103.056.354	€ 80.400.000	€ -	€ 141.500.000
Valle d'Aosta	€ 400.030	€ -	€ 2.000.132	€ 26.601.769	€ -	€ 4.300.285	€ 7.600.503	€ 4.800.320	€ -	€ 28.301.878

<b>Veneto</b>	€ 23.191.095	€ 36.873.840	€ 17.857.143	€ 446.892.393	€ 8.116.883	€ 131.725.417	€ 51.716.141	€ 42.439.703	€ -	€ 166.280.148
<b>Molise</b>	€ 6.000.000	€ 8.000.000	€ 2.000.000	€ 55.000.000	€ -	€ 10.000.000	€ 30.000.000	€ 12.000.000	€ -	€ 14.000.000
<b>Sardegna</b>	€ 3.000.000	€ 16.000.000	€ 5.000.000	€ 259.800.000	€ 15.000.000	€ 80.000.000	€ 63.268.875	€ 41.000.000	€ 5.000.000	€ 163.250.000
<b>Basilicata</b>	€ 9.090.909	€ 3.801.653	€ 5.785.124	€ 148.124.901	€ 11.570.248	€ 57.851.240	€ 46.897.197	€ 90.762.298	€ 1.652.893	€ 82.018.811
<b>Calabria</b>	€ 8.000.000	€ 18.347.107	€ 25.800.000	€ 314.860.182	€ 10.000.000	€ 52.432.380	€ 44.050.000	€ 100.661.157	€ -	€ 77.685.950
<b>Campania</b>	€ 29.000.000	€ 14.000.000	€ 8.000.000	€ 569.000.000	€ 10.500.000	€ 165.000.000	€ 153.000.000	€ 173.100.000	€ 5.000.000	€ 225.000.000
<b>Puglia</b>	€ 25.000.000	€ 33.000.000	€ 18.000.000	€ 535.000.000	€ 20.000.000	€ 170.000.000	€ 20.000.000	€ 110.000.000	€ 5.000.000	€ 233.000.000
<b>Sicily</b>	€ 9.000.000	€ 7.000.000	€ 11.000.000	€ 712.000.000	€ 12.500.000	€ 244.700.000	€ 38.000.000	€ 202.150.000	€ -	€ 226.000.000

Table 13. Overview of public expenditure on Measure 11 to 20 for each RDP in Italy (in €)

	M11	M12	M13	M14	M15	M16	M17	M19	M20
Italy - Rural Development Programme (National)	€ -	€ -	€ -	€ -	€ -	€ 93.200.000	€ 1.590.800.000	€ -	€ 64.200.000
Italy - Rural Network Programme	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 114.753.398
Abruzzo	€ 30.000.000	€ -	€ 40.000.000	€ -	€ -	€ 14.400.000	€ -	€ 24.000.000	€ 14.824.044
Bolzano	€ 9.000.000	€ -	€ 117.000.000	€ -	€ -	€ 1.800.000	€ -	€ 20.298.858	€ 2.400.000
Emilia-Romagna	€ 100.559.339	€ 8.356.554	€ 89.872.377	€ 10.500.000	€ -	€ 63.207.651	€ -	€ 66.397.799	€ 24.851.347
Friuli-Venezia Giulia	€ 7.000.000	€ 1.500.000	€ 40.000.000	€ 1.000.000	€ -	€ 14.300.000	€ -	€ 20.440.000	€ 10.141.725
Lazio	€ 113.890.288	€ -	€ 43.630.060	€ 13.003.891	€ -	€ 24.999.304	€ -	€ 60.021.229	€ 19.316.533
Liguria	€ 12.085.000	€ 6.020.000	€ 30.170.000	€ 2.480.000	€ -	€ 11.815.000	€ -	€ 24.890.000	€ 10.743.702
Lombardia	€ 38.000.000	€ 3.300.000	€ 78.000.000	€ -	€ -	€ 17.250.000	€ -	€ 66.000.000	€ 25.246.104
Marche	€ 80.000.000	€ 4.500.000	€ 43.000.000	€ 5.000.000	€ 1.000.000	€ 26.601.503	€ -	€ 60.560.000	€ 15.000.000
Piemonte	€ 25.500.000	€ 4.800.000	€ 60.000.000	€ -	€ 3.250.000	€ 35.150.000	€ -	€ 66.320.000	€ 34.800.000
Toscana	€ 129.000.000	€ -	€ 10.000.000	€ -	€ 391.999	€ 35.000.000	€ -	€ 58.000.000	€ 13.049.374
Trento	€ 2.700.000	€ -	€ 73.214.451	€ -	€ -	€ 5.835.000	€ -	€ 18.000.000	€ 5.000.000
Umbria	€ 34.100.000	€ 8.000.000	€ 63.000.000	€ 5.400.000	€ 5.000.000	€ 68.300.000	€ -	€ 48.600.000	€ 26.294.852
Valle d'Aosta	€ 2.276.153	€ 800.053	€ 43.202.869	€ 8.000.531	€ -	€ 850.056	€ -	€ 7.700.508	€ 1.130.074
Veneto	€ 21.799.629	€ -	€ 120.129.870	€ 1.159.555	€ -	€ 27.829.314	€ -	€ 71.428.571	€ 16.880.798

<b>Molise</b>	€ 18.000.000	€ -	€ 23.800.000	€ -	€ -	€ 11.000.000	€ -	€ 11.700.000	€ 7.000.000
<b>Sardegna</b>	€ 78.250.000	€ -	€ 230.000.000	€ 225.638.229	€ 5.000.000	€ 31.600.000	€ -	€ 76.600.000	€ 9.999.146
<b>Basilicata</b>	€ 87.310.017	€ 25.785.124	€ 28.264.463	€ -	€ -	€ 20.247.934	€ -	€ 37.699.390	€ 23.298.131
<b>Calabria</b>	€ 239.834.711	€ -	€ 74.700.000	€ 28.347.107	€ -	€ 17.700.000	€ -	€ 66.350.000	€ 24.793.388
<b>Campania</b>	€ 35.000.000	€ -	€ 220.416.000	€ 2.000.000	€ 33.000.000	€ 57.500.000	€ -	€ 101.778.557	€ 32.000.000
<b>Puglia</b>	€ 208.000.000	€ -	€ -	€ -	€ -	€ 65.000.000	€ -	€ 158.000.000	€ 37.880.992
<b>Sicily</b>	€ 417.000.000	€ 42.000.000	€ 102.400.000	€ -	€ 4.000.000	€ 41.160.000	€ -	€ 122.650.000	€ 21.187.107

**Table 14. Overview of public expenditure on Priority in Italy (in €)**

	P2	P3	P4	P5	P6
Italy - Rural Development Programme (National)	€ 0,00	€ 1.590.800.000,00	€ 194.000.000,00	€ 291.000.000,00	€ 0,00
Italy - Rural Network Programme	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Abruzzo	€ 121.150.000,00	€ 67.850.000,00	€ 139.516.789,58	€ 23.200.000,00	€ 65.970.000,00
Bolzano	€ 40.470.896,01	€ 36.356.522,26	€ 207.900.000,00	€ 40.200.000,00	€ 39.077.962,06
Emilia-Romagna	€ 229.815.433,67	€ 285.932.047,77	€ 421.471.243,04	€ 87.826.746,29	€ 139.783.144,71
Friuli-Venezia Giulia	€ 102.050.000,00	€ 20.650.000,00	€ 88.250.000,00	€ 26.270.000,00	€ 48.770.000,00
Lazio	€ 222.268.916,98	€ 115.487.119,68	€ 206.364.969,86	€ 86.332.019,94	€ 122.891.783,39
Liguria	€ 105.260.000,00	€ 29.090.000,00	€ 99.285.000,00	€ 24.865.000,00	€ 44.365.000,00
Lombardia	€ 339.150.000,00	€ 187.450.000,00	€ 363.200.000,00	€ 124.100.000,00	€ 118.500.000,00
Marche	€ 162.450.000,00	€ 48.600.000,00	€ 175.901.502,78	€ 41.400.000,00	€ 94.610.000,00
Piemonte	€ 269.998.538,96	€ 162.828.641,00	€ 360.221.437,85	€ 100.897.240,27	€ 163.707.759,75
Toscana	€ 238.200.000,00	€ 200.600.000,00	€ 297.291.999,07	€ 113.300.000,00	€ 98.000.000,00
Trento	€ 76.100.000,00	€ 15.727.500,00	€ 149.424.451,00	€ 20.812.500,00	€ 34.406.000,00
Umbria	€ 218.028.000,00	€ 103.405.000,00	€ 249.010.000,00	€ 96.000.000,00	€ 183.913.354,36
Valle d'Aosta	€ 29.271.948,05	€ 12.400.823,28	€ 79.461.280,16	€ 100.006,96	€ 15.601.029,68
Veneto	€ 448.805.658,62	€ 131.377.551,03	€ 375.579.777,36	€ 73.798.701,29	€ 137.878.014,84
Molise	€ 55.600.000,00	€ 21.500.000,00	€ 75.800.000,00	€ 3.500.000,00	€ 45.100.000,00
Sardegna	€ 259.010.000,00	€ 328.106.559,17	€ 491.963.330,00	€ 57.988.340,00	€ 161.338.875,00
Basilicata	€ 124.785.123,97	€ 89.819.115,68	€ 297.198.562,75	€ 43.388.429,75	€ 101.670.966,94
Calabria	€ 280.885.256,19	€ 161.251.950,41	€ 434.567.966,93	€ 88.879.537,19	€ 113.183.884,30
Campania	€ 582.655.257,01	€ 111.946.644,00	€ 711.395.711,01	€ 104.123.188,00	€ 291.173.757,01
Puglia	€ 583.000.000,00	€ 176.000.000,00	€ 556.000.000,00	€ 107.000.000,00	€ 178.000.000,00

Sicily	€ 680.071.652,89	€ 216.000.000,00	€ 1.051.230.000,00	€ 7.990.000,00	€ 236.268.347,12
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**Table 15. Overview of public expenditure on Priority in Italy (in %)**


	P2	P3	P4	P5	P6
Italy - Rural Development Programme (National)	0%	74%	9%	14%	0%
Italy - Rural Network Programme	0%	0%	0%	0%	0%
Abruzzo	28%	16%	32%	5%	15%
Bolzano	11%	10%	57%	11%	11%
Emilia-Romagna	19%	24%	35%	7%	12%
Friuli-Venezia Giulia	34%	7%	30%	9%	16%
Lazio	28%	15%	26%	11%	16%
Liguria	34%	9%	32%	8%	14%
Lombardia	29%	16%	31%	11%	10%
Marche	30%	9%	33%	8%	18%
Piemonte	25%	15%	33%	9%	15%
Toscana	25%	21%	31%	12%	10%
Trento	25%	5%	50%	7%	11%
Umbria	25%	12%	28%	11%	21%
Valle d'Aosta	21%	9%	57%	0%	11%
Veneto	38%	11%	32%	6%	12%
Molise	26%	10%	36%	2%	21%
Sardegna	20%	25%	38%	4%	12%
Basilicata	18%	13%	44%	6%	15%
Calabria	25%	15%	39%	8%	10%
Campania	32%	6%	39%	6%	16%
Puglia	36%	11%	34%	7%	11%







# Latvia

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€1.41 billion <sup>505</sup>	€ 969 million <sup>506</sup>				
Level of implementation	National	1 RDP <sup>507</sup>				
DP (P.I) yearly national ceilings <sup>508</sup>	2015	2016	2017	2018	2019	2020
	€ 181,000,000	€ 205,700,000	€ 230,300,000	€ 255,000,000	€ 279,800,000	€ 302,800,000
Summary of P.I Direct Payment schemes	Single Area Payment Scheme		53 %			
	"Greening" Payment		30%			
	Payment for Young Farmers		From 1,5% in 2015 to 1,05% in 2020			
	Coupled Support		Up to 15 % and 2% for protein crops			
	Small Farmers Scheme		Up to €500 per Small Farmer			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input type="checkbox"/> No flexibility		<input checked="" type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I	
Latvia decided to apply flexibility from Pillar I to Pillar II (7,46% of the national ceiling). <sup>509</sup>						
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Latvia has identified the following criteria for "active farmer"<sup>510</sup>:</p> <ul style="list-style-type: none"> <li>Latvia will maintain a negative list (art. 9(2)).</li> <li>A person or a group of persons which fall under the scope of art. 9 (2) can be regarded an active farmer if they can demonstrate with verifiable evidence <ul style="list-style-type: none"> <li>that the agricultural activities are not insignificant (i.e. that it accounts for at least 1/3 of the total receipts in the previous accounting year).</li> <li>Agricultural activity is considered as principal if its turnover (net sales and the EU and the state support to agricultural activity) account for the largest share in the total turnover in the previous accounting year</li> </ul> </li> <li>Latvia decided not to implement any additional economic or professional requirements (art. 9 (3)).</li> </ul> <p>The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €5000 in the previous year<sup>511</sup>.</p>					

<sup>505</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>506</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>507</sup> DG AGRI data on RDPs (2016)

<sup>508</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>509</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.116.

<sup>510</sup> DG AGRI data (2016) AF Notification 1-08-2014.

Single Area Payment Scheme	Member States have the possibility to make a series of choices concerning Single Area Payment Scheme . These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.		
	53,5 % of national ceiling	<input type="checkbox"/> National model (single region)	<input type="checkbox"/> Partial internal convergence
		<input checked="" type="checkbox"/> SAPS	<input type="checkbox"/> Flat payment
<p>Latvia has allocated on average € 133 million annually to basic payments in the form of SAPS.. The amount increases from € 99,7 million in 2015 to € 166,8 million in 2020.</p> <p>Further key decisions taken by Latvia concerning basic payments are:</p> <ul style="list-style-type: none"> <li>• SAPS represents 53,5 % of the national ceiling for Pillar I<sup>512</sup>;</li> <li>• The level of implementation is national considering the whole territory as a single region<sup>513</sup>;</li> <li>• Latvia implements a transitional national payment</li> </ul>			
Reduction of payments	Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.		
	<input checked="" type="checkbox"/> Degressivity: 5 %	<input type="checkbox"/> Redistributive payment	
	<input checked="" type="checkbox"/> Threshold: € 150,000		
<input type="checkbox"/> Application:			
Latvia decided to implement 5% of reduction of payments for the part of the amount exceeding €150,000 <sup>514515516</sup> . Salaries linked to an agricultural activity paid and declared by the farmer, including taxes and social contributions, will be subtracted from the amount payments received before the application of the reduction <sup>517</sup> .			
Greening	Member States have to allocate 30% of the national ceiling to the ‘green payment’. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply ‘equivalent practices’, either via the agri-environment-climate measure under the rural development policy or via a national or regional ‘certification scheme’.		
	<b>Green payment</b>		
	<input type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> Flat payment	<input type="checkbox"/> Individual payment
	<b>Permanent grassland</b>		
	Total area of ESPG in Natura 2000: 1,797 ha (2.8 %)	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> National application
	<b>Ecological Focus Areas</b>		
<b>8 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input checked="" type="checkbox"/> Forest cover derogation

<sup>511</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>512</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>513</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>514</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.167.

<sup>515</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>516</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

<sup>517</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.167.

30% of Latvia's national ceiling<sup>518</sup> which corresponds to over €54.3 million in 2015 and to €90 million in 2020 is allocated to greening<sup>519</sup>. The implementation of the greening payments will be done at national level<sup>520</sup>.

Latvia made the following implementation choices concerning the greening payment:

- It will not implement any equivalent practices<sup>521</sup>;
- The ratio and obligation for permanent grassland is calculated at national level, about 62,634 hectares are currently covered<sup>522</sup>; 1,797 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 2.8% of the total permanent grassland<sup>523</sup>. No ESGP is designated outside Natura 2000<sup>524</sup>.
- Latvia has decided to focus on the following 8 Ecological Focus Areas<sup>525</sup>:
  - Land lying fallow
  - Four landscape features: trees in groups, field margins, ponds and other (protected stones, trees and tree alleys).
  - Buffer strips: 10m min width and the use of fertilisers is not allowed; other buffer strips: from 2 to 6m width.
  - Areas with catch crops or green cover: 1 crop family.
  - Areas with nitrogen fixing crops: 10 NFC – galega, birds foot-trefoil, lupin, alfalfa, sweet clover, sainfoin, pea, clover, vetch (exc. faba bean) and faba bean.

**Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.**

**1,25 % of national ceiling**

**Payment for Young Farmers**

Latvia has decided to allocate 1,25% of the national ceiling to Young Farmers (1,75% in 2015) which corresponds to € 3,8 million in 2020.

Table 5. Overview of difference between the years in % of the national ceiling

2015	2016	2017	2018	2019	2020
1,75%	1,25%	1,25%	1,25%	1,25%	1,25%

There is no additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25 % of SAPS multiplied by the number of eligible hectares that the farmer has declared. The threshold of eligible payment entitlements is set at 90ha.

**Member States are allowed to choose to implement the coupled support for different sectors or regions.**

**Coupled support as % of national ceiling:**  
15%

**Support for protein crops as % of national ceiling:** 2 %

**Voluntary coupled support**

In Latvia, 15% (13%+2%) of the national ceiling (which corresponds to €27 million in 2015 to € 45 million in 2020) is allocated to Voluntary Coupled Support (VCS), this includes 2% of their national ceiling for protein crops<sup>526</sup>. The sectors covered by VCS are beef and veal, cereals, fruit and vegetables, milk and milk products, oilseeds, protein crops, seeds, sheep meat and goat meat and starch potato. Throughout the planning period the amounts slightly change, but their overall distribution remains stable.<sup>527</sup>

The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period.

<sup>518</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>519</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>520</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>521</sup> DG AGRI data on Greening payment method of calculation (2016)

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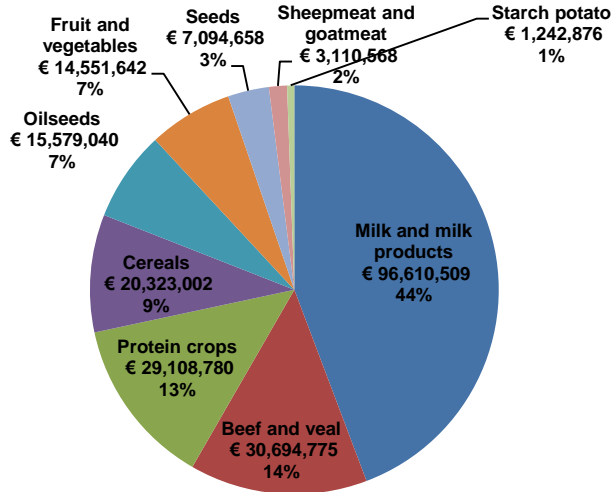
<sup>524</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>525</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

<sup>526</sup> VCS – Sectors, amount per sector MS, year (Form 7).xls

<sup>527</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

Figure 86 Shares of budget allocated per sector for VCS in Latvia as a total of all years



Source: Ecorys based on DG AGRI data

**Other voluntary schemes under Pillar I**  
 Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers

Payment for areas with natural constraints     **Small farmers**

The voluntary schemes for areas with natural constraints is not implemented in Latvia. The small farmer scheme is implemented as a lump sum payment. The annual amount of support per farmer is set at a maximum of € 500.

Yearly Union Support for P.II <sup>528</sup>	2014	2015	2016	2017	2018	2019	2020
€	138.327.376	150.968.424	153.066.059	155.139.289	157.236.528	159.374.589	161.491.517

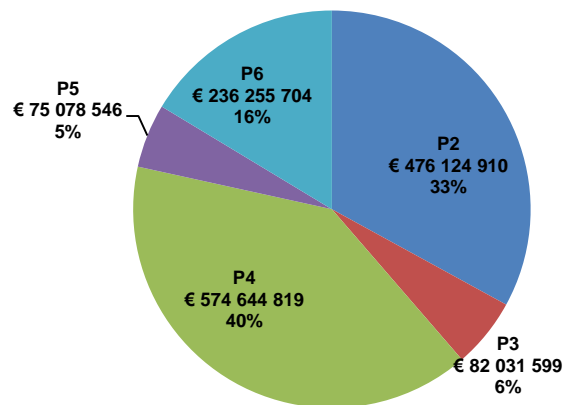
Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures
	€ 33.039.113 2,2%	68 %	M1.1: Support for vocational training and skills acquisition actions; M1.2: Support for demonstration activities and information actions; M1.3: Support for short-term farm and forest management exchange as well as farm and forest visits.
€ 10.445.190 0,7%	68 %	M2.1 support to help benefiting from the use of advisory services	
€ 490.013.787 32,0%	70 %	M4.1: support for investments in agricultural holdings; M4.2: support for investments in processing/marketing and/or development of agricultural products;	
€ 5.000.000 0,3%	68 %	M4.3: support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry M5.1: support for investments in preventive actions aimed at reducing the consequences of probable natural disasters, adverse climatic events and catastrophic events;	

<sup>528</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

			M5.2: support for investments for the restoration of agricultural land and production potential damaged by natural disasters, adverse climatic events and catastrophic events.
€ 95.184.869 6,2%	68 %	M6.1: business start-up aid for young farmers;	
		M6.3: business start-up aid for the development of small farms; M6.4: support for investments in creation and development of non-agricultural activities;	
€ 126.635.591 8,3%	68 %	M7.2: support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving;	
€ 36.863.553 2,4%	68 %	M8.1: support for afforestation/creation of woodland (Article 21);	
		M8.3: support for prevention of damage to forests from forest fires and natural disasters and catastrophic events (Article 23);	
		M8.4: support for restoration of damage to forests from forest fires and natural disasters and catastrophic events (Article 24);	
		M8.5: support for investments improving the resilience and environmental value of forest ecosystems (Article 25);	
€ 2.780.187 0,2%	68 %	M9: setting up of producer groups and organisations	
€ 111.589.619 7,3%	68 %	M10.1: payment for agri-environment-climate commitments	
€ 151.901.540 9,9%	68 %	M11.1 payment to convert to organic farming practices and methods	
		M11.2 payment to maintain organic farming practices and methods	
€ 24.093.715 1,6%	68 %	M12.2 compensation payment for Natura 2000 forest areas	
€ 267.499.900 17,5%	76 %	M13.2: compensation payment for other areas facing significant natural constraints	
		M13.3: compensation payment to other areas affected by specific constraints	
€ 10.000.000 0,7%	68 %	M17.1 crop, animal and plant insurance premium	
€ 79.088.515 5,2%	68 %	M19: support for LEADER local development (CLLD)	
€ 63.270.809 4,1%	68%	M20: technical assistance	

<b>Key focus areas for rural development</b>	Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).	
	<input checked="" type="checkbox"/> National RDP	<input type="checkbox"/> Regional RDP
	The total RDP budget for Latvia is at around € 1,444 million for the entire planning period. Latvia has allocated the most significant part of this budget (40%) to Priority 4 "Restoring, preserving and enhancing ecosystems related to agriculture and forestry" followed by 33% to Priority 2 "Competitiveness of agriculture and sustainable forestry", 16% to Priority 6 "Social inclusion and local development in rural areas" and 6% to Priority 3 "Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture". The following figure provides an overview of the shares by Priority in millions of euro.	

Figure 87 Budget allocated per Priority in Latvia



Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

### Overview

Latvia has decided to offer 15 measures. In terms of budget allocation the highest amounts are allocated to:

- M 4 “Investments in physical assets” (€ 490.013.787);
- M13 “Payments to areas facing natural or other specific constraints” (€ 267.499.900);
- M11 “Organic farming” (€151.901.540);

### M01 Knowledge Transfer and Innovation actions

Latvia allocated 2% of the total RDP budget to knowledge transfer and information actions. The focus of this measure will lie on theoretical and practical, as well as specific further education training in other countries (expected duration of the training is 16 - 160 h), and visits to holdings and woods (longing up to 6 days) dedicated to particular subjects targeted at companies (especially SME) and persons, who are involved in agriculture, food manufacturing or forestry, as well as managers of land and wood. Also, on-farm demonstrations (lasting at least one year) are envisioned – demonstrating advantages of some agrotechnical method, technological process, species of crops or animals, which are examined in researches (by field-day, public seminar and information on website).

### Investment measures (M04, M05, M06, M07, M08)

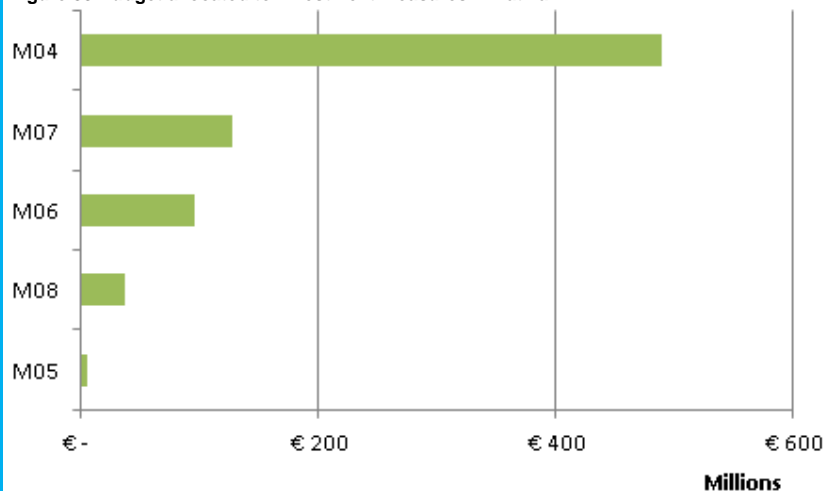
Latvia implemented investment measures:

- M4 “Investments in physical assets” (€ 490.013.787);
- M5 “Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate preventive actions” (€5.000.000);
- M6 “Farm and business development (€ 95.184.869);
- M7 “Basic services and village renewal in rural areas” (€ 126.635.591); and
- M8 “Investments in forest area development and improvement of the viability of forests”(€ 36.863.553).

The following figure illustrates the budget allocation per investment measure.



**Figure 88 Budget allocated to investment measures in Latvia**



Source: Ecorys based on DG AGRI data (2016)

For the investment measures M6 the links to intended job creation are explicitly made as they are implemented with the intention of making easier the entrance in agricultural sector, labour force renewal; promoting diversification, establishment and development of small enterprises, and creation of places of employment; and promoting competitiveness of agricultural holdings, especially small and medium-sized, by increasing their productivity, supporting cooperation and market availability. M7 also is designed to promote diversification, establish and develop small enterprises, and creation of places of employment.

Public support for investment in fixed assets necessary for production development are assumed with support rates generally ranging from 20 to 40 % (M4, M6.4). Infrastructure and public good related measures are fully or almost fully publicly financed (M5, M7, M8). Support of some measures are based on lump sum approach subject to business plan (M6.1, M6.3)

There is no focus on non-productive investments in any of the measures.

Investments in existing drainage systems are also covered by these investment measures (i.e. M4.3).

#### **M10 Agri-Environment-Climate and M11 Organic Farming**

Latvia spends on M10 "Agri-environment-climate" € 111,6 million of which the national contribution is 32%<sup>529</sup>. All of the expenditure is categorised under Priority 4.

Preservation of biodiversity in grasslands: support is granted to farmers (natural persons or legal entities), as well as other land managers, who operate agricultural economic activity in eligible territory (of at least 1ha), which consists of biologically valuable grassland; biotopes or bird habitats of EU significance, undertaking five-year commitments related to management of these grasslands by grazing or cutting.

Introduction and promotion of integrated gardening: support is granted to farmer (natural persons or legal entities) growing gardening products by applying integrated growing methods in five-year commitment period. Eligible support recipient shall operate agricultural economic activity on eligible UAA (of at least 1ha) and be registered in the State Plant Protection Service's Integrated growing register of agricultural products.

"Stubble-field during the winter period": is granted to farmers (natural persons or legal entities), who operate agricultural economic activity in eligible territory (of at least 10 ha), undertaking five-year commitments to preserve uncultivated residues of cultivated plants – stubble – after the harvesting up to March 31 and not using any mineral fertilizers and plant protection products.

For M11 "Organic Farming" € 152 million of public spending has been allocated of which the national contribution accounts for 32 %<sup>530</sup>. All of the expenditure is categorised under Priority 4. Beneficiaries should complete a training course and participate in advisory services in order to retain the payment under this measure<sup>531</sup>.

Both submeasures (M11.1 "payment to convert to organic farming practices and methods" and M11.2 "payments to maintain organic farming practices and methods") are implemented.

Beneficiaries are farmers (natural persons or legal entities) producing organic farming products

<sup>529</sup> DG AGRI data (2016). EAFRD Financial Plan by measure


<sup>530</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>531</sup> Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme.

Targeting of RDP measures	<p>or being in the transfer process to the production of organic farming products and complying with the conditions of active farmer. Eligible support recipient shall operate agricultural economic activity on eligible UAA (of at least 1 ha) and the farm shall be included in the control system of biologic farming (according to R834/2007). Beneficiaries should also participate in training courses on organic farming (transition farms) and preserve minimum of 0.3 LU per grassland ha. The commitment period is five years; farms being in transition for organic farming completing two-year commitments can proceed by other three-year commitments.</p> <p><b>M16 Co-operation</b> The measure 16 “Cooperation” has not been retained by Latvia.</p> <p><b>M19 LEADER CLLD</b> The total CLLD budget allocated under the EAFRD in Latvia is € 79 million. All funds are targeted under Priority 6 “Fostering local development in rural areas”. Around 64,6% of the rural population is intended to be covered under Local Development Strategy. The target is to create 200 jobs.<sup>532</sup></p> <p><b>Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.</b></p>	
	<p>Measures especially targeted at Young Farmers: M01, M02, M04 and M06. Measures targeted at Small Farms: none Measures targeted at Innovation Activities: M01, M02 and M16.</p>	
	<p><b>Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.</b></p>	
Approaches taken to financial support in RDP	<p>Investments in forest area development and improvement of the viability of forests measure (M8) is using the simplified cost option for all its submeasures (M8.1, M8.3, M8.4, M8.5).</p> <p>There is no use of financial instrument in the current RDP but a Single Development Financial Institution is planned to be established in the future, and after that “Credit fund” will be introduced. RDP will be amended accordingly.</p>	
Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	<p><b>The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.</b></p>	
	Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> <u>Yes</u> <input type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input type="checkbox"/> ERDF <input type="checkbox"/> ESF <input checked="" type="checkbox"/> <u>EMFF</u>

<sup>532</sup> DG AGRI (2016): RDP factsheet

# Lithuania

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€2,73 billion <sup>533</sup>	€ 1,61 billion <sup>534</sup>				
Level of implementation	National	1 RDP <sup>535</sup>				
DP (P.I) yearly national ceilings <sup>536</sup>	2015	2016	2017	2018	2019	2020
	€ 417,900,000	€ 442,500,000	€ 467,100,000	€ 492,000,000	€ 517,000,000	€ 517,000,000
Summary of P.I Direct Payment schemes	Single Area Payment Scheme		38 %			
	"Greening" Payment		30%			
	Payment for Young Farmers		1,75% in 2015 and 1,25% from 2016			
	Coupled Support		Up to 15 % and 3;45% for protein crops			
	Small Farmers Scheme		Not implemented			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input checked="" type="checkbox"/> No flexibility	<input type="checkbox"/> P.I to P.II	<input type="checkbox"/> P.II to P.I			
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Lithuania has identified the following criteria for "active farmer"<sup>537</sup>:</p> <ul style="list-style-type: none"> <li>Lithuania specifies the following criteria regarding minimum activity definition (art.4.2.b); <ul style="list-style-type: none"> <li>All applicants are required to maintain the agricultural activity criteria: <ul style="list-style-type: none"> <li>For Pastures and meadows: (i) Meadows have to be mowed or grazed completely annually until July 15th., (ii) During the growth season in the field should not be weeds that smothers vegetation, are stubborn, or with ripen or spread seeds, (iii) Meadow grass rolls should be removed from the field until September 15th if the area is liable to flooding</li> <li>For fallowing: (i) No current year production could be grown in land laying fallow, (ii) Land laying fallow should be cultivated</li> </ul> </li> </ul> </li> <li>Lithuania will not maintain a negative list (art. 9(2)).</li> <li>Lithuania decided not to implement any additional economic or professional requirements (art. 9 (3)).</li> <li>Lithuania set out minimum requirements for receiving Direct Payments: <ul style="list-style-type: none"> <li>Physical threshold: 1ha (or below for farmers with animal related VCS).</li> </ul> </li> </ul> <p>The exemption threshold for the active farmer clause is applicable to recipients who receive less</p>					

<sup>533</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>534</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>535</sup> DG AGRI data on RDPs (2016)

<sup>536</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>537</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	than €500 in the previous year <sup>538</sup> .		
Basic Payments SAPS	Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.		
	38,25% of national ceiling	<input type="checkbox"/> National model (single region)	<input type="checkbox"/> Partial internal convergence
		<input checked="" type="checkbox"/> SAPS	<input type="checkbox"/> Flat payment
	<input type="checkbox"/> Regional model		
	Lithuania has allocated on average € 180 million annually to basic payments. The amount increases from € 159,8 million in 2015 to € 197,7 million in 2020.		
	Further key decisions taken by Lithuania concerning basic payments are: <ul style="list-style-type: none"> <li>• SAPS represent 38,25 % of the national ceiling for Pillar<sup>539</sup>;</li> <li>• The level of implementation is national considering the whole territory as a single region<sup>540</sup>;</li> <li>• Lithuania does not implements a transitional national payment</li> </ul>		
Reduction of payments	Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.		
	<input type="checkbox"/> Degressivity: not implemented	<input checked="" type="checkbox"/> Redistributive payment (15%)	
	<input type="checkbox"/> Threshold: not implemented		
<input type="checkbox"/> Application: not implemented			
	Lithuania has decided not to implement reduction of payment. Lithuania will apply redistributive payment at 15% of its national ceiling in order to support farms with less than 30 Hectares. The estimated amount of redistributive payment is 50 euro/ha (30% of the national average).		
Greening	Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.		
	<b>Green payment</b>		
	<input type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> Flat payment	<input type="checkbox"/> Individual payment
	<b>Permanent grassland</b>		
	Total area of ESPG in Natura 2000: 291,35 ha (42 %)	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> National application
	<b>Ecological Focus Areas</b>		
2 types of EFAs	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation
	30% of Lithuania's national ceiling <sup>541</sup> which corresponds to over € 125 million in 2015 and to € 155 million in 2020 is allocated to greening <sup>542</sup> . The implementation of the greening payments will be done at national level <sup>543</sup> .		

<sup>538</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>539</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>540</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>541</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

	<p>Lithuania made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• Lithuania has decided to apply the a uniform greening payment per hectare<sup>544</sup>;</li> <li>• It will not implement any equivalent practices<sup>545</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 68.880 hectares are currently covered<sup>546</sup>; 29.135 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 42% of the total permanent grassland<sup>547</sup>. No ESGP is designated outside Natura 2000<sup>548</sup>.</li> <li>• Lithuania has decided to focus on the following 2 Ecological Focus Areas<sup>549</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow</li> <li>○ Areas with nitrogen fixing crops: 10 NFC: lentil, birds foot trefoil, lupin, alfalfa, sweet clover, sainfoin, bird's foot, pea, clover, vetch (exc. Faba bean) and faba bean.</li> <li>○ From 2018, four landscape features: trees in line, group of trees, ponds and ditches.</li> </ul> </li> </ul>	
<b>Payment for Young Farmers</b>	<p><b>Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.</b></p>	
	<table border="1"> <tr> <td data-bbox="411 633 874 674"> <b>1,25 % of national ceiling</b> </td> <td data-bbox="874 633 1339 674"></td> </tr> </table> <p>Lithuania has decided to allocate 1,25% of the national ceiling to Young Farmers (1,75% in 2015) which corresponds to € 6,5 million in 2020.</p> <p>There will be additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25 % of SAPS multiplied by the number of activated ha. The threshold of eligible payment entitlements is set at 90 ha.</p>	<b>1,25 % of national ceiling</b>
<b>1,25 % of national ceiling</b>		
<b>Voluntary coupled support</b>	<p><b>Member States are allowed to choose to implement the coupled support for different sectors or regions.</b></p>	
	<table border="1"> <tr> <td data-bbox="411 969 874 1025"> <input checked="" type="checkbox"/> <b>Coupled support as % of national ceiling:</b> 15% </td> <td data-bbox="874 969 1339 1025"> <input checked="" type="checkbox"/> <b>Support for protein crops as % of national ceiling:</b> 3,45% </td> </tr> </table> <p>In Lithuania, 15 % of the national ceiling (which corresponds to € 62 million in 2015 and to € 77 million in 2020) is allocated to Voluntary Coupled Support (VCS). Lithuania has decided to additionally allocate the 3,45% VCS buffer for protein crops only<sup>550</sup>. Five sectors are covered by VCS: milk and milk products, beef and veal, protein crops, fruit and vegetables and sheep meat and goat meat. Throughout the planning period the amounts slightly change, but their overall distribution remains stable.<sup>551</sup></p> <p>The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period</p>	<input checked="" type="checkbox"/> <b>Coupled support as % of national ceiling:</b> 15%
<input checked="" type="checkbox"/> <b>Coupled support as % of national ceiling:</b> 15%	<input checked="" type="checkbox"/> <b>Support for protein crops as % of national ceiling:</b> 3,45%	

<sup>542</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>543</sup> DG AGRI data on Greening payment method of calculation (2016)

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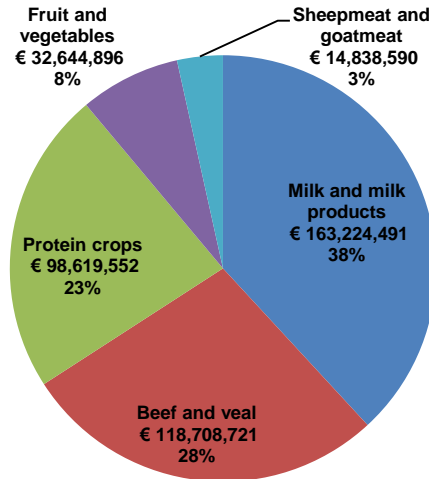
<sup>548</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>549</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

<sup>550</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>551</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

Figure 89 Shares of budget allocated per sector for VCS in Lithuania as a total of all years



Source: Ecorys based on DG AGRI data

Other voluntary schemes under Pillar I	Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers
	<input type="checkbox"/> Payment for areas with natural constraints <input type="checkbox"/> Small farmers
	Lithuania does not implement any other voluntary schemes. A support to small farmers is provided under the redistributive payment scheme.

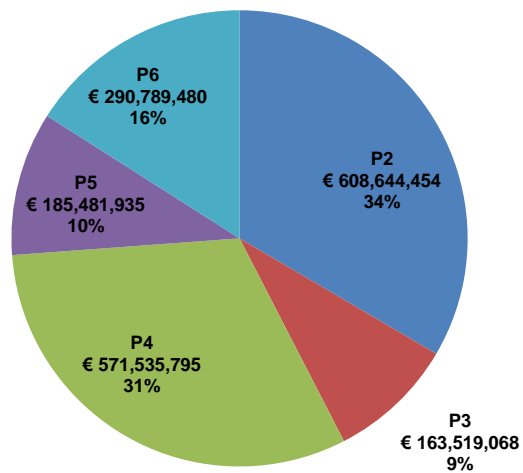
Yearly Union Support for P.II <sup>552</sup>	2014	2015	2016	2017	2018	2019	2020
€	230.392.975	230.412.316	230.431.887	230.451.686	230.472.391	230.483.599	230.443.386

Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures
	€ 23.439.459 1,2%	85 %	M1.1: Support for vocational training and skills acquisition actions; M1.2: Support for demonstration activities and information actions;
	€ 4.588.235 0,2%	85 %	M2.1 support to help benefiting from the use of advisory services
	€ 4.224.706 0,2%	85 %	M3.1 support for new participation in quality schemes
	€ 620.349.147 31,4%	75-85 %	M4.1: support for investments in agricultural holdings; M4.2: support for investments in processing/marketing and/or development of agricultural products; M4.3: support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry; M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.
	€ 223.721.981 11,3 %	85 %	M6.1: business start-up aid for young farmers; M6.2: business start-up aid for non-agricultural activities in rural areas; M6.3: business start-up aid for the development of small farms; M6.4: support for investments in creation and development of non-agricultural activities;

<sup>552</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

	€ 76.110.778 3,8%	85 %	M7.2: support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving; M7.3: support for broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government; M7.6: support for studies/investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites including related socioeconomic aspects, as well as environmental awareness actions;
	€ 122.383.679 6,2%	75-85 %	M8.1: support for afforestation/creation of woodland (Article 21); M8.3: support for prevention of damage to forests from forest fires and natural disasters and catastrophic events (Article 23); M8.4: support for restoration of damage to forests from forest fires and natural disasters and catastrophic events (Article 24); M8.5: support for investments improving the resilience and environmental value of forest ecosystems (Article 25); M8.6: support for investments in forestry technologies and in processing, mobilising and marketing of forest products (Article 26).
	€ 1.788.829 0,1%	85 %	M9: setting up of producer groups and organisations
	€ 142.415.323 7,2%	75 %	M10.1: payment for agri-environment-climate commitments
	€ 241.146.124 12,2%	75 %	M11.1 payment to convert to organic farming practices and methods M11.2 payment to maintain organic farming practices and methods
	€ 6.564.733 0,3%	75 %	M12.1 compensation payment for Natura 2000 agricultural areas M12.2 compensation payment for Natura 2000 forest areas
	€ 287.036.067 14,5%	75 %	M13.2: compensation payment for other areas facing significant natural constraints M13.3: compensation payment to other areas affected by specific constraints
	€ 1.274.332 0,1%	75 %	15.1 payment for forest-environmental and climate commitments 15.2 support for the conservation and promotion of forest genetic resources
	€ 23.963.448 1,2%	85 %	M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability M16.3 Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets
	€ 17.460.285 0,9%	85 %	M17.1 crop, animal and plant insurance premium
	€ 113.865.052 5,8%	85 %	M19: LEADER and CLLD
	€ 67.439.447 3,4%	85 %	M20: Technical assistance to Member States
Key focus areas for rural development	Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).		
	<input checked="" type="checkbox"/> National RDP		<input type="checkbox"/> Regional RDP
	The total RDP budget for Lithuania is at around € 1 613 million for the entire planning period. Lithuania has allocated around one third of this budget to Priority 2 "Enhancing farm viability and competitiveness" and to the Priority 4 "Restoring, preserving and enhancing ecosystems". The following figure provides an overview of the shares by Priority in millions of euro.		

Figure 90 Budget allocated per Priority in Lithuania



Source: Calculations Ecorys based on DG AGRI data (2016)

Use of  
measures in  
RDPs

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.



## Overview

Lithuania has decided to offer 17 measures. In terms of budget allocation the highest amounts are allocated to:

- M4 "investments in physical assets" (€ 620.349.147);
- M13 "payments to areas facing natural or other specific constraints" (€ 287.036.067);
- M06 "farm and business development" (€ 223.721.981).

## M01 Knowledge Transfer and Innovation actions

Lithuania allocated 1,19% of the total RDP budget to knowledge transfer and innovation actions. Knowledge transfer measure is implemented as formal training program of farming basics and (or) non-formal education programs, which are approved by the LEADER Programme and Farmers Training Methodology Center. The target areas – lifelong learning and vocational training in the agricultural and forestry sectors; improving economic performance and facilitating farm restructuring and modernization; the facilitation of suitably qualified farmers to start operations in the agricultural sector; the economic value of forestry and forest areas of development. The implementing rules are not yet approved for the demonstration projects and information actions.

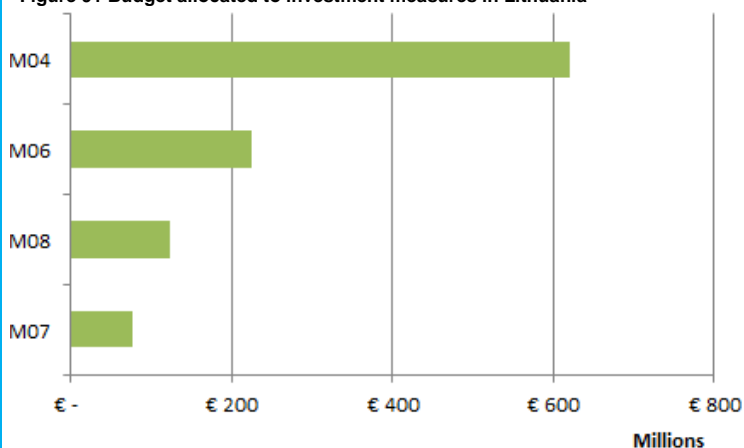
## Investment measures (M04, M05, M06, M07, M08)

Lithuania implemented investment measures:

- M4 "Investments in physical assets" (€620.349.147);
- M6 "Farm and business development (€ 223.721.981);
- M7 "Basic services and village renewal in rural areas" (€ 76.110.778); and
- M8 "Investments in forest area development and improvement of the viability of forests"(€122.383.679).

The following figure illustrates the budget allocation per investment measure.

Figure 91 Budget allocated to investment measures in Lithuania



Source: Ecorys based on DG AGRI data (2016)

For the investment measures M6 the links to intended job creation are explicitly made as they are implemented with the intention of strengthening the rural economy, creating new jobs and raising added value. For M7 and M8, the rationale is that by using these measures barriers to job creation are reduced.

- M6 - 1940 new jobs till 2023.
- M7 (LEADER) - 960 jobs till 2023.
- M8 - 100 new jobs till 2023.

## INVESTMENTS IN TANGIBLE ASSETS

- Investments into agricultural holdings:
  - animal husbandry, horticulture and berry funded up to 50%+ 20%, young farmer or 50 percent of land is in LFA or organic farming;
  - crop production funded up to 40% + 20%, if young farmer or 50 percent of land is in LFA or organic farming;
  - maximum complex support rate is 70%.
- Investments in processing of agricultural products, in marketing and (or) development – 40%. Intensity of support for companies which do not comply with the status of micro, small and medium-sized companies is 20% of total eligible costs. Intensity of support for applicants, who produce organic agricultural products is 50%. In case if not comply with the SME status – up to 30%.
- Investments in development and adaptation of agricultural and forestry infrastructure

- Land consolidation – 100%
- Agricultural water management – 80%
- Improvement of forestry infrastructure – 80%
- Non-productive investments
  - Preservation of aquatic warbler habitats – 100%

There is also a focus on non-productive investments like preservation of aquatic warbler habitats.

Investments in new or existing irrigation systems are also covered by these investment measures (i.e. M4.1). The following activities are supported under the measure "Agricultural water management": renewal of the field drainage engineering infrastructure; adoption of the field drainage systems to environmental requirements; reconstruction and installation of local internal roads, arable land liming.

#### **M10 Agri-Environment-Climate and M11 Organic Farming**

Lithuania spends on M10 "Agri-environment-climate" € 142.415.323 of which the national contribution is 7.55%<sup>553</sup>. All of the expenditure is categorised under Priority 4.

##### **Main Agri-Environment-Climate measures:**

- Extensive management of grassland for grazing animals
- Management of specific grassland
- Extensive management of wetlands
- Preservation of rare bird breed aquatic warbler habitats in natural and semi-natural grasslands
- Preservation of rare bird breed aquatic warbler habitats in wetlands
- Strips or fields of melliferous plants on arable land
- Protection of water bodies against pollution and protection against soil erosion on arable land
- Maintenance of reclamation ditches' slopes
- Improving the status of water bodies "at risk"
- Environmentally friendly fruits and vegetables cultivation system
- Soil protection
- Preservation of endangered Lithuanian ancient animal and domestic bird breeds

**Main beneficiaries:** Natural and legal persons, who comply with the main requirements

**Eligibility criteria:** suitable area for general support of agricultural land and other areas for which compensatory payments are paid, is not less than 1 ha of agricultural land with some exemptions. Ex. Melliferous plant tape or fields of arable land not less than 0.5 ha or 0.1 ha., Improving the status of risk water bodies - not less than 0.5 ha. Reclamation systems maintenance, not less than 0.1 ha, etc.

##### **Preservation of endangered Lithuanian ancient animal and domestic bird breeds**

**Beneficiaries:** natural (at least 18 years old) and legal entities engaged in agricultural activities

**Main eligibility criteria:** The applicant must keep endangered Lithuanian ancient animals and (or) domestic bird breeds

For M11 "Organic Farming" € € 150.784.677 of public spending has been allocated of which the national contribution accounts for 7.99%<sup>554</sup>. All of the expenditure is categorised under Priority 4. Beneficiaries should complete a training course and participate in advisory services in order to retain the payment under this measure<sup>555</sup>. Both submeasures (M11.1 "payment to convert to organic farming practices and methods" and M11.2 "payments to maintain organic farming practices and methods") are implemented.

Beneficiaries include farmers and legal persons, holding, carrying, or immediately after the submission of the application commit to pursue with organic agricultural production activities on 100% farmland. It also concern farmers and legal persons not engaged in organic agricultural production activities, but has a commitment to introduce the organic agricultural production on the whole farm from 2016. The outdoor area must be not less than 0.1 hectares, the agricultural land area shall be not less than 1 ha.

##### **M16 Co-operation**

M16 "cooperation" receives € 23.963.448 of public spending of which 1.27 % is national contribution. Under Priority 2 58 % of the total amount is spent, for Priority 3 32% is allocated,

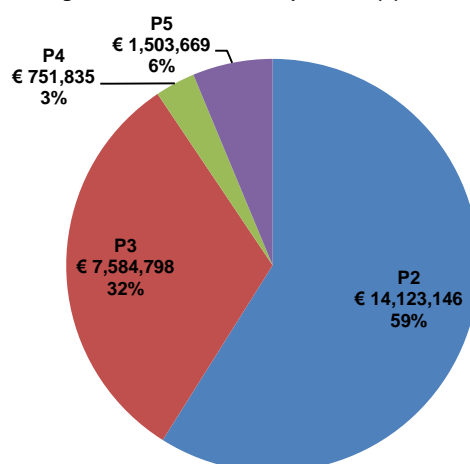
<sup>553</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>554</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>555</sup> Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme.

under Priority 5 6% and under Priority 4 3%.

Figure 92. Division of budget for M16 over different priorities (P) for the 2014-2020 period



Source: Ecorys based on DG AGRI data (2016)

The following sub-measures have been selected:

- M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability
- M16.3 Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism
- M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets

European Innovation Partnership projects should focus on the following topics: sustainable use of soil, plant productivity increases and production loss reduction, animal breeding value and to improve productivity and knowledge accumulation and transfer system.

The target areas are:

- To encourage innovation, cooperation and knowledge base in rural areas
- To strengthen agriculture, food and forestry sectors linked to research and innovation in the performing-making institutions;
- To improve the economic performance on farms and facilitate farm restructuring and modernization of the formation;
- To support biodiversity restoration, conservation and enhancement.

#### M19 LEADER CLLD

The total CLLD budget allocated under the EAFRD in Lithuania is €113.865.052. It will be carried out under a single thematic objective: promoting social inclusion and combatting poverty and any form of discrimination<sup>556</sup>. All funds are targeted under Priority 6 "Fostering local development in rural areas". Around 100 % of the rural population is intended to be covered under Local Development Strategy. The target is to create 960 jobs.<sup>557</sup>

Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.

#### Targeting of RDP measures

Measures especially targeted at Young Farmers: measures M01, M02, M04 and M06.  
Measures targeted at Small Farms: measures M01, M02, M06 and M16.  
Measures targeted at Innovation Activities: measures M01, M04 and M06.

<sup>556</sup> Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme

<sup>557</sup> DG AGRI (2016): RDP factsheet

Approaches taken to financial support in RDP	Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.	
	Flat rates or the fixed cost rates are used. During the preparation of 2014-2020 RDP it was decided to postpone the decision on the measures which will be appropriate to apply this method.	
Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.	
	Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input type="checkbox"/> ERDF <input type="checkbox"/> ESF <input checked="" type="checkbox"/> EMFF

# Luxembourg

	Identifying information					
	Pillar I: Direct Payments		Pillar II			
EU Budget 2014 - 2020	€201 million <sup>558</sup>		€ 100.5 million <sup>559</sup>			
Level of implementation	National		1 RDP (National) <sup>560</sup>			
DP (P.I) yearly national ceilings <sup>561</sup>	2015	2016	2017	2018	2019	2020
	€ 33,600,000	€ 33,500,000	€ 33,500,000	€ 33,500,000	€ 33,400,000	€ 33,400,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		68 %			
	"Greening" Payment		30%			
	Payment for Young Farmers		Up to 1,5%			
	Coupled Support		Up to 0,47 %			
	Small Farmers Scheme		Not implemented			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input checked="" type="checkbox"/> No flexibility		<input type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I	
	Luxembourg decided not to implement flexibility between pillars.					
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	Luxembourg has identified the following criteria for "active farmer" <sup>562</sup> : <ul style="list-style-type: none"> <li>• Luxembourg has established additional requirements to be considered as active farmer. 'Minimum activity' applies to:               <ul style="list-style-type: none"> <li>○ Grass-covered areas for which preparatory actions for cultivation or grazing are required;;</li> <li>○ Agricultural land (including land set aside) that is not harvested;</li> <li>○ All other areas naturally kept in a state suitable for grazing or cultivation.</li> </ul> </li> <li>• Luxembourg will not maintain a negative list (art. 9(2)).</li> <li>• A person or a group of persons which fall under the scope of art. 9(2) can be regarded an active farmer if they can demonstrate with verifiable evidence:               <ul style="list-style-type: none"> <li>○ That the annual amount of direct payments is at least 5 % of the total receipts that it obtained from non-agricultural activities;</li> <li>○ Its agricultural activities are not insignificant, meaning that they represent at least one third of the total.</li> </ul> </li> </ul>					



<sup>558</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>559</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>560</sup> DG AGRI data on RDPs (2016)

<sup>561</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>562</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	<ul style="list-style-type: none"> <li>○ Its principal business or company objects consist of exercising an agricultural activity. The latter has to be defined as the “company object” in the articles of association (documents registered in the Official Register of Companies). There are derogation focuses mainly on limited liability companies dealing with disabled persons or long time unemployed persons.</li> <li>• Luxembourg decided not to implement any additional economic or professional requirements (art. 9 (3)).</li> </ul> <p>The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €100 in the previous year<sup>563</sup>.</p>		
Basic Payments	<p>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</p>		
	<table border="1"> <tr> <td data-bbox="424 577 767 712">68 % of national ceiling</td> <td data-bbox="767 577 1090 712"> <input checked="" type="checkbox"/> National model (single region)  <input type="checkbox"/> SAPS  <input type="checkbox"/> Regional model         </td> <td data-bbox="1090 577 1418 712"> <input checked="" type="checkbox"/> Partial internal convergence   <input type="checkbox"/> Flat payment         </td> </tr> </table> <p>Luxembourg has allocated annually about € 22,7 million to basic payments. The amount decreases from € 22,9 million in 2015 to € 22,7 million in 2020.</p> <p>Further key decisions taken by Luxembourg concerning basic payments are:</p> <ul style="list-style-type: none"> <li>• Basic Payments represent 68 % of the national ceiling for Pillar I<sup>564</sup>;</li> <li>• The level of implementation is national considering the whole territory as a single region<sup>565</sup>;</li> <li>• The minimum threshold for receiving Basic Payments are set at a minimum of 0.30 hectare of eligible land.</li> </ul>	68 % of national ceiling	<input checked="" type="checkbox"/> National model (single region) <input type="checkbox"/> SAPS <input type="checkbox"/> Regional model
68 % of national ceiling	<input checked="" type="checkbox"/> National model (single region) <input type="checkbox"/> SAPS <input type="checkbox"/> Regional model	<input checked="" type="checkbox"/> Partial internal convergence  <input type="checkbox"/> Flat payment	
Reduction of payments	<p>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</p>		
	<table border="1"> <tr> <td data-bbox="424 1173 927 1263"> <input checked="" type="checkbox"/> Degressivity: 5%  <input type="checkbox"/> Threshold: €0  <input type="checkbox"/> Application: 0         </td> <td data-bbox="927 1173 1418 1263"> <input type="checkbox"/> Redistributive payment         </td> </tr> </table> <p>Luxembourg decided to implement the minimum of 5 % reduction for the part of the amount of Basic Payments exceeding €150,000<sup>566567</sup>. The reduction rate is fixed for all years. Salaries linked to an agricultural activity paid and declared by the farmer, including taxes and social contributions, will be subtracted from the amount of Basic Payments received before the application of the reduction<sup>568569</sup>.</p>	<input checked="" type="checkbox"/> Degressivity: 5% <input type="checkbox"/> Threshold: €0 <input type="checkbox"/> Application: 0	<input type="checkbox"/> Redistributive payment
<input checked="" type="checkbox"/> Degressivity: 5% <input type="checkbox"/> Threshold: €0 <input type="checkbox"/> Application: 0	<input type="checkbox"/> Redistributive payment		
Greening	<p>Member States have to allocate 30% of the national ceiling to the ‘green payment’. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply ‘equivalent practices’, either via the agri-environment-climate measure under the rural development policy or via a national or regional ‘certification scheme’.</p>		
	<table border="1"> <tr> <td data-bbox="424 1711 743 1774"> <input type="checkbox"/> Equivalent practices         </td> <td data-bbox="743 1711 1062 1774"> <input checked="" type="checkbox"/> Flat payment         </td> <td data-bbox="1062 1711 1418 1774"> <input type="checkbox"/> Individual payment         </td> </tr> </table>	<input type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> Flat payment
<input type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> Flat payment	<input type="checkbox"/> Individual payment	

<sup>563</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>564</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>565</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>566</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>567</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

<sup>568</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>569</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

<b>Permanent grassland</b>			
<b>Total area of ESPG in Natura 2000:</b> 2,121 ha (25%)	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> <b>National application</b>	
<b>Ecological Focus Areas</b>			
<b>15 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest derogation cover
<p>30% of Luxembourg's national ceiling<sup>570</sup> which corresponds to over €10m in 2015 and to €10m in 2020 is allocated to greening<sup>571</sup>. The implementation of the greening payments will be done at national level<sup>572</sup>.</p> <p>Luxembourg made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• Luxembourg has decided to apply the derogation to the uniform greening payment per hectare, which means they implement an individual payment<sup>573</sup>,</li> <li>• It will not implement any equivalent practices<sup>574</sup>,</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 8,573 hectares are currently covered<sup>575</sup>; 2,121 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 25 % of the total permanent grassland<sup>576</sup>. No ESPG is designated outside Natura 2000<sup>577</sup>.</li> <li>• Luxembourg has decided to focus on the following 15 Ecological Focus Areas<sup>578</sup>: <ul style="list-style-type: none"> <li>○ land lying fallow,</li> <li>○ landscape features in accordance: hedges or wooded strips, b. Isolated trees, trees in line, trees in group and field copses, field margins, ponds,</li> <li>○ buffer strips</li> <li>○ hectares of agro-forestry</li> <li>○ strips of eligible hectares along forest edges</li> <li>○ areas with short rotation coppice</li> <li>○ afforested areas</li> <li>○ areas with catch crops or green cover</li> <li>○ areas with nitrogen-fixing crops</li> </ul> </li> </ul>			
<b>Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.</b>			
<b>Payment for Young Farmers</b>	<b>% of national ceiling: 1,5%</b>		
	Luxembourg has decided to allocate 1,5 % of their national ceiling to Young Farmers which corresponds to €504,060 in 2015 which decreases to €501,480 in 2020. There will be no additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is not implemented.		
<b>Member States are allowed to choose to implement the coupled support for different sectors or regions.</b>			
<b>Voluntary coupled support</b>	<input checked="" type="checkbox"/> <b>Coupled support as % of national ceiling: 0,5 %</b>		<input type="checkbox"/> Support for protein crops as % of national ceiling: 0%
	In Luxembourg, 0,5 % of the national ceiling (which corresponds to €960,000) is allocated to Voluntary Coupled Support (VCS). The only sector covered by VCS is protein crops. Throughout the planning period the overall distribution remain the same <sup>579</sup> .		

<sup>570</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>571</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>572</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>573</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>574</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>575</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>576</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>577</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>578</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

<sup>579</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

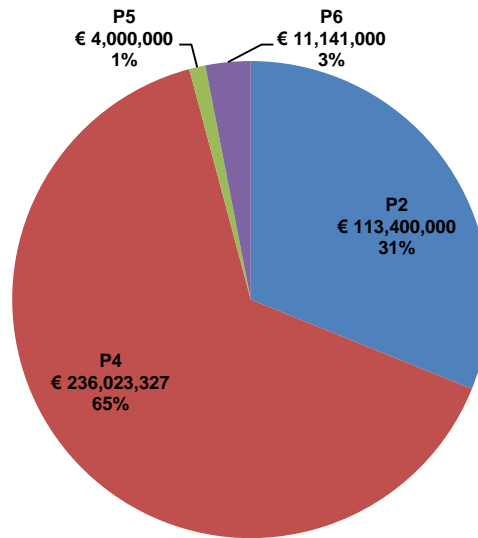
Other voluntary schemes under Pillar I	Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers						
	<input type="checkbox"/> Payment for areas with natural constraints			<input type="checkbox"/> Small farmers			
	Neither the voluntary schemes for areas with natural constraints nor for small farmers are implemented in Luxembourg <sup>580</sup> .						
Yearly Union Support for P.II <sup>581</sup>	2014	2015	2016	2017	2018	2019	2020
		€ 21.385.468	€ 21.432.133	€ 14.366.484	€ 14.415.051	€ 14.464.074	€ 14.511.390
Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures				
	€ 109.000.000 29,6%	26 %	M4.1: support for investments in agricultural holdings				
	€ 8.400.000 2,3%	26 %	M4.2: support for investments in processing/marketing and/or development of agricultural products				
	€ 110.000.000 29,9%	26 %	M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.				
	€ 7.023.327 1,9%	26 %	M6.1: business start-up aid for young farmers				
	€ 110.000.000 29,9%	26 %	M10.1: payment for agri-environment-climate commitments				
	€ 7.023.327 1,9%	26 %	M11.1 payment to convert to organic farming practices and methods				
	€ 7.000.000 1,9%	26 %	M11.2 payment to maintain organic farming practices and methods				
	€ 7.000.000 1,9%	26 %	M12.3 compensation payment for agricultural areas included in river basin management plans				
	€ 112.000.000 30,4 %	26 %	M13.1: compensation payment in mountain areas				
			M13.2: compensation payment for other areas facing significant natural constraints				
			M13.3: compensation payment to other areas affected by specific constraints				
€ 11.141.000 3,0%	60 %	M19: support for LEADER local development (CLLD)					
€ 3.572.871 1,0%	26 %	M20: technical assistance					
Key focus areas for rural development	Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).						
	<input checked="" type="checkbox"/> National RDP			<input type="checkbox"/> Regional RDP			
	The total RDP budget for Luxembourg is at around € 364,564,327 for the entire planning period. Luxembourg has allocated more than half of this budget (65 %) to Priority 4 “restoring, preserving and enhancing ecosystems” followed by 31% to Priority 2 “competitiveness of all types of agriculture and farm viability”, 3% to Priority 6 “social inclusion, poverty reduction, and economic development in rural areas” and 1% to Priority 5 “resource efficiency and shift towards a low carbon and climate resilient economy”. The following figure provides an overview of the shares by Priority in millions of euro.						

<sup>580</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

<sup>581</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791



Figure 93 Budget allocated per Priority in Luxembourg



Source: Calculations Ecorys based on DG AGRI data (2016)

Use of measures in RDPs

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

## Overview

Luxembourg has decided to offer 8 measures. In terms of budget allocation the highest amounts are allocated to:

- M 13 "Payments to areas facing natural or other specific constraints" (€112.000.000);
- M 10 "Agri-environment- climate" (€ 110.000.000);
- M4 "Investments in physical assets" (€ 109.000.000);

## M01 Knowledge Transfer and Innovation actions

M01 is not implemented in Luxembourg.

## Investment measures (M04, M06)

Luxembourg implemented investment measures:

- M4 "Investments in physical assets" (€ 109.000.000);
- M6 "Farm and business development" (€ 8.400.000);

The following figure illustrates the budget allocation per investment measure.

Figure 94 Budget allocated to investment measures in Luxembourg



Source: Ecorys based on DG AGRI data (2016)

For the investment measures M6 the links to intended job creation are explicitly made as they are implemented with the intention of strengthening the rural economy, creating new jobs and raising added value.

Some of the investment measures are a combination of public and private investments are assumed with support rates ranging from 20 % to 75% for M4 and 22% for M6.

There is a focus on non-productive investments under sub-measure M4.4.

Investments in new or existing irrigation systems are also covered under focus area 5.A.

## M10 Agri-Environment-Climate and M11 Organic Farming

M10 is not implemented in Luxembourg.

## M16 Co-operation

M16 is not implemented in Luxembourg

## M19 LEADER CLLD

The total CLLD budget allocated under the EAFRD in Luxembourg is €11.141.000,00. All funds are targeted under Priority 6 "Fostering local development in rural areas". Around 28,58 % of the rural population is intended to be covered under Local Development Strategy. The target is to create 25 jobs.<sup>582</sup>

<sup>582</sup> DG AGRI (2016): RDP factsheet Luxembourg

Targeting of RDP measures	Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.	
	Measures especially targeted at Young Farmers: measure M06. Measures targeted at Small Farms: none. Measures targeted at Innovation Activities: Priority 1 'knowledge transfer and innovation' is not implemented in Luxembourg.	
Approaches taken to financial support in RDP	Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.	
	Luxembourg does not implement the simplified cost option.	
Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.	
	Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input checked="" type="checkbox"/> ERDF <input type="checkbox"/> ESF <input type="checkbox"/> EMFF



# Malta

	Identifying information					
	Pillar I: Direct Payments		Pillar II			
EU Budget 2014 - 2020	€29.77 million <sup>583</sup>		€ 99 million <sup>584</sup>			
Level of implementation	National		1 RDP (National) <sup>585</sup>			
DP (P.I) yearly national ceilings <sup>586</sup>	2015	2016	2017	2018	2019	2020
	€ 5,200,000	€ 5,200,000	€ 5,200,000	€ 5,200,000	€ 5,200,000	€ 4,700,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		12.6 %			
	"Greening" Payment		30%			
	Payment for Young Farmers		Up to 0.4 %			
	Coupled Support		Up to 57 %			
	Small Farmers Scheme		€ 1,250 per small farmer			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input type="checkbox"/> No flexibility		<input type="checkbox"/> P.I to P.II		<input checked="" type="checkbox"/> P.II to P.I	
Malta will apply flexibility from Pillar II to Pillar I which is increasing over time from 0.8% in 2016 to 3.8% in 2020.						
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Malta has identified the following conditions for "active farmer"<sup>587</sup>:</p> <ul style="list-style-type: none"> <li>• An active farmer needs to perform a minimum activity which comprises tilling the agricultural area between the 1<sup>st</sup> of April and the 31<sup>st</sup> of May;</li> <li>• The minimum requirement for receiving Direct Payments is set at the physical threshold of 0.3 ha;</li> <li>• Malta has decided to keep a negative list which includes government entities involved in agricultural activities. As the agricultural activities are intended as research, they should not be considered active farmers;</li> <li>• The evidence to revise the presumption to be non-active; <ul style="list-style-type: none"> <li>○ If the company can provide a detailed breakdown of the revenue declared in the latest audited financial statements registered with the Maltese Financial Service Authority and prove that at least 1/3 of its monetary revenue is generated by an agricultural activity;</li> <li>○ The company should provide a detailed report giving the breakdown of the fixed asset schedule in line with the latest audited financial statements registered with the Maltese Financial Service Authority which should prove that at least 50% of its assets are assets that could solely be utilised to carry out agricultural work on the agricultural</li> </ul> </li> </ul>					



<sup>583</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>584</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>585</sup> DG AGRI data on RDPs (2016)

<sup>586</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>587</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	<p>holdings. The 50% threshold will also cater for entities that have two companies.</p> <p>The exemption threshold for the “active farmer” clause is applicable to farmers receiving less than € 250 as they are small farmers contributing to the vitality of rural areas by maintaining the agricultural activity<sup>588</sup>.</p>						
Basic Payments	<p>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</p>						
	<table border="1"> <tr> <td rowspan="3">12.6 % of national ceiling</td> <td><input checked="" type="checkbox"/> National model (single region)</td> <td><input type="checkbox"/> Partial internal convergence</td> </tr> <tr> <td><input type="checkbox"/> SAPS</td> <td rowspan="2"><input checked="" type="checkbox"/> Flat payment in 2015</td> </tr> <tr> <td><input type="checkbox"/> Regional model</td> </tr> </table>	12.6 % of national ceiling	<input checked="" type="checkbox"/> National model (single region)	<input type="checkbox"/> Partial internal convergence	<input type="checkbox"/> SAPS	<input checked="" type="checkbox"/> Flat payment in 2015	<input type="checkbox"/> Regional model
	12.6 % of national ceiling		<input checked="" type="checkbox"/> National model (single region)	<input type="checkbox"/> Partial internal convergence			
<input type="checkbox"/> SAPS			<input checked="" type="checkbox"/> Flat payment in 2015				
<input type="checkbox"/> Regional model							
<p>Malta has allocated annually around € 660,000 to basic payments. The amount decreases from € 660,366 in 2015 to € 590,940 in 2020.</p> <p>Further key decisions taken by Malta concerning basic payments are:</p> <ul style="list-style-type: none"> <li>• Basic Payments represent 12.6 % of the national ceiling for Pillar I<sup>589</sup>;</li> <li>• The level of implementation is national considering the whole territory as a single region<sup>590</sup>;</li> <li>• The minimum threshold for receiving Basic Payments are set at a minimum of 0,3 hectare of eligible land. In addition, the list of eligible farmers can be extended to those farmers who: <ul style="list-style-type: none"> <li>○ have produced fruits, vegetables, ware potatoes or had a vineyard in 2013; or</li> <li>○ have never held entitlements but farmed in 2013<sup>591</sup>.</li> </ul> </li> </ul> <p>Malta has decided to reach a flat rate payment in 2015<sup>592</sup></p>							
Reduction of payments	<p>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</p>						
	<table border="1"> <tr> <td><input checked="" type="checkbox"/> Degressivity: 5 %</td> <td rowspan="3"><input type="checkbox"/> Redistributive payment</td> </tr> <tr> <td><input checked="" type="checkbox"/> Threshold: € 150,000</td> </tr> <tr> <td><input type="checkbox"/> Application:</td> </tr> </table> <p>Malta decided to implement the minimum of 5% of reduction for the part of the amount exceeding 150,000 euros<sup>593594</sup>. The reduction rate is fixed for all years.</p>	<input checked="" type="checkbox"/> Degressivity: 5 %	<input type="checkbox"/> Redistributive payment	<input checked="" type="checkbox"/> Threshold: € 150,000	<input type="checkbox"/> Application:		
<input checked="" type="checkbox"/> Degressivity: 5 %	<input type="checkbox"/> Redistributive payment						
<input checked="" type="checkbox"/> Threshold: € 150,000							
<input type="checkbox"/> Application:							
Greening	<p>Member States have to allocate 30% of the national ceiling to the ‘green payment’. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply ‘equivalent practices’, either via the agri-environment-climate measure under the rural development policy or via a national or regional ‘certification scheme’.</p>						
	<table border="1"> <tr> <td colspan="3">Green payment</td> </tr> <tr> <td><input type="checkbox"/> Equivalent practices</td> <td><input checked="" type="checkbox"/> Flat payment</td> <td><input type="checkbox"/> Individual payment</td> </tr> </table>	Green payment			<input type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> Flat payment	<input type="checkbox"/> Individual payment
Green payment							
<input type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> Flat payment	<input type="checkbox"/> Individual payment					

<sup>588</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>589</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>590</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>591</sup> BPS-Allocation of payment entitlements (Form 4).xls

<sup>592</sup> BPS-Details IUV.

<sup>593</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>594</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

	<b>Permanent grassland</b>		
	Total area of ESPG in Natura 2000: No grassland	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input type="checkbox"/> National application
	<b>Ecological Focus Areas</b>		
	<b>7 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation <input type="checkbox"/> Forest cover derogation
	<p>30% of Malta's national ceiling<sup>595</sup> which corresponds to €1,572,300 in 2015 and to €1,573,200 in 2020 is allocated to greening<sup>596</sup>. The implementation of the greening payments will be done at national level<sup>597</sup>.</p> <p>Malta made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• Malta has decided not to apply the derogation to the uniform greening payment per hectare, which means they implement a flat rate payment<sup>598</sup>;</li> <li>• It will not implement any equivalent practices<sup>599</sup>;</li> <li>• There is no permanent grassland in Malta<sup>600</sup>;</li> <li>• Malta has decided to focus on the following 7 Ecological Focus Areas<sup>601</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow;</li> <li>○ 5 landscape features: isolated trees, trees in line, trees in groups and field copses, field margins, other: vegetated slopes and Garrigue</li> <li>○ Areas with nitrogen fixing crops (8): chickpea, french honeysuckle, birds foot trefoil, bean, pea, vetch (exc. faba bean), faba bean, bean.</li> </ul> </li> </ul>		
<b>Payment for Young Farmers</b>	<b>Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.</b>		
	<b>% of national ceiling: 0.4 %</b>		
	Malta has decided to allocate 0.4% of their national ceiling to Young Farmers which corresponds to € 209,640 in 2015 which decreases to € 187,600 in 2020. There will be no additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25 % of the average value of the payment entitlements held by the farmer. The threshold of eligible payment entitlements is set at 90 ha.		
<b>Voluntary coupled support</b>	<b>Member States are allowed to choose to implement the coupled support for different sectors or regions.</b>		
	<input checked="" type="checkbox"/> <b>Coupled support as % of national ceiling: 57%</b>	<input type="checkbox"/> Support for protein crops as % of national ceiling: 0%	
	<p>In Malta, 57 % of the national ceiling (which corresponds to € 3 million every year which is allocated to Voluntary Coupled Support (VCS). The sectors covered by VCS are beef and veal, fruit and vegetables, milk and milk products, sheepmeat and goatmeat.<sup>602</sup></p> <p>The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period:</p>		

<sup>595</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>596</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>597</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>598</sup> DG AGRI data on Greening payment method of calculation (2016)

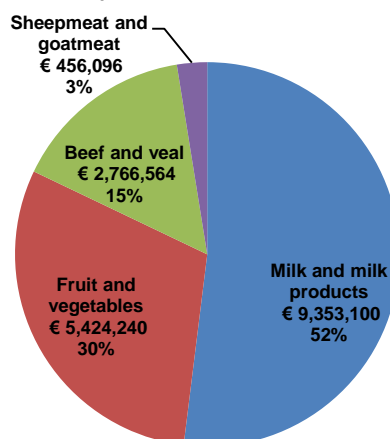
<sup>599</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>600</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>601</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

<sup>602</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

Figure 95 Shares of budget allocated per sector for VCS in Malta as a total of all years



Source: Ecorys based on DG AGRI data

Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers

Other voluntary schemes under Pillar I

Payment for areas with natural constraints  Small farmers

The voluntary scheme for areas with natural constraints is not implemented in Malta<sup>603</sup>.

Malta has allocated €1,250 in 2015 (€1,250 in 2020) to the small farmers scheme. Farmers will not be automatically included in the scheme. The annual amount of support per farmer is set at a maximum of € 1,250. The amount of support per farmer is calculated as the total value of all the payments that should be annually allocated to the farmer up to a maximum of €1,250/year.

Yearly Union Support for P.II <sup>604</sup>	2015	2016	2017	2018	2019	2020
€	20,905,107	20,878,690	13,914,927	13,893,023	13,876,504	13,858,647

Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures
	€ 5.500.000 4,2%	75 %	M1.1: Support for vocational training and skills acquisition actions M1.2: Support for demonstration activities and information actions M1.3: Support for short-term farm and forest management exchange as well as farm and forest visits
€ 2.500.000 1,9%	75 %	M2.1 support to help benefiting from the use of advisory services M2.2 support for the setting up of farm management, farm relief and farm advisory services as well as forestry advisory services M2.3 support for training of advisors	
€ 4.500.000 3,5%	75 %	M3.1 support for new participation in quality schemes M3.2 support for information and promotion activities implemented by groups of producers in the internal market	
€ 50.689.920 39,1%	75 %	M4.1: support for investments in agricultural holdings; M4.2: support for investments in processing/marketing and/or	

<sup>603</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

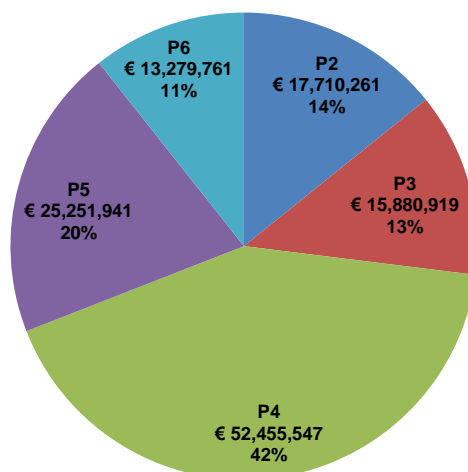
<sup>604</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791



			development of agricultural products; M4.3: support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry; M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.
€ 12.000.000 9,2%	75 %		M6.1: business start-up aid for young farmers; M6.4: support for investments in creation and development of non-agricultural activities;
€ 3.500.000 2,7%	75 %		M8.5: support for investments improving the resilience and environmental value of forest ecosystems (Article 25);
€ 7.000.000 5,4%	75 %		M10.1: payment for agri-environment-climate commitments M10.2: support for conservation and sustainable use and development of genetic resources in agriculture
€ 200.000 0,2%	75 %		M11.1 payment to convert to organic farming practices and methods M11.2 payment to maintain organic farming practices and methods
€ 12.000.000 9,2%	75 %		M13.3: compensation payment to other areas affected by specific constraints
€ 17.688.509 13,6%	75 %		M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability
			M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies
			M16.3 Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism
			M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets
			M16.5 Support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices. (Article 35 (2) (f) and (g))
			M16.6 Support for cooperation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes
			M16.7 Support for non-CLLD strategies (non-Community-led Local Development)
			M16.8 Support for drawing up of forest management plans or equivalent instruments
			M16.9 Support for diversification of farming activities into activities concerning health care, social integration, community-supported agriculture and education about the environment and food
€ 2.500.000 1,9%	75 %		M17.1 crop, animal and plant insurance premium M17.2 mutual funds for adverse climatic events, animal and plant diseases, pest infestations and environmental incidents M17.3 income stabilisation tool
€ 6.500.000 5,0%	75 %		M19: support for LEADER local development (CLLD)
€ 5.190.768 4,0%	75%		M20: technical assistance

<b>Key focus areas for rural development</b>	<b>Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).</b>	
	<input checked="" type="checkbox"/> National RDP	<input type="checkbox"/> Regional RDP
	The total RDP budget for Malta is around € 124 million for the entire planning period. Malta has allocated the most significant part of this budget (42%) to Priority 4 "Restoring, preserving and enhancing ecosystems related to agriculture and forestry" followed by 20% to Priority 5 "Resource efficiency and climate", 14% to Priority 2 "Competitiveness of agriculture and sustainable forestry" and 13% to Priority 3 "Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture". The following figure provides an overview of the shares by Priority in millions of euro.	

Figure 96 Budget allocated per Priority in Malta



Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

#### Overview

Malta has decided to offer 13 measures. In terms of budget allocation the highest amounts are allocated to:

- M4 "Investments in physical assets" (€ 50,689,920);
- M16 "Cooperation" (€ 17,688,509);
- M13 "Payments to areas facing natural or other specific constraints" (€12,000,000);

#### M01 Knowledge Transfer and Innovation actions

Malta allocated 4% of the total RDP budget to knowledge transfer and innovation actions. The focus of this measure will lie on more advanced training and skills development, demonstration activities and information activities for farmers, farm families and rural entrepreneurs to act effectively. The areas are broad from business management and IT to understanding ecological systems, biodiversity, nutrient budgeting etc. Support is provided through contracts with training bodies and vouchers that can be redeemed by individuals or organisations to access trainings.

#### Investment measures (M04, M05, M06, M07, M08)

Malta implemented investment measures:

- M4 "Investments in physical assets" (€ 50,689,920);
- M6 "Farm and business development (€ 12,000,000); and
- M8 "Investments in forest area development and improvement of the viability of forests"(€ 3,500,000).

The following figure illustrates the budget allocation per investment measure.

Use of  
measures in  
RDPs

Figure 97 Budget allocated to investment measures in Malta



Source: Ecorys based on DG AGRI data (2016)

For the investment measures M4 promotes agricultural diversification where this can offer new opportunities for farm family employment. M6 intends to create jobs for young farmers and other rural population. M7 is not being implemented. For M8 no direct links to job creation can be observed.

In most cases investment measures are 50% - 100% (co-)financed. The exact amount depends on the sub-measure and potential specific exceptions of additional aid. In some cases a specific amount per beneficiary is provided. Advance payments are in most cases up to 50%, depending on the specific setting.

Non-productive investments are being supported through the implementation of sub-measure 4.4.

Investments smart irrigation systems are also covered by these investment measures (i.e. M4.1).

#### M10 Agri-Environment-Climate and M11 Organic Farming

Malta spends on M10 "Agri-environment-climate" € 7 million of which the national contribution is 25 %<sup>605</sup>. The expenditure is categorised under Priority 4 "restoring, preserving and enhancing ecosystems" (74%) and under Priority 5 "resource efficiency and shift towards a low carbon and climate resilient economy" (26%). The main beneficiaries of this measure are farmers, groups of farmers, other land managers (incl. NGOs), beekeepers.

For M11 "Organic Farming" € 200,000 of public spending has been allocated of which the national contribution accounts for 25 %<sup>606</sup>. The expenditure is categorised under Priority 3 "food chain organisation and risk management" (50%) and under Priority 4 "restoring, preserving and enhancing ecosystems" (50%). Beneficiaries should complete a training course and participate in advisory services in order to retain the payment under this measure<sup>607</sup>. Both submeasures (M11.1 "payment to convert to organic farming practices and methods" and M11.2 "payments to maintain organic farming practices and methods") are implemented. The main beneficiaries of this measure are farmers (active farmers) and groups of farmers.

#### M16 Co-operation

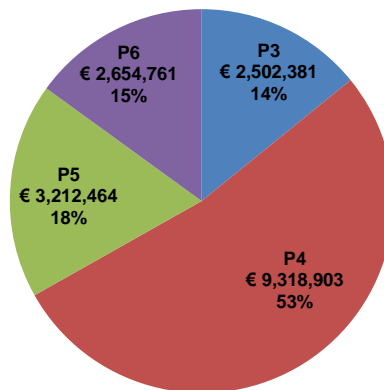
M16 "cooperation" receives € 17.7 million of public spending of which 25 % is national contribution. Under Priority 3 14% is allocated, under Priority 4 53%, under Priority 5 18% and under Priority 6 15%.

<sup>605</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>606</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>607</sup> Maltese Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme.

Figure 98. Division of budget for M16 over different priorities (P) for the 2014-2020 period



Source: Ecorys based on DG AGRI data (2016)

The measure pursues the objectives to encourage the formation of partnerships that will be necessary to undertake improvements in environmental quality, supply chain efficiencies, and sustainable energy, water and waste management. Following submeasures have been selected:

- M16.1 – 16.6 and M16.9;

#### M19 LEADER CLLD

The total CLLD budget allocated under the EAFRD in Malta is €6.5 million. It will be carried out under a single thematic objective: promoting social inclusion and combatting poverty and any form of discrimination<sup>608</sup>. All funds are targeted under Priority 6 “Fostering local development in rural areas”. Around 99.97% of the rural population is intended to be covered under the Local Development Strategy. The target is to create 10 jobs.<sup>609</sup>

#### Targeting of RDP measures

Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.

Measures especially targeted at Young Farmers: M02, M04, M06  
Measures targeted at Innovation Activities: M01, M02, M16,

#### Approaches taken to financial support in RDP

Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.

Measure 19.4 is using the simplified cost option.

Financial instruments are not being used.

The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.

#### Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs


Use of CLLD multi-fund option?  Yes  No

If yes, which other ESI funds are used (or planned to be used) for CLLD?  
 ERDF  
 ESF  
 EMFF

<sup>608</sup> Maltese Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme

<sup>609</sup> DG AGRI (2016): RDP factsheet Malta

# Netherlands

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€ 4.36 billion <sup>610</sup>	€ 1.53 billion <sup>611</sup>				
Level of implementation	National	1 RDP <sup>612</sup>				
DP (P.I) yearly national ceilings <sup>613</sup>	2015	2016	2017	2018	2019	2020
	€ 749,200,000	€ 736,800,000	€ 724,300,000	€ 712,500,000	€ 700,800,000	€ 732,400,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		67.5 %			
	"Greening" Payment		30%			
	Payment for Young Farmers		2 %			
	Coupled Support		0.50 %			
	Small Farmers Scheme		Not implemented			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input type="checkbox"/> No flexibility	<input checked="" type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I		
The Netherlands decided to apply flexibility. It will transfer an annual amount of € 31.5 million from Pillar I to Pillar II (i.e. 4.03% of the Pillar I budget and in 2015 4.30% of the Pillar I budget in 2020).						
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>The Netherlands has identified following conditions for "active farmer"<sup>614</sup>:</p> <ul style="list-style-type: none"> <li>An active farmer needs to perform a minimum activity which comprises annual mowing or annual grazing and maintaining tree species belonging to certain genus which have a maximum harvest cycle of five years<sup>615</sup>.</li> <li>The minimum requirements for receiving Direct Payments are set at 500€</li> <li>The Netherlands has decided to keep a negative list which will be based on: <ul style="list-style-type: none"> <li>NACE classification: Relations registered with a NACE code that belongs to activities mentioned in article 9, section 2 of EU Regulation 1307/2013 are selected for the negative list.</li> <li>Government organisations and semi government agencies have been excluded from Direct Payments.</li> </ul> </li> </ul>					

<sup>610</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>611</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>612</sup> DG AGRI data on RDPs (2016)

<sup>613</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>614</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>615</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015

	<ul style="list-style-type: none"> <li>The evidence to revise the presumption to be non-active, is an auditors' report from an auditor who is connected at the Nederlandse Beroepsorganisatie van Accountants (NBA) (Dutch association of accountants). In this report there is an explanation, based on the most recent tax filing that: <ul style="list-style-type: none"> <li>The annually amount of direct payments at least is 5% of the total revenue</li> <li>At least 1/3 of the revenue is derived from agriculture activities</li> </ul> </li> <li>Companies need to be registered with the Chamber of Commerce with agriculture as their principal or secondary activity.</li> </ul> <p>The active farmer clause is applicable to recipients who did not receive more than €1 in the previous year<sup>616</sup>.</p>							
<b>Basic Payments</b>	<p>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</p>							
	<table border="1"> <tr> <td data-bbox="419 611 710 734" rowspan="2"> <b>67.5 % of national ceiling</b> </td> <td data-bbox="718 611 1010 663"> <input checked="" type="checkbox"/> <b>National model (single region)</b> </td> <td data-bbox="1018 611 1343 663"> <input type="checkbox"/> Partial internal convergence </td> </tr> <tr> <td data-bbox="718 667 1010 696"> <input type="checkbox"/> SAPS </td> <td data-bbox="1018 667 1343 734" rowspan="2"> <input checked="" type="checkbox"/> <b>Flat payment in 2019</b> </td> </tr> <tr> <td data-bbox="718 701 1010 734"> <input type="checkbox"/> Regional model </td> <td colspan="2"></td> </tr> </table> <p>The Netherlands has allocated annually around € 500 million to basic payments. The amount decreases from € 506,034,200 in 2015 to € 473,091,600 in 2019 and increases to € 494,511,600 in 2020.</p> <p>Further key decisions taken by the Netherlands concerning basic payments are:</p> <ul style="list-style-type: none"> <li>Basic Payments represent 67.5 % of the national ceiling for Pillar I<sup>617</sup>;</li> <li>The level of implementation is national considering the whole territory as a single region<sup>618</sup>;</li> <li>The minimum threshold for receiving Basic Payments is set at a minimum of 0.3 hectare of eligible land. The list of eligible farmers can be extended to those farmers who: <ul style="list-style-type: none"> <li>produced fruits in 2013; or</li> <li>produced vegetables in 2013; or</li> <li>produced ware potatoes in 2013; or</li> <li>produced seed potatoes in 2013; or</li> <li>produced ornamental plants in 2013; or</li> <li>had a vineyard in 2013; or</li> <li>have never held entitlements but farmed in 2013<sup>619</sup>;</li> </ul> Arable land used for permanent greenhouses in 2013 will not be considered under the allocation of payment entitlements. </li> <li>The Initial Unit Value will be calculated based upon the 2014 payments the farmer received.</li> <li>The implementation of internal convergence will be in equal steps towards a flat rate in 2019<sup>620</sup>.</li> </ul>	<b>67.5 % of national ceiling</b>	<input checked="" type="checkbox"/> <b>National model (single region)</b>	<input type="checkbox"/> Partial internal convergence	<input type="checkbox"/> SAPS	<input checked="" type="checkbox"/> <b>Flat payment in 2019</b>	<input type="checkbox"/> Regional model	
<b>67.5 % of national ceiling</b>	<input checked="" type="checkbox"/> <b>National model (single region)</b>		<input type="checkbox"/> Partial internal convergence					
	<input type="checkbox"/> SAPS	<input checked="" type="checkbox"/> <b>Flat payment in 2019</b>						
<input type="checkbox"/> Regional model								
<b>Reduction of payments</b>	<p>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</p>							
	<table border="1"> <tr> <td data-bbox="419 1514 861 1547"> <input checked="" type="checkbox"/> <b>Degressivity: 5 %</b> </td> <td data-bbox="869 1514 1343 1603" rowspan="3"> <input type="checkbox"/> Redistributive payment </td> </tr> <tr> <td data-bbox="419 1552 861 1585"> <input checked="" type="checkbox"/> <b>Threshold: € 150,000</b> </td> </tr> <tr> <td data-bbox="419 1590 861 1603"> <input type="checkbox"/> Application: not specific </td> </tr> </table> <p>The Netherlands decided to implement the minimum of 5% reduction for the part of the amount of Basic Payments exceeding €150,000<sup>621,622</sup>. The reduction rate is fixed for all years. No deduction of salaries will be applied.</p>	<input checked="" type="checkbox"/> <b>Degressivity: 5 %</b>	<input type="checkbox"/> Redistributive payment	<input checked="" type="checkbox"/> <b>Threshold: € 150,000</b>	<input type="checkbox"/> Application: not specific			
<input checked="" type="checkbox"/> <b>Degressivity: 5 %</b>	<input type="checkbox"/> Redistributive payment							
<input checked="" type="checkbox"/> <b>Threshold: € 150,000</b>								
<input type="checkbox"/> Application: not specific								

<sup>616</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>617</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>618</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>619</sup> DG AGRI data on BPS-Allocation of payment entitlements (2016)

<sup>620</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>621</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>622</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

Greening	Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.		
	Green payment		
	<input checked="" type="checkbox"/> Equivalent practices	<input type="checkbox"/> Flat payment	<input checked="" type="checkbox"/> Individual payment
	Permanent grassland		
	Total area of ESPG in Natura 2000: 51,451 ha (100 %)	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> National application
Ecological Focus Areas			
4 types of EFAs	<input type="checkbox"/> Regional implementation	<input checked="" type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation
30% of the Netherlands' national ceiling <sup>623</sup> which corresponds to over € 224,794,500 in 2015 and to € 219,711,000 in 2020 is allocated to greening <sup>624</sup> . The implementation of the greening payments will be done at national level <sup>625</sup> .			
The Netherlands made the following implementation choices concerning the greening payment:			
<ul style="list-style-type: none"> <li>• The Netherlands has decided to apply the derogation to the uniform greening payment per hectare, which means they implement an individual payment<sup>626</sup>;</li> <li>• It will implement equivalent practices by use of certification schemes<sup>627</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 51,451 hectares are currently covered<sup>628</sup>; 51,451 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 100 % of the total permanent grassland<sup>629</sup>. No ESPG is designated outside Natura 2000<sup>630</sup>.</li> <li>• The Netherlands has decided to focus on the following 4 Ecological Focus Areas<sup>631</sup>: <ul style="list-style-type: none"> <li>○ Land scape feature: field margins</li> <li>○ Areas with short rotation coppice.</li> <li>○ Areas with catch crops or green cover (42 species)<sup>632</sup></li> <li>○ Areas with nitrogen fixing crops (alfalfa, birdsfoot trefoil, lupin, faba bean, vicia sativa, onobrychis viciifolia, trifolium pratense)</li> </ul> </li> </ul>			
Payment for Young Farmers	Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.		
	% of national ceiling: 2 %		
The Netherlands has decided to allocate 2 % of their national ceiling to Young Farmers which corresponds to € 14,986,300 in 2015 which decreases to € 14,017,400 in 2019 and a slight increase to € 14,647,400 in 2020. There will be no additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25 % of the national average per ha in 2019 multiplied by the number of activated ha. The threshold of eligible payment entitlements is set at 90 ha.			
Voluntary coupled support	Member States are allowed to choose to implement the coupled support for different sectors or regions.		
	<input checked="" type="checkbox"/> Coupled support as % of national ceiling: 0.47 %	<input type="checkbox"/> Support for protein crops as % of national ceiling: 0 %	

<sup>623</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>624</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>625</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>626</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>627</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>628</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>629</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>630</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

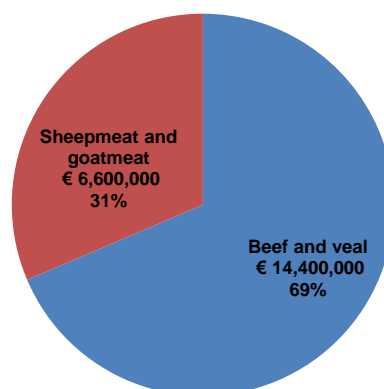
<sup>631</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

<sup>632</sup> DG AGRI data Implementation-decisions-ms\_en.pdf, p. 28

In the Netherlands, 0.47 % of the national ceiling (which corresponds to €3,500,000 in 2015 and to € 3,500,000 in 2020) is allocated to Voluntary Coupled Support (VCS)<sup>633</sup>. The sectors covered by VCS are beef and veal and sheep- and goat meat.

The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period.

**Figure 99 Shares of budget allocated per sector for VCS in the Netherlands as a total of all years**



Source: Ecorys based on DG AGRI data

Other voluntary schemes under Pillar I	<b>Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers</b>
	<input type="checkbox"/> Payment for areas with natural constraints <input type="checkbox"/> Small farmers
	The Netherlands neither implements the payment for areas with natural constraints nor the small farmers scheme.

Yearly Union Support for P.II <sup>634</sup>	2014	2015	2016	2017	2018	2019	2020
€	87,118,078	87,003,509	118,496,585	118,357,256	118,225,747	118,107,797	117,976,388

Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures
	€ 14,580,000 1.4%	50 %	M1.1: Support for vocational training and skills acquisition actions; M1.2: Support for demonstration activities and information actions;
	€ 528,220,000 50.0%	50 %	M4.1: support for investments in agricultural holdings; M4.3: support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry; M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.
	€ 317,093,333 30.0%	75 %	M10: agri-environment- climate
	€ 43,220,000 4.1%	50 %	M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies

<sup>633</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>634</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791



€ 29,380,000 2.8%	50 %	M17.1 crop, animal and plant insurance premium
€ 80,180,000 7.6%	50 %	M19: support for LEADER local development (CLLD) (all submeasures)
€ 43,390,720 4.1%	50 %	M20: technical assistance

Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).

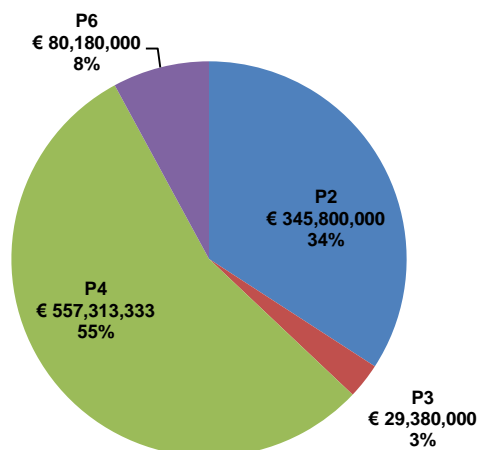
National RDP

Regional RDP

Key focus areas for rural development

The total RDP budget for the Netherlands is set at around € 1,056,064,053 for the entire planning period. The Netherlands has allocated more than half of this budget (55 %) to Priority 4 “restoring, preserving and enhancing ecosystems” followed by 34 % to Priority 2 “competitiveness of all types of agriculture and farm viability”, 8 % to Priority 6 “social inclusion, poverty reduction, and economic development in rural areas” and 6 % to Priority 3 “food chain organisation and risk management”. The following figure provides an overview of the shares by Priority in millions of euro.

Figure 100 Budget allocated per Priority in the Netherlands



Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

Use of measures in RDPs

#### Overview

The Netherlands has decided to offer 7 measures. In terms of budget allocation the highest amounts are allocated to:

- M4 “Investments in physical assets” (€ 528.220.000);
- M10 “Agri-environment- climate” (€ 317.093.333);
- M19 “Support for LEADER local development (CLLD)” (€ 80.180.000);

#### M01 Knowledge Transfer and Innovation actions

The Netherlands allocated 1.38% of the total RDP budget to knowledge transfer and innovation actions. The aim of the Netherlands with this measure is to use innovation in order to maintain the competitiveness of the agricultural sector while simultaneously preventing negative effects on the environment, landscape and viability of rural areas. The focus of this measure lies on

transferring knowledge to large groups of people and mostly at the end of the innovation cycle (where innovations will be applied in practice)<sup>635</sup>. Emphasis will lie on training for agricultural holdings located in important ecological areas or in catchment areas. It will support activities of a collective character such as training, workshops and coaching of farmers. In addition, demonstration projects are also supported. Knowledge transfer will always focus on a specific subject. The establishment and the continuing of study groups where large groups of farmers participate in together with advisors and other experts will also be supported. The main beneficiaries are active farmers, land owners, persons active in the food industry and market players of micro-, small and medium-sized enterprises (SMEs) active in the rural areas.

#### **Investment measures (M04, M05, M06, M07, M08)**

The Netherlands only implemented investment measure M4 "Investments in physical assets" (€ 528,220,000).

For the investment measure M04 no explicit links are made to intended job creation. For submeasures M4.1 – investments in farms - 40% of the eligible investment costs will be subsidised. For investments under M4.3 – investments in infrastructure – maximum 100% of the investment costs will be covered. Also support in terms of loan guarantees can be granted. Under submeasure 4.4, supporting non-productive investments, 100% of the eligible costs will be covered through a subsidy.

#### **M10 Agri-Environment-Climate**

The Netherlands spends on M10 "Agri-environment-climate" € 317,093,333.3 of which the national contribution is 75%<sup>636</sup>. All of the expenditure is categorised under Priority 4. From 2016, only collective groups of farmers can participate in this measure. There are 40 so-called collectives created, spread all over the country. The measure can only be applied in so-called core areas, classified by the regional authorities. The measure focusses on the maintenance and restoration of biodiversity (in particular, farm meadow birds), improvement of water management and soil erosion management.<sup>637</sup>

#### **M16 Co-operation**

M16 "cooperation" receives € 43,220,000 of public spending of which 50 % is national contribution. The measure is only situated in Priority 2 "competitiveness of all types of agriculture and farm viability".

The measure pursues the objectives of innovation and modernisation of the agricultural sector through cooperation in order to improve sustainability and quality of environment. Only cooperation between at least two actors are eligible for support. The cooperation should focus on a more efficient use of raw materials, pesticides and other inputs, and transformation to the use of renewable energy. The following submeasures have been selected:

- M16.1 "Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability";
- M16.2 "Support for pilot projects and for the development of new products, practices, processes and technologies".

In the scope of measure 16.1 operational groups can be supported for linking R&D with the farm level, in order to encourage the adaptation of innovations. Measure 16.2 supports pilot projects which are part of a broader development process, for example groups of forerunners in a living lab and groups of early adapters. Up to 100% of cooperation costs can be subsidized and up to 40% of physical investments.

#### **M17 Risk management**

M17 provides a subsidy for the insurance premium for a weather insurance. This insurance aims to ensure the harvest, plants and trees against economic damage due to unfavourable weather. No sectors are excluded from the measure. An amount of 9 million euro is available p.a. for this measure. The rate of support amounts to 65% of the insurance premium.

#### **M19 LEADER CLLD**

The total CLLD budget allocated under the EAFRD in the Netherlands is € 80,180,000. This has to be spent on a number of indicative themes set out by the Rural Development Programme, of which Local Action Groups can choose a maximum of three<sup>638</sup>. Examples of these themes are: (future) population decline, social innovations and their application, circular and biobased economy and sustainable energy, multifunctional soil and water use, etc. All funds are targeted under Priority 6 "Fostering local development in rural areas". Around 64.9 % of the rural

<sup>635</sup> Ministerie van Economische Zaken, Directorate Generaal Agro (2014). Plattelandsontwikkelingsprogramma voor Nederland 2014-2020.

<sup>636</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>637</sup> Ministerie van Economische Zaken, Directorate Generaal Agro (2014). Plattelandsontwikkelingsprogramma voor Nederland 2014-2020.

<sup>638</sup> Ministerie van Economische Zaken, Directorate Generaal Agro (2014). Plattelandsontwikkelingsprogramma voor Nederland 2014-2020.

Targeting of RDP measures	population is intended to be covered under Local Development Strategy. The target is to create 250 jobs. <sup>639</sup>	
	Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.	
Approaches taken to financial support in RDP	Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.	
	The simplified cost option will not be used.	
	The use of financial instruments is possible for measures under Focus Area 2A "improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification".	
Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.	
	Use of CLLD multi-fund option?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input type="checkbox"/> ERDF <input type="checkbox"/> ESF <input type="checkbox"/> EMFF

<sup>639</sup> DG AGRI (2016): RDP factsheet The Netherlands.



# Poland

	Identifying information					
	Pillar I: Direct Payments		Pillar II			
EU Budget 2014 - 2020	€18 billion <sup>640</sup>		€ 11 billion <sup>641</sup>			
Level of implementation	National		1 RDP (national) <sup>642</sup>			
DP (P.I) yearly national ceilings <sup>643</sup>	2015	2016	2017	2018	2019	2020
	€ 3,359,200,000	€ 3,375,700,000	€ 3,392,000,000	€ 3,411,200,000	€ 3,430,200,000	€ 3,061,500,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		46%			
	"Greening" Payment		30%			
	Payment for Young Farmers		Up to 2%			
	Coupled Support		Up to 13% + 2% for protein crops			
	Small Farmers Scheme		Up to €1,250 per Small Farmer			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input type="checkbox"/> No flexibility		<input type="checkbox"/> P.I to P.II		<input checked="" type="checkbox"/> P.II to P.I	
Poland decided to implement flexibility (25%).						
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	Poland has identified the following criteria for "active farmer" <sup>644</sup> : <ul style="list-style-type: none"> <li>(art. 9.1);</li> <li>Poland will not maintain a negative list and will not add a criteria for being considered active farmer (art. 9(2)).</li> <li>Poland decided not to implement any additional economic or professional requirements (art. 9 (3)).</li> <li>The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €200 in the previous year<sup>645</sup>.</li> </ul>					



<sup>640</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>641</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>642</sup> DG AGRI data on RDPs (2016)

<sup>643</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>644</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>645</sup> DG AGRI data (2016) AF Notification 1-08-2014.

Basic Payments/ SAPS	Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.		
	46 % of national ceiling	<input type="checkbox"/> National model (single region)	<input type="checkbox"/> Partial internal convergence
		<input type="checkbox"/> SAPS	<input type="checkbox"/> Flat payment
<input type="checkbox"/> Regional model			
<p>Poland has allocated annually about €1, 5 billion to basic payments. The amount decreases from €1,5 billion in 2015 to €1,4 billion in 2020.</p> <p>Further key decisions taken by Poland concerning basic payments are:</p> <ul style="list-style-type: none"> <li>• Basic Payments represent 46% of the national ceiling for Pillar I<sup>646</sup>;</li> <li>• The level of implementation is national considering the whole territory as a single region<sup>647</sup>;</li> </ul>			
Reduction of payments	Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.		
	<input checked="" type="checkbox"/> Degressivity: 100 %	<input checked="" type="checkbox"/> Redistributive payment	
	<input checked="" type="checkbox"/> Threshold: €150,000		
<input type="checkbox"/> Application:0			
<p>Poland decided to implement 100 % of reduction for the part of the amount of Basic Payments exceeding 150,000<sup>648,649</sup>. The reduction rate is fixed for all years.</p> <p>Poland decided to implement the redistributive payment at 8.3% of national ceiling. It will be implemented at national level, at 30ha/holding and the national average is set at 41euro/hectare.</p>			
Greening	Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.		
	<b>Green payment</b>		
	<input checked="" type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> Flat payment	<input type="checkbox"/> Individual payment
	<b>Permanent grassland</b>		
	Total area of ESPG in Natura 2000: 260,715 ha (42 %)	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> National application
	<b>Ecological Focus Areas</b>		
	15 types of EFAs	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation
<p>30% of Poland's national ceiling<sup>650</sup> which corresponds to over €1billion in 2015 and to €915 million in 2020 is allocated to greening<sup>651</sup>. The implementation of the greening payments will be done at national level<sup>652</sup>.</p> <p>Poland made the following implementation choices concerning the greening payment:</p>			

<sup>646</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>647</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>648</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>649</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

<sup>650</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>651</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>652</sup> DG AGRI data on Greening payment method of calculation (2016)

	<ul style="list-style-type: none"> <li>Poland will implement equivalent practices<sup>653</sup>;</li> <li>The ratio and obligation for permanent grassland is calculated at national level, about 622,927 hectares are currently covered<sup>654</sup>; 260,715 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 42 % of the total permanent grassland<sup>655</sup>. No ESGP is designated outside Natura 2000<sup>656</sup>.</li> <li>Poland has decided to focus on the following 15 Ecological Focus Areas<sup>657</sup>: <ul style="list-style-type: none"> <li>Fallow land</li> <li>8 Landscape features (hedges or wooded strips, isolated trees, trees in line, trees in group, fieldmargins, ponds, ditches)</li> <li>Buffer strips from 1 or 5m to 10m.</li> <li>Strips of eligible ha along forest edges</li> <li>Short rotation coppice, 5 species: birch, poplar, willow. Mineral fertilisers are allowed with limits whereas plant protection products are not allowed.</li> <li>Afforested areas</li> <li>Catch crops/green cover: 5 crops families.</li> <li>NFC (14): chickpea, soybean, vetchlings, lentil, birds foot-trefoil, lupin, alfalfa, sweet clover, sainfoin, bird's foot, bean, pea, clover, fava bean and bean.</li> </ul> </li> </ul>		
<b>Payment for Young Farmers</b>	<p><b>Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.</b></p> <table border="1"> <tr> <td data-bbox="411 734 874 779"><b>% of national ceiling: 2 %</b></td> <td data-bbox="874 734 1359 779"></td> </tr> </table> <p>Poland has decided to allocate 2% of their national ceiling to Young Farmers which corresponds to € 67,6 million in 2015 which decreases to € 61,2 million in 2020. The calculation of the yearly top up amount per beneficiary is equal to 25 % of the national average per ha multiplied by the number of eligible hectares declared by the farmer. The threshold of eligible payment entitlements is set at 50 ha.</p>	<b>% of national ceiling: 2 %</b>	
<b>% of national ceiling: 2 %</b>			
<b>Voluntary coupled support</b>	<p><b>Member States are allowed to choose to implement the coupled support for different sectors or regions.</b></p> <table border="1"> <tr> <td data-bbox="411 1055 874 1137"> <input checked="" type="checkbox"/> <b>Coupled support as % of national ceiling:</b> 13 % </td> <td data-bbox="874 1055 1359 1137"> <input checked="" type="checkbox"/> <b>Support for protein crops as % of national ceiling:</b> 2 % </td> </tr> </table> <p>In Poland, 13 % of the national ceiling (which corresponds to €507.790.600 in 2015 to € 459.227.700 in 2020) is allocated to Voluntary Coupled Support (VCS). Poland has decided to additionally allocate the 2% VCS buffer for protein crops only<sup>658</sup>. The sectors covered by VCS are beef and veal, flax, fruit and vegetables, hemp, milk and milk products, protein crops, sheep and goat meat, starch potato and sugarbeet. . Reg. (EU)1307/2013, art. 52 (3) provides Member States the opportunity to not only support the sectors laid out in art. 52 (2), but to support certain regions where specific types of farming or specific agricultural sectors that are particularly important for economic, social or environmental reasons and undergo significant difficulties. Throughout the planning period the amounts slightly decreased.<sup>659</sup></p> <p>The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period.</p>	<input checked="" type="checkbox"/> <b>Coupled support as % of national ceiling:</b> 13 %	<input checked="" type="checkbox"/> <b>Support for protein crops as % of national ceiling:</b> 2 %
<input checked="" type="checkbox"/> <b>Coupled support as % of national ceiling:</b> 13 %	<input checked="" type="checkbox"/> <b>Support for protein crops as % of national ceiling:</b> 2 %		

<sup>653</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>654</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>655</sup> DG AGRI data on Greening payment method of calculation (2016)

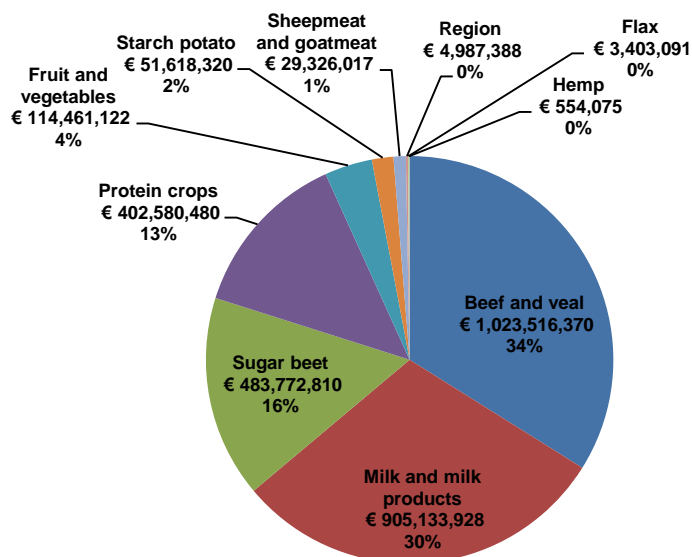
<sup>656</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>657</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

<sup>658</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>659</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

Figure 101 Shares of budget allocated per sector for VCS in Poland as a total of all years



Source: Ecorys based on DG AGRI data

**Other voluntary schemes under Pillar I**

Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers

Payment for areas with natural constraints     Small farmers

The voluntary scheme for areas with natural constraints is not implemented in Poland<sup>660</sup>.

Poland has implemented the small farmers scheme. The annual amount of support per farmer is set at a maximum of € 1,250. This annual is calculated as the total value of all the payments that should be annually allocated to the farmer.<sup>661</sup>

Yearly Union Support for P.II <sup>662</sup>	2014	2015	2016	2017	2018	2019	2020
€	1.569.517.638	1.175.590.560	1.193.429.059	1.192.025.238	1.190.589.130	1.189.103.987	1.187.301.202

Summary of measures implemented under P.II	Total public spending in € for 2014-2020	EU support rate	Implemented measures
	% of total budget		
	€ 57.999.758.04%	64 %	M1.1: Support for vocational training and skills acquisition actions
			M1.2: Support for demonstration activities and information actions
	€ 75.000.519.0,6%	64 %	M2.1 support to help benefiting from the use of advisory services
			M2.3 support for training of advisors
	€ 33.003.300.0,2%	64 %	M3.1 support for new participation in quality schemes
			M3.2 support for information and promotion activities implemented by groups of producers in the internal market
	€ 3.332.041.025.24,7%	64 %	M4.1: support for investments in agricultural holdings
			M4.2: support for investments in processing/marketing and/or development of agricultural products

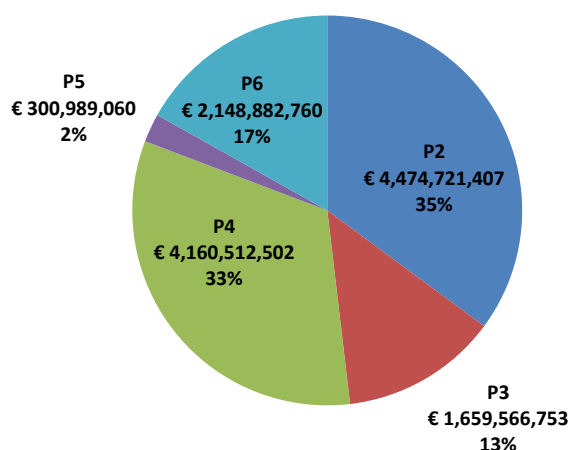
<sup>660</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)  
<sup>661</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)  
<sup>662</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791



		M4.3: support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry
€ 414.970.926 3,1%	64 %	M5: restoring agricultural production potential damaged by natural disasters and introduction of appropriate prevention
€ 2.209.859.265 16,4%	64 %	M6.1: business start-up aid for young farmers
		M6.2: business start-up aid for non-agricultural activities in rural areas
		M6.3: business start-up aid for the development of small farms
		M6.4: support for investments in creation and development of non-agricultural activities
		M6.5: payments for farmers eligible for the small farmers scheme who permanently transfer their holding to another farmer.
€ 1.074.938.080 8,0%	64 %	M7.2: support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving
		M7.4: support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure
		M7.6: support for studies/investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites including related socioeconomic aspects, as well as environmental awareness actions
€ 300.989.060 2,2%	64 %	M8.1: support for afforestation/creation of woodland
€ 402.976.824 3,0%	64 %	M9: setting up of producer groups and organisations
€ 1.184.031.276 8,8%	64 %	M10.1: payment for agri-environment-climate commitments
		M10.2: support for conservation and sustainable use and development of genetic resources in agriculture
€ 1.259.927.990 9,3%	64 %	M11.1 payment to convert to organic farming practices and methods
€ 2.165.941.018 16,0 %	64 %	M13.1 compensation payment in mountain areas
		M13.2 compensation payment to other areas affected by specific constraints
		M13.3 compensation payment to other areas affected by specific constraints
€ 57.998.186 0,4%	64 %	M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability
€ 734.980.355 5,4%	64 %	M19: support for LEADER local development (CLLD)
€ 208.277.849 1,5%	64 %	M20: technical assistance

Key focus areas for rural development	Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).	
	<input checked="" type="checkbox"/> National RDP	<input type="checkbox"/> Regional RDP
	The total RDP budget for Poland is at around € 12,7 billion for the entire planning period. Poland has allocated 42% of its budget to Priority 4 “restoring, preserving and enhancing ecosystems” followed by 20 % to Priority 5 “resource efficiency and shift towards a low carbon and climate resilient economy”, 14 % to Priority 2 “competitiveness of all types of agriculture and farm viability”, 13% to Priority 3 “food chain organisation and risk management” and 11% to Priority 6 “social inclusion, poverty reduction, and economic development in rural areas”. The following figure provides an overview of the shares by Priority in millions of euro.	

Figure 102 Budget allocated per Priority in Poland



Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

### Overview

Poland has decided to offer 15 measures. In terms of budget allocation the highest amounts are allocated to:

- M4 "Investments in physical assets" (€ 3.332.041.025);
- M6 "Farm and business development" (€ 2.209.859.265);
- M13 "Payments to areas facing natural or other specific constraints" (€ 2.165.941.018);

### M01 Knowledge Transfer and Innovation actions

Poland allocated 0.43 % of the total RDP budget to knowledge transfer and innovation actions. The focus of submeasure 1.1. will lie on development of farmers and forest owners professional skills through such activities as courses, trainings and workshops. Submeasure 1.2. concerns innovative solutions and best practices in production technology, agricultural products processing as well as environmental protection and climate solutions (including renewables). This is to be done by demonstrations in a form of practical training sessions.

The eligible beneficiaries comprise universities and scientific institutions, public advisory bodies (e.g. Centres of Agricultural Consultancy, Agricultural Chambers), local and regional governments, state governmental agencies that run agricultural schools, lifelong education centers or practical education centers, other bodies which organize trainings.

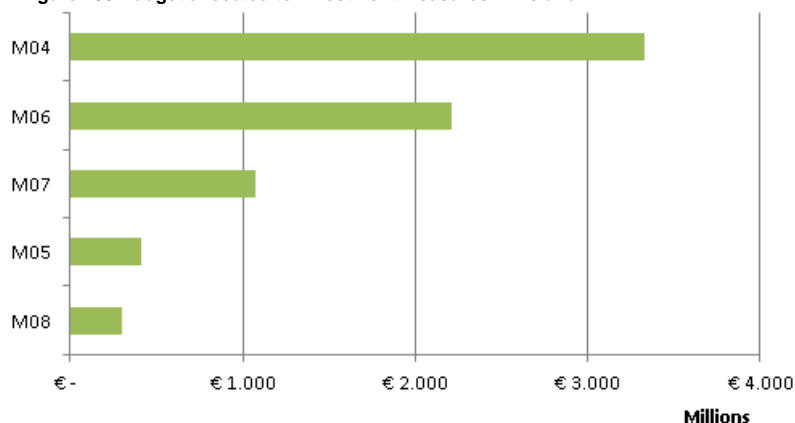
### Investment measures (M04, M05, M06, M07, M08)

Poland implemented investment measures:

- M4 "Investments in physical assets" (€ 3.332.041.025);
- M5 "Restoring agricultural production potential damaged by natural disasters and introduction of appropriate prevention" (€ 414.970.926)
- M6 "Farm and business development" (€ 2.209.859.265);
- M7 "Basic services and village renewal in rural areas" (€ 1.074.938.080); and
- M8 "Investments in forest area development and improvement of the viability of forests"(€ 300.989.060).

The following figure illustrates the budget allocation per investment measure.

**Figure 103 Budget allocated to investment measures in Poland**



Source: Ecorys based on DG AGRI data (2016)

For the investment measure M6 there is an indication in submeasure 6.2., concerning business start-up aid for non-agricultural activities in rural areas, that the beneficiaries should assume at least one job to be created per annum (including self-employment). Moreover, the selection criteria include the expected number of jobs created. For M7 and M8, the rationale is that by using these measures barriers to job creation are reduced.

In some of the investment measures a combination of public and private investments are assumed with support rates ranging from 50 to 100 % or up to the definite amount of funding (premium). M4 ranges from 50 to 60 %, (submeasures 4.1, 4.2.), but can be also fully publicly financed (submeasure 4.3.). In M5, submeasures 5.1. and 5.2 are supported with 80%. Investments under M6 can be publicly financed up to 100,00 PLN (submeasures 6.1 and 6.2) or 60 000 PLN (submeasure 6.3.) or 50% but up to 500,00 PLN (measure 6.4.) or up to 120% yearly payment for small farms when a beneficiary passes the farm (submeasure 6.5). M7 assumes maximum of 0,5-3m PLN (depending on the investment) with 63,63% of public financing. In M8 the support rate for forestation equals 60% of estimated investment costs, but there are some other premiums depending on the investment details.

There is no focus on non-productive investments in any of the measures.

Investments in irrigation systems are covered by investment measure 4.1. There is no indication of whether this concern existing or new systems. These investments will be supported after confirmation of updated planning documents concerning water and water management.

#### **M10 Agri-Environment-Climate and M11 Organic Farming**

Poland spends on M10 "Agri-environment-climate" € 1.184.031.276,13 of which the national contribution is 8.76 %<sup>663</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are farmers, groups of farmers or groups of farmers and/or other land owners. The eligibility criteria include the ownership of farm located in Poland of agricultural area no less than 1 ha. For the M10.2 the beneficiary should also implement genetic protection programme of the selected farm livestock (cattle, horses, sheep, hogs and goats) and possess the minimum number of these livestock as stated in state legislature or the before mentioned programme.

For M11 "Organic Farming" € 699.942.890,14 of public spending has been allocated of which the national contribution accounts for 5.18 %<sup>664</sup>. All of the expenditure is categorised under Priority 4. Eligibility criteria include the ownership of farm located in Poland of agricultural area no less than 1 ha and agricultural production according to the current legal code. In case of packet 10, farmer should maintain orchards two years after the commitment, in case of Packets 5 and 11 farmer should possess livestock, and in case of Packets 6 and 12 the minimum number of livestock should be met.

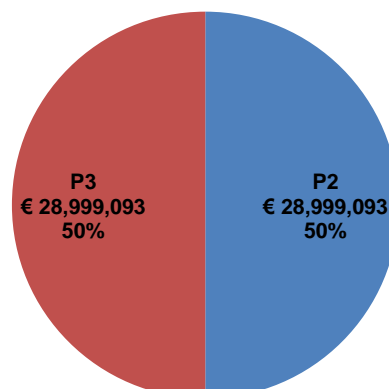
#### **M16 Co-operation**

<sup>663</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>664</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

M16 “cooperation” receives € 2 640 201 610.90 of public spending of which 36 % is national contribution. Under Priority 2 and 3 equal amounts of each € 28 999 093.20 are being spent with a national contribution of 36.37 %.

**Figure 104. Division of budget for M16 over different priorities (P) for the 2014-2020 period**



Source: Ecorys based on DG AGRI data (2016)

The following submeasure has been selected:

- M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability The measure will contribute to the achievement of the CAP objectives, but the most significant impact will have on promotion of innovativeness and in achieving the environmental objectives of the CAP and combating climate change. Specifically, M16.1. aims at creation and implementation of solutions leading to new products, processes, technology, organization and marketing methods in agricultural, food and forest industries.

#### **M19 LEADER CLLD**

The total CLLD budget allocated under the EAFRD in Poland is €734.980.355,18. It will be carried out under a single thematic objective: promoting social inclusion and combatting poverty and any form of discrimination<sup>665</sup>. All funds are targeted under Priority 6 “Fostering local development in rural areas”. Around 58,19% of the rural population is intended to be covered under Local Development Strategy. The target is to create 5 943jobs.<sup>666</sup>

**Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.**

**Targeting of RDP measures**

Measures especially targeted at Young Farmers: measures M06.  
Measures targeted at Small Farms: none  
Measures targeted at Innovation Activities: measures M01, M02 and M16.

**Approaches taken to financial support in RDP**

**Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.**

Two measures (M4 and M6) implemented in RDP is using the simplified cost option for submeasures 4.1. 6.3 and 6.3 in eligibility criteria for the beneficiaries  
4.1. and 6.3. submeasures are making use of financial instruments: 4.1. – soft loans, the investment premium, 6.3 - premiums for “young farmers.

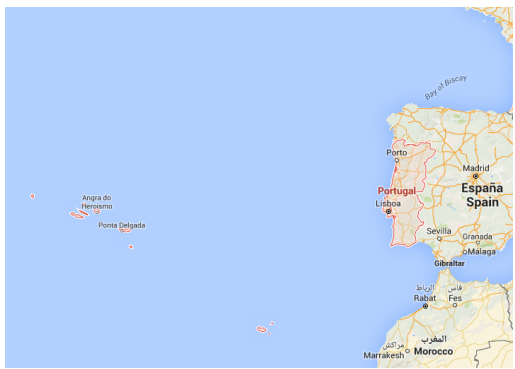
<sup>665</sup> Polish Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme

<sup>666</sup> DG AGRI (2016): RDP factsheet Poland

Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds. Community led - local development (CLLD) is based on the LEADER approach used under the CAP and CFP in 2007-2013 and retains its basic assumptions	
	Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input checked="" type="checkbox"/> ERDF <input checked="" type="checkbox"/> ESF <input checked="" type="checkbox"/> EMFF



# Portugal

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€3.47 billion <sup>667</sup>	€ 4 billion <sup>668</sup>				
Level of implementation	National	3 RDPs <sup>669</sup>				
DP (P.I) yearly national ceilings <sup>670</sup>	2015	2016	2017	2018	2019	2020
	€	€	€	€	€	€
	565,900,000	574,000,000	582,100,000	590,800,000	599,400,000	599,500,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		From 47,23 % in 2015 to 48,39 in 2020 %			
	“Greening” Payment		30%			
	Payment for Young Farmers		Up to 0,02%			
	Coupled Support		Up to 21 %			
	Small Farmers Scheme		Up to €500 per Small Farmer			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input checked="" type="checkbox"/> No flexibility		<input type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I	
	Portugal decided not to apply flexibility between pillars.					
Active farmer definition	Member States shall define the concept of “active farmer”. Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Portugal has identified the following criteria for “active farmer”<sup>671</sup>:</p> <ul style="list-style-type: none"> <li>• Portugal has decided not to define “Minimum activity” (art. 4.2.b)</li> <li>• In order to receive Direct Payments, farmers need to respect either: <ul style="list-style-type: none"> <li>◦ Physical threshold of 0.5ha or</li> <li>◦ Financial threshold of €100 for farmers receiving the animal related coupled support.</li> </ul> </li> <li>• Portugal will not maintain a negative list (art.9.2)</li> <li>• A person or a group of persons which fall under the scope of art. 9 (2) can be regarded an active farmer if they can demonstrate with verifiable evidence: <ul style="list-style-type: none"> <li>◦ that the agricultural activities are not insignificant by providing evidence that the total receipts obtained from agricultural activities represent at least 1/3 of the total receipts obtained in the most recent year;</li> <li>◦ that its principle business or company object consists of exercising an agricultural activity by filling an official business register (Portuguese Economic Activities Classification).</li> </ul> </li> <li>• Portugal decided not to implement any additional economic or professional requirements (art. 9 (3)).</li> </ul>					

<sup>667</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>668</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>669</sup> DG AGRI data on RDPs (2016)

<sup>670</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>671</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	<ul style="list-style-type: none"> <li>The exemption threshold for the “active farmer” clause is applicable to recipients who did not receive more than €5,000 in the previous year<sup>672</sup>.</li> </ul>							
Basic Payments	<p>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</p>							
	<table border="1"> <tr> <td rowspan="3">47 % of national ceiling</td> <td><input checked="" type="checkbox"/> National model (single region)</td> <td><input checked="" type="checkbox"/> Partial internal convergence</td> </tr> <tr> <td><input type="checkbox"/> SAPS</td> <td><input type="checkbox"/> Flat payment</td> </tr> <tr> <td><input type="checkbox"/> Regional model</td> <td></td> </tr> </table>	47 % of national ceiling	<input checked="" type="checkbox"/> National model (single region)	<input checked="" type="checkbox"/> Partial internal convergence	<input type="checkbox"/> SAPS	<input type="checkbox"/> Flat payment	<input type="checkbox"/> Regional model	
	47 % of national ceiling		<input checked="" type="checkbox"/> National model (single region)	<input checked="" type="checkbox"/> Partial internal convergence				
<input type="checkbox"/> SAPS			<input type="checkbox"/> Flat payment					
<input type="checkbox"/> Regional model								
<p>Portugal has allocated annually about € 275million to basic payments. The amount decreases from €265,933,520 in 2015 to € 281,696,850 in 2020.</p> <p>Further key decisions taken by Portugal concerning basic payments are:</p> <ul style="list-style-type: none"> <li>Basic Payments represent 47 % of the national ceiling for Pillar I<sup>673</sup>;</li> <li>The level of implementation is regional considering the whole territory as several regions<sup>674</sup>;</li> <li>The minimum threshold for receiving Basic Payments are set at a minimum of 0.5 hectare of eligible land. In addition, the list of eligible farmers can be extended to those farmers who have never held entitlements but farmed in 2013<sup>675</sup>;</li> <li>Portugal will implement a partial convergence of the unit value of entitlements towards 2019<sup>676</sup>.</li> <li>The target value for payment entitlements to be increased in value is of 90% in 2019. The minimum level of payment entitlements value in 2019 is of 60%. Portugal decided to set out the maximum decrease of value of payment entitlements at 30%.<sup>677678</sup></li> <li>Portugal will approximate the value of payment entitlements towards the average value in 2019 and will use the possibility to limit the decrease in the value entitlements in 2019 compared to its initial unit value to 30%.</li> <li>The IUV will be based on payments in 2014 and will take into account for sectors not covered by the VCS any past sectoral support.</li> </ul>								
Reduction of payments	<p>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</p>							
	<table border="1"> <tr> <td><input checked="" type="checkbox"/> Degressivity: 5 % above 150,000</td> <td rowspan="3"><input type="checkbox"/> Redistributive payment</td> </tr> <tr> <td><input checked="" type="checkbox"/> Threshold: € 150,000</td> </tr> <tr> <td><input type="checkbox"/> Application:</td> </tr> </table>	<input checked="" type="checkbox"/> Degressivity: 5 % above 150,000	<input type="checkbox"/> Redistributive payment	<input checked="" type="checkbox"/> Threshold: € 150,000	<input type="checkbox"/> Application:			
	<input checked="" type="checkbox"/> Degressivity: 5 % above 150,000	<input type="checkbox"/> Redistributive payment						
<input checked="" type="checkbox"/> Threshold: € 150,000								
<input type="checkbox"/> Application:								
<p>Portugal decided to implement the minimum of 5 % reduction for the part of the amount of Basic Payments exceeding 150,00<sup>679680</sup>. The reduction rate is fixed for all years. Salaries linked to an agricultural activity paid and declared by the farmer, including taxes and social contributions, will not be subtracted from the amount of Basic Payments received before the application of the reduction<sup>681682</sup>.</p>								

<sup>672</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>673</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>674</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>675</sup> DG AGRI data on BPS-Allocation of payment entitlements (2016)

<sup>676</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>677</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf

<sup>678</sup> DG AGRI data (2016) on BPS Details Convergence

<sup>679</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>680</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

<sup>681</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>682</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)



<b>Greening</b>	Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.		
	<b>Green payment</b>		
	<input type="checkbox"/> Equivalent practices	<input type="checkbox"/> Flat payment	<input checked="" type="checkbox"/> Individual payment
	<b>Permanent grassland</b>		
	<b>Total area of ESPG in Natura 2000:</b> 1,726 ha (1%)	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> National application
	<b>Ecological Focus Areas</b>		
<b>5 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation
<p>30% of Portugal's national ceiling<sup>683</sup> which corresponds to over €169 million in 2015 and to €179 million in 2020 is allocated to greening<sup>684</sup>. The implementation of the greening payments will be done at national level<sup>685</sup>.</p> <p>Portugal made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• Portugal has decided to apply the derogation to the uniform greening payment per hectare, which means they implement an individual payment<sup>686</sup>.</li> <li>• It will not implement any equivalent practices<sup>687</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 284,049 hectares are currently covered<sup>688</sup>; 1,726 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 1% of the total permanent grassland<sup>689</sup>. No ESPG is designated outside Natura 2000<sup>690</sup>.</li> <li>• Portugal has decided to focus on the following 5 Ecological Focus Areas<sup>691</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow</li> <li>○ Landscape feature: landscape features linked to rice cultivation</li> <li>○ Agroforestry</li> <li>○ Afforested areas</li> <li>○ Areas with nitrogen fixing crops (7 species: pinut, chickpea, lupin, alfalfa, bean, pea and fafa bean).</li> </ul> </li> </ul>			
<b>Payment for Young Farmers</b>	Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.		
	<b>% of national ceiling:</b> 2%		
	<p>Portugal has decided to allocate 2% of its national ceiling to Young Farmers which corresponds to € 11.3m in 2015 which increases to € 12m in 2020. There will be an additional eligibility criteria implemented as regards appropriate skills and training requirements.</p> <p>The calculation of the yearly top up amount per beneficiary is equal to 25 % of the basic Payment Scheme national. The threshold of eligible payment entitlements is set at 90 ha/entitlements.</p>		

<sup>683</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>684</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>685</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>686</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>687</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>688</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>689</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>690</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>691</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

<b>Voluntary coupled support</b>	<b>Member States are allowed to choose to implement the coupled support for different sectors or regions.</b>																								
	<input checked="" type="checkbox"/> <b>Coupled support as % of national ceiling:</b> 21%				<input type="checkbox"/> Support for protein crops as % of national ceiling: 0%																				
	<p>In Portugal, 21% of the national ceiling (which corresponds to € 118m in 2015 and €118m in 2020) is allocated to Voluntary Coupled Support (VCS).. The sectors covered by VCS are beef and veal, fruit and vegetables, milk and milk products, rice and sheep and goat meat. Throughout the planning period the amounts did not change, the overall distribution remains the same.<sup>692</sup></p> <p>The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period.</p> <p style="text-align: center;"><b>Figure 105 Shares of budget allocated per sector for VCS in Portugal as a total of all years</b></p> <div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <caption>Data for Figure 105</caption> <thead> <tr> <th>Sector</th> <th>Amount (€)</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Beef and veal</td> <td>358,800,000</td> <td>51%</td> </tr> <tr> <td>Sheepmeat and goatmeat</td> <td>215,400,000</td> <td>30%</td> </tr> <tr> <td>Milk and milk products</td> <td>75,000,000</td> <td>11%</td> </tr> <tr> <td>Rice</td> <td>36,000,000</td> <td>5%</td> </tr> <tr> <td>Fruit and vegetables</td> <td>20,010,000</td> <td>3%</td> </tr> </tbody> </table> </div> <p style="text-align: center;"><i>Source: Ecorys based on DG AGRI data</i></p>							Sector	Amount (€)	Percentage	Beef and veal	358,800,000	51%	Sheepmeat and goatmeat	215,400,000	30%	Milk and milk products	75,000,000	11%	Rice	36,000,000	5%	Fruit and vegetables	20,010,000	3%
	Sector	Amount (€)	Percentage																						
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Rice	36,000,000	5%																							
Fruit and vegetables	20,010,000	3%																							
<b>Other voluntary schemes under Pillar I</b>	<b>Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers</b>																								
	<input type="checkbox"/> Payment for areas with natural constraints				<input checked="" type="checkbox"/> <b>Small farmers</b>																				
	<p>The voluntary scheme for areas with natural constraints is not implemented in Portugal<sup>693</sup>.</p> <p>The small farmer scheme is implemented. The annual amount of support per farmer is set at a maximum of € 500.<sup>694</sup></p>																								
<b>Yearly Union Support for P.II<sup>695</sup></b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>																		
	€577,031,070	€577,895,019	€578,913,888	€579,806,001	€580,721,241	€581,637,133	€582,456,022																		
<b>Summary of measures implemented under P.II</b>	<b>Total public spending in € for 2014-2020 % of of total budget</b>	<b>EU support rate</b>	<b>Implemented measures</b>																						
	€ 30,508,913.68 0,65%	80-90%	M1.1: Support for vocational training and skills acquisition actions																						
			M1.2: Support for demonstration activities and information actions																						
			M1.3: Support for short-term farm and forest management exchange																						

<sup>692</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>693</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

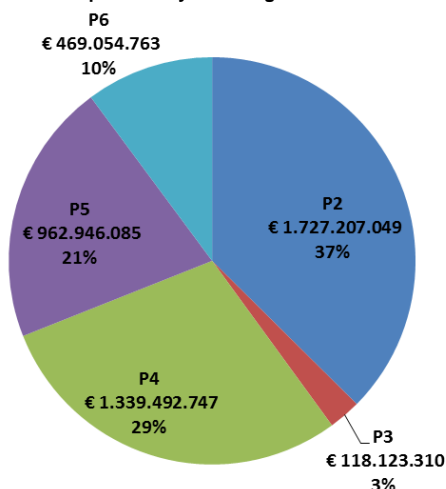
<sup>694</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

<sup>695</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

		as well as farm and forest visits
€ 33,734,303.16 0,71%	53-85%	M2.1 Support to help benefiting from the use of advisory services M2.2 support for the setting up of farm management, farm relief and farm advisory services as well as forestry advisory services M2.3 support for training of advisors
€ 1,046,176.47 0,02 %	85%	M3.1 support for new participation in quality schemes M3.2 support for information and promotion activities implemented by groups of producers in the internal market
€ 1,711,326,163 .95 36,25%	53-100%	M4.1: support for investments in agricultural holdings; M4.2: support for investments in processing/marketing and/or development of agricultural products; M4.3: support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry; M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.
€ 24,470,214.31 0,52 %	53-85%	M5.1: support for investments in preventive actions aimed at reducing the consequences of probable natural disasters, adverse climatic events and catastrophic events; M5.2: support for investments for the restoration of agricultural land and production potential damaged by natural disasters, adverse climatic events and catastrophic events.
€ 214,146,912.4 6 4,54 %	80-100%	M6.1: business start-up aid for young farmers
€ 4,248,960.81 0,09 %	53-85%	M7.4: support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure;
€ 570,335,106.7 6 12,08 %	53-100%	M8.1: support for afforestation/creation of woodland (Article 21); M8.2: support of establishment and maintenance of agro-forestry systems (Article 22); M8.3: support for prevention of damage to forests from forest fires and natural disasters and catastrophic events (Article 23); M8.4: support for restoration of damage to forests from forest fires and natural disasters and catastrophic events (Article 24); M8.5: support for investments improving the resilience and environmental value of forest ecosystems (Article 25); M8.6: support for investments in forestry technologies and in processing, mobilising and marketing of forest products (Article 26).
€ 17,177,654.00 0,36 %	85-100%	M9: Setting up of producer groups and organisations
€ 562,345,782.5 9 11,91 %	75-100%	M10.1: payment for agri-environment-climate commitments M10.2: support for conservation and sustainable use and development of genetic resources in agriculture
€ 99,245,271.60 2,10 %	75-85 %	M11.1 payment to convert to organic farming practices and methods M11.2 payment to maintain organic farming practices and methods
€ 51,542,129.88 1,09 %	75-85 %	M12.1 compensation payment for Natura 2000 agricultural areas M12.2 compensation payment for Natura 2000 forest areas
€ 924,481,048.1 8 19,58 %	75-100 %	M13.1: compensation payment in mountain areas M13.2: compensation payment for other areas facing significant natural constraints

			M13.3: compensation payment to other areas affected by specific constraints
	€ 5,598,541.17 0,12%	75-85 %	15.1 payment for forest-environmental and climate commitments 15.2 support for the conservation and promotion of forest genetic resources
	€ 57,393,666.29 1,22 %	80-90%	M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability
			M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies
			M16.3 Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism
			M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets
			M16.5 Support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices. (Article 35 (2) (f) and (g))
€ 52,898,232.67 1,12%	63-85%	M17.1 crop, animal and plant insurance premium	
€ 256,324,876.8 2 5,43 %	85-90 %	M19: LEADER and CLLD	
€ 92,734,938.91 1,96 %	63-100 %	M20: Technical assistance to Member States	
<b>Key focus areas for rural development</b>	<b>Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).</b>		
	<input type="checkbox"/> National RDP <input checked="" type="checkbox"/> Regional RDP		
	<p>The total RDP budget for Portugal is at around € 4,7 billion for the entire planning period. Portugal has allocated most of its budget (37 %) to Priority 2 “competitiveness of all types of agriculture and farm viability” followed by 29% to Priority 4 “restoring, preserving and enhancing ecosystems”, 21 % to Priority 5 “resource efficiency and shift towards a low carbon and climate resilient economy”, 10% to Priority 6 “social inclusion, poverty reduction, and economic development in rural areas” and 3% to Priority 3 “food chain organisation and risk management”. The following figure provides an overview of the shares by Priority in millions of euro.</p>		

Figure 106 Budget allocated per Priority in Portugal



Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

#### Overview

- Aggregating all RDPs in Portugal, there are 18 measures used in the entire country. In terms of budget allocation the highest aggregated amounts are allocated to:
  - M13 "Payments to areas facing natural or other specific constraints" (€ 924,481,048.18);
  - M08 "Investments in forest area development and improvement of the viability of forests" (€570,335,106.76);
  - M10 "Agri-environment-climate" (€562.345.782,59);
- Mainland has decided to offer 17 measures. In terms of budget allocation the highest amounts are allocated to:
  - M04 "Investments in physical assets" (€1,492,577,005);
  - M13 "Payments to areas facing natural or other specific constraints" (€814,323,401);
  - M08 "Investments in forest area development and improvement of the viability of forests" (€ 516,894,164).
- Azores has decided to offer 16 measures. In terms of budget allocation the highest amounts are allocated to:
  - M04 "Investments in physical assets" (€127,802,100.06);
  - M13 "Payments to areas facing natural or other specific constraints" (€70,117,647.06)
  - M10 "Agri-environment-climate" (€ 62.937.063,53).
- Madeira has decided to offer 16 measures. In terms of budget allocation the highest amounts are allocated to
  - M04 "Investments in physical assets" (€ 90.947.058,82);
  - M13 "Payments to areas facing natural or other specific constraints" (€ 40.040.000);
  - M08 "Investments in forest area development and improvement of the viability of forests" (€ 36.195.000).

#### M01 Knowledge Transfer and Innovation actions

Portugal allocated 0,65% of the total RDP budget to knowledge transfer and innovation actions. The focus of this measure will lie on training for a range of main objective including sustainable innovation, improvement of export and modernisation of the sector, improvement of the sector performance in order to protect the ecosystems, efficiency and promotion of a low carbon economy, social inclusion. The form in which training is implemented, as described by the RDP, is mainly through "traditional" courses and workshops, although in some cases more interactive coaching and exchanges are envisaged, as well as demonstration activities.

**Mainland** has allocated 0.61% of the total RDP budget to knowledge transfer and innovation actions. The focus is on training for those beneficiaries applying for investment measures, whilst other more general training initiatives, including support to Young Farmers, will be delivered through the ESF. The focus of this measure will lie on training for sustainable innovation, improvement of export and modernisation of the sector, improvement of the sector

performance in order to protect the ecosystems, efficiency and promotion of a low carbon economy, social inclusion. The form in which training is implemented, as described by the RDP, is through courses, workshops, exchanges, counselling, information, etc. Demonstration activities are also provided.

**Azores** has allocated 1.11% of the total RDP budget to knowledge transfer and innovation actions. The focus of this measure will lie on training and coaching activities provided by certified organisations, information and demonstration activities, exchanges for young farmers. The form in which training is implemented, as described by the RDP, is through courses, workshops, lectures, etc, but some dedicated coaching is required as part of the training. Demonstration projects include more practical sections.

**Madeira** has allocated 0.58 % of the total RDP budget to knowledge transfer and innovation actions. The focus of this measure will lie on training improvement of capabilities and skills in the sector, emerges as generally weak in competencies and knowledge, improve export and modernisation of the sector, improvement of the sector performance in order to protect the ecosystems, efficiency and promotion of a low carbon economy, social inclusion.. The form in which training is implemented, as described by the RDP, is through courses, workshops, lectures. Information and demonstration activities are also considered.

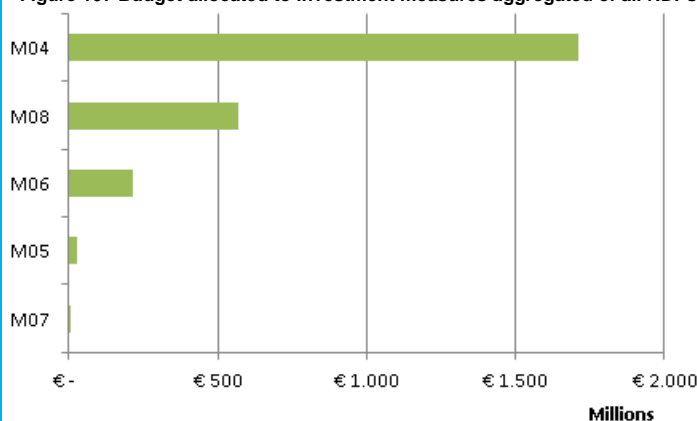
**Investment measures (M04, M05, M06, M07, M08)**

At the aggregated level, the RDPs in Portugal have implemented investment measures:

- M4 “Investments in physical assets” (€1,711,326,163);
- M5 “Restoring agricultural production potential damaged by natural disasters and introduction of appropriate prevention” (€ 24,470,214)
- M6 “Farm and business development (€214,146,912);
- M7 “Basic services and village renewal in rural areas” (€4,248,960); and
- M8 “Investments in forest area development and improvement of the viability of forests”( € 570,335,106).

The following figure illustrates the budget allocation per investment measure.

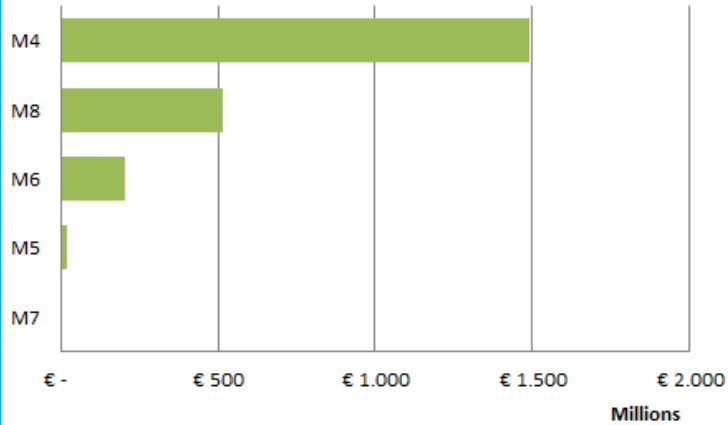
**Figure 107 Budget allocated to investment measures aggregated of all RDPs in Portugal**



Source: Ecorys based on DG AGRI data (2016)

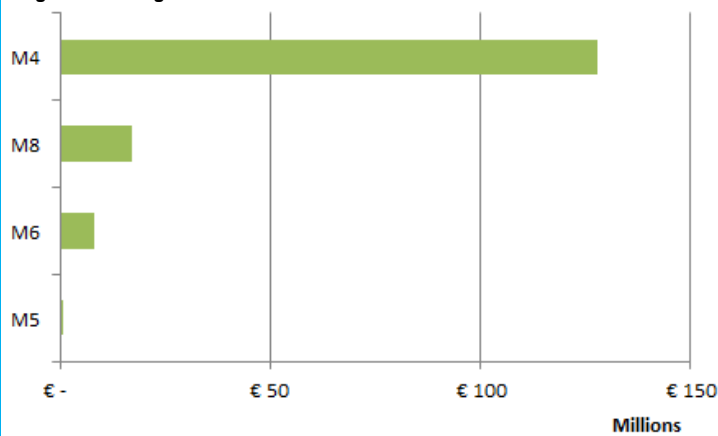
For Mainland, Azores and Madeira the distribution of funds in their RDPs for the investment measures are shown in the figures below

Figure 108 Budget allocated to investment measures in Mainland



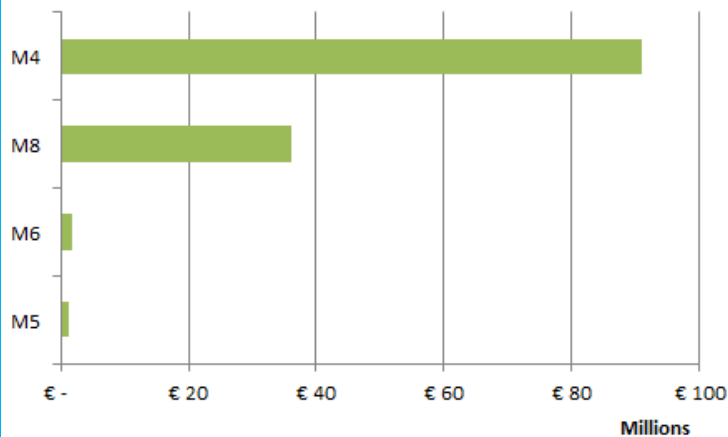
Source: Ecorys based on DG AGRI data (2016)

Figure 109 Budget allocated to investment measures in Azores



Source: Ecorys based on DG AGRI data (2016)

Figure 110 Budget allocated to investment measures in Madeira



Source: Ecorys based on DG AGRI data (2016)

Investments in the **Mainland** Region are implemented with the aim of sustaining local farms and creating more jobs (M04) by acting on “pre-conditions” such as improved access to finance, supporting infrastructures which allow economies of scale for the sector, as well as sustain commercialisation processes and integration of Young Farmers in the sector. Other measures (M06) focus directly to greater knowledge and skills, by supporting and increasingly ageing workforce with low educational levels, so to promote generational change (e.g. start-up aid for Young Farmers) and upgraded skills.. Other aim at setting up basic services for rural population (M07), and supporting SMEs in the transformation and commercialisation of products from forestall areas to fulfil its sustainable growth potentials (M08). Non-productive investment are allowed (M04.4), such as installation and recovery of riparian corridors, eradication of woody invasive species and recovery of fitted stone walls. M04.1 allows

investments for management and use of irrigation systems (apparently both existing and new, although no explicit mention is made in this respect).

Investments in the **Azores** Region are implemented (M04) with the aim of promoting the modernisation of the sector, support products commercialisation and improving local infrastructures so to reduce related costs and improve efficiency of the system. Others (M06) support the entrance of young farmers in the sector, and (M08) support business in forest areas by improving the know how and technological renovation. Non-productive investment are not considered (M04.4), investments on irrigation systems are not allowed (M04.1).

Investments in the **Madeira** Region are implemented (M04) with the aim of promoting the modernisation of the sector through innovation, support products commercialisation, improving of agricultural practices in order to preserve the ecosystem in which agricultural business operates and improve efficiency of the system. To promote a low-carbon economy. Others (M06) support the entrance of young farmers in the sector, and (M08) support business in forest areas by improving the know how and technological renovation. Non-productive investment are considered (M04.4), investments on irrigation systems are allowed (M04.1).

#### **M10 Agri-Environment-Climate and M11 Organic Farming**

Portugal spends on M10 "Agri-environment-climate" the aggregated total of € 562,345,782.59 of which the national contribution is 11,91 %<sup>696</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are generally all active farmers and farming organisations.

**Mainland** spends on M10 "Agri-environment-climate" € 489,208,719 of which the national contribution is 11,72%<sup>697</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are apicultors and public or private individuals and organisations involved in agricultural activities. Examples of these operations include payment for agri-environment-climate commitments, support for conservation and sustainable use and development of genetic resources in agriculture.

**Azores** spends on M10 "Agri-environment-climate" € 62,937,063.53 of which the national contribution is 18.48%<sup>698</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are individual farmers and farming organisations. Examples of these operations include payment for agri-environment-climate commitments.

**Madeira** spends on M10 "Agri-environment-climate" € 10,200,000 of which the national contribution is 4.93%<sup>699</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are public entities and their private partners where available, as well as farmers and groups of farmers (accepting the commitments for a minimum of 5 years). Examples of these operations include payment for agri-environment-climate commitments, support for conservation and sustainable use and development of genetic resources in agriculture.

For M11 "Organic Farming" **Portugal** spends €99,245,271.60 of public spending has been allocated of which the national contribution accounts for 2,10 %<sup>700</sup>. All of the expenditure is categorised under Priority 4. Both submeasures (M11.1 "payment to convert to organic farming practices and methods" and M11.2 "payments to maintain organic farming practices and methods") are implemented.

For M11 "Organic Farming" **Mainland** spends € 99,136,928 of public spending has been allocated of which the national contribution accounts for 2,36%<sup>701</sup>. All of the expenditure is categorised under Priority 4. Both submeasures (M 11.1 "convert to organic farming practices and methods" and M 11.2 "maintain organic farming practices and methods") are implemented. The main beneficiaries of this measure are active farmers.

For M11 "Organic Farming" **Azores** spends € 529,411.76 of public spending has been allocated of which the national contribution accounts for 0.16%<sup>702</sup>. All of the expenditure is categorised under Priority 4. Both submeasures (M 11.1 "convert to organic farming practices and methods" and M 11.2 "maintain organic farming practices and methods") are implemented. The main beneficiaries of this measure are active farmers (individual and organisations).

<sup>696</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>697</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>698</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>699</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

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<sup>701</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>702</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

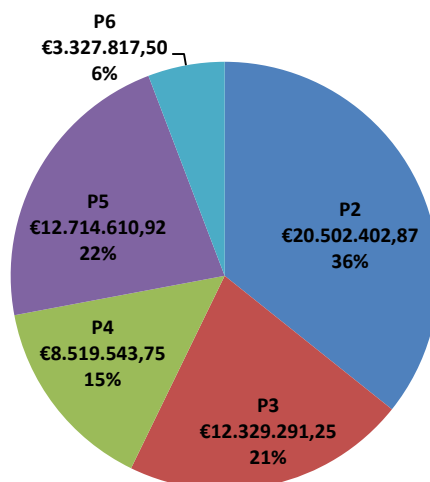


For M11 “Organic Farming” Madeira spends 144,000 of public spending has been allocated of which the national contribution accounts for 0.07 %<sup>703</sup>. All of the expenditure is categorised under Priority 4. Both submeasures (M 11.1 “convert to organic farming practices and methods” and M 11.2 “maintain organic farming practices and methods”) are implemented. The main beneficiaries of this measure are active farmers.

#### M16 Co-operation

M16 “cooperation” receives € 57,393,666.29 of the aggregated public spending in Portugal. Under Priority 2 36 % of the total amount is spent, for Priority 3 21 % is allocated, under Priority 4 15 % and under Priority 6 6%.

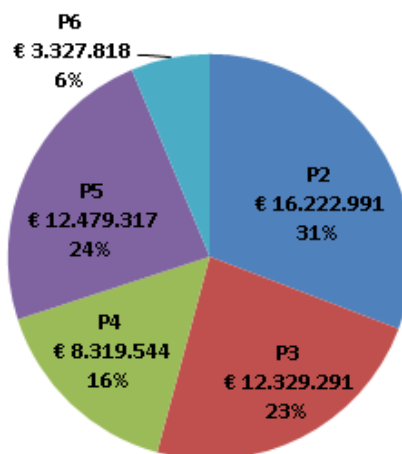
Figure 111 Division of budget for M16 over different priorities (P) for the 2014-2020 period



Source: Ecorys based on DG AGRI data (2016)

Mainland M16 “cooperation” receives € 52,678,960.41 of public spending of which 1,26% is national contribution. Under Priority 2 31% of the total amount is spent, for Priority 5 24% is allocated, 23% under Priority 3, 16% under Priority 4 and 6% for Priority 6.

Figure 112 Division of budget for M16 in Mainland over different priorities (P) for the 2014-2020 period

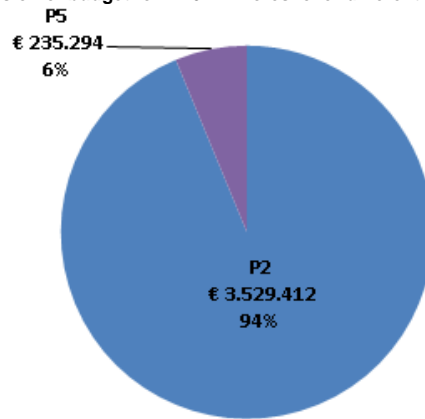


Source: Ecorys based on DG AGRI data (2016)

Azores M16 “cooperation” receives € 3,764,705.88 of public spending of which 1,11% is national contribution. Under Priority 2 94% of the total amount is spent and for Priority 5 6 % is allocated.

<sup>703</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

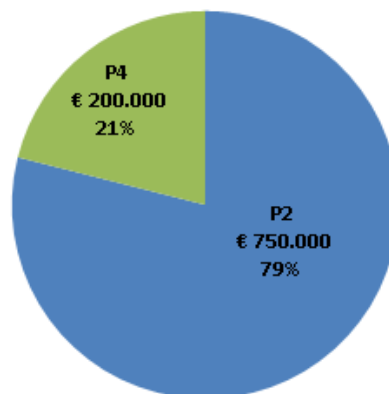
Figure 113 Division of budget for M16 in Azores over different priorities (P) for the 2014-2020 period



Source: Ecorys based on DG AGRI data (2016)

Madeira M16 “cooperation” receives € 950,000 of public spending of which 0.46% is national contribution. Under Priority 2 79 % of the total amount is spent and for Priority 4 21 % is allocated.

Figure 114 Division of budget for M16 in Madeira over different priorities (P) for the 2014-2020 period



Source: Ecorys based on DG AGRI data (2016)

In **Mainland**, the measure pursues the objectives of supporting a wider range of beneficiaries, from small economic actors to larger companies. Following submeasures have been selected:

- M16.1 “Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability”;
- M16.3 “Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism”;

The measure pursues the objectives of promoting optimization and rationalization of existing measures. Following submeasures have been selected:

- M16.1 “Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability”;
- M16.2 “Support for pilot projects and for the development of new products, practices, processes and technologies”;
- M16.3 “Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism”;
- M16.4 “Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets”;
- M16.5 “Support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices. (Article 35 (2) (f) and (g) “.

In **Madeira**, the measure pursues the objectives of promoting sustainable management and sustainable use of resources. Following submeasures have been selected:

Targeting of RDP measures	<ul style="list-style-type: none"> <li>• M16.1 “Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability”;</li> <li>• M16.2 “Support for pilot projects and for the development of new products, practices, processes and technologies”;</li> <li>• M16.5 “Support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices. (Article 35 (2) (f) and (g) “.</li> </ul>							
	<p><b>M19 LEADER CLLD</b> The total aggregated CLLD budget allocated under the EAFRD in Portugal is €256,324,876.82.</p> <p>In <b>Mainland</b>, the total CLLD budget allocated under the EAFRD is € 220,753,242. All funds are targeted under Priority 6 “Fostering local development in rural areas”. Around 72.73 % of the rural population is intended to be covered under Local Development Strategy. The target is to create 2 348 jobs.<sup>704</sup></p> <p>In <b>Azores</b> the total CLLD budget allocated under the EAFRD is € 22,446,635. All funds are targeted under Priority 6 “Fostering local development in rural areas”. Around 100% of the rural population is intended to be covered under Local Development Strategy. The target is to create 80 jobs.<sup>705</sup></p> <p>In <b>Madeira</b> the total CLLD budget allocated under the EAFRD is € 13,125,000. All funds are targeted under Priority 6 “Fostering local development in rural areas”. Around 99,92% of the rural population is intended to be covered under Local Development Strategy. The target is to create 100 jobs.<sup>706</sup></p>							
	<p><b>Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.</b></p>							
Approaches taken to financial support in RDP	<p><b>Mainland:</b> Measures especially targeted at Young Farmers: measures M02 and M06. Measures targeted at Small Farms: none. Measures targeted at Innovation Activities: measures M01, M02 and M16.</p>							
	<p><b>Azores:</b> Measures especially targeted at Young Farmers: measures M01 and M06. Measures targeted at Small Farms: none. Measures targeted at Innovation Activities: measures M01, M02 and M16.</p>							
	<p><b>Madeira:</b> Measures especially targeted at Young Farmers: measures M06. Measures targeted at Small Farms: none. Measures targeted at Innovation Activities: measures M01, M02 and M16.</p>							
Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	<p><b>Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.</b></p> <p>Of the three regions under analysis, only Mainland makes use of the simplified cost option for measure M19.1, M19.2, M19.3 and M19.4.</p> <p><b>The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.</b></p> <table border="1" data-bbox="414 1590 1327 1807"> <tr> <td data-bbox="414 1590 734 1680">Use of CLLD multi-fund option?</td> <td data-bbox="734 1590 957 1680"><input checked="" type="checkbox"/> Yes, only Mainland.</td> <td data-bbox="957 1590 1327 1680"><input type="checkbox"/> No</td> </tr> <tr> <td data-bbox="414 1680 734 1807">If yes, which other ESI funds are used (or planned to be used) for CLLD?</td> <td colspan="2" data-bbox="734 1680 1327 1807"> <input type="checkbox"/> ERDF  <input type="checkbox"/> ESF  <input type="checkbox"/> EMFF </td> </tr> </table>		Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes, only Mainland.	<input type="checkbox"/> No	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input type="checkbox"/> ERDF <input type="checkbox"/> ESF <input type="checkbox"/> EMFF	
	Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes, only Mainland.	<input type="checkbox"/> No					
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input type="checkbox"/> ERDF <input type="checkbox"/> ESF <input type="checkbox"/> EMFF						


<sup>704</sup> DG AGRI (2016): RDP factsheet Mainland

<sup>705</sup> DG AGRI (2016): RDP factsheet Azores

<sup>706</sup> DG AGRI (2016): RDP factsheet Madeira



# Romania

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€ 10.50 billion <sup>707</sup>	€ 8.01 billion <sup>708</sup>				
Level of implementation	National	1 RDP <sup>709</sup>				
DP (P.I) yearly national ceilings <sup>710</sup>	2015	2016	2017	2018	2019	2020
	€ 1,600,000,000	€ 1,772,500,000	€ 1,801,300,000	€ 1,872,800,000	€ 1,903,200,000	€ 1,903,200,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		47%			
	"Greening" Payment		30%			
	Payment for Young Farmers		Up to 2%			
	Coupled Support		Up to 13,7-14,9 %			
	Small Farmers Scheme		Up to €1,250 per Small Farmer			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input type="checkbox"/> No flexibility	<input checked="" type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I		
	Romania decided to apply flexibility between pillars, from PI to PII, increasing 1,8% (2015) to 2,2% (2017). It will not shift funds for the years 2018 and 2019 <sup>711</sup> .					
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	Romania has identified the following criteria for "active farmer" <sup>712</sup> : <ul style="list-style-type: none"> <li>Romania defines 'Minimal activity' as removal of vegetation by mowing or disking works or by herbicides at least once a year on arable land (Art. 2(2)c of GEO 3/2015 in accordance with Reg. (EU) 1307/2013, art. 4(2)b).</li> <li>In addition, in order to receive Direct Payments, Romania applies a physical threshold of 1ha.</li> <li>Romania will implement a negative list (art. 9(2). Farmers (natural persons or legal entities) will have to provide the evidence that administrate construction firms/companies, administrators of state/private forests, prisons, administrative territorial units: communes, municipalities, towns, counties (Art. 6 (6) of GEO 3/2015 in accordance with Reg. (EU) 1307/2013, art.9(3))</li> <li>A person or a group of persons which fall under the scope of art. 9 (2) can be regarded an</li> </ul>					

<sup>707</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>708</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>709</sup> DG AGRI data on RDPs (2016)

<sup>710</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>711</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p. 65.

<sup>712</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	<p>active farmer if they can demonstrate with verifiable evidence that:</p> <ul style="list-style-type: none"> <li>○ they received direct payments of at least €5000</li> <li>○ they are registered at the National Trade Register Office as carrying out farming activities (Art. 6(2) of GEO 3/2015 in accordance with Reg. (EU) 1307/2013, art.9(2). If they are not registered, they must come with proofs similarly to the companies from the negative list (Art. 6 (3) and (4) of GEO 3/2015 in accordance with Reg. (EU) 1307/2013, art. 9(2)).The proofs that the farming activity is significant are the following: <ul style="list-style-type: none"> <li>▪ annual financial statements, for legal entities (Art. 6(7) of GEO 3/2015 in accordance with Reg. (EU) 1307/2013, art. 9(2));</li> <li>▪ income statements, for natural persons (Art. 6(8) of GEO 3/2015 in accordance with Reg. (EU) 1307/2013, art. 9(2)).</li> </ul> </li> <li>• Romania decided to implement additional economic or professional requirements (art. 9 (3)), farmers need to be registered at the Unique Identification Register, administered by APIA (Payment Agency).</li> </ul> <p>The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €200 in the previous year<sup>713</sup>.</p>						
<p><b>Basic Payments/ SAPS</b></p>	<p><b>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</b></p>						
	<table border="1"> <tr> <td data-bbox="416 880 730 936" rowspan="3">51 % of national ceiling</td> <td data-bbox="730 880 1031 936"><input type="checkbox"/> National model (single region)</td> <td data-bbox="1031 880 1347 936"><input type="checkbox"/> Partial internal convergence</td> </tr> <tr> <td data-bbox="730 936 1031 969"><input checked="" type="checkbox"/> SAPS</td> <td data-bbox="1031 936 1347 969"><input type="checkbox"/> Flat payment</td> </tr> <tr> <td data-bbox="730 969 1031 1014"><input type="checkbox"/> Regional model</td> <td data-bbox="1031 969 1347 1014"></td> </tr> </table>	51 % of national ceiling	<input type="checkbox"/> National model (single region)	<input type="checkbox"/> Partial internal convergence	<input checked="" type="checkbox"/> SAPS	<input type="checkbox"/> Flat payment	<input type="checkbox"/> Regional model
51 % of national ceiling	<input type="checkbox"/> National model (single region)		<input type="checkbox"/> Partial internal convergence				
	<input checked="" type="checkbox"/> SAPS		<input type="checkbox"/> Flat payment				
	<input type="checkbox"/> Regional model						
	<p>Romania has allocated annually about € 922,5 million to basic payments. The amount decreases from € 816 million in 2015 to € 971 million in 2020.</p> <p>Further key decisions taken by Romania concerning basic payments are:</p> <ul style="list-style-type: none"> <li>• Basic Payments represent 51 % of the national ceiling for Pillar I<sup>714</sup>;</li> <li>• The level of implementation is national considering the whole territory as a single region<sup>715</sup>.</li> </ul>						
<p><b>Reduction of payments</b></p>	<p><b>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</b></p>						
	<table border="1"> <tr> <td data-bbox="416 1361 879 1395"><input type="checkbox"/> Degressivity: 0%</td> <td data-bbox="879 1361 1347 1395" rowspan="3"><input checked="" type="checkbox"/> Redistributive payment</td> </tr> <tr> <td data-bbox="416 1395 879 1429"><input type="checkbox"/> Threshold: €0</td> </tr> <tr> <td data-bbox="416 1429 879 1462"><input type="checkbox"/> Application: 0</td> </tr> </table> <p>Romania decided not to implement the reduction of payment.</p> <p>It decided to apply redistributive payment at 5% of its national ceiling. Romania therefore established a graduation in the number of hectares. In 2015, farmers will therefore received additional payment of 5 euro/ha for 1 to 5 hectares, and 45 euro/ha for 6 to 30 hectares.</p> <p>The aim to implement redistributive payment is to support middle sized farms.</p>	<input type="checkbox"/> Degressivity: 0%	<input checked="" type="checkbox"/> Redistributive payment	<input type="checkbox"/> Threshold: €0	<input type="checkbox"/> Application: 0		
<input type="checkbox"/> Degressivity: 0%	<input checked="" type="checkbox"/> Redistributive payment						
<input type="checkbox"/> Threshold: €0							
<input type="checkbox"/> Application: 0							

<sup>713</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>714</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>715</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<b>Greening</b>	<b>Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.</b>		
	<b>Green payment</b>		
	<input type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> <b>Flat payment</b>	<input type="checkbox"/> Individual payment
	<b>Permanent grassland</b>		
	Total area of ESPG in Natura 2000: Data on ha missing	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input type="checkbox"/> National application
	<b>Ecological Focus Areas</b>		
<b>13 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation
<p>30% of Romania's national ceiling<sup>716</sup> which corresponds to over €480m in 2015 and to € 570m in 2020 is allocated to greening<sup>717</sup>. The implementation of the greening payments will be done at national level<sup>718</sup>.</p> <p>Romania made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• It will not implement any equivalent practices<sup>719</sup>;</li> <li>• On the ratio and obligation for permanent grassland, no data is provided by Romania;</li> <li>• Romania has decided to focus on the following 13 Ecological Focus Areas<sup>720</sup>: <ul style="list-style-type: none"> <li>○ Terraces</li> <li>○ Landscape features (7): hedges or wooded strips, isolated trees, trees in line, trees in groups field margins, ponds, ditches.</li> <li>○ Buffer strips: from 1m 5m(GAEC) or 50m(SMR). The use of fertilisers is established under national legislation.</li> <li>○ Areas with short rotation coppice, 3 species: poplar, back locust and willow. Mineral fertilisers and plant protection products are allowed with limits.</li> <li>○ Afforested areas</li> <li>○ Areas with catch crops or green cover</li> <li>○ Areas with nitrogen fixing crops, 11 species: chickpea, soybean, lentil, lupin, alfalfa, sainfoin, bean, pea, clover, faba bean and bean.</li> </ul> </li> </ul>			
<b>Payment for Young Farmers</b>	<b>Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.</b>		
	<b>% of national ceiling: 2 %</b>		
	Romania has decided to allocate 2% of their national ceiling to Young Farmers which corresponds to € 32 in 2015 which increases to € 38m in 2020. There will be no additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25 % of SAPS multiplied by the number of eligible hectares that the farmer has declared. The threshold of eligible payment entitlements is set at 60ha.		
<b>Voluntary coupled support</b>	<b>Member States are allowed to choose to implement the coupled support for different sectors or regions.</b>		
	<input checked="" type="checkbox"/> <b>Coupled support as % of national ceiling:</b> 12 %	<input type="checkbox"/> Support for protein crops as % of national ceiling: 0%	
	In Romania, 12% of the national ceiling (which corresponds to €219 million in 2015 to €285 million in 2020) is allocated to Voluntary Coupled Support (VCS). The sectors covered by VCS are beef and veal, fruit and vegetables, grain legumes, hemp, hops, milk and milk products,		

<sup>716</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>717</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>718</sup> DG AGRI data on Greening payment method of calculation (2016)

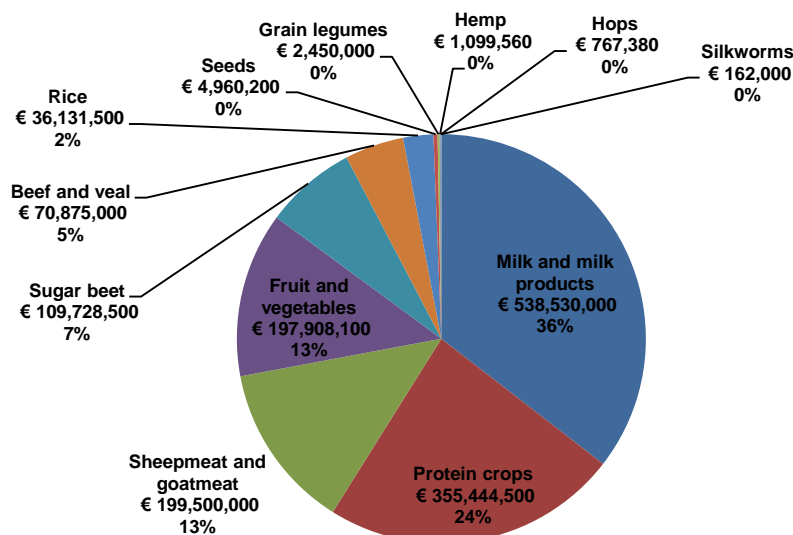
<sup>719</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>720</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

protein crops, rice, seeds, sheep and goat meat, silk worms and sugar beet. Throughout the planning period the amounts increased of about 70 million from 2015 to 2020<sup>721</sup>.

The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period:

Figure 115 Shares of budget allocated per sector for VCS in Romania as a total of all years



Source: Ecorys based on DG AGRI data

**Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers**

Payment for areas with natural constraints     **Small farmers**

Other voluntary schemes under Pillar I

The voluntary scheme for areas with natural constraints is not implemented in Romania<sup>722</sup>.

Romania implemented the Small Farmers Scheme. Farmers will be automatically included in the scheme. The annual amount of support per farmer is set at a maximum of € 1,250. This annual amount is calculated as the total value of all the payments that should be annually allocated to the farmer.

The aim of the payment is the simplification of the administrative procedures and create premises for land consolidation<sup>723</sup>.

Yearly Union Support for P.II <sup>724</sup>	2015	2016	2017	2018	2019	2020
	€ 1.723.260.662	€ 1.751.613.412	€ 1.186.544.149	€ 1.184.725.381	€ 1.141.925.604	€ 1.139.927.194

Summary of measures implemented under	Total public spending in € for 2014-2020 % of of total budget	EU support rate	Implemented measures

<sup>721</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>722</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

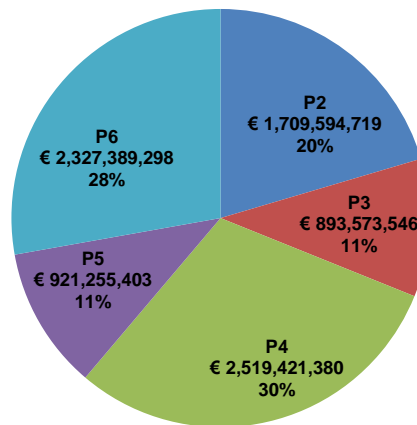
<sup>723</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annex, July 2015, p.243.

<sup>724</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791



P.II	€ 63.564.316 0,74%	95 %	M1: Knowledge transfer and information actions
	€ 63.570.217 0,74%	85-95 %	M2: Advisory services, farm management and farm relief services
	€ 2.168.295.989 25,3%	85-95 %	M4: Investments in physical assets
	€ 1.024.588.001 12,0%	85-100 %	M6: farm and business development
	€ 1.160.974.654 13,6%	85-95 %	M7: basic services and village renewal in rural areas
	€ 111.388.955 1,3%	85-95 %	M8: Investments in forest area development and improvement of the viability of forests
	€ 18.947.368 0,2%	95 %	M9: setting up of producer groups and organisations
	€ 958.013.881 11,2%	85-95 %	M10: Agri-environment-climate
	€ 211.497.118 2,5%	85-95 %	M11: Organic farming
	€ 1.212.165.576 14,2%	85-95 %	M13: Payments to areas facing natural or other specific constraints
	€ 461.908.882 5,4%	85-95 %	M14: Animal welfare
	€ 105.386.997 1,2%	85-95 %	M15: Forest environmental and climate services and forest conservation
	€ 29.495.895 0,3%	95 %	M16: Cooperation
	€ 178.947.368 2,1%	95 %	M17: Risk management
	€ 602.489.128 7,0%	95 %	M19: support for LEADER local development (CLLD)
	€ 187.755.704 2,2%	95 %	M20: technical assistance
<p><b>Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).</b></p> <p><input checked="" type="checkbox"/> National RDP <input type="checkbox"/> Regional RDP</p>			
<b>Key focus areas for rural development</b>	<p>The total RDP budget for Romania is at around €8.371.234.346 for the entire planning period. Romania has allocated a third of this budget (30 %) to Priority 4 “restoring, preserving and enhancing ecosystems” followed by 28% to Priority 6 “social inclusion, poverty reduction, and economic development in rural areas”, 20 % to Priority 2 “competitiveness of all types of agriculture and farm viability”, 11 % to Priority 5 “resource efficiency and shift towards a low carbon and climate resilient economy” and 11 % to Priority 3 “food chain organisation and risk management” . The following figure provides an overview of the shares by Priority in millions of euro.</p>		

Figure 116 Budget allocated per Priority in Romania



Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

### Overview

Romania has decided to offer 16 measures. In terms of budget allocation the highest amounts are allocated to:

- M4 "Investments in physical assets" (€ 2.168.295.989);
- M13 "Payments to areas facing natural or other specific constraints" (€ 1.212.165.576);
- M7 "Basic services and village renewal in rural areas" (€ 1.160.974.654);

### M01 Knowledge Transfer and Innovation actions

Romania allocated 0.74 % of the total RDP budget to knowledge transfer and innovation actions. The direct beneficiaries of this measure are public or private entities which activate in the field of professional education of adults or focus on information / demonstration / dissemination activities. The participation to these activities is free of charge and the indirect beneficiaries are farmers, processors, etc. This measure is to be implemented through short-term professional courses, practice sessions, dissemination activities.

### Investment measures (M04, M05, M06, M07, M08)

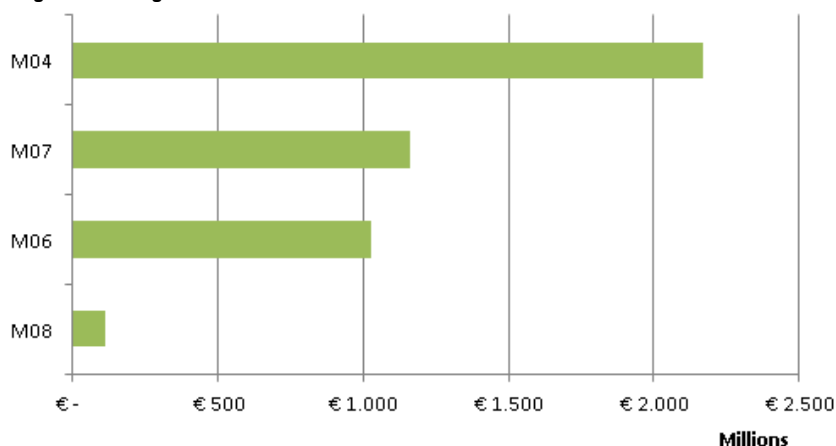
Romania implemented investment measures:

- M4 "Investments in physical assets" (€ 2.168.295.989);
- M6 "Farm and business development (€ 1.024.588.001);
- M7 "Basic services and village renewal in rural areas" (€ 1.160.974.654); and
- M8 "Investments in forest area development and improvement of the viability of forests"( € 111.388.955).

The following figure illustrates the budget allocation per investment measure.

Use of  
measures in  
RDPs

**Figure 117 Budget allocated to investment measures in Romania**



Source: Ecorys based on DG AGRI data (2016)

For the investment measures, M4 is contributing to the job creation process through the absorption of the potential workers from the (semi)subsistence agriculture and through the opening of new units of processing agricultural research. M6 is contributing by stimulating the development of non-agricultural companies / activities (diversification). M7 is contributing through stimulating the conservation of local patrimony and traditions (related to the tourism development) or by developing the rural basic infrastructure – e.g. roads, utilities supply (related to the further development of companies)

Most of the measures (M1, M2, M7, M8, M9, M10, M11, M13, M15) have a support rate of 100% of eligible costs, some of them with some limits (e.g. upon complexity of the project, potential to generate benefits, etc.). In M4 support rates vary between 30 – 50 % of the eligible costs, with some thresholds, upon size of the applicant, type of the activity, etc. For other measures (M6, M19), fixed amounts (/ project, / exploitation, / ha, etc.) are envisaged.

There is no focus on non-productive investments in any of the measures.

These measures also cover the development of the irrigation systems (M4), with the aim of establishing or modernizing the specific installations (including storage systems at the farm level). A major objective is to the modernisation, of the existing irrigation systems, those that prove to be viable from the economic point of view.

#### **M10 Agri-Environment-Climate and M11 Organic Farming**

Romania spends on **M10** "Agri-environment-climate" € 958.013.880,80 of which the national contribution is 11.19 %<sup>725</sup>. All of the expenditure is categorised under Priorities 4 and 5. The main beneficiaries of the M10 measure are the farmers (users of agricultural land) who commit to maintain the agri-environmental engagement for at least 5 years, to apply the basic, specific rules on the entire surface of the farm, to keep clear evidence of the activities that are relevant for this measure. Of the restrictions imposed within this measure can be mentioned: limitation / interdiction of the use of fertilisers / manure; harvesting limitations, grazing limitations, mechanical works rules, accelerate draining limitations, seeding limitations, use of crop rotation, use of crop mixtures, load of grazing animal / ha, etc.

For the animal production farmers, some specific conditions are added: they should own female reproduction animals of a pure local (vulnerable) breed, they engage themselves to respected the rules of organising and functioning of the Breed Registry, to maintain the declared number of reproduction animals until the end of the engagement period, etc.

For **M11** "Organic Farming" € 211.497.118,28 of public spending has been allocated of which the national contribution accounts for 2,47 %<sup>726</sup>. All of the expenditure is categorised under Priority 4. The beneficiaries of the M11 measure are active farmers, users of agricultural land (arable land, vineyards, orchards, permanent pastures), registered in the organic agriculture system, who establish, for the entire period of the engagement, a contract with an independent, accredited, specialised control body (for inspection and certification). They must keep clear evidence of the activities that are relevant for this measure, to respect the good practices specific to the organic agriculture, to maintain organic certification for at least 5 years and to provide evidence of having minimal competences needed for implementation of their engagements (or commitment to obtain needed competences or commitment to ensure external expertise).

<sup>725</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>726</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<p style="text-align: center;"><b>Targeting of RDP measures</b></p>	<p><b>M16 Co-operation</b> M16 “cooperation” receives € 29.495.894,73 of public spending of which 0.34% is national contribution. The total amount is spent on Priority 3 “food chain organisation and risk management”.</p> <p>The measure pursues the objectives of helping the rural development actors to counteract the typical socio-economic problems raised by the business development or ensuring services in rural areas or environment-related challenges. Especially in Romania, it seeks to counteract the disadvantage of the high fragmentation of the arable land and high proportion of small farmers, which should collaborate to identify new solutions and scale up their business.</p> <p>The following submeasures have been selected within M16:</p> <ul style="list-style-type: none"> <li>• support for settlement and functioning of the operational groups of EIP for productivity and sustainability of agriculture;</li> <li>• support for pilot projects and for the development of new products, practices, processes and technologies;</li> <li>• support for vertical and horizontal cooperation among the actors of the supply chain (e.g. for establishing short/local supply chains).</li> </ul> <p><b>M19 LEADER CLLD</b> The total CLLD budget allocated under the EAFRD in Romania is € 602.489.128,42. It will be carried out under a single thematic objective: promoting social inclusion and combatting poverty and any form of discrimination<sup>727</sup>. All funds are targeted under Priority 6 “Fostering local development in rural areas”. Around 100 % of the rural population is intended to be covered under Local Development Strategy. The target is to create 2 055 jobs.<sup>728</sup></p>
	<p style="text-align: center;"><b>Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.</b></p> <p>Measures especially targeted at Young Farmers: measures M01, M02 and M06. Measures targeted at Small Farms: none Measures targeted at Innovation Activities: measures M01, M02 and M16.</p>
<p style="text-align: center;"><b>Approaches taken to financial support in RDP</b></p>	<p style="text-align: center;"><b>Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.</b></p>
	<p>The simplified costs option will be eligible within M 4.1 only (referring to tree cultures) under the limitations of respecting art. 62 from the EU regulation no. 1305 / 2013 and art. 67 from the EU regulation no. 1303 / 2013 (recommendation orally accepted)</p> <p>The Ministry of Agriculture has identified the need of elaborating financial instruments that are to be implemented combined with the support schemes within the following measures:</p> <ul style="list-style-type: none"> <li>• M4 “Investments in physical actives”, M4.1. “Investments in agricultural exploitations” and M4.2. “Investments in processing / marketing of agricultural products”</li> <li>• M6 “Development of exploitations and companies”, M6.4. “Investments in the settlement and development of non-agricultural activities”</li> <li>• M 4.1.a and 4.2.a from the thematic sub-program on tree culture</li> <li>• projects with LEADER financing that support the afore-mentioned submeasures</li> </ul> <p>Two financial instruments were recommended and envisaged:</p> <ul style="list-style-type: none"> <li>• a warranty instrument specific to EAFRD that offers to the financial intermediaries the possibility to cover the risk related to the individual loans</li> <li>• a loaning instrument that shares the risk and combine public resources with those of the financial intermediaries in order to ensure the financing of the final beneficiaries</li> </ul>

<sup>727</sup> Romanian Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme

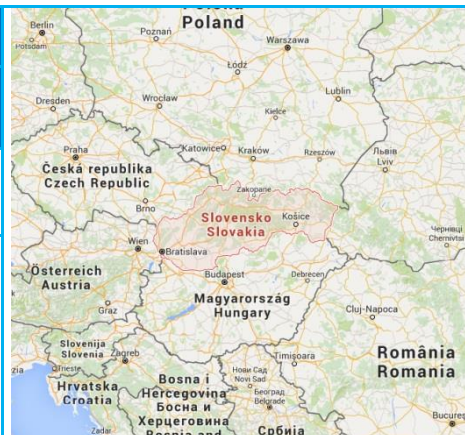
<sup>728</sup> DG AGRI (2016): RDP factsheet Romania

Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.	
	Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input checked="" type="checkbox"/> ERDF <input checked="" type="checkbox"/> ESF <input type="checkbox"/> EMFF



# Slovakia

	Identifying information					
	Pillar I: Direct Payments		Pillar II			
EU Budget 2014 - 2020	€ 2.618 billion <sup>729</sup>		€ 1.559 billion <sup>730</sup>			
Level of implementation	National		1 RDP (National) <sup>731</sup>			
DP (P.I) yearly national ceilings <sup>732</sup>	2015	2016	2017	2018	2019	2020
	€ 435,500,000	€ 438,600,000	€ 441,800,000	€ 445,200,000	€ 448,700,000	€ 394,400,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		56.4 % (SAPS)			
	"Greening" Payment		30%			
	Payment for Young Farmers		Up to 1 %			
	Coupled Support		Up to 13 %			
	Small Farmers Scheme		Not implemented			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input type="checkbox"/> No flexibility		<input type="checkbox"/> P.I to P.II		<input checked="" type="checkbox"/> P.II to P.I	
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Slovakia has identified the following criteria for "active farmer"<sup>733</sup>:</p> <ul style="list-style-type: none"> <li>Slovakia implements the minimum activity criteria: (art. 9.1); <ul style="list-style-type: none"> <li>Agricultural areas have to be covered at least by a greening during the vegetation period.</li> <li>Land parcels using permanent grassland mandatory in the year in which the application is submitted has to maintain all surfaces mowing, grazing and additionally also mulch by altitude and within the deadlines set out in the Annex. 4 (Guidance of the MoA to Gov. reg. no. 342/2014 Coll.). The applicant is required no later than 14 days after the mowing remove mown material.</li> </ul> </li> <li>Slovakia opted for a physical threshold of 1ha to receive DP;</li> <li>Slovakia will not maintain a negative list (art. 9(2));</li> <li>Businesses which are not eligible under art. 9(2) can still be eligible for direct payments <ul style="list-style-type: none"> <li>If its agricultural activities are not insignificant which is fulfilled if the available agricultural area exceeds 28ha;</li> <li>If its principal business or company objects consist of exercising an agricultural activity which can be proven by having min. 75% of the activities listed in the commercial</li> </ul> </li> </ul>					



<sup>729</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>730</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>731</sup> DG AGRI data on RDPs (2016)

<sup>732</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>733</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	<p>register are related to agriculture (Gov. reg. no. 342/2014, part 105, art 3c).</p> <ul style="list-style-type: none"> <li>Slovakia decided not to implement additional economic or professional requirements (art. 9 (3)).</li> </ul> <p>The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €2 000 in the previous year<sup>734</sup>.</p>								
Basic Payments/ SAPS	<p>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</p>								
	<table border="1"> <tr> <td rowspan="2">56.4 % of national ceiling</td> <td><input type="checkbox"/> National model (single region)</td> <td><input type="checkbox"/> Partial internal convergence</td> </tr> <tr> <td><input checked="" type="checkbox"/> SAPS</td> <td><input type="checkbox"/> Flat payment</td> </tr> <tr> <td></td> <td><input type="checkbox"/> Regional model</td> <td></td> </tr> </table>	56.4 % of national ceiling	<input type="checkbox"/> National model (single region)	<input type="checkbox"/> Partial internal convergence	<input checked="" type="checkbox"/> SAPS	<input type="checkbox"/> Flat payment		<input type="checkbox"/> Regional model	
	56.4 % of national ceiling		<input type="checkbox"/> National model (single region)	<input type="checkbox"/> Partial internal convergence					
<input checked="" type="checkbox"/> SAPS		<input type="checkbox"/> Flat payment							
	<input type="checkbox"/> Regional model								
<p>Slovakia has allocated annually about € 246 million to basic payments in the form of SAPS. The amount decreases from € 247 million in 2015 to € 222 million in 2020.</p> <p>Further key decisions taken by Slovakia concerning basic payments are:</p> <ul style="list-style-type: none"> <li>Basic Payments represent 56.4 % of the national ceiling for Pillar I<sup>735</sup>;</li> <li>The level of implementation is national considering the whole territory as a single region<sup>736</sup>;</li> </ul>									
Reduction of payments	<p>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</p>								
	<table border="1"> <tr> <td><input checked="" type="checkbox"/> Degressivity: 5 %</td> <td rowspan="3"><input type="checkbox"/> Redistributive payment</td> </tr> <tr> <td><input checked="" type="checkbox"/> Threshold: € 150,000</td> </tr> <tr> <td><input type="checkbox"/> Application: 0</td> </tr> </table>	<input checked="" type="checkbox"/> Degressivity: 5 %	<input type="checkbox"/> Redistributive payment	<input checked="" type="checkbox"/> Threshold: € 150,000	<input type="checkbox"/> Application: 0				
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<input checked="" type="checkbox"/> Threshold: € 150,000									
<input type="checkbox"/> Application: 0									
<p>Slovakia decided to implement the minimum of 5 % reduction for the part of the amount of Basic Payments exceeding €150,000<sup>737738</sup>. The reduction rate is fixed for all years. Salaries linked to an agricultural activity paid and declared by the farmer, including taxes and social contributions, will be subtracted from the amount payments received before the application of the reduction<sup>739740</sup>.</p>									
Greening	<p>Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.</p>								
	<p><b>Green payment</b></p> <table border="1"> <tr> <td><input type="checkbox"/> Equivalent practices</td> <td><input checked="" type="checkbox"/> Flat payment</td> <td><input type="checkbox"/> Individual payment</td> </tr> </table>	<input type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> Flat payment	<input type="checkbox"/> Individual payment					
	<input type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> Flat payment	<input type="checkbox"/> Individual payment						
<p><b>Permanent grassland</b></p>									

<sup>734</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>735</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>736</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>737</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>738</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

<sup>739</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>740</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)



	<b>Total area of ESPG in Natura 2000:</b> 149,651.33 ha (100 %)	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> <b>National application</b>											
	<b>Ecological Focus Areas</b>													
	<b>10 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation										
<p>30% of Slovakia's national ceiling<sup>741</sup> which corresponds to over € 131 million in 2015 and to € 118 million in 2020 is allocated to greening<sup>742</sup>. The implementation of the greening payments will be done at national level<sup>743</sup>.</p> <p>Slovakia made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• Slovakia has decided not to apply the derogation to the uniform greening payment per hectare, which means they implement a flat payment<sup>744</sup>;</li> <li>• It will not implement any equivalent practices<sup>745</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 149,651.33 hectares are currently covered<sup>746</sup>; 149,651.33 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 100 % of the total permanent grassland<sup>747</sup>. No ESPG is designated outside Natura 2000<sup>748</sup>.</li> <li>• Slovakia has decided to focus on the following 10 Ecological Focus Areas<sup>749</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow, weighting factor</li> <li>○ Terraces</li> <li>○ 4 Landscape features: Isolated trees, trees in line, groups of trees and field copses, field margins;</li> <li>○ Buffer strips;</li> <li>○ Areas with short rotation coppice;</li> <li>○ Areas with catch crops;</li> <li>○ Areas with nitrogen-fixing crops (9); beans, lupins, peas, clover, lentils, alfalfa, soybeans, vetch and field beans.</li> </ul> </li> </ul>														
<b>Payment for Young Farmers</b>	<b>Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.</b>													
	<b>% of national ceiling: 0.3-0.6 %</b>													
	Slovakia has decided to allocate between 0.3 and 0.6% of their national ceiling to Young Farmers which corresponds to € 2,629,794 in 2015 which decreases to € 1,183,155 in 2020.													
	<p><b>Table 6. Overview of difference between the years in % of the national ceiling</b></p> <table border="1"> <thead> <tr> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>0,55%</td> <td>0,31%</td> <td>0,30%</td> <td>0,30%</td> <td>0,30%</td> <td>0,34%</td> </tr> </tbody> </table>			2015	2016	2017	2018	2019	2020	0,55%	0,31%	0,30%	0,30%	0,30%
2015	2016	2017	2018	2019	2020									
0,55%	0,31%	0,30%	0,30%	0,30%	0,34%									
There will be additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25 % of SAPS multiplied by the number of eligible hectares that the farmer has declared. The threshold of eligible payment entitlements is set at 28ha.														
<b>Voluntary coupled support</b>	<b>Member States are allowed to choose to implement the coupled support for different sectors or regions.</b>													
	<input checked="" type="checkbox"/> <b>Coupled support as % of national ceiling:</b> 13 %	<input type="checkbox"/> Support for protein crops as % of national ceiling: 0 %												
	In Slovakia, 13 % of the national ceiling (which corresponds to €56.970.000 in 2015 and to €51.270.000 in 2020) is allocated to Voluntary Coupled Support (VCS). The sectors covered by VCS are beef and veal, fruit and vegetables, hops, milk and milk products, sheep and goat meat													

<sup>741</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>742</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>743</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>744</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>745</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>746</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>747</sup> DG AGRI data on Greening payment method of calculation (2016)

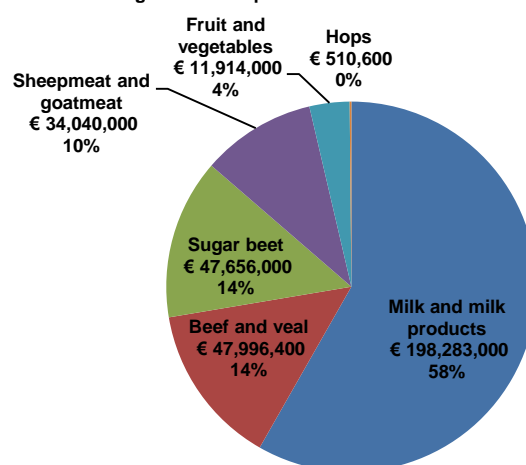
<sup>748</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>749</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

and sugar beet. Throughout the planning period the amounts slightly change, but their overall distribution remains stable.<sup>750</sup>

The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period.

Figure 118 Shares of budget allocated per sector for VCS in Slovakia as a total of all years



Source: Ecorys based on DG AGRI data

Other voluntary schemes under Pillar I	<b>Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers</b>	
	<input type="checkbox"/> Payment for areas with natural constraints	<input type="checkbox"/> Small farmers
	The voluntary schemes for areas with natural constraints and for small farmers are not implemented in Slovakia <sup>751</sup> .	

Yearly Union Support for P.II <sup>752</sup>	2014	2015	2016	2017	2018	2019	2020
€	271,154,575	213,101,979	215,603,053	215,356,644	215,106,447	214,844,203	214,524,943

Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures
	€ 14.330.000 0,7%	74 %	M1.1: Support for vocational training and skills acquisition actions M1.2: Support for demonstration activities and information actions
	€ 4.000.000 0,2%	75 %	M2.1 support to help benefiting from the use of advisory services M2.3 support for training of advisors
	€ 542.752.740 26,1%	74 %	M4.1: support for investments in agricultural holdings M4.2: support for investments in processing/marketing and/or development of agricultural products M4.3: support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry
	€ 70.000.000 3,4%	74 %	M5: restoring agricultural production potential damaged by natural disasters and introduction of appropriate prevention
	€ 120.860.000	74 %	M6.1: business start-up aid for young farmers

<sup>750</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>751</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

<sup>752</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

	5,8%		M6.3: business start-up aid for the development of small farms
			M6.4: support for investments in creation and development of non-agricultural activities
			M7.2: support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving
			M7.3: support for broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government
			M7.4: support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure
			M7.5: support for investments for public use in recreational infrastructure, tourist information and small scale tourism Infrastructure
	€ 137.683.651 6,6%	73 %	M8.1: support for afforestation/creation of woodland
			M8.3: support for prevention of damage to forests from forest fires and natural disasters and catastrophic events
			M8.4: support for restoration of damage to forests from forest fires and natural disasters and catastrophic events
			M8.5: support for investments improving the resilience and environmental value of forest ecosystems
		M8.6: support for investments in forestry technologies and in processing, mobilising and marketing of forest products	
€ 143.750.000 6,9%	74 %	M10.1: payment for agri-environment-climate commitments	
€ 90.000.000 4,3%	75 %	M11.1 payment to convert to organic farming practices and methods	
		M11.2 payment to maintain organic farming practices and method	
€ 8.780.001 0,4%	75 %	M12: Natura 2000 and Water Framework Directive payments	
€ 482.650.000 23,2%	75 %	M13.1 compensation payment in mountain areas	
		M13.2 compensation payment to other areas affected by specific constraints	
		M13.3 compensation payment to other areas affected by specific constraints	
€ 108.000.000 5,2%	74 %	M14: animal welfare	
€ 4.950.000 0,2%	75 %	15.1 payment for forest-environmental and climate commitments	
€ 48.500.000 2,3%	74 %	M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability	
		M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies	
		M16.3 Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism	
		M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets	
€ 104.783.019 5,0%	74 %	M19: support for LEADER local development (CLLD)	
€ 79.055.720 3,8%	75 %	M20: technical assistance	

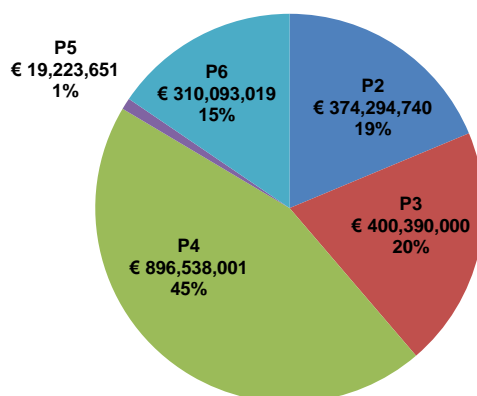
Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).

National RDP

Regional RDP

The total RDP budget for Slovakia is at € 1,559,691,844 for the entire planning period. Slovakia has allocated about half of this budget (45 %) to Priority 4 “restoring, preserving and enhancing ecosystems” followed by 20 % to Priority 3 “food chain organisation and risk management”, 19 % to Priority 2 “competitiveness of all types of agriculture and farm viability” 15 % to Priority 6 “social inclusion, poverty reduction, and economic development in rural areas”, 1% to Priority 5 “resource efficiency and shift towards a low carbon and climate resilient economy”. The following figure provides an overview of the shares by Priority in millions of euro.

Figure 119 Budget allocated per Priority in Slovakia



Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

### Overview

Slovakia has decided to offer 16 measures. In terms of budget allocation the highest amounts are allocated to:

- M4 “Investments in physical assets” (€ 542,752,740);
- M13 “Payments to areas facing natural or other specific constraints” (€ 482,650,000);
- M10 “Agri-environment- climate” (€ 143,750,000).

### M01 Knowledge Transfer and Innovation actions

Slovakia allocated 0,7% of the total RDP budget to knowledge transfer and innovation actions. Beneficiaries are active farmers, starting farmers, processors of agricultural commodities, firms and employees in forestry, and small and medium enterprises in rural areas.

The following types of training will be provided: training in the area of innovation, training of young and starting farmers in legislation related to production and processing of agricultural commodities, training in efficient management of farms, training in restructuring of agricultural production with the focus on production of products with higher value added, training in processing of products and marketing of products, training in traditional products, training in non-agricultural activities, training in rural and agri-tourism, training in ecological agriculture, training in environmental, preventive measures in agriculture and protection of the environment with respect to agricultural production, training in environmental, preventive measures in agriculture and protection of the environment with respect to forestry production, training of marginalized groups, training in renewable energy in agricultural production and food processing, special training in Bratislava district in all above areas.

Key focus areas for rural development

Use of measures in RDPs

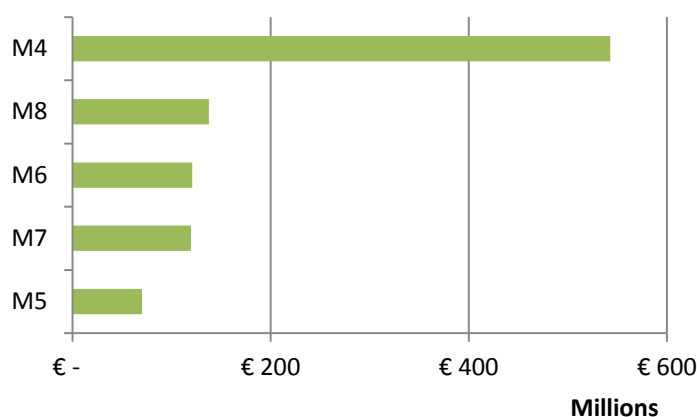
### Investment measures (M04, M05, M06, M07, M08)

Slovakia implemented investment measures:

- M4 "Investments in physical assets" (€ 542,752,740);
- M5: restoring agricultural production potential damaged by natural disasters and introduction of appropriate prevention (€ 70,000,000)
- M6 "Farm and business development (€120,860,000);
- M7 "Basic services and village renewal in rural areas" (€ 119,500,000); and
- M8 "Investments in forest area development and improvement of the viability of forests"( € 137,683,651),

The following figure illustrates the budget allocation per investment measure.

Figure 120 Budget allocated to investment measures in Slovakia



Source: Ecorys based on DG AGRI data (2016)

For the investment measures M6 the links to intended job creation are explicitly made as they are implemented with the intention of strengthening the rural economy, creating new jobs and raising added value. These measures particularly focus to support projects that create jobs, and which are implemented in areas with high unemployment rate. M6 contains investment to non-agricultural activities such as rural and agri tourism and renewable energy. For M7 and M8, the rationale is that by using these measures barriers to job creation are reduced.

Some of the investment measures are a combination of public and private investments with support rates ranging from 25% for large farms in more developed districts to 75% for small, ecological and starting farms in less developed districts (M4, M8). Other investment measures can be fully publicly financed as they will work with public tendering procedures (M6, M7, M8).

Investments which tend to reduce the impact of growing agricultural production on climate and reduce greenhouse gasses are supported.

Investments in new or existing irrigation systems are also covered by these investment measures (i.e. M4.1).

### M10 Agri-Environment-Climate and M11 Organic Farming

Slovakia spends on M10 "Agri-environment-climate" €143.750.000 of which the national contribution is 6,9%<sup>753</sup>. All of the expenditure are categorised under Priorities 4a, 4b, 4c and 5e reacting to the following needs:

- Preservation of biodiversity;
- Protection of soil from degradation;
- Elimination of climate change impacts on agriculture.

The main beneficiaries of this measure are both natural and legal persons in agriculture.

For M11 "Organic Farming" € 90.000.000 of public spending has been allocated of which the national contribution accounts for 4.3 %<sup>754</sup>. All of the expenditures are categorised under Priorities 4a, 4b, 4c. The main beneficiaries are legal and natural persons in agricultural production and their associations with minimum of 1 ha of agricultural land (LPIS), 51% of the must be registered in the system of organic farming and the farmer should complete a training course and participate in advisory services in order to retain the payment under this measure.

<sup>753</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

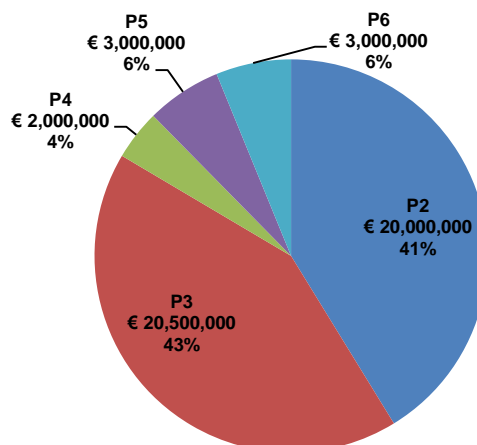
<sup>754</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

Both submeasures (M11.1 “payment to convert to organic farming practices and methods” and M11.2 “payments to maintain organic farming practices and methods”) are implemented.

### M16 Co-operation

M16 “cooperation” receives € 48.500.000 of public spending of which 2,3% is national contribution. Under Priority 2 41 % of the total amount is spent, for Priority 3 43 % is allocated, under Priority 4 4 %, 6% under Priority 5 and under Priority 6 6 %.

Figure 121. Division of budget for M16 over different priorities (P) for the 2014-2020 period



Source: Ecorys based on DG AGRI data (2016)

The following submeasures have been selected:

- M16.1 “ Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability”;
- M16.2 “Support for pilot projects and for the development of new products, practices, processes and technologies”;
- M16.3 “Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism”;
- M16.4. “Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets”.

### M19 LEADER CLLD

The total CLLD budget allocated under the EAFRD in Slovakia is €104.783.019. All funds are targeted under Priority 6 “Fostering local development in rural areas”. Around 20.84 % of the rural population is intended to be covered under Local Development Strategy. The target is to create 1 100 jobs.<sup>755</sup>

Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.

#### Targeting of RDP measures

Measures especially targeted at Young Farmers: measures M01, M02, M04 and M06.  
Measures targeted at Small Farms: none  
Measures targeted at Innovation Activities: measures M01, M02 and M16.

#### Approaches taken to financial support in RDP

Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.

In accordance with Article 67 of Regulation (EU ) No. 1303/2013 the use of Simplified cost option is applied in following measures:

- M1.1: “Support for vocational training and skills acquisition actions” and M.2: “Support for demonstration activities and information actions” at 20% of the flat rate financing as indirect cost from total direct cost.
- M2.1 “Support to help benefiting from the use of advisory services” at 20% of the flat rate


<sup>755</sup> DG AGRI (2016): RDP factsheet Slovakia

Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	financing as indirect cost from total direct cost. <ul style="list-style-type: none"> <li>• M19: Support for LEADER local development (CLLD) at 22% of the flat rate financing as indirect cost from total direct cost.</li> <li>• M20: "Technical assistance" at 18% of the flat rate financing as indirect cost from total direct cost for local extensions.</li> </ul>	
	<b>The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.</b>	
	<b>Use of CLLD multi-fund option?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>If yes, which other ESI funds are used (or planned to be used) for CLLD?</b>	<input checked="" type="checkbox"/> ERDF <input type="checkbox"/> ESF <input type="checkbox"/> EMFF	





# Slovenia

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€819 million <sup>756</sup>	€838 million <sup>757</sup>				
Level of implementation	National	1 RDP (National) <sup>758</sup>				
DP (P.I) yearly national ceilings <sup>759</sup>	2015	2016	2017	2018	2019	2020
	€ 138,000,000	€ 137,000,000	€ 136,000,000	€ 135,100,000	€ 134,300,000	€ 134,300,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		54.21% with option under Reg. (EU) 1307/2013, art. 22(2) at a rate of 0.4%			
	“Greening” Payment		30%			
	Payment for Young Farmers		Up to 1%			
	Coupled Support		Up to 15%			
	Small Farmers Scheme		Up to 10%			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input checked="" type="checkbox"/> No flexibility		<input type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I	
In Slovenia, there will be no transfer of funds between the two Pillars <sup>760</sup>						
Active farmer definition	Member States shall define the concept of “active farmer”. Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Slovenia has identified two conditions for “active farmer”<sup>761</sup>:</p> <ul style="list-style-type: none"> <li>• That a person or group of persons<sup>762</sup> perform agricultural activities which represent at least on third of the total receipts obtained for the most recent fiscal year.</li> <li>• A person or group of persons<sup>763</sup> whose principal business or company objects consist of exercising an agricultural activities and this can be proven by being registered as such in the official business registry.</li> </ul> <p>The exemption threshold for the “active farmer” clause is applicable to recipients who did not receive more than € 5,000 in the previous year<sup>764</sup>.</p>					

<sup>756</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>757</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>758</sup> DG AGRI data on RDPs (2016)

<sup>759</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>760</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>761</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>762</sup> This person or group of persons fall within the scope of paragraph 1 and 2 of art. 9 of Reg.(EU) 1307/2013.

<sup>763</sup> This person or group of persons fall within the scope of paragraph 1 and 2 of art. 9 of Reg.(EU) 1307/2013.

<sup>764</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<b>Basic Payments</b>	Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.						
	54% of national ceiling	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 2px;"><input checked="" type="checkbox"/> National model (single region)</td> <td style="width: 50%; padding: 2px;"><input checked="" type="checkbox"/> Partial internal convergence</td> </tr> <tr> <td style="padding: 2px;"><input type="checkbox"/> SAPS</td> <td style="padding: 2px;"><input type="checkbox"/> Flat payment</td> </tr> <tr> <td style="padding: 2px;"><input type="checkbox"/> Regional model</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> National model (single region)	<input checked="" type="checkbox"/> Partial internal convergence	<input type="checkbox"/> SAPS	<input type="checkbox"/> Flat payment	<input type="checkbox"/> Regional model
<input checked="" type="checkbox"/> National model (single region)	<input checked="" type="checkbox"/> Partial internal convergence						
<input type="checkbox"/> SAPS	<input type="checkbox"/> Flat payment						
<input type="checkbox"/> Regional model							
<p>Slovenia has allocated annually about € 72-75 million to basic payments. The amount decreases from € 74.5 million in 2015 to € 72.5 million in 2020.</p> <p>Further key decisions taken by Slovenia concerning basic payments are:</p> <ul style="list-style-type: none"> <li>• Basic Payments represent 54.1 % of the national ceiling for Pillar I<sup>765</sup>;</li> <li>• The level of implementation is national considering the whole territory as a single region<sup>766</sup>;</li> <li>• The minimum threshold for receiving Basic Payments are set at a minimum of one hectare of eligible land or € 100 for farmers with animal related coupled support. In addition, the list of eligible farmers can be extended to those farmers who: <ul style="list-style-type: none"> <li>○ have had a vineyard in 2013; or</li> <li>○ have received payment entitlements from the reserve in 2014; or</li> <li>○ have never held entitlements but farmed in 2013<sup>767</sup>;</li> </ul> </li> <li>• The implementation of internal convergence will be partial in five equal steps towards 2019<sup>768</sup>. The Initial Unit Value (IUV) of payment entitlements above the national average in 2019 will be reduced. The reduction of the unit value cannot be more than 30% and the payment entitlements cannot have a lower unit value than the national average in 2019. For payment entitlements having an Initial Unit Value lower than 90% of the national average an increase is foreseen: these entitlements can be increased by maximum one third of the difference between their unit value and 90% of the national average unit value in 2019.<sup>769770</sup></li> <li>• The calculation of the Initial Unit Value (IUV) will be based on Article 26 (2) of Regulation 1307/2013. Slovenia will also take into account support granted to other relevant sectors in the calendar year 2014 as laid out in Article 26 (6) of Regulation 1307/2013<sup>771</sup>.</li> </ul>							
<b>Reduction of payments</b>	Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 2px;"><input checked="" type="checkbox"/> Degressivity: 5%</td> <td rowspan="3" style="width: 50%; padding: 2px; vertical-align: middle;"><input type="checkbox"/> Redistributive payment</td> </tr> <tr> <td style="padding: 2px;"><input checked="" type="checkbox"/> Threshold: €150,000</td> </tr> <tr> <td style="padding: 2px;"><input checked="" type="checkbox"/> Application: BPS only</td> </tr> </table>	<input checked="" type="checkbox"/> Degressivity: 5%	<input type="checkbox"/> Redistributive payment	<input checked="" type="checkbox"/> Threshold: €150,000	<input checked="" type="checkbox"/> Application: BPS only	<p>Slovenia decided to implement the minimum of 5% reduction for the part of the amount of Basic Payments exceeding € 150,000<sup>772773</sup>. The reduction rate is fixed for all years. Salaries linked to an agricultural activity paid and declared by the farmer, including taxes and social contributions, will be subtracted from the amount of Basic Payments received before the application of the reduction<sup>774775</sup>.</p>	
<input checked="" type="checkbox"/> Degressivity: 5%	<input type="checkbox"/> Redistributive payment						
<input checked="" type="checkbox"/> Threshold: €150,000							
<input checked="" type="checkbox"/> Application: BPS only							

<sup>765</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>766</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>767</sup> DG AGRI data on BPS-Allocation of payment entitlements (2016)

<sup>768</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>769</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf

<sup>770</sup> DG AGRI data (2016) on BPS Details Convergence

<sup>771</sup> DG AGRI data on BPS-Details IUV (2016)

<sup>772</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>773</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

<sup>774</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>775</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

<b>Greening</b>	<b>Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.</b>			
	<b>Green payment</b>			
	<input type="checkbox"/> Equivalent practices	<input type="checkbox"/> Flat payment	<input checked="" type="checkbox"/> Individual payment	
	<b>Permanent grassland</b>			
	<b>Total area of ESPG in Natura 2000: 19,400 ha (26%)</b>	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> National application	
	<b>Ecological Focus Areas</b>			
<b>3 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation	
	30% of Slovenia's national ceiling <sup>776</sup> which corresponds to over €41.396.100 in 2015 and to €40,283,400 in 2020 is allocated to greening <sup>777</sup> . The implementation of the greening payments will be done at national level or at farm holding level if they are located in Natura 2000 areas <sup>778</sup> .			
	Slovenia made the following implementation choices concerning the greening payment: <ul style="list-style-type: none"> <li>• Slovenia has decided to apply the derogation to the uniform greening payment per hectare, which means they implement an individual payment<sup>779</sup>,</li> <li>• It will not implement any equivalent practices<sup>780</sup>,</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 73,909 hectares are currently covered<sup>781</sup>, 19,400 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 26% of the total permanent grassland<sup>782</sup>. No ESPG is designated outside Natura 2000<sup>783</sup>.</li> <li>• Slovenia has decided to focus on the following three Ecological Focus Areas<sup>784</sup>: <ul style="list-style-type: none"> <li>◦ Land lying fallow;</li> <li>◦ Areas with catch crops or green cover (9 species<sup>785</sup>);</li> <li>◦ Areas with nitrogen fixing crops (8 types<sup>786</sup>: soybean, vetchlings, lupin, alfalfa, pea, clover, vetch (exc. Faba bean) and faba bean.</li> </ul> </li> </ul>			
<b>Payment for Young Farmers</b>	<b>Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.</b>			
	<b>% of national ceiling: 1%</b>			
	Slovenia has decided to allocate 1% of their national ceiling to Young Farmers which corresponds to € 1,379,870 in 2015 which decreases to € 1,342,780 in 2020. There will be no additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25% of the national average per ha in 2019 multiplied by the number of activated ha. The threshold of eligible payment entitlements is set at 90 ha.			

<sup>776</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>777</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>778</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>779</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>780</sup> DG AGRI data on Greening payment method of calculation (2016)

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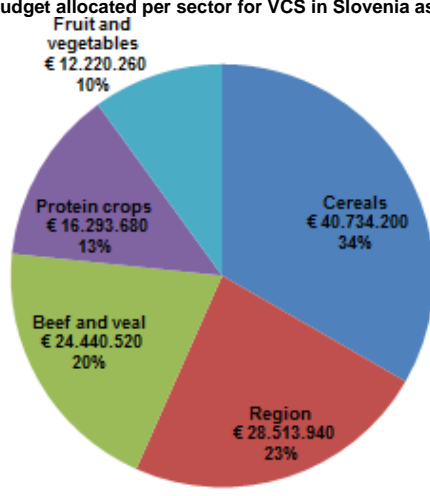
<sup>782</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>783</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>784</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

<sup>785</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.28

<sup>786</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.30

<b>Voluntary coupled support</b>	<b>Member States are allowed to choose to implement the coupled support for different sectors or regions.</b>																		
	<input checked="" type="checkbox"/> Coupled support as % of national ceiling: 13%	<input checked="" type="checkbox"/> Support for protein crops as % of national ceiling: 2%																	
	<p>In Slovenia, 13% of the national ceiling (which corresponds to € 20,698,050 in 2015 to € 20,141,700 in 2020) is allocated to Voluntary Coupled Support (VCS). Slovenia has decided to additionally allocate the 2% VCS buffer for protein crops only<sup>787</sup>. The sectors covered by VCS are “beef and veal”, “cereals”, “fruit and vegetables” and “protein crops”. Furthermore, Slovenia allocates € 4.8 million on a regional basis to the mountain areas for milk production”. Reg. (EU)1307/2013, art. 52 (3) provides Member States the opportunity to not only support the sectors laid out in art. 52 (2), but to support certain regions where specific types of farming or specific agricultural sectors that are particularly important for economic, social or environmental reasons and undergo significant difficulties. Throughout the planning period the amounts slightly change, but their overall distribution remains stable.<sup>788</sup></p> <p>The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period.</p> <p style="text-align: center;"><b>Figure 122 Shares of budget allocated per sector for VCS in Slovenia as a total of all years</b></p> <div style="text-align: center;">  <table border="1" style="margin: 0 auto;"> <thead> <tr> <th>Sector</th> <th>Amount (€)</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Cereals</td> <td>40,734,200</td> <td>34%</td> </tr> <tr> <td>Region</td> <td>28,513,940</td> <td>23%</td> </tr> <tr> <td>Beef and veal</td> <td>24,440,520</td> <td>20%</td> </tr> <tr> <td>Protein crops</td> <td>16,293,680</td> <td>13%</td> </tr> <tr> <td>Fruit and vegetables</td> <td>12,220,260</td> <td>10%</td> </tr> </tbody> </table> </div> <p>Source: Ecorys based on DG AGRI data</p>		Sector	Amount (€)	Percentage	Cereals	40,734,200	34%	Region	28,513,940	23%	Beef and veal	24,440,520	20%	Protein crops	16,293,680	13%	Fruit and vegetables	12,220,260
Sector	Amount (€)	Percentage																	
Cereals	40,734,200	34%																	
Region	28,513,940	23%																	
Beef and veal	24,440,520	20%																	
Protein crops	16,293,680	13%																	
Fruit and vegetables	12,220,260	10%																	
<b>Other voluntary schemes under Pillar I</b>	<b>Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers</b>																		
	<input type="checkbox"/> Payment for areas with natural constraints	<input checked="" type="checkbox"/> Small farmers																	
	<p>The voluntary scheme for areas with natural constraints is not implemented in Slovenia<sup>789</sup>.</p> <p>Slovenia has allocated € 13,798,700 in 2015 (€ 13,427,800 in 2020) to the small farmers scheme. This corresponds to 10% of the national ceiling. Farmers will not be automatically included in the scheme. The annual amount of support per farmer is set at a maximum of € 1,050. This annual amount can be adapted in the subsequent years in order to be in line with the national ceiling for direct payment each year (i.e. to take into account the external convergence)<sup>790</sup>.</p>																		

<sup>787</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>788</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>789</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

<sup>790</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

Yearly Union Support for P.II <sup>791</sup>	2014	2015	2016	2017	2018	2019	2020
	€118,678,072	€119,006,876	€119,342,187	€119,684,133	€120,033,142	€120,384,760	€120,720,633
Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of of total budget	EU support rate	Implemented measures				
	€ 12,500,000 1,13%	80%	M1.1: Support for vocational training and skills acquisition actions				
			M1.2: Support for demonstration activities and information actions				
	€ 10,768,000 0,9%	75%	M2.1 Support to help benefiting from the use of advisory services				
	€ 1,738,667 0,16%	75%	M3.1support for new participation in quality schemes				
			M3.2 support for information and promotion activities implemented by groups of producers in the internal market				
	€ 228,127,149 20,42%	75%	M4.1 support for investments in agricultural holdings				
			M4.2 support for investments in processing/marketing and/or development of agricultural products				
			M4.3 support for investments in infrastructure related to development, modernisation or adaptation of agri- culture and forestry				
	€ 125,343,333 11,32%	80% for P2 75% for P6	M6.1 business start up aid for young farmers				
			M6.4 support for investments in creation and development of non-agricultural activities				
	€ 10,000,000 0,90%	75%	M7.3 support for broadband infrastructure				
	€ 59,481,067 5,37%	75%	M8.4 support for restoration of damage to forests from forest fires and natural disasters and catastrophic events				
			M8.6 support for investments in forestry technologies and in processings				
	€ 2,227,950 0,20%	80%	M.9 Setting up of producer groups and organisations				
	€ 203,607,387 18,39%	75%	M10 Agri-environment-climate				
	€ 65,495,000 5,92%	75%	M11.1 payment to convert to organic farming practices and methods				
		M11.2 payment to maintain organic farming practices and methods					
€ 265,933,333 24,02%	75%	M13.1 compensation payment in mountain areas					
		M13.2 compensation payment to other areas affected by specific constraints					
		M13.3 compensation payment to other areas affected by specific constraints					
€ 16,368,000 1,48%	75%	M14 Animal Welfare					
€ 20,062,500 1,81%	80%	M16.2 support for pilot projects and for the development of new products, practices, processes and technologies					
		M16.4 support for horizontal and vertical cooperation among supply chain actors					
		M16.5 support for joint action undertaken with a view to mitigating or adapting to climate change					
		M16.9 support for diversification of farming activities					
€ 52,365,614 4,73%	80%	M19 LEADER CLLD (all submeasures)					

<sup>791</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

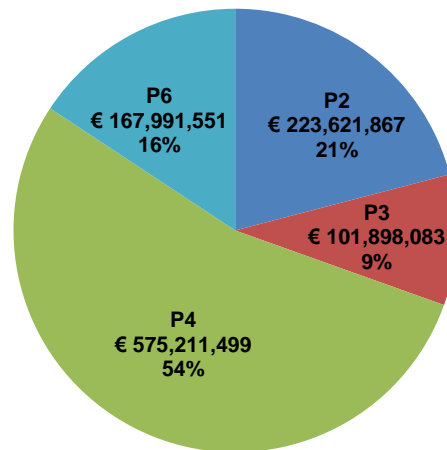
Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).

National RDP

Regional RDP

The total RDP budget for Slovenia is at around € 1,107,279,333 for the entire planning period. Slovenia has allocated more than half of this budget (54%) to Priority 4 “Restoring, preserving and enhancing ecosystems related to agriculture and forestry” followed by 21% to Priority 2 “Viability and competitiveness of farms, sustainable forest management”, 16% to Priority 6 “Economic development, social inclusion” and 10% to Priority 3 “Food chain organisation, processing and marketing”. The following figure provides an overview of the shares by Priority in millions of euro.

Figure 123 Budget allocated per Priority in Slovenia



Source: Calculations Ecorys based on DG AGRI data (2016)

Key focus areas for rural development

Use of measures in RDPs

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

## Overview

Slovenia has decided to offer 15 measures. In terms of budget allocation the highest amounts are allocated to:

- M13 "Payments to areas facing natural or other specific constraints" (€ 265,933,333);
- M4 "Investments in physical assets" (€ 228,127,149);
- M10 "Agri-environment-climate" (€203,607,387).

## M01 Knowledge Transfer and Innovation actions

Slovenia allocated 1.13% of the total RDP budget to knowledge transfer and innovation actions. The focus of this measure will lie on training for agricultural holdings located in important ecological areas or in catchment areas. The form in which training is implemented, as described by the RDP, is through courses, workshops, lectures, etc. Demonstration projects include more practical sections.

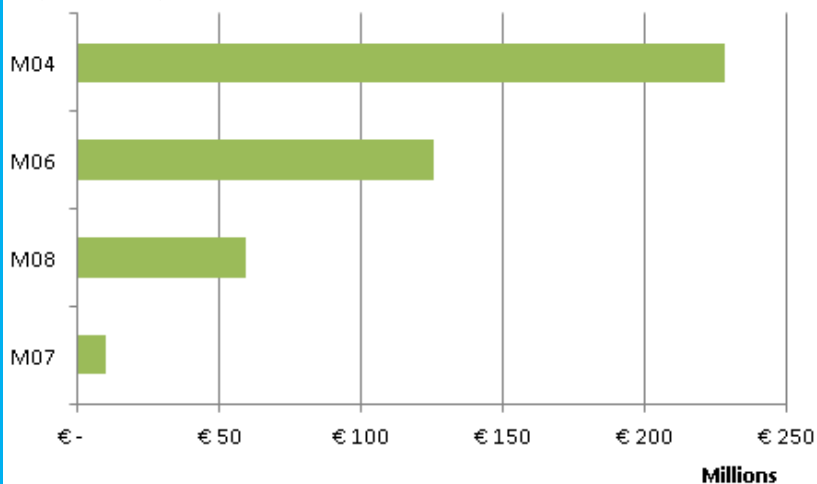
## Investment measures (M04, M05, M06, M07, M08)

Slovenia implemented investment measures:

- M4 "Investments in physical assets" (€ 228,127,149);
- M6 "Farm and business development (€ 125,343,333);
- M7 "Basic services and village renewal in rural areas" (€ 10,000,000); and
- M8 "Investments in forest area development and improvement of the viability of forests" (€ 59,481,067).

The following figure illustrates the budget allocation per investment measure.

Figure 124 Budget allocated to investment measures in Slovenia



Source: Ecorys based on DG AGRI data (2016)

For the investment measures M6 the links to intended job creation are explicitly made as they are implemented with the intention of strengthening the rural economy, creating new jobs and raising added value. For M7 and M8, the rationale is that by using these measures barriers to job creation are reduced.

Some of the investment measures a combination of public and private investments are assumed with support rates ranging from 30 to 80% (M4, M8). Other investment measures can be fully publicly financed as they will work with public tendering procedures (M6, M7, M8).

There is no focus on non-productive investments in any of the measures.

Investments in new or existing irrigation systems are also covered by these investment measures (i.e. M4.1).

## M10 Agri-Environment-Climate and M11 Organic Farming

Slovenia spends on M10 "Agri-environment-climate" € 203,607,387 of which the national contribution is 25%<sup>792</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are agricultural holdings which participate voluntarily in the implementation of the 19 different "operations" where above standard agricultural practices will

<sup>792</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

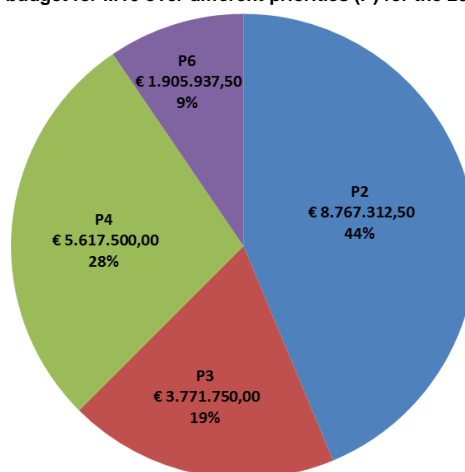
be maintained. Examples of these operations include hop growing, water sources and mountain pastures.

For M11 “Organic Farming” € 65,495,000 of public spending has been allocated of which the national contribution accounts for 25%<sup>793</sup>. All of the expenditure is categorised under Priority 4. Beneficiaries should complete a training course and participate in advisory services in order to retain the payment under this measure<sup>794</sup>. Both submeasures (M11.1 “payment to convert to organic farming practices and methods” and M11.2 “payments to maintain organic farming practices and methods”) are implemented.

#### M16 Co-operation

M16 “cooperation” receives € 20,062,500 of public spending of which 20% is national contribution. Under Priority 2 44% of the total amount is spent, for Priority 3 19% is allocated, under Priority 4 28% and under Priority 6 9%.

Figure 125. Division of budget for M16 over different priorities (P) for the 2014-2020 period



Source: Ecorys based on DG AGRI data (2016)

The measure pursues the objectives of accelerating knowledge and innovation transfer from research spheres into agricultural practice, of greater sustainability and climate change adaptation, and puts great emphasis on technological development. Following submeasures have been selected:

- M16.2 “Support for pilot projects and for the development of new products, practices, processes and technologies”;
- M16.4” Support for horizontal and vertical cooperation among supply chain actors”
- M16.5 “Support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices”;
- M16.9 “Support for diversification of farming activities”.

#### M19 LEADER CLLD

The total CLLD budget allocated under the EAFRD in Slovenia is €52,365,614. It will be carried out under a single thematic objective: promoting social inclusion and combatting poverty and any form of discrimination<sup>795</sup>. All funds are targeted under Priority 6 “Fostering local development in rural areas”. Around 66% of the rural population is intended to be covered under Local Development Strategy. The target is to create 66 jobs.<sup>796</sup>

<sup>793</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>794</sup> Slovenian Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme.

<sup>795</sup> Slovenian Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme


<sup>796</sup> DG AGRI (2016): RDP factsheet Slovenia



Targeting of RDP measures	Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.	
	Measures especially targeted at Young Farmers: measures M1, M4, M6. Measures targeted at Small Farms: none Measures targeted at Innovation Activities: M1, M2 and M16.	
Approaches taken to financial support in RDP	Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.	
	1 measure (M16) implemented in Slovenia is using the simplified cost option for submeasures M16.2, M16.4, M16.5, M16.9.  3 submeasures are making use of financial instruments: M4.2, M6.4, M8.6.	
Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.	
	Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input checked="" type="checkbox"/> ERDF <input type="checkbox"/> ESF <input checked="" type="checkbox"/> EMFF



# Spain

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€ 29 billion <sup>797</sup>	€ 8,3 billion <sup>798</sup>				
Level of implementation	National	17 RDPs <sup>799</sup>				
DP (P.I) yearly national ceilings <sup>800</sup>	2015	2016	2017	2018	2019	2020
	€	€	€	€	€	€
	4,902,300,000	4,911,300,000	4,926,300,000	4,939,700,000	4,953,100,000	4,954,400,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		55,92% for the whole programming period			
	"Greening" Payment		30%			
	Payment for Young Farmers		Up to 2%			
	Coupled Support		Up to 12,08 %			
	Crop-specific payment for cotton		Compulsory for Spain			
	Small Farmers Scheme		Up to € 1,250 per farmer			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input checked="" type="checkbox"/> No flexibility		<input type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I	
	Spain decided not to apply flexibility between pillars.					
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	Spain has identified the following criteria for "active farmer" <sup>801</sup> : <ul style="list-style-type: none"> <li>Farmers will have to fulfil a minimum activity requirement by demonstrating that their activity is of at least 0,20LU/ha and is one of the activity listed in the regulation (art. 9.1 and 4.2.b );</li> <li>Spain will not maintain a negative list (art. 9(2));</li> <li>A person or a group of persons which fall under the scope of art. 9 (2) can be regarded an active farmer if they can demonstrate that direct payments represent at least 5% of their income from the rest of non-agricultural activities or that their farm incomes other than direct payments represent at least 20% of their total agricultural income;</li> <li>Spain decided to implement additional economic or professional requirements. Farmers</li> </ul>					

<sup>797</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>798</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>799</sup> DG AGRI data on RDPs (2016)

<sup>800</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>801</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	<p>will have to provide the evidence that at least 20% of their total agricultural income is not originating from Direct Payments (art. 9 (3)).</p> <p>The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €100 in 2015, €200 in 2016 and €300 in 2017<sup>802</sup>.</p>	
	<p>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</p>	
Basic Payments	56 % of national ceiling	<input type="checkbox"/> National model (single region) <input type="checkbox"/> SAPS <input checked="" type="checkbox"/> Regional model
		<input checked="" type="checkbox"/> Partial internal convergence <input type="checkbox"/> Flat payment
	<p>Spain has allocated annually about € 2.7 billion to basic payments. The amount decreases from € 2,712 billion in 2015 to € 2,740 billion in 2020.</p> <p>Further key decisions taken by Spain concerning basic payments are:</p> <ul style="list-style-type: none"> <li>• Basic payments represents 56 % of the national ceiling for Pillar I<sup>803</sup>,</li> <li>• The level of implementation is regional considering the whole territory as several regions (50)<sup>804</sup>;</li> <li>• The minimum threshold for receiving Basic Payments is set at a minimum of 0,20 hectare of eligible land. In addition, the number of entitlements to be allocated is limited the number of eligible hectares declared by the farmer in 2013, if that number is lower than the hectares the farmers declared in 2015;</li> <li>• Spain will implement partial convergence (60-90%) with a maximum decrease in initial unit value of 30%.</li> </ul>	
	<p>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</p>	
Reduction of payments	<input checked="" type="checkbox"/> Degressivity: 5 % (>€150,000) and 100% (>€300,000) <input checked="" type="checkbox"/> Threshold: €150,000 and €300,000 <input type="checkbox"/> Application: 0	<input type="checkbox"/> Redistributive payment
	<p>Spain decided to implement the minimum of 5 % reduction for the part of the amount of Basic Payments exceeding €150,000 and 100% for the amount exceeding €300,000<sup>805806</sup>. The reduction rate is fixed for all years.</p> <p>Salaries linked to an agricultural activity paid and declared by the farmer, including taxes and social contributions, will be subtracted from the amount of Basic Payments received before the application of the reduction<sup>807</sup>.</p>	

<sup>802</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>803</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>804</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>805</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>806</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

<sup>807</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

<b>Greening</b>	Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.			
	<b>Green payment</b>			
	<input type="checkbox"/> Equivalent practices	<input type="checkbox"/> Flat payment	<input checked="" type="checkbox"/> Individual payment	
	<b>Permanent grassland</b>			
	<b>Total area of ESPG in Natura 2000:</b> 1,914,265.44 ha (100 %)	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> National application	
	<b>Ecological Focus Areas</b>			
<b>4 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation	
<b>Greening</b>	<p>30% of Spain's national ceiling<sup>808</sup> which corresponds to over €1,453 billion in 2015 and to €1,468 billion in 2020 is allocated to greening<sup>809</sup>. The implementation of the greening payments will be done at national level<sup>810</sup>.</p> <p>Spain made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• Spain has decided to apply the derogation to the uniform greening payment per hectare, which means they implement an individual payment<sup>811</sup>;</li> <li>• It will not implement any equivalent practices<sup>812</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 1,914,265.44 hectares are currently covered<sup>813</sup>; 1,914,265.44 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 100 % of the total permanent grassland<sup>814</sup>. No ESPG is designated outside Natura 2000<sup>815</sup>.</li> <li>• Spain has decided to focus on the following 4 Ecological Focus Areas<sup>816</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow</li> <li>○ Ha of agro forestry</li> <li>○ Afforested areas</li> <li>○ Areas with nitrogen fixing crops (12 species: chickpea, French honeysuckler, vetchlings lentil, lupin, alfalfa, sainfoin, bean, pea, fenugreek, vetch exc. faba bean)</li> </ul> </li> </ul>			
<b>Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.</b>				
<b>Payment for Young Farmers</b>	<b>% of national ceiling: 2%</b>			
	<p>Spain has decided to allocate 2% of their national ceiling to Young Farmers which corresponds to €97 million in 2015 which increases to €98 million in 2020. There will be additional eligibility criteria implemented as regards appropriate skills, training requirements, farmers need to demonstrate that they are in control over the legal person.</p> <p>The calculation of the yearly top up amount per beneficiary is equal to 25 % of the average value of entitlements held by a farmer. The threshold of eligible payment entitlements is set at 90 ha/entitlements.</p>			

<sup>808</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>809</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>810</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>811</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>812</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>813</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>814</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>815</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>816</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

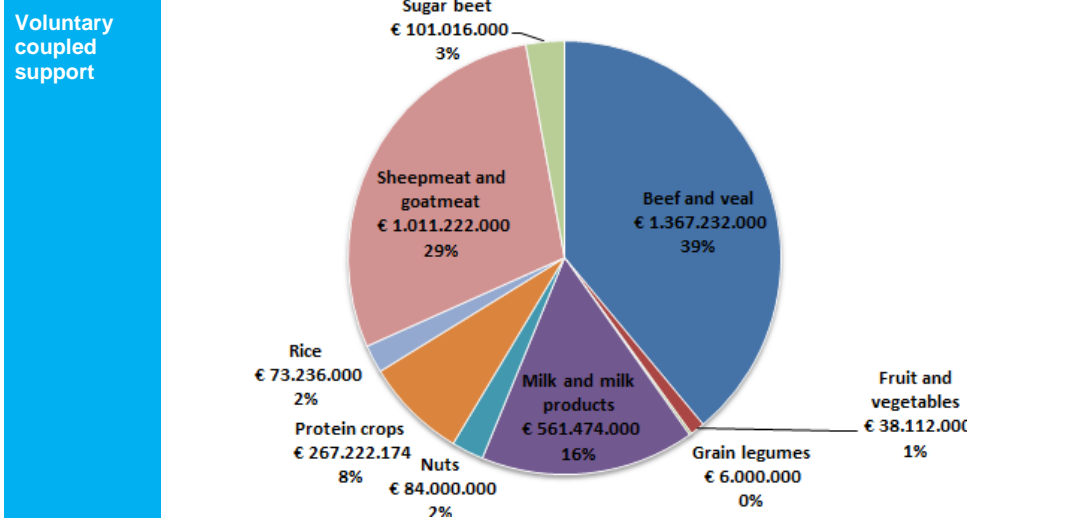
**Member States are allowed to choose to implement the coupled support for different sectors or regions.**

**Coupled support as % of national ceiling:** 13%       Support for protein crops as % of national ceiling: 0%

In Spain, 13% of the national ceiling (which corresponds to € 629.5 million in 2015 to € 636 million in 2020) is allocated to Voluntary Coupled Support (VCS). The sectors covered by VCS are beef and veal, fruit and vegetables, grain legumes, milk and milk products, nuts, protein crops, rice, sheep and goat meat and sugar beet.<sup>817</sup>

The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period.

**Figure 126 Shares of budget allocated per sector for VCS in Spain as a total of all years**



Source: Ecorys based on DG AGRI data

**Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers**

Payment for areas with natural constraints       **Small farmers**

**Other voluntary schemes under Pillar I**  
The voluntary scheme for areas with natural constraints is not implemented in Spain<sup>818</sup>.

Spain has decided to implement the small farmers scheme. Farmers will be automatically included in the scheme. The annual amount of support per farmer is set at a maximum of € 1,250. This annual amount is calculated as the total value of all payments that should be allocated in 2015 up to a maximum of €1,250 per year<sup>819</sup>.

The aim of the payments is to preserve part-time farming, which is very important in certain Spanish rural areas, and reduce administrative burdens from 2016.

Yearly Union Support for P.II <sup>820</sup>	2015	2016	2017	2018	2019	2020
	€1,780,169,908	€1,780,403,445	€1,185,553,005	€1,184,419,678	€1,183,448,718	€1,183,394,067

<sup>817</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)  
<sup>818</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)  
<sup>819</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)  
<sup>820</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures
	€145.330.196,93 1,17%	41-90%	M1.1: Support for vocational training and skills acquisition actions
			M1.2: Support for demonstration activities and information actions
			M1.3: Support for short-term farm and forest management exchange as well as farm and forest visits
	€161.429.359,72 1,30%	31-85%	M2.1 support to help benefiting from the use of advisory services
			M2.2 support for the setting up of farm management, farm relief and farm advisory services as well as forestry advisory services
			M2.3 support for training of advisors
	€ 89.010.849,84 0,72%	31-85%	M3.1 support for new participation in quality schemes
			M3.2 support for information and promotion activities implemented by groups of producers in the internal market
€4.233.488.558,09 34,20%	31-85%	M4.1: support for investments in agricultural holdings;	
		M4.2: support for investments in processing/marketing and/or development of agricultural products;	
		M4.3: support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry;	
		M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.	
€20.279.383,18 0,16 %	53-85%	M5.1: support for investments in preventive actions aimed at reducing the consequences of probable natural disasters, adverse climatic events and catastrophic events;	
		M5.2: support for investments for the restoration of agricultural land and production potential damaged by natural disasters, adverse climatic events and catastrophic events.	
€827.121.243,42 6,68 %	31-90%	M6.1: business start-up aid for young farmers;	
		M6.2: business start-up aid for non-agricultural activities in rural areas	
		M6.3: business start-up aid for the development of small farms	
		M6.4: support for investments in creation and development of non-agricultural activities;	
		M6.5: payments for farmers eligible for the small farmers scheme who permanently transfer their holding to another farmer.	
€328.948.110,07 2,66%	31-85%	M7.1: support for drawing up and updating of plans for the development of municipalities and villages in rural areas and their basic services and of protection and management plans relating to Natura 2000 sites and other areas of high nature value;	
		M7.2: support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving;	
		M7.3: support for broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government;	

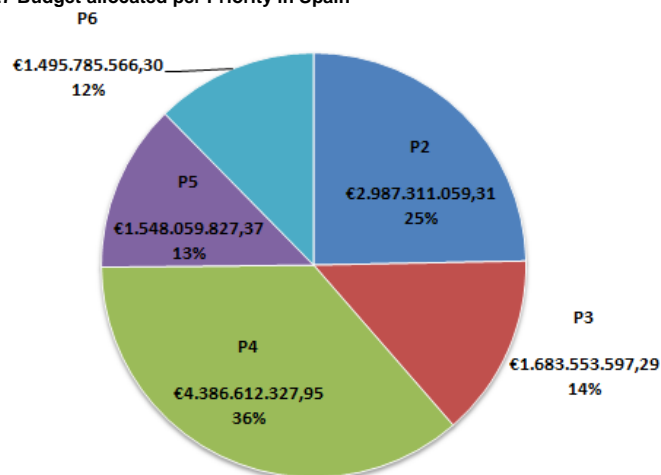
		<p>M7.4: support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure;</p> <p>M7.5: support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure;</p> <p>M7.6: support for studies/investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites including related socioeconomic aspects, as well as environmental awareness actions;</p> <p>M7.7: support for investments targeting the relocation of activities and conversion of buildings or other facilities located inside or close to rural settlements, with a view to improving the quality of life or increasing the environmental performance of the settlement;</p> <p>M7.8 others.</p>
<p>€1.997.920.20</p> <p>5,13</p> <p>16,14%</p>	31-85%	<p>M8.1: support for afforestation/creation of woodland (Article 21);</p> <p>M8.2: support of establishment and maintenance of agro-forestry systems (Article 22);</p> <p>M8.3: support for prevention of damage to forests from forest fires and natural disasters and catastrophic events (Article 23);</p> <p>M8.4: support for restoration of damage to forests from forest fires and natural disasters and catastrophic events (Article 24);</p> <p>M8.5: support for investments improving the resilience and environmental value of forest ecosystems (Article 25);</p> <p>M8.6: support for investments in forestry technologies and in processing, mobilising and marketing of forest products (Article 26).</p>
<p>€58.552.896,4</p> <p>0</p> <p>0,47%</p>	43-90%	M9: Setting up of producer groups and organisations
<p>€1.322.059.43</p> <p>9,29</p> <p>10,68 %</p>	43-85%	<p>M10.1: payment for agri-environment-climate commitments</p> <p>M10.2: support for conservation and sustainable use and development of genetic resources in agriculture</p>
<p>€664.029.215,</p> <p>58</p> <p>5,36%</p>	41-75%	<p>M11.1 payment to convert to organic farming practices and methods</p> <p>M11.2 payment to maintain organic farming practices and methods</p>
<p>€29.204.226,6</p> <p>7</p> <p>0,24%</p>	60-75%	<p>M12.1 compensation payment for Natura 2000 agricultural areas</p> <p>M12.2 compensation payment for Natura 2000 forest areas</p> <p>M12.3 compensation payment for agricultural areas included in river basin management plans</p>
<p>€</p> <p>838.796.730,7</p> <p>2</p>	41-75%	<p>M13.1: compensation payment in mountain areas</p> <p>M13.2: compensation payment for other areas facing significant natural constraints</p>



	6,78 %		M13.3: compensation payment to other areas affected by specific constraints
	€26.274.754,7 2 0,21 %	53-75 %	M14: Animal Welfare
	€28.083.881,3 3 0,23%	75 %	15.1 payment for forest-environmental and climate commitments 15.2 support for the conservation and promotion of forest genetic resources
	€273.750.334, 80 2,21%	41-90%	M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies M16.3 Cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets M16.5 Support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices. (Article 35 (2) (f) and (g)) M16.6 Support for cooperation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes M16.7 Support for non-CLLD strategies (non-Community-led Local Development) M16.8 Support for drawing up of forest management plans or equivalent instruments M16.9 Support for diversification of farming activities into activities concerning health care, social integration, community-supported agriculture and education about the environment and food
	€14.000.000,0 0 0,11%	53%	M17.1 crop, animal and plant insurance premium M17.2 mutual funds for adverse climatic events, animal and plant diseases, pest infestations and environmental incidents M17.3 income stabilisation tool
	€1.034.768.30 2,34 8,36 %	43-90%	M19: LEADER and CLLD
	€188.375.044, 52 1,52%	31-75 %	Technical assistance
<b>Key focus areas for rural development</b>	<b>Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).</b>		

The total RDP budget for Spain is around € 12.4 billion for the entire planning period. Spain has allocated the highest share (36%) to Priority 4 “restoring, preserving and enhancing ecosystems” followed by 25% to Priority 2 “competitiveness of all types of agriculture and farm viability”, 14% to Priority 3 “food chain organisation and risk management”, 13 % to Priority 5 “resource efficiency and shift towards a low carbon and climate resilient economy” and 12% to Priority 6 “social inclusion, poverty reduction, and economic development in rural areas”. The following figure provides an overview of the shares by Priority in millions of euro.

**Figure 127 Budget allocated per Priority in Spain**



Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

**Overview**

Spain has decided to offer 19 measures, the breakdown of funds of all regional RDPs are given in the last pages of this fiche. The following three regions, geographically spread across Spain with different agricultural and climatic conditions are elaborated upon in further detail: Andalucía, Cataluña and Galicia.

- Aggregating all RDPs in Spain, there are 17 measures used in the entire country. In terms of budget allocation the highest aggregated amounts are allocated to:
  - M04 “Investments in physical assets” (€5,674,328,412);
  - M08 “Farm and business development” (€ 2,798,634,000); and
  - M10 “Agri-environment-climate” (€ 1.322.059.439)
- Andalucía has decided to offer 17 measures. In terms of budget allocation the highest amounts are allocated to:
  - M04 “Investments in physical assets” (€ 689.078.699);
  - M08 “Investments in forest area development and improvement of the viability of forests” (€ 413.852.459);
  - 10 “ Agri-environment-climate” (€ 328.035.652).
- Cataluña has decided to offer 14 measures. In terms of budget allocation the highest amounts are allocated to:
  - M04 “Investments in physical assets” (€308.500.000);
  - M10 “Agri-environment-climate” (€ 125.000.000);
  - M06 “Farm and business development” (€ 80.000.000).
- Galicia has decided to offer 15 measures. In terms of budget allocation the highest amounts are allocated to:
  - M04 “Investments in physical assets” (€ 335.000.000);

Use of measures in RDPs

- M08 “Investments in forest area development and improvement of the viability of forests” (€ 305.280.000);
- M13 “Payments to areas facing natural or other specific constraints” (€ 116.000.000)

#### **M01 Knowledge Transfer and Innovation actions**

On the aggregated level, 1.03% of the total RDP budget has been allocated to knowledge transfer and innovation actions

**Andalucía** allocated 2.44 % of its total RDP budget to knowledge transfer and innovation actions. The focus of this measure will lie on vocational training and competences acquisition, as well as demonstration and information activities, with horizontal influence on rural development objectives pursued by the Programme and a direct contribution to ITI Cadiz.

**Cataluña** allocated 1.11% of its total RDP budget to knowledge transfer and innovation actions. The focus of this measure is to strengthen the instruments of transfer and dissemination of knowledge of DAAM, as well as tools and transfer of R&D knowledge in business sectors and easy access to specific training through agricultural training schools, online training and universities around the region, in addition to counteract the low representation of agrifood and forestry sectors in the R&D Programmes, as well as the low impact of the results in the R&D projects and the insufficient number of points for meeting and debate.

**Galicia** allocated 0.96% of its total RDP budget to knowledge transfer and innovation actions. The focus of this measure will lie on activities of vocational training and competences acquisition, as well as demonstration and information activities. Training and competences acquisition activities could consist of training courses, workshops and counselling sessions. Also short-term exchanges regarding the management of agricultural or forestry misuses and the organization of visits to agriculture or forestry misuses inside and outside the region of Galicia can be granted.

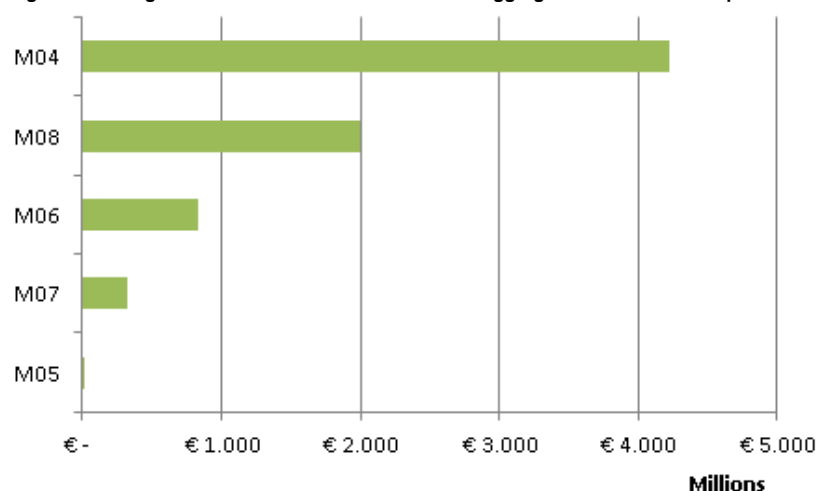
#### **Investment measures (M04, M05, M06, M07, M08)**

At an aggregated level, the RDPs in Spain have implemented the following investment measures:

- M4 “Investments in physical assets” (€4.233.488.558,09);
- M5 “Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate preventive actions (€ 20.279.383);
- M6 “Farm and business development (€827.121.243,42);
- M7 “Basic services and village renewal in rural areas” (€328.948.110,07); and
- M8 “Investments in forest area development and improvement of the viability of forests”( €1.997.920.205,13).

The following figure illustrates the budget allocation per investment measure.

**Figure 128 Budget allocated to investment measures aggregated of all RDPs in Spain**

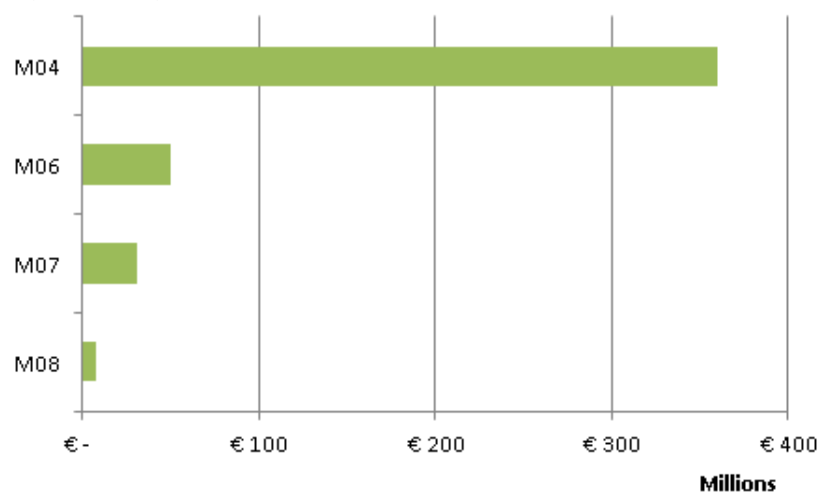


Source: Calculations Ecorys based on DG AGRI data (2016)

For Andalucía, Cataluña and Galicia the distribution of funds in their RDPs for the investment measures are shown in the figures below.

The first figure illustrates the budget allocated to investment measures in Andalucía.

**Figure 129. Budget allocated to investment measures in Andalucía**

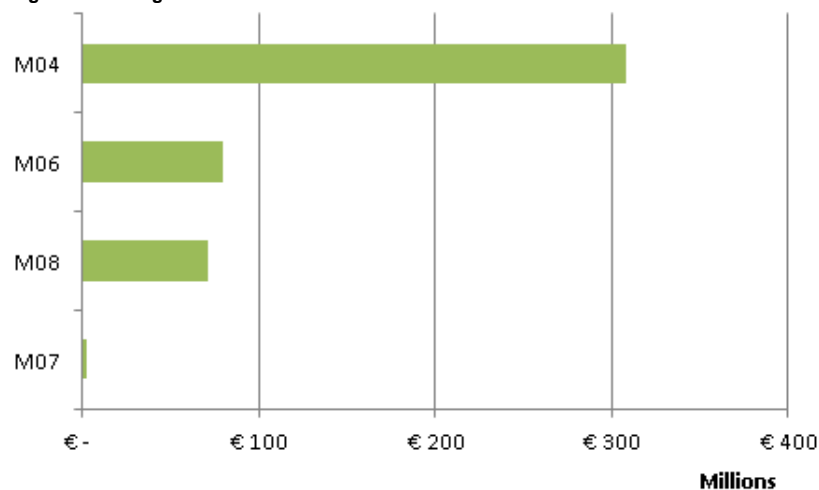


Source: Calculations Ecorys based on DG AGRI data (2016)

For **Andalucía**, measure M04 is considered to contribute to the creation or sustaining of employment. M06 measure contributes to the promotion of employment in agriculture and mining activities. M07 contemplates that improving the quality of life in areas of socioeconomic influence of protected natural areas will allow the existence of more appropriate social, economic and cultural environments, more appropriate to the current needs of rural society, and will enhance the creation of employment opportunities and increase the purchasing power of households (with special attention to green jobs). Finally, M08 can play a very important role in the development of economic activity and employment in rural areas

There is no focus on non-productive investments in any of the measures.

**Figure 130. Budget allocated to investment measures in Cataluña**

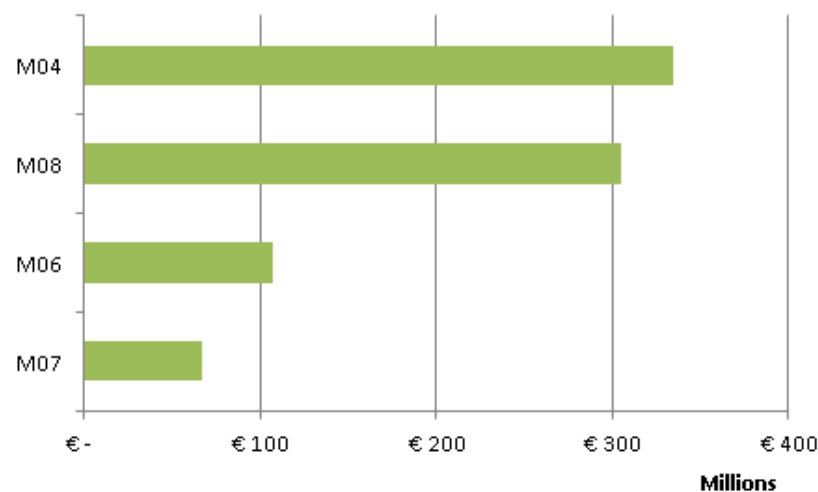


Source: Calculations Ecorys based on DG AGRI data (2016)

For **Cataluña**, M04 is an essential tool for employment promotion in the food industry, creating quality jobs in rural areas, maintaining existing jobs and reducing seasonal fluctuations in employment. It also includes as one of its criteria the creation of additional employment on the farm. M06 supports the sustainable use of endogenous resources in rural areas to create new jobs or increase the value of diversification activities that have been developed for many generations in rural areas (agrotourism, crafts, etc). M08 contributes to job creation through the encouragement of planning management of forest resources in a

sustainable way, integration environmental considerations with economic, social and cultural activities, in order to preserve the environment while creating jobs and contribute to increase quality of life and the expectation of development of rural population.

**Figure 131. Budget allocated to investment measures in Galicia**



Source: Ecorys based on DG AGRI data (2016)

For **Galicia**, M04 is expected to contribute indirectly to job creation. M06 incorporates the endowment of services to rural areas that make them attractive to the population, particularly for young people. M07 establishes as selection criterion job creation as a condition, considering it a key element for the socio-economic development.

#### **M10 Agri-Environment-Climate and M11 Organic Farming**

Spain spends on **M10 "Agri-environment-climate"** €1.322.059.439,29 of which the national contribution is 10,68 %<sup>821</sup>.

**Andalucía** spends €328.035.652 on M10 "Agri-environment-climate". All of the expenditure is categorised under Priority 4. The beneficiaries of this measures must be owners of the farm registered in the General Register of Livestock.

**Cataluña** spends € 125.000.000 on M10 "Agri-environment-climate". All of the expenditure is categorised under Priority 4. The beneficiaries of this measure are persons holding farms with arable crops within SPA areas of western dry lands (Pla de l'Unilla, Secans Noguera, Secans Mas de Melons-Alfés and Secans of Segrià i Utxesa) and of the eastern dry lands (Anglesola-Vilagrassa, Bellmunt-Almenara, Plans de Sio and Secans of Belianes-Preixana), as well as land managers or groups of land managers.

**Galicia** spends € 65.320.000 on M10 "Agri-environment-climate". All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are farmers (natural or legal persons or group of individuals or legal entities) holding a farm registered in the corresponding Register, having the status of an active farmer as it is established in Chapter I of Title II of the Royal Decree 1075/2014 of December 19<sup>th</sup>, fulfilling the conditions of eligibility and voluntarily commit to the operations of the sub-measure.

For **M11 "Organic Farming"** €664.029.215,58 of public spending has been allocated of which the national contribution accounts for 5,36 %<sup>822</sup>.

**Andalucía** spends €201.584.476 on M11 "Organic Farming". All of the expenditure is categorised under Priority 4. Beneficiaries should be farmers as they are defined in article 2d of the Regulation (CE) n° 834/2007 of the Council, that voluntary commit to adopt practices and methods of organic farmer.<sup>823</sup> Both sub measures (M11.1 "payment to convert to organic farming practices and methods and M11.2 "payments to maintain organic farming practices

<sup>821</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>822</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>823</sup> Spanish Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme.

and methods”) are implemented.

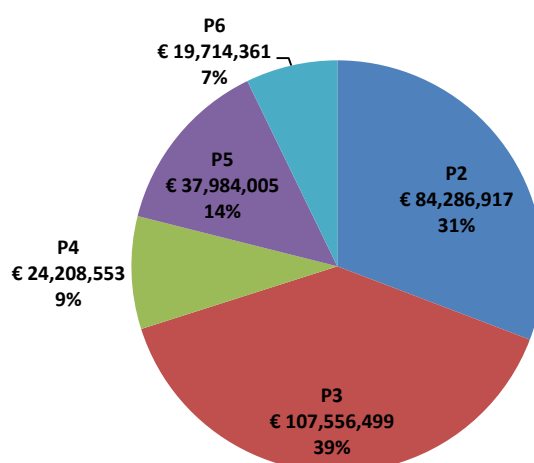
**Cataluña** spends € 38.000.000 on M11 “Organic Farming”. All of the expenditure is categorised under Priority 4. Beneficiaries will be farmers or groups of farmers, who commit to voluntarily adopt or maintain practices and methods of organic farming defined in the Regulation (EC) 834/2007, June 28th, on organic production and labelling of organic products. The beneficiary must be an active farmer. In addition to the regulatory requirement to be an active farmer, the beneficiary must be enrolled in a body of authorized certification by the region. In the case of groups, rural development programmes could also consider eligible the groups set up “ad hoc” to execute the operation<sup>824</sup>. Both submeasures (M11.1 “payment to convert to organic farming practices and methods and M11.2 “payments to maintain organic farming practices and methods”) are implemented.

**Galicia** spends € 12.680.000 on M11 “Organic Farming”. All of the expenditure is categorised under Priority 4. Beneficiaries are farmers (natural or legal persons or groups of individuals or legal entities) holders of a farm registered in the corresponding register, having the status of an active farmer as it is established in Chapter I of Title II of the Royal Decree 1075/2014 of December 19<sup>th</sup>, which fulfil the eligibility conditions and commit to execute the operations based on organic farming agreements<sup>825</sup>. Both submeasures (M11.1 “payment to convert to organic farming practices and methods and M11.2 “payments to maintain organic farming practices and methods”) are implemented.

#### M16 Co-operation

M16 “cooperation” receive €273.750.334,80 of the aggregated public spending of which 46% is national contribution. Under Priority 2 31% of the total amount is spent, for Priority 3 39% is allocated, under Priority 4 9%, under Priority 5 14% and under Priority 6 7%.

Figure 132. Division of budget for M16 over different priorities (P) for the 2014-2020 period



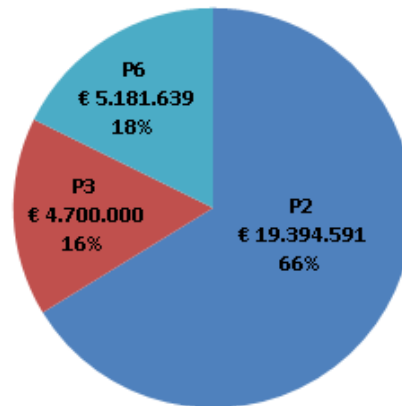
Source: Ecorys based on DG AGRI data (2016)

**Andalucía** M16 “cooperation” receives €29.276.230 of public spending of which 1.19% is national contribution. Under Priority 2 66 % of the total amount is spent, for Priority 6 18% is allocated and for Priority 3 16% is allocated.

<sup>824</sup> Spanish Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme.

<sup>825</sup> Spanish Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme.

Figure 133. Division of budget for M16 in Andalucía over different priorities (P) for the 2014-2020 period



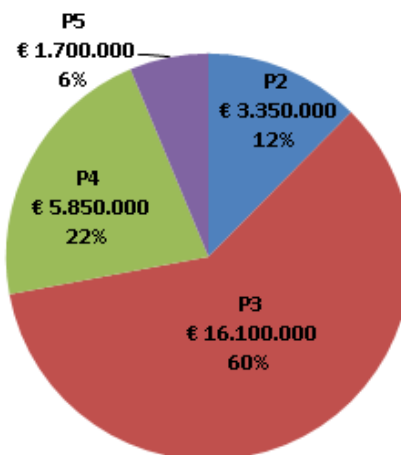
Source: Ecorys based on DG AGRI data (2016)

The measure pursues the objectives of promoting cooperation in innovation. The following submeasures have been selected:

- M16.1; M16.3; M16.4; M16.10.

**Cataluña** M16 “cooperation” receives € 27.000.000 of public spending of which 3.33% is national contribution. Under Priority 3 60% of the total amount is spent, for Priority 4 22% is spent, for Priority 2 12% is spent and for Priority 5 6% is allocated.

Figure 134. Division of budget for M16 in Cataluña over different priorities (P) for the 2014-2020 period



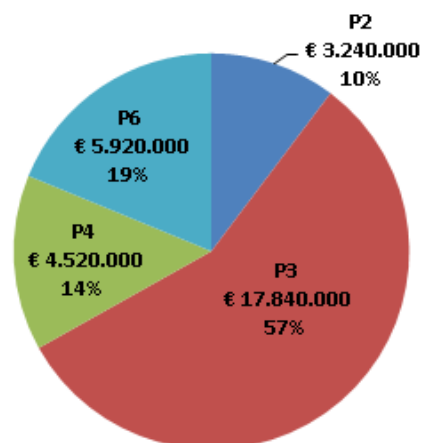
Source: Ecorys based on DG AGRI data (2016)

The measure pursues the objectives of cooperation between companies and technological and research centers, facilitates the transfer of knowledge and innovation, as well as pilot projects in the agricultural and forestry sector and in rural areas. The following submeasures have been selected:

- M16.1; M16.2;

**Galicia** M16 “cooperation” receives € 31.520.000 of public spending of which 2.66% is national contribution. Under Priority 3 57% of the total amount is spent, for Priority 6 19% is spent, for Priority 4 14% is spent and for Priority 2 10% is allocated.

**Figure 135. Division of budget for M16 in Galicia over different priorities (P) for the 2014-2020 period**



Source: Ecorys based on DG AGRI data (2016)

The measure pursues the objectives of promoting cooperation in innovation because the investment in R&D in Galicia is lower to the Spanish and European average. Following submeasures have been selected:

- M16.1

#### **M19 LEADER CLLD**

The total aggregated CLLD budget allocated under the EAFRD in Spain is €1.034.768.302,34.

In **Andalucía**, the total CLLD budget allocated under the EAFRD is € 258.013.376. All funds are targeted under Priority 6 "Fostering local development in rural areas". Around 66.77% of the rural population is intended to be covered under Local Development Strategy. The target is to create 1 616 jobs.<sup>826</sup>

In **Cataluña**, the total CLLD budget allocated under the EAFRD is € 62.000.000. All funds are targeted under Priority 6 "Fostering local development in rural areas". Around 38.86 % of the rural population is intended to be covered under Local Development Strategy. The target is to create 600 jobs.<sup>827</sup>

In **Galicia**, the total CLLD budget allocated under the EAFRD is € 84.000.000. All funds are targeted under Priority 6 "Fostering local development in rural areas". Around 55.50 % of the rural population is intended to be covered under Local Development Strategy. The target is to create 600 jobs.<sup>828</sup>

**Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.**

#### **Targeting of RDP measures**

##### **Andalucía**

Measures especially targeted at Young Farmers: measure M06.  
Measures targeted at Small Farms: none  
Measures targeted at Innovation Activities: measures M01, M02 and M16.

##### **Cataluña**

Measures especially targeted at Young Farmers: measures M01, M02 and M06.  
Measures targeted at Small Farms: none  
Measures targeted at Innovation Activities: measures M01 and M16.

<sup>826</sup> DG AGRI (2016): RDP factsheet Bretagne

<sup>827</sup> DG AGRI (2016): RDP factsheet Bretagne

<sup>828</sup> DG AGRI (2016): RDP factsheet Bretagne



	<p><b>Galicia</b>  Measures especially targeted at Young Farmers: measures M01 and M06.  Measures targeted at Small Farms: none  Measures targeted at Innovation Activities: measures M01, M02 and M16.</p>	
<p><b>Approaches taken to financial support in RDP</b></p>	<p><b>Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.</b></p>	
	<p>Spain has not included in the National Rural Development Programme the option of using the simplified cost option neither financial instruments.</p>	
<p><b>Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs</b></p>	<p><b>The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.</b></p>	
	<p><b>Use of CLLD multi-fund option?</b></p>	<p><input type="checkbox"/> Yes                      <input checked="" type="checkbox"/> No</p>
	<p><b>If yes, which other ESI funds are used (or planned to be used) for CLLD?</b></p>	<p><input type="checkbox"/> ERDF  <input type="checkbox"/> ESF  <input type="checkbox"/> EMFF</p>

jkj

**Table 16. Percentages of total public expenditure spent on each measure per RDP for Spain**

	M1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M9	M 10	M 11	M12	M 13	M 15	M16	M17	M19	M20
<b>National RDP</b>	0,87%	0,75%	0,00%	65,37%	0,00%	0,00%	4,37%	5,22%	3,04%	0,00%	0,00%	0,00%	0,00%	0,00%	0,94%	15,26%	0,00%	0,00%
<b>Andalucía</b>	2,44%	2,29%	0,83%	28,18%	0,34%	5,67%	3,00%	16,93%	0,38%	13,42%	8,25%	0,00%	2,94%	0,37%	0,45%	1,20%	0,00%	10,55%
<b>Aragón</b>	2,21%	1,25%	0,98%	41,66%	0,00%	6,41%	2,05%	11,97%	0,00%	10,15%	1,77%	0,06%	6,89%	0,00%	0,17%	4,82%	0,00%	8,85%
<b>Asturias</b>	0,26%	1,35%	0,96%	32,76%	0,00%	3,83%	1,54%	18,16%	0,00%	5,45%	2,72%	0,00%	13,62%	0,00%	0,00%	3,32%	0,00%	14,30%
<b>Islas Baleares</b>	1,00%	0,00%	3,00%	39,20%	0,00%	11,62%	0,00%	5,03%	0,00%	6,87%	3,00%	0,00%	20,49%	0,00%	0,00%	5,51%	0,00%	2,70%
<b>Canarias</b>	0,98%	1,00%	1,00%	48,24%	1,00%	8,00%	8,68%	9,60%	0,00%	8,50%	1,00%	0,00%	0,00%	0,00%	0,00%	4,36%	0,00%	5,14%
<b>Cantabria</b>	0,61%	0,00%	0,00%	23,30%	0,00%	9,86%	0,83%	10,10%	0,00%	5,07%	2,47%	0,00%	30,57%	12,17%	0,00%	0,00%	0,00%	4,47%
<b>Castilla-La Mancha</b>	0,45%	0,45%	0,51%	25,74%	0,00%	4,39%	1,80%	28,84%	0,54%	6,33%	14,47%	1,63%	4,35%	0,00%	0,26%	0,39%	0,00%	9,10%
<b>Castilla y León</b>	0,31%	0,87%	0,09%	40,80%	0,12%	7,79%	0,74%	12,25%	0,33%	13,57%	1,83%	0,00%	10,87%	0,00%	0,00%	0,78%	0,87%	8,07%
<b>Cataluña</b>	1,11%	0,49%	1,23%	38,06%	0,00%	9,87%	0,25%	8,78%	0,31%	15,42%	4,69%	0,00%	8,39%	0,00%	0,00%	3,33%	0,00%	7,65%
<b>Extremadura</b>	0,25%	1,44%	0,29%	32,80%	0,00%	6,92%	5,44%	12,20%	1,17%	14,47%	5,04%	0,00%	6,78%	0,00%	0,27%	0,75%	0,00%	9,40%
<b>Galicia</b>	0,96%	1,41%	1,34%	28,24%	0,00%	9,07%	5,60%	25,74%	0,45%	5,51%	1,07%	0,00%	9,78%	0,00%	0,37%	2,66%	0,00%	7,08%
<b>Madrid</b>	0,78%	0,58%	0,00%	31,98%	0,00%	2,76%	11,82%	21,57%	0,00%	3,09%	4,90%	0,00%	3,32%	0,00%	0,08%	3,18%	0,00%	14,82%
<b>Murcia</b>	1,07%	1,07%	0,14%	39,42%	2,35%	7,89%	0,00%	11,38%	0,00%	15,85%	7,88%	0,29%	3,86%	0,00%	0,00%	1,69%	0,00%	5,60%
<b>Navarra</b>	3,60%	4,29%	0,94%	46,85%	0,00%	6,78%	1,78%	8,33%	0,00%	6,56%	3,83%	1,13%	8,80%	0,00%	0,00%	1,51%	0,00%	5,34%
<b>País Vasco</b>	1,54%	0,00%	4,10%	41,92%	0,00%	2,95%	0,00%	15,52%	0,68%	7,45%	1,02%	0,00%	9,91%	0,00%	0,19%	3,63%	0,00%	10,60%
<b>La Rioja</b>	2,46%	3,00%	0,00%	36,42%	0,00%	9,28%	4,29%	19,43%	0,29%	10,71%	1,71%	0,00%	2,86%	0,00%	0,00%	2,93%	0,00%	6,61%
<b>Comunidad Valenciana</b>	0,93%	1,06%	0,80%	30,53%	0,00%	12,75%	0,00%	15,86%	0,00%	21,63%	6,11%	0,00%	2,66%	0,00%	0,00%	0,53%	0,00%	5,82%

**Table 17. Overview of public expenditure on Measure 1 to 10 for each RDP in Spain (in €)**

	M1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M9	M 10
<b>National RDP</b>	€ 3.725.310	€ 3.200.000	€ -	€ 280.446.226	€ -	€ -	€ 18.743.704	€ 22.415.553	€ 13.038.588	€ -
<b>Andalucía</b>	€ 59.758.163	€ 55.871.507	€ 20.306.764	€ 689.078.699	€ 8.256.752	€ 138.507.000	€ 73.275.279	€ 413.852.459	€ 9.324.320	€ 328.035.652
<b>Aragón</b>	€ 16.271.108	€ 9.220.294	€ 7.231.604	€ 306.278.173	€ -	€ 47.121.359	€ 15.092.870	€ 88.016.338	€ -	€ 74.634.330
<b>Asturias</b>	€ 1.250.000	€ 6.603.774	€ 4.716.981	€ 160.389.937	€ -	€ 18.750.000	€ 7.547.170	€ 88.930.818	€ -	€ 26.666.667
<b>Islas Baleares</b>	€ 1.452.439	€ -	€ 4.357.317	€ 56.858.146	€ -	€ 16.848.293	€ -	€ 7.291.000	€ -	€ 9.963.415
<b>Canarias</b>	€ 1.815.882	€ 1.852.941	€ 1.852.941	€ 89.385.882	€ 1.852.941	€ 14.823.529	€ 16.083.529	€ 17.788.235	€ -	€ 15.750.000
<b>Cantabria</b>	€ 862.500	€ -	€ -	€ 33.077.358	€ -	€ 14.000.000	€ 1.183.019	€ 14.339.736	€ -	€ 7.200.000
<b>Castilla-La Mancha</b>	€ 6.613.333	€ 6.706.667	€ 7.608.000	€ 381.186.667	€ -	€ 64.940.733	€ 26.593.303	€ 427.047.917	€ 7.935.556	€ 93.681.803
<b>Castilla y León</b>	€ 5.000.000	€ 14.000.000	€ 1.500.000	€ 656.996.226	€ 2.000.000	€ 125.400.000	€ 11.880.000	€ 197.218.038	€ 5.300.000	€ 218.500.000
<b>Cataluña</b>	€ 9.000.000	€ 4.000.000	€ 10.000.000	€ 308.500.000	€ -	€ 80.000.000	€ 2.000.000	€ 71.178.784	€ 2.500.000	€ 125.000.000
<b>Extremadura</b>	€ 2.981.961	€ 16.964.177	€ 3.436.865	€ 387.121.755	€ -	€ 81.692.505	€ 64.216.637	€ 144.038.979	€ 13.756.933	€ 170.783.881
<b>Galicia</b>	€ 11.360.000	€ 16.680.000	€ 15.840.000	€ 335.000.000	€ -	€ 107.520.000	€ 66.400.000	€ 305.280.000	€ 5.360.000	€ 65.320.000
<b>Madrid</b>	€ 939.500	€ 700.000	€ -	€ 38.531.107	€ -	€ 3.321.000	€ 14.245.100	€ 25.990.536	€ -	€ 3.719.000
<b>Murcia</b>	€ 3.724.000	€ 3.724.000	€ 490.000	€ 137.205.000	€ 8.169.690	€ 27.480.000	€ -	€ 39.619.765	€ -	€ 55.170.452
<b>Navarra</b>	€ 11.501.000	€ 13.706.000	€ 3.010.000	€ 149.724.747	€ -	€ 21.654.324	€ 5.687.500	€ 26.603.500	€ -	€ 20.965.000
<b>País Vasco</b>	€ 2.125.000	€ -	€ 5.660.377	€ 57.808.634	€ -	€ 4.062.500	€ -	€ 21.408.549	€ 937.500	€ 10.269.240
<b>La Rioja</b>	€ 3.450.000	€ 4.200.000	€ -	€ 51.000.000	€ -	€ 13.000.000	€ 6.000.000	€ 27.200.000	€ 400.000	€ 15.000.000
<b>Comunidad Valenciana</b>	€ 3.500.000	€ 4.000.000	€ 3.000.000	€ 114.900.000	€ -	€ 48.000.000	€ -	€ 59.700.000	€ -	€ 81.400.000

Table 18. Overview of public expenditure on Measure 11 to 20 for each RDP in Spain (in €)

	M11	M 12	M 13	M 14	M 15	M1 6	M 17	M 19	M20
<b>National RDP</b>	€ -	€ -	€ -	€ -	€ 4.028.000	€ 65.485.802	€ -	€ -	€ 17.949.345
<b>Andalucía</b>	€ 201.584.476	€ -	€ 71.797.255	€ 9.000.000	€ 11.054.163	€ 29.276.230	€ -	€ 258.013.376	€ 67.855.948
<b>Aragón</b>	€ 13.025.564	€ 432.560	€ 50.621.224	€ -	€ 1.233.333	€ 35.428.080	€ -	€ 65.084.429	€ 5.423.702
<b>Asturias</b>	€ 13.333.333	€ -	€ 66.666.667	€ -	€ -	€ 16.250.000	€ -	€ 70.000.000	€ 8.490.566
<b>Islas Baleares</b>	€ 4.357.317	€ -	€ 29.726.585	€ -	€ -	€ 7.988.415	€ -	€ 3.919.250	€ 2.290.244
<b>Canarias</b>	€ 1.852.941	€ -	€ -	€ -	€ -	€ 8.078.824	€ -	€ 9.524.118	€ 4.632.353
<b>Cantabria</b>	€ 3.500.000	€ -	€ 43.394.667	€ 17.274.755	€ -	€ -	€ -	€ 6.347.900	€ 775.472
<b>Castilla La Mancha</b>	€ 214.271.893	€ 24.166.667	€ 64.378.667	€ -	€ 3.836.000	€ 5.787.184	€ -	€ 134.690.070	€ 11.334.000
<b>Castilla y León</b>	€ 29.500.000	€ -	€ 175.000.000	€ -	€ -	€ 12.500.000	€ 14.000.000	€ 130.000.000	€ 11.508.162
<b>Cataluña</b>	€ 38.000.000	€ -	€ 68.000.000	€ -	€ -	€ 27.000.000	€ -	€ 62.000.000	€ 3.327.177
<b>Extremadura</b>	€ 59.526.251	€ -	€ 80.000.000	€ -	€ 3.221.623	€ 8.800.000	€ -	€ 111.000.000	€ 32.868.685
<b>Galicia</b>	€ 12.680.000	€ -	€ 116.000.000	€ -	€ 4.360.000	€ 31.520.000	€ -	€ 84.000.000	€ 8.760.000
<b>Madrid</b>	€ 5.907.440	€ -	€ 4.000.000	€ -	€ 93.000	€ 3.825.800	€ -	€ 17.850.000	€ 1.344.000
<b>Murcia</b>	€ 27.440.000	€ 1.000.000	€ 13.426.000	€ -	€ -	€ 5.880.000	€ -	€ 19.509.000	€ 5.264.855
<b>Navarra</b>	€ 12.250.000	€ 3.605.000	€ 28.119.000	€ -	€ -	€ 4.830.000	€ -	€ 17.052.000	€ 851.032
<b>País Vasco</b>	€ 1.400.000	€ -	€ 13.666.667	€ -	€ 257.763	€ 5.000.000	€ -	€ 14.622.500	€ 679.245
<b>La Rioja</b>	€ 2.400.000	€ -	€ 4.000.000	€ -	€ -	€ 4.100.000	€ -	€ 9.250.000	€ 20.258
<b>Comunidad Valenciana</b>	€ 23.000.000	€ -	€ 10.000.000	€ -	€ -	€ 2.000.000	€ -	€ 21.905.660	€ 5.000.000


**Table 19. Overview of public expenditure on Priority in Spain (in €)**

	P2	P3	P4	P5	P6
National RDP	€ 32.294.059	€ 301.050.754	€ 31.557.013	€ 27.437.653	€ 18.743.704
Andalucía	€ 524.369.181	€ 254.858.069	€ 921.876.654	€ 344.978.397	€ 330.909.792
Aragón	€ 249.512.469	€ 131.118.009	€ 230.884.136	€ 45.860.618	€ 72.316.033
Asturias	€ 135.306.604	€ 61.320.755	€ 125.547.170	€ 64.276.730	€ 70.000.000
Islas Baleares	€ 42.750.122	€ 28.293.512	€ 51.580.390	€ 9.925.000	€ 10.213.152
Canarias	€ 44.571.453	€ 4.881.616	€ 37.718.074	€ 44.806.707	€ 48.683.914
Cantabria	€ 58.837.255	€ 6.377.358	€ 68.434.403	€ -	€ 7.530.919
Castilla La Mancha	€ 199.131.533	€ 197.794.345	€ 675.222.805	€ 156.563.606	€ 18.817.388
Castilla y León	€ 493.769.655	€ 190.298.493	€ 498.283.520	€ 121.296.000	€ 7.445.038
Cataluña	€ 277.050.000	€ 91.100.000	€ 323.918.784	€ 5.910.000	€ -
Extremadura	€ 305.109.419	€ 119.993.865	€ 518.566.523	€ 21.834.581	€ 2.098.196
Galicia	€ 315.673.000	€ 135.176.000	€ 404.068.000	€ 102.843.000	€ 83.680.000
Madrid	€ 23.785.884	€ 14.358.129	€ 48.672.476	€ 7.421.147	€ 1.784.829
Murcia	€ 85.325.600	€ 42.627.800	€ 122.813.052	€ 19.204.125	€ 2.312.800
Navarra	€ 51.553.189	€ 4.660.600	€ 94.550.200	€ 53.183.866	€ 26.950.000
País Vasco	€ 39.001.636	€ 30.226.626	€ 33.369.130	€ 17.944.172	€ 466.386
La Rioja	€ 52.670.000	€ 6.070.000	€ 47.870.000	€ 4.470.000	€ -
Comunidad Valenciana	€ 54.300.000	€ 35.100.000	€ 147.080.000	€ 29.500.000	€ 45.000.000

**Table 20. Overview of public expenditure on Priority in Spain (in %)**

	P2	P3	P4	P5	P6
National RDP	8%	70%	7%	6%	4%
Andalucía	21%	10%	38%	14%	14%
Aragón	34%	18%	31%	6%	10%
Asturias	27%	12%	25%	13%	14%
Islas Baleares	29%	20%	36%	7%	7%
Canarias	24%	3%	20%	24%	26%
Cantabria	38%	4%	45%	0%	5%
Castilla La Mancha	13%	13%	45%	11%	1%
Castilla y León	30%	11%	30%	7%	0%
Cataluña	34%	11%	40%	1%	0%
Extremadura	26%	10%	44%	2%	0%
Galicia	27%	11%	34%	9%	7%
Madrid	20%	12%	40%	6%	1%
Murcia	25%	12%	35%	6%	1%
Navarra	16%	1%	30%	17%	8%
País Vasco	28%	22%	24%	13%	0%
La Rioja	38%	4%	34%	3%	0%
Comunidad Valenciana	14%	9%	38%	8%	12%

# Sweden

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€4,186 million <sup>829</sup>	€ 1,745 million <sup>830</sup>				
Level of implementation	National	1 RDP (National) <sup>831</sup>				
DP (P.I) yearly national ceilings <sup>832</sup>	2015	2016	2017	2018	2019	2020
	€ 696,800,000	€ 697,200,000	€ 697,600,000	€ 698,700,000	€ 699,700,000	€ 699,800,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		55 %			
	"Greening" Payment		30%			
	Payment for Young Farmers		Up to 2% in 2015, up to 1.5% in the following years			
	Coupled Support		Up to 13 %			
	Small Farmers Scheme		Not implemented			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input checked="" type="checkbox"/> No flexibility		<input type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I	
	Sweden decided to not to implement flexibility between pillars <sup>833</sup> .					
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Sweden has identified the following criteria for "active farmer"<sup>834</sup>:</p> <ul style="list-style-type: none"> <li>Sweden implements the minimum activity criteria (art. 4.2.b). The minimum the minimum activity to be carried out on agricultural areas naturally kept in a state suitable for grazing or cultivation is: <ul style="list-style-type: none"> <li>According to 4(1)(a) 639/2014 annual activity (or biannual for environmental reasons): <ul style="list-style-type: none"> <li>Arable land: Yearly production, cutting or mowing. Maintenance of drainage, if necessary to avoid water clogging. After 2015: no required activity the first year arable land is fallow or EFA-field margin</li> <li>Permanent grassland and PG-ELP: Yearly production, cutting or mowing.</li> <li>Permanent crops: Yearly production, cutting or mowing.</li> </ul> </li> </ul> </li> </ul>					

<sup>829</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>830</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>831</sup> DG AGRI data on RDPs (2016)

<sup>832</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>833</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.280.

<sup>834</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	<p>Maintenance of drainage, if necessary to avoid water clogging.</p> <ul style="list-style-type: none"> <li>○ According to 4(1)(b) 639/2014 characteristics to be met by an agricultural area: Arable land - Buffer zone: The areas (buffer zones) basic ability to decrease leakage of pesticides and nutrients must be maintained. After 2015: permanent grassland in agro environmental commitment for pastures, biannual activity is allowed.</li> <li>• Sweden will not maintain a negative list (art. 9(2)).</li> <li>• A person or a group of persons which fall under the scope of art. 9 (2) can be regarded an active farmer if they can demonstrate with verifiable evidence: <ul style="list-style-type: none"> <li>○ That the income from agricultural activity is at least 1/3rd of the total income: this is evidenced by the bookkeeping (step b);</li> <li>○ That the agricultural activity is the principal business by listing all the activities and by defining that specific activities share of the total activity in the company into an official business register (in Sweden Bolagsverket),and/or in the Tax Authority.</li> </ul> </li> <li>• Sweden decided not to implement any additional economic or professional requirements (art. 9 (3)).</li> <li>• The minimum requirement for receiving DP is either a physical threshold (4ha) or a financial threshold (€100) only applicable for animal farmers receiving Voluntary Coupled Support.</li> </ul> <p>The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €5 000 in the previous year<sup>835</sup>. The amount is set to € 5 000 in order to preserve and support a diversified economic activity in sparsely populated regions.</p>					
<p><b>Basic Payments</b></p>	<p>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</p>					
	<table border="1"> <tr> <td data-bbox="416 1070 727 1128" rowspan="2">55 % of national ceiling</td> <td data-bbox="727 1070 1031 1128"> <input checked="" type="checkbox"/> <b>National model (single region)</b> </td> <td data-bbox="1031 1070 1339 1128"> <input type="checkbox"/> Partial internal convergence </td> </tr> <tr> <td data-bbox="727 1128 1031 1205"> <input type="checkbox"/> SAPS  <input type="checkbox"/> Regional model </td> <td data-bbox="1031 1128 1339 1205"> <input checked="" type="checkbox"/> <b>Flat payment</b> </td> </tr> </table>	55 % of national ceiling	<input checked="" type="checkbox"/> <b>National model (single region)</b>	<input type="checkbox"/> Partial internal convergence	<input type="checkbox"/> SAPS <input type="checkbox"/> Regional model	<input checked="" type="checkbox"/> <b>Flat payment</b>
	55 % of national ceiling		<input checked="" type="checkbox"/> <b>National model (single region)</b>	<input type="checkbox"/> Partial internal convergence		
<input type="checkbox"/> SAPS <input type="checkbox"/> Regional model		<input checked="" type="checkbox"/> <b>Flat payment</b>				
<p>Sweden has allocated annually around € 386 million to basic payments. The amount increases from € 386 million in 2015 to € 387,7 million in 2020.</p> <p>Further key decisions taken by Sweden concerning basic payments are:</p> <ul style="list-style-type: none"> <li>• Basic Payments represent 55% of the national ceiling for Pillar I<sup>836</sup>;</li> <li>• The level of implementation is national considering the whole territory as a single region<sup>837</sup>;</li> <li>• With regard to first allocation of payment entitlements, there will be no extension of list, nor reduction of entitlements nor minimum size . The existing payment entitlements are thus maintained;</li> <li>• Concerning internal convergence, Sweden will implement a national flat payment in 2020. Payment entitlements below 100% of the national average will have their value increased by 5/6 of the difference between the initial value and the average value in year 2019; payment entitlements above 100% of the national average will have their value decreased by 5/6 of the difference between the initial value and the average value in year 2019. After 2019, here will be a final convergence step in year 2020 so all payment entitlements have the same value. .<sup>838,839</sup></li> </ul>						

<sup>835</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>836</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>837</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>838</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf

<sup>839</sup> DG AGRI data (2016) on BPS Details Convergence



Reduction of payments	Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.		
	<input checked="" type="checkbox"/> Degressivity: 5 %	<input type="checkbox"/> Redistributive payment	
	<input checked="" type="checkbox"/> Threshold: € 150,000		
	<input type="checkbox"/> Application:		
Sweden decided to implement the minimum of 5% reduction for the part of the amount of direct payments exceeding €150,000. The reduction rate is fixed for all years. Sweden does not apply the subtraction of salaries.			
Greening	Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.		
	<b>Green payment</b>		
	<input type="checkbox"/> Equivalent practices	<input type="checkbox"/> Flat payment	<input checked="" type="checkbox"/> Individual payment
	<b>Permanent grassland</b>		
	Total area of ESPG in Natura 2000: 45,595 ha (100 %)	<input type="checkbox"/> ESPG outside Natura 2000	<input type="checkbox"/> Regional application <input checked="" type="checkbox"/> National application
	<b>Ecological Focus Areas</b>		
	6 types of EFAs	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation <input checked="" type="checkbox"/> Forest cover derogation
	30% of Sweden's national ceiling <sup>840</sup> which corresponds to over €209 million in 2015 and to € 209 million in 2020 is allocated to greening <sup>841</sup> . The implementation of the greening payments will be done at national level <sup>842</sup> .		
	Sweden made the following implementation choices concerning the greening payment:		
	<ul style="list-style-type: none"> <li>• Sweden has decided to apply the derogation to the uniform greening payment per hectare, which means they implement an individual payment<sup>843</sup>;</li> <li>• It will not implement any equivalent practices<sup>844</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 45,595 hectares are currently covered<sup>845</sup>; 45,595 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 100 % of the total permanent grassland<sup>846</sup>. No ESPG is designated outside Natura 2000<sup>847</sup>.</li> <li>• Sweden has decided to focus on the following 6 Ecological Focus Areas<sup>848</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow</li> <li>○ Landscape features: 1 – field margins.</li> <li>○ Ha of agro-forestry</li> <li>○ Areas with short rotation coppice</li> <li>○ Areas with catch crops or green cover: only undersowing.</li> <li>○ Areas with nitrogen fixing crops: 9 – chickpea, soybean, lupin, alfalfa, bean, pea, clover, vetch (exc. faba bean) and faba bean.</li> </ul> </li> </ul>		

<sup>840</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>841</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>842</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>843</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>844</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>845</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>846</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>847</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>848</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

Payment for Young Farmers	Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.					
	% of national ceiling: 2 %					
	Sweden has decided to allocate 2% of their national ceiling to Young Farmers which corresponds to € 13 ,937,800 in 2015 which slightly increases to € 13,995,360 in 2020. There will be no additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25 % of the national average per ha multiplied by the number of activated ha. The threshold of eligible payment entitlements is set at 90 ha.					
Voluntary coupled support	Member States are allowed to choose to implement the coupled support for different sectors or regions.					
	<input checked="" type="checkbox"/> Coupled support as % of national ceiling: 13 %			<input type="checkbox"/> Support for protein crops as % of national ceiling: 0 %		
	In Sweden, 13% of the national ceiling (which corresponds to €90.6 million in 2015 to € 91 million in 2020) is allocated to Voluntary Coupled Support (VCS). The only sector covered by VCS is beef and veal. <sup>849</sup>					
Other voluntary schemes under Pillar I	Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers					
	<input type="checkbox"/> Payment for areas with natural constraints			<input type="checkbox"/> Small farmers		
	Neither the voluntary scheme for areas with natural constraints nor for the small farmers scheme are implemented in Sweden <sup>850</sup> .					
Yearly Union Support for P.II <sup>851</sup>	2015	2016	2017	2018	2019	2020
	€ 386,944,025	€ 378,153,207	€ 249,386,135	€ 249,552,108	€ 249,710,989	€ 249,818,786
Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures			
	€ 128,991,259 3.0%	41 %	M1.1: Support for vocational training and skills acquisition actions			
			M1.3: Support for short-term farm and forest management exchange as well as farm and forest visits			
	€ 85,581,254 2.0%	41 %	M2.1 support to help benefiting from the use of advisory services			
			M2.3 support for training of advisors			
€ 317,011,990 7.4%	41 %	M4.1: support for investments in agricultural holdings;				
		M4.2: support for investments in processing/marketing and/or development of agricultural products;				
		M4.4: support for non-productive investments linked to the achievement of agri-environment-climate objectives.				
€ 131,181,579 3.1%	41 %	M6.1: business start-up aid for young farmers;				
		M6.4: support for investments in creation and development of non-agricultural activities;				

<sup>849</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>850</sup> DG AGRI data on Small Farmers Scheme – Decision of MS (2016)

<sup>851</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

	€ 558,384,347 13%	41 %	M7.2: support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving;
			M7.3: support for broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government;
			M7.4: support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure;
			M7.5: support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure;
			M7.6: support for studies/investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites including related socioeconomic aspects, as well as environmental awareness actions;
	€ 11,888,581 0.3%	41 %	M8.4: support for restoration of damage to forests from forest fires and natural disasters and catastrophic events;
			M8.5: support for investments improving the resilience and environmental value of forest ecosystems;
	€ 960,288,266 22,3%	41 %	M10.1: payment for agri-environment-climate commitments
			M10.2: support for conservation and sustainable use and development of genetic resources in agriculture
	€ 490,719,692 11,4%	41 %	M11.1 payment to convert to organic farming practices and methods M11.2 payment to maintain organic farming practices and methods
€ 974,744,778 22.7%	41 %	M13.1: compensation payment in mountain areas	
		M13.2: compensation payment for other areas facing significant natural constraints	
		M13.3: compensation payment to other areas affected by specific constraints	
€ 126,613,392 2.9%	41 %	M14: animal welfare	
€ 155,655,574 3.6%	41 %	M16.1 Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability	
		M16.2 Support for pilot projects and for the development of new products, practices, processes and technologies	
		M16.4 Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets	
		M16.5 Support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices. (Article 35 (2) (f) and (g))	
€ 200,238,380 4.7%	50 %	M19: support for LEADER local development (CLLD)	
€ 156,097,071 3.6%	41 %	M20: technical assistance	

Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).

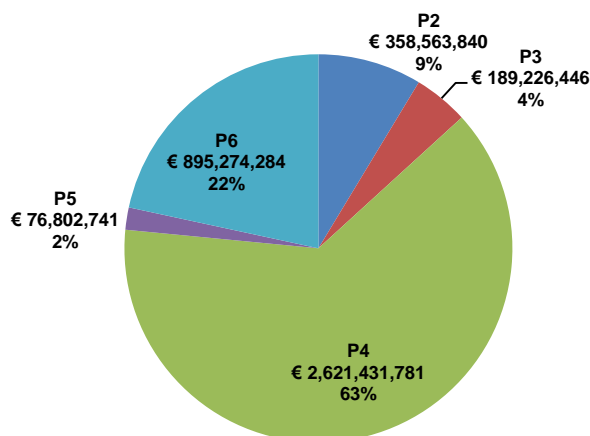
National RDP

Regional RDP

Key focus areas for rural development

The total RDP budget for Sweden is at around € 4.141 billion for the entire planning period. Sweden has allocated more than half of this total budget (63%) to Priority 4 “Restoring, preserving and enhancing ecosystems related to agriculture and forestry” followed by 22% to Priority 6 “Social inclusion and local development in rural areas”, 9% to Priority 2 “Competitiveness of agriculture and sustainable forestry” and 4% to Priority 3 “Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture”. The following figure provides an overview of the shares by Priority.

Figure 136 Budget allocated per Priority in Sweden



Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

Use of measures in RDPs

### Overview

Sweden has decided to offer 13 measures. In terms of budget allocation the highest amounts are allocated to:

- M13 “Payments to areas facing natural or other specific constraints” (€ 974,744,778);
- M10 “Agri-environment- climate” (€ 960,288,266);
- M7 “Basic services and village renewal in rural areas” (€ 558,384,347);

### M01 Knowledge Transfer and Innovation actions

Sweden allocated 3% of the total RDP budget to knowledge transfer and innovation actions. The focus of this measure will lie on training for agricultural holdings located in important ecological areas or in catchment areas. The form in which training is implemented, as described by the RDP, is through courses and extension services (farm visits) related to nutrient reduction programme

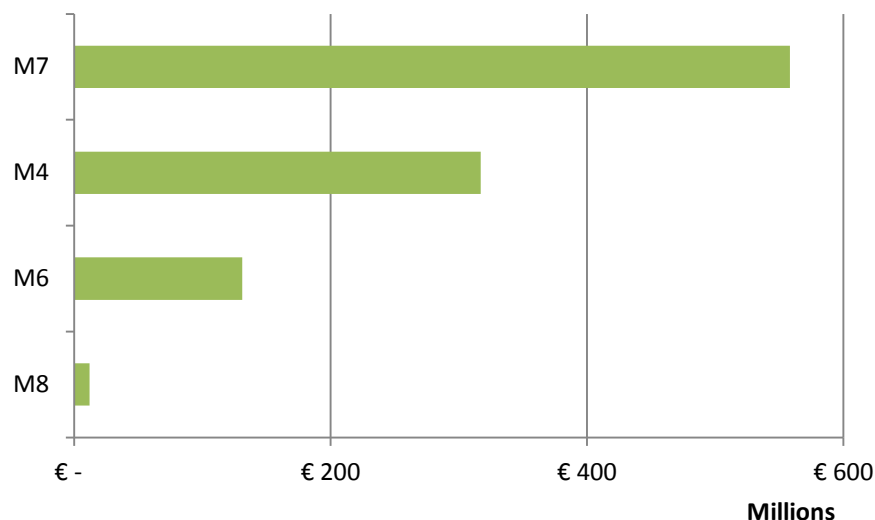
### Investment measures (M04, M05, M06, M07, M08)

Sweden implemented investment measures:

- M4 “Investments in physical assets” (€ 317,011,990);
- M6 “Farm and business development (€ 131,181,579);
- M7 “Basic services and village renewal in rural areas” (€ 558,384,347); and
- M8 “Investments in forest area development and improvement of the viability of forests”(€ 11.888.581).

The following figure illustrates the budget allocation per investment measure.

Figure 137 Budget allocated to investment measures in Sweden



Source: Ecorys based on DG AGRI data (2016)

For the investment measures M6 the links to intended job creation are explicitly made as they are implemented with the intention of strengthening the rural economy, creating new jobs and raising added value. For M8, the rationale is to provide local population, local firms and visitors with infrastructure, service and attractive natural, social and cultural environments. Support is given for projects with a considerable benefit for the local society, which are not likely to be financed by other investors. In case of M8, the rationale is to create a functioning ecosystem.

Investments under M6 can be financed up to 40%, up to 90% of eligible costs under M7 and up to 100% under M8 (public tendering procedure applies).

Non productive investments are implemented in case of M8 and M4 (part of). Investments in new or existing irrigation systems are also covered by these investment measures (i.e. M4.1).

#### M10 Agri-Environment-Climate and M11 Organic Farming

Sweden spends on M10 "Agri-environment-climate" €960.3 million of which the national contribution is 41 %<sup>852</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are grazing and hay farmers, but also animal farmers with endangered breeds.

For M11 "Organic Farming" €490.7 million of public spending has been allocated of which the national contribution accounts for 41 %<sup>853</sup>. All of the expenditure is categorised under Priority 4. Beneficiaries should be active farmer working on arable land and their production need to be certified in order to retain the payment under this measure.

Both submeasures (M11.1 "payment to convert to organic farming practices and methods" and M11.2 "payments to maintain organic farming practices and methods") are implemented.

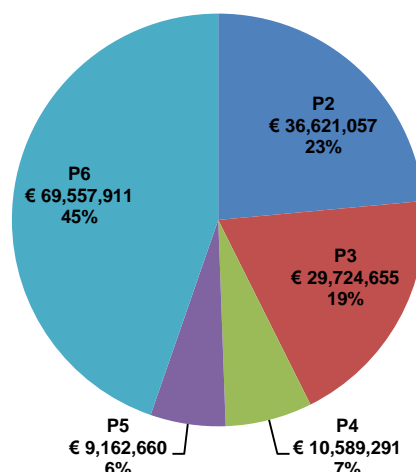
#### M16 Co-operation

M16 "Cooperation" receives €155.7 million of public spending of which 41 % is national contribution. Under Priority 2 23% of the total amount is spent, for Priority 3 19% is allocated, under Priority 4 7%, 6% under Priority 5 and under Priority 6 45%.

<sup>852</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>853</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

Figure 138. Division of budget for M16 over different priorities (P) for the 2014-2020 period



The measure pursues the main objective of innovative collaboration, which could include transnational collaborations. Following submeasures have been selected:

- M16.1 "Support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability";
- M16.2 "Support for pilot projects and for the development of new products, practices, processes and technologies";
- M16.4 "Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets";
- M16.5 "Support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices. (Article 35 (2) (f) and (g)";
- M16.9 "Support for diversification of farming activities into activities concerning health care, social integration, community-supported agriculture and education about the environment and food".

#### M19 LEADER CLLD

The total CLLD budget allocated under the EAFRD in Sweden is €200.3 million. All funds are targeted under Priority 6 "Fostering local development in rural areas". Around 52.5% of the rural population is intended to be covered under Local Development Strategy. The target is to create 1200 jobs.<sup>854</sup>

Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.

Targeting of RDP measures

Measures especially targeted at Young Farmers: M01.  
Measures targeted at Small Farms: none  
Measures targeted at Innovation Activities: M01, M02 and M16.

Approaches taken to financial support in

Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.

<sup>854</sup> DG AGRI (2016): RDP factsheet Sweden

RDP	<p>Sweden is not using the simplified cost option for any submeasures.</p> <p>Sweden will not implement of financial instruments.</p>	
Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	<p>The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.</p>	
	Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input checked="" type="checkbox"/> ERDF <input checked="" type="checkbox"/> ESF <input checked="" type="checkbox"/> EMFF





# United Kingdom – England

	Identifying information					
	Pillar I: Direct Payments		Pillar II			
EU Budget 2014 - 2020	€21.41 billion <sup>855</sup> (UK figures)		€2.58 billion <sup>856</sup> (UK figures)			
Level of implementation	Regional		4 RDPs (England is one of the United Kingdom's 4 RDPs) <sup>857</sup>			
P.I yearly national ceilings <sup>858</sup> UK figures	2015	2016	2017	2018	2019	2020
	€ 3,169,800,000	€ 3,176,300,000	€ 3,182,700,000	€ 3,191,400,000	€ 3,200,800,000	€ 3,591,700,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme			68 %		
	"Greening" Payment			30%		
	Payment for Young Farmers			Up to 2 %		
	Coupled Support			Not implemented		
	Small Farmers Scheme			Not implemented		
	Areas with Natural Constraints			Not implemented		
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input type="checkbox"/> No flexibility		<input checked="" type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I	
England decided to apply flexibility between pillars, transferring 12% from P.I to P.II in the period of 2014 to 2019. A review will be held in 2016 with the intention of moving to a 15% transfer rate from Pillar I to Pillar II in 2018 and 2019 <sup>859</sup> .						
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	England has identified following criteria for "active farmers" <sup>860</sup> : <ul style="list-style-type: none"> <li>• England implements the minimum activity criteria which is related to the region or regions applicable to the land declared on the farmer's Single Application Form.</li> <li>• England opted for a physical threshold of 5ha for receiving direct payments</li> <li>• England will not extend the negative list (art. 9(2);</li> <li>• England applies following readmission criteria:               <ul style="list-style-type: none"> <li>○ The farmer's annual payments for SPS or BPS (including the greening payment and any young farmer payments) are at least 5% of their total non-agricultural receipts in the most recent financial year; or</li> <li>○ The farmer's total agricultural receipts are at least 40% of their total receipts in the most recent financial year; or</li> <li>○ The farmer has at least 36 hectares of eligible land.</li> </ul> </li> </ul>					



<sup>855</sup> UK figures from ECMultiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>856</sup> UK figures from ECMultiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>857</sup> DG AGRI data on RDPs (2016)

<sup>858</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>859</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.292.

<sup>860</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	<ul style="list-style-type: none"> <li>England will not implement any additional economic or professional requirements.</li> </ul> <p>The exemption threshold for the “active farmer” clause is applicable to recipients who did not receive more than €5,000 in the previous year<sup>861</sup>.</p>						
Basic Payments	<p>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</p>						
	<table border="1"> <tr> <td rowspan="3">68 % of national ceiling</td> <td><input type="checkbox"/> National model (single region)</td> <td><input type="checkbox"/> Partial internal convergence</td> </tr> <tr> <td><input type="checkbox"/> SAPS</td> <td rowspan="2"><input checked="" type="checkbox"/> Flat payment in 2015</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional model</td> </tr> </table>	68 % of national ceiling	<input type="checkbox"/> National model (single region)	<input type="checkbox"/> Partial internal convergence	<input type="checkbox"/> SAPS	<input checked="" type="checkbox"/> Flat payment in 2015	<input checked="" type="checkbox"/> Regional model
	68 % of national ceiling		<input type="checkbox"/> National model (single region)	<input type="checkbox"/> Partial internal convergence			
<input type="checkbox"/> SAPS			<input checked="" type="checkbox"/> Flat payment in 2015				
<input checked="" type="checkbox"/> Regional model							
<p>England has allocated annually around € 1.38 million to basic payments. The amount decreases from €1.39 million in 2015 which decreases up to €1.36 million in 2019.</p> <p>Further key decisions taken by England concerning basic payments are:</p> <ul style="list-style-type: none"> <li>Basic Payments represent 68 % of the national ceiling for Pillar I<sup>862</sup>;</li> <li>The level of implementation is regional considering the territory as a 3 regions<sup>863</sup>. Moorland, land in Severely Disadvantaged Areas (SDA) other than Moorland, and all the other land;</li> <li>There is no minimum threshold for receiving Basic Payments and no extension to the list of eligible farmers.<sup>864</sup>;</li> <li>England will keep the existing payment entitlements<sup>865</sup>;</li> <li>England will apply a regional flat rate payment in 2015 but will not apply a maximum decrease in initial unit value.</li> </ul>							
Reduction of payments	<p>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</p>						
	<table border="1"> <tr> <td><input checked="" type="checkbox"/> Degressivity: 58 %</td> <td rowspan="3"><input type="checkbox"/> Redistributive payment</td> </tr> <tr> <td><input checked="" type="checkbox"/> Threshold: €150,000</td> </tr> <tr> <td><input type="checkbox"/> Application: not specific</td> </tr> </table>	<input checked="" type="checkbox"/> Degressivity: 58 %	<input type="checkbox"/> Redistributive payment	<input checked="" type="checkbox"/> Threshold: €150,000	<input type="checkbox"/> Application: not specific		
	<input checked="" type="checkbox"/> Degressivity: 58 %	<input type="checkbox"/> Redistributive payment					
<input checked="" type="checkbox"/> Threshold: €150,000							
<input type="checkbox"/> Application: not specific							
<p>England decided to implement 5% reduction for the part of the amount of Direct Payments exceeding €150,000<sup>866867</sup>. The reduction rate is fixed for all years.</p> <p>England will not apply any deduction of salary linked to agricultural activity<sup>868</sup>.</p>							
Greening	<p>Member States have to allocate 30% of the national ceiling to the ‘green payment’. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply ‘equivalent practices’, either via the agri-environment-climate measure under the rural development policy or via a national or regional ‘certification scheme’.</p>						
	<p><b>Green payment</b></p> <table border="1"> <tr> <td><input type="checkbox"/> Equivalent practices</td> <td><input checked="" type="checkbox"/> Flat payment</td> <td><input type="checkbox"/> Individual payment</td> </tr> </table>	<input type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> Flat payment	<input type="checkbox"/> Individual payment			
<input type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> Flat payment	<input type="checkbox"/> Individual payment					

<sup>861</sup> DG AGRI data (2016) AF Notification 1-08-2014.

<sup>862</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>863</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>864</sup> DG AGRI data on BPS-Allocation of payment entitlements (2016)

<sup>865</sup> BPS – Details IUV

<sup>866</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>867</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

<sup>868</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.308.

<b>Permanent grassland</b>			
<b>Total area of ESPG in Natura 2000:</b> 304,969 ha (100%)		<input type="checkbox"/> ESPG outside Natura 2000	<input checked="" type="checkbox"/> <b>Regional application</b> <input type="checkbox"/> National application
<b>Ecological Focus Areas</b>			
<b>6 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation
<p>30% of England's Direct Payments ceiling<sup>869</sup> which corresponds to over €615 million in 2015 and to €600 million in 2019 is allocated to greening<sup>870</sup>. The implementation of the greening payments will be done at regional level<sup>871</sup>.</p> <p>England made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• England has decided to apply a uniform flat payment<sup>872</sup>;</li> <li>• It will not implement any equivalent practices<sup>873</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at regional level, about 304,969 hectares are currently covered<sup>874</sup>; all this grassland is designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 100 % of the total permanent grassland<sup>875</sup>. No ESPG is designated outside Natura 2000<sup>876</sup>.</li> <li>• England has decided to focus on the following 6 Ecological Focus Areas<sup>877</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow</li> <li>○ Landscape features: 1 – hedges or wooded strips.</li> <li>○ Buffer strip: 1m min. width.</li> <li>○ Areas with short rotation coppice;</li> <li>○ Areas with catch crops or green cover: 7 species.</li> <li>○ Areas with nitrogen fixing crops: 14 NFC – chickpea, soybean, lentil, birds foot trefoil, lupin, alfalfa, sweet clover, sainfoin, bean, pea, clover fenugreek, faba bean and bean.</li> </ul> </li> </ul>			
<b>Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.</b>			
<b>% of national ceiling: 2 %</b>			
<b>Payment for Young Farmers</b>	<p>England has decided to allocate 2 % of their national ceiling to Young Farmers which corresponds to € 41million in 2015 which increases to € 40 million in 2019 There will be no additional eligibility criteria implemented. For the purposes of the payment calculation required by Article 50(6) of the Direct Payments Regulation, the number of entitlements a young farmer has activated in accordance with Article 32(1) of that Regulation must be multiplied by 25% of the average value of the owned or leased-in payment entitlements held by the farmer<sup>878</sup>. The threshold of eligible payment entitlements is set at 90 ha.</p>		
<b>Member States are allowed to choose to implement the coupled support for different sectors or regions.</b>			
<b>Voluntary coupled support</b>	<input type="checkbox"/> Coupled support as % of national ceiling: 0%	<input type="checkbox"/> Support for protein crops as % of national ceiling: 0%	
England has decided not to implement voluntary coupled support.			

<sup>869</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>870</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>871</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>872</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>873</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>874</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>875</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>876</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>877</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

<sup>878</sup> Statutory Instruments 2014 No. 3259 Agriculture England: The Common Agricultural Policy Basic Payment and Support Schemes (England) Regulations 2014

Other voluntary schemes under Pillar I	Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers						
	<input type="checkbox"/> Payment for areas with natural constraints			<input type="checkbox"/> Small farmers			
	England chose to neither implement payments for areas with natural constraints nor the small farmers scheme.						
Yearly Union Support for P.II <sup>879</sup>	2014	2015	2016	2017	2018	2019	2020
	€ 371,473,873	€ 370,520,030	€ 369,548,156	€ 368,557,938	€ 367,544,511	€ 366,577,113	€ 365,935,870
Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures				
	€ 67.500.000 1,7%	100 %	M1.1: Support for vocational training and skills acquisition actions M1.2: Support for demonstration activities and information actions				
	€ 45.625.000 1,2%	100 %	M2.1 Support to help benefiting from the use of advisory services M2.2 Support for the setting up of farm management, farm relief and farm advisory services as well as forestry advisory services M2.3 Support for training of advisors				
	€ 316.325.128 8,0%	100 %	M4.1 support for investments in agricultural holdings M4.2 support for investments in processing/marketing and/or development of agricultural products M4.3 support for investments in infrastructure related to development, modernisation or adaptation of agri culture and forestry M4.4 Support for non-productive investments linked to the achievement of agri-environment-climate objectives				
	€ 105.625.000 2,7%	100 %	M6.1 Business start up aid for young farmers M6.2 Business start up aid for non-agricultural activities in rural areas M6.4 support for investments in creation and development of non-agricultural activities				
	€ 86.625.000 2,2%	100 %	M7.2 Support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving M7.3 support for broadband infrastructure M7.4 support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure M7.5 Support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure M7.6 Support for studies/investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural land scapes and high nature value sites including related socioeconomic aspects, as well as environmental awareness actions				
	€ 212.757.793 5,4%	100 %	M8.1 Support for afforestation/creation of woodland M8.3 Support for prevention of damage to forests from forest fires and natural disasters and catastrophic events M8.4 support for restoration of damage to forests from forest fires and natural disasters and catastrophic events M8.5 Support for investments improving the resilience and environmental value of forest ecosystems M8.6 support for investments in forestry technologies and in processings				
	€ 2.818.211.408 71,1%	82 %	M10 Agri-environment-climate				
	€ 15.000.000 0,4%	100 %	M11.1 payment to convert to organic farming practices and methods M11.2 payment to maintain organic farming practices and methods				

<sup>879</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

€ 26.993.603 0,7%	100 %	M15.1 payment for forest-environmental and climate commitments
€ 65.250.000 1,6%	100 %	M16.1 support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability M16.2 support for pilot projects and for the development of new products, practices, processes and technologies M16.3 cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism M16.4 support for horizontal and vertical cooperation among supply chain actors M16.5 support for joint action undertaken with a view to mitigating or adapting to climate change M16.6 support for cooperation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes M16.8 support for drawing up of forest management plans or equivalent instruments
€ 173.535.856 4,4%	100 %	M19 LEADER CLLD (all submeasures)
€ 32.250.000 0,8%	100 %	M20: Technical assistance

Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).

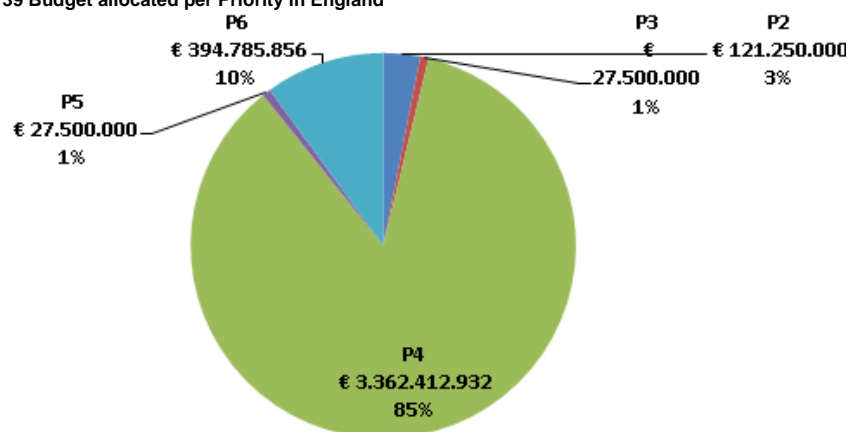
National RDP

Regional RDP

The total RDP budget for England is at around € 3,965,698,787 for the entire planning period. England has allocated more than half of this budget (85 %) to Priority 4 “restoring, preserving and enhancing ecosystems” followed by 10 % to Priority 6 “social inclusion, poverty reduction, and economic development in rural areas”, 3 % to Priority 2 “competitiveness of all types of agriculture and farm viability” and 1 % both to Priority 3 “food chain organisation and risk management” and Priority 5 “resource efficiency and shift towards a low carbon and climate resilient economy”.

The following figure provides an overview of the shares by Priority in millions of euro.

Figure 139 Budget allocated per Priority in England



Source: Calculations Ecorys based on DG AGRI data (2016)

Key focus areas for rural development

Use of measures in RDPs

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

## Overview

England has decided to offer 11 measures and TA. In terms of budget allocation the highest amounts are allocated to:

- M10 "Agri-environment-climate" (€ 2.818.211.407);
- M04 "Investments in physical assets" (€ 316.325.128);
- M08 "Investments in forest area development and improvement of the viability of forests" (€ 212.757.793);

## M01 Knowledge Transfer and Innovation actions

England allocated 1.7 % of the total RDP budget to knowledge transfer and innovation actions.. Training and knowledge transfer activity will be offered to farmers, foresters and wider rural businesses to develop their business and industry specific technical skills, including environmental skills, thus enabling sustainable development of their businesses. Funding will also be offered for the establishment and running of agricultural and forestry demonstration sites to showcase the latest technology and working practices to industry participants and enable knowledge exchange. Targeting will take into consideration geographic areas or hubs where particular policies are in place to support growth in rural areas and through the agri-food supply chain<sup>880</sup>.

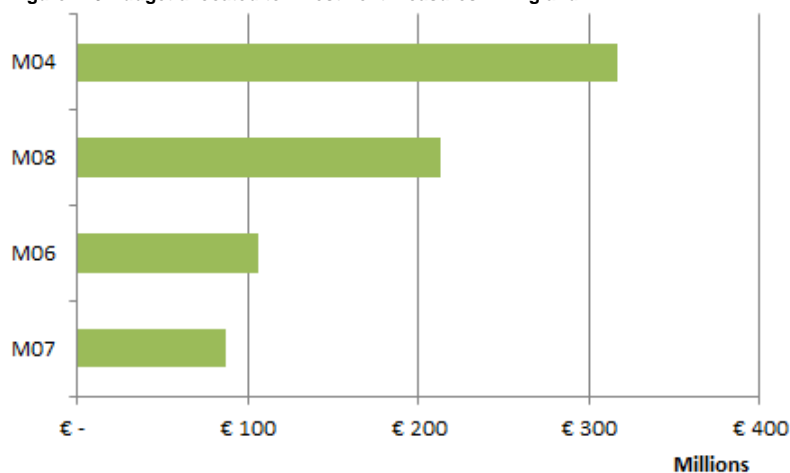
## Investment measures (M04, M05, M06, M07, M08)

England implemented investment measures:

- M4 "Investments in physical assets" (€ 316.325.128);
- M6 "Farm and business development" (€ 105.625.000);
- M7 "Basic services and village renewal in rural areas" (€ 86.625.000); and
- M8 "Investments in forest area development and improvement of the viability of forests"(€ 212.757.793).

The following figure illustrates the budget allocation per investment measure.

Figure 140 Budget allocated to investment measures in England



Source: Ecorys based on DG AGRI data (2016)

For the investment measures M6 the links to intended job creation are explicitly made as they are implemented with the intention of strengthening the rural economy, creating new jobs and raising added value. For business start up aid for non-farming businesses in rural areas the appraisal of applications will be undertaken using a scoring system, which will involve a minimum threshold, above which applications will be prioritised. The scoring system reflects the number, skill-level and sustainability of jobs created. Thresholds set will ensure projects with no value-added are eliminated through selection. Minimum thresholds for the number of jobs created and for the target turnover of start-up businesses may also be applied to calls for projects<sup>881</sup>. For M7 and M8, the rationale is that by using these measures barriers to job creation are reduced.

Some of the investment measures a combination of public and private investments are assumed with the following support rates in M4:

- Investments in agricultural holdings 10 – 60 %
- Investments in processing/marketing and/or development of agricultural products 10 -50%
- Investments related to development, modernisation or adaptation of agriculture and forestry 40%

In M8 the support rates used where a combination of private and public investments are used are as

<sup>880</sup> Rural Development Programme for England, section 8.2.1

<sup>881</sup> Rural Development Programme for England, section 8.2.4.3.2.7.

follows:

- Afforestation/creation of woodland 60 to 80%
- Support for investments in processing, mobilising and marketing of forestry products 40%

The most common rate of support is 40%<sup>882</sup>. Other investment measures can be fully publicly financed as they will work with public tendering procedures (M6, M7, M8).

Grants for non-productive investments are in most cases linked to the achievement of agri-environment-climate objectives under Article 28 of 1305/2013 (Measure 10). There are grants for non-productive investments to land managers for capital items to restore and re-instate traditional boundary features such as hedges and stone walls that provide benefits to the environment and landscape.

There are also grants to support commitments under the Agri-Environment Climate measure (Sub-measure 10.1) and to address diffuse water pollution<sup>883</sup>.

Grant aid for improving the water efficiency of existing irrigation systems is available under these investment measures (i.e. M4.1). The improvements must deliver at least a 5% increase in water use efficiency<sup>884</sup>.

#### **M10 Agri-Environment-Climate and M11 Organic Farming**

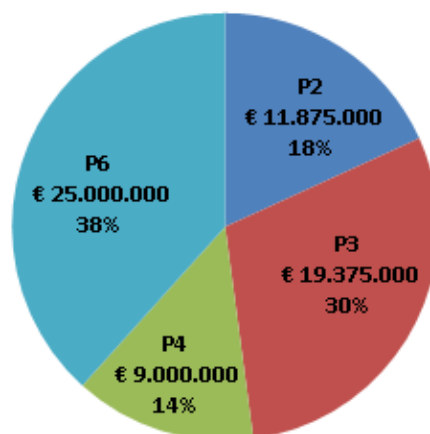
England spends on M10 "Agri-environment-climate" € 2,818,211,408 of which the national contribution is either 0, 15, 25%<sup>885</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are farmers, but applications for agreements under the main scheme (Countryside Stewardship) are targeted in accordance with locally determined statements of priorities and scored according to the contribution that an agreement would make to these priorities. Examples of these operations include a very wide range of habitat management options, options intended to improve water quality, alleviate flood risk and conserve landscapes and the historic environment.

For M11 "Organic Farming" € 15,000,000 of public spending has been allocated of which the national contribution accounts for 0%<sup>886</sup>. All of the expenditure is categorised under Priority 4. Support for organic farming is incorporated within the Countryside Stewardship scheme. Beneficiaries must, for the duration of the agreement, be registered with an approved Organic Control Body and must be registered as an Active Farmer<sup>887</sup>. Both submeasures (M11.1 "payment to convert to organic farming practices and methods" and M11.2 "payments to maintain organic farming practices and methods") are implemented.

#### **M16 Co-operation**

M16 "cooperation" receives € 65,250,000 of public spending of which 0 % is national contribution. Under Priority 2 18 % of the total amount is spent, for Priority 3 30 % is allocated, under Priority 4 14 % and under Priority 6 38%.

**Figure 141. Division of budget for M16 over different priorities (P) for the 2014-2020 period**



Source: Ecorys based on DG AGRI data (2016)

The measure pursues the objectives of developing priorities in environment, climate change and biodiversity; supporting farmers and foresters to improve supply chains or develop short supply chains; developing initiatives to tackle animal health and welfare issues; as well as cooperation between public

<sup>882</sup> Guidance on Government website.

<sup>883</sup> Rural Development programme for England section 8.2.3.3.4.1.

<sup>884</sup> Guidance on UK Government website

<sup>885</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>886</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>887</sup> Natural England (2015) Countryside Stewardship Manual

Targeting of RDP measures	<p>bodies and private businesses to develop the rural economy. Local co-operation in tourism activities will be supported to improve the attractiveness of the overall destination and help develop the supply chain in the visitor economy<sup>888</sup>,          Following submeasures have been selected:</p> <ul style="list-style-type: none"> <li>• M16.1 support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability;</li> <li>• M16.2 support for pilot projects and for the development of new products, practices, processes and technologies</li> <li>• M16.3 cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism</li> <li>• M16.4 support for horizontal and vertical cooperation among supply chain actors</li> <li>• M16.5 support for joint action undertaken with a view to mitigating or adapting to climate change</li> <li>• M16.6 support for cooperation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes</li> <li>• M16.8 support for drawing up of forest management plans or equivalent instruments</li> </ul> <p><b>M19 LEADER CLLD</b>          The total CLLD budget allocated under the EAFRD is € 173,535,856. All funds are targeted under Priority 6 “Fostering local development in rural areas”. Around 15 % of the rural population is intended to be covered under Local Development Strategy. The target is to create 2,675 jobs in supported LEADER projects.<sup>889</sup></p> <p><b>Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.</b></p>	
	<p>Measures especially targeted at Young Farmers: measures M2 and M6          Measures targeted at Small Farms: none          Measures targeted at Innovation Activities: measures M1, M2 and M16.</p>	
	<p><b>Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.</b></p> <p>Simplified cost option is not used in England.          Financial instruments are not used in England.</p>	
Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	<p><b>The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.</b></p>	
	<p>Use of CLLD multi-fund option?</p>	<p><input checked="" type="checkbox"/> Yes      <input type="checkbox"/> No</p>
	<p>If yes, which other ESI funds are used (or planned to be used) for CLLD?</p>	<p><input checked="" type="checkbox"/> ERDF  <input checked="" type="checkbox"/> ESF<sup>890</sup>  <input type="checkbox"/> EMFF</p>

<sup>888</sup> Rural Development Programme for England Section 8.2.10.2.

<sup>889</sup> DG AGRI (2016): RDP factsheet England

<sup>890</sup> Presentation by David Wilford – Head of RDPE Network, LEADER & Rural Communities Team, Defra December 2015



# United Kingdom - Northern Ireland

	Identifying information					
	Pillar I: Direct Payments		Pillar II			
EU Budget 2014 - 2020	€21,410,993,000 <sup>891</sup> (UK figures)		€2,580,157,491 <sup>892</sup> (UK figures)			
Level of implementation	National		4 RDPs (Northern Ireland is one of the 4 regions in the United Kingdom) <sup>893</sup>			
P.I yearly national ceilings <sup>894</sup> UK figures	2015	2016	2017	2018	2019	2020
	€ 3,169,800,000	€ 3,176,300,000	€ 3,182,700,000	€ 3,191,400,000	€ 3,200,800,000	€ 3,591,700,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		68%			
	"Greening" Payment		30%			
	Payment for Young Farmers		Up to 2%			
	Coupled Support		Not implemented			
	Small Farmers Scheme		Not implemented			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input checked="" type="checkbox"/> No flexibility		<input type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I	
	Northern Ireland decided not to apply flexibility between pillars <sup>895</sup> .					
Active farmer definition	Member States shall define the concept of "active farmer". Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	<p>Northern Ireland has identified the following criteria for "active farmer" :</p> <ul style="list-style-type: none"> <li>Northern Ireland defined 'minimum activity' under a land eligibility criteria. as (art. 9.1); The criteria which must be met, where relevant, are as follows: <ul style="list-style-type: none"> <li>Land must be accessible for grazing or other agricultural activity</li> <li>Grass and other herbaceous forage are eligible provided they are not overgrown to an extent that would suggest no, or an insignificant level of, agricultural activity.</li> <li>Heather is eligible if maintained in a state suitable for grazing and, therefore, has significant forage value – a maximum height of 50cm is used as a guide.</li> <li>Scrub and similar vegetation is ineligible.</li> <li>Rush eligibility depends on the density and height of the rush. If the density or height of the rush indicates that the area is not used for significant agricultural activity, then it is ineligible.</li> <li>If grass areas are mixed with ineligible vegetation, then a pro-rata deduction is made</li> </ul> </li> </ul>					



<sup>891</sup> EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf). Figures are for the UK

<sup>892</sup> UK figures from EC Multiannual Financial Framework 2014-2020 and the financing of the CAP: [http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>893</sup> DG AGRI data on RDPs (2016)

<sup>894</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>895</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.292.

<p><b>Active farmer</b></p>	<p>according to the percentage coverage of the ineligible vegetation.</p> <ul style="list-style-type: none"> <li>• Northern Ireland will not maintain a negative list (art. 9(2)).</li> <li>• A person or a group of persons which fall under the scope of art. 9 (2) can be regarded an active farmer if they can demonstrate with verifiable evidence: <ul style="list-style-type: none"> <li>○ that their direct payment receipts are equivalent to at least 5% of their non agricultural receipts; or</li> <li>○ that their agricultural activities are not insignificant; or</li> <li>○ that their principal business or company objects consist of exercising</li> <li>○ agricultural activity.</li> </ul> <p>Those businesses on the negative list will be regarded as engaged in significant agricultural activity if their area of eligible agricultural land as declared on the single application form to activate entitlements in the relevant calendar year is at least 26 hectares. Agricultural activity for those on the negative list shall be considered to be the principal business or company object of a legal person if they demonstrate that receipts obtained from agricultural activities represent at least 40% of total receipts obtained in the most recent fiscal year for which information is available</p> </li> <li>• Northern Ireland decided not to implement any additional economic or professional requirements (art. 9 (3)).</li> <li>• The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €5,000 in the previous year.</li> </ul>
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<p><b>Basic Payments</b></p>	<p><b>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</b></p>
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<p><b>68 % of national ceiling</b></p>	<input type="checkbox"/> National model (single region)	<input checked="" type="checkbox"/> <b>Partial internal convergence</b>
	<input type="checkbox"/> SAPS	<input type="checkbox"/> Flat payment
	<input checked="" type="checkbox"/> <b>Regional model</b>	

Northern Ireland has allocated annually around €222 million to basic payment. The amount increases from €221.68 million in 2015 to €223.72 in 2019.

Further key decisions taken by Northern Ireland concerning basic payments are:

- Basic Payments represent 68 % of the ceiling for Pillar I<sup>896</sup>;
- The level of implementation is regional considering the whole territory as a single region<sup>897</sup>;
- The minimum threshold for receiving Basic Payments are set at a minimum of 3 hectare of eligible land. In addition, the list of eligible farmers can be extended to those farmers who:
  - have never held entitlements but farmed in 2013<sup>898</sup>;
- Northern Ireland will base the value of Payment Entitlements on the value they had in 2014<sup>899</sup>.
- Northern Ireland will apply a partial convergence. A linear decrease will be applied over the duration of the transition period to ensure a smooth and gradual progression towards a flat rate payment per hectare. Transition towards a flat rate will be achieved by 2021. Northern Ireland will not apply a maximum decrease in initial unit value<sup>900</sup>. Payment entitlements with an initial unit value below the regional average will be increased by 71.4% of the difference between their initial unit value and the regional average unit value by 2019. The increase will be introduced in equal annual steps.

<p><b>Reduction of payments</b></p>	<p><b>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</b></p>
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<p><b>Reduction of payments</b></p>	<input checked="" type="checkbox"/> <b>Degressivity: 100 %</b>	<input type="checkbox"/> Redistributive payment
	<input checked="" type="checkbox"/> <b>Threshold: € 150,000</b>	
	<input type="checkbox"/> Application: not specific	

<sup>896</sup> DG AGRI data (2016): Overview MS choices on DP  
<sup>897</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.  
<sup>898</sup> DG AGRI data on BPS-Allocation of payment entitlements (2016)  
<sup>899</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.298.  
<sup>900</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.298.

	Northern Ireland decided to implement the 100 % reduction for the part of the amount of direct payments exceeding € 150,000 <sup>901902</sup> . Northern Ireland will not apply any deduction of salary linked to agricultural activity <sup>903904905</sup> .		
<b>Greening</b>	<b>Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.</b>		
	<b>Green payment</b>		
	<input type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> <b>Flat payment</b>	<input type="checkbox"/> Individual payment
	<b>Permanent grassland</b>		
	<b>Total area of ESPG in Natura 2000: 37,238 ha (97.6 %)</b>	<input type="checkbox"/> ESPG outside Natura 2000	<input checked="" type="checkbox"/> <b>Regional application</b> <input type="checkbox"/> National application
	<b>Ecological Focus Areas</b>		
	<b>9 types of EFAs</b>	<input checked="" type="checkbox"/> <b>Regional implementation</b>	<input type="checkbox"/> Collective implementation <input type="checkbox"/> Forest cover derogation
	30% of Northern Ireland Direct Payments ceiling <sup>906</sup> which corresponds to over €97.8 million in 2015 and to €98.7 million in 2019 is allocated to greening <sup>907</sup> . The implementation of the greening payments will be done at regional level <sup>908</sup> .		
	Northern Ireland made the following implementation choices concerning the greening payment:		
	<ul style="list-style-type: none"> <li>• Over time the value of the greening payment per hectare will move towards a flat rate payment at the same pace as the movement of the Basic Payment<sup>909910</sup>;</li> <li>• It will not implement any equivalent practices<sup>911</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at regional level, 37,338.26 hectares are currently covered<sup>912</sup>; 37, 238.77 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 99.7% of the total permanent grassland<sup>913</sup>. No ESPG is designated outside Natura 2000<sup>914</sup>.</li> <li>• Northern Ireland has decided to focus on the following 9 Ecological Focus Areas<sup>915</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow</li> <li>○ Landscape features: 4 – hedges or wooded strips, ditches, traditional stone walls other: protected archaeological sites.</li> <li>○ Ha of agro-forestry</li> <li>○ Areas with short rotation coppice: maple, alder, birch, sweet chestnut, hazel, poplar, oak and lime. Mineral fertilisers are not allowed. Plant Protection products are allowed until end of 2nd year.</li> <li>○ Afforested areas.</li> <li>○ Areas with nitrogen fixing crops: 6 NFC – lupin, bean, pea, vetch (exc. faba bean), faba bean and bean.</li> </ul> </li> </ul>		

<sup>901</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>902</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

<sup>903</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.308.

<sup>904</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.264.

<sup>905</sup> DG AGRI data on RED – derogation, estimates, reduction applied (2016)

<sup>906</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>907</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>908</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>909</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.301.

<sup>910</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>911</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>912</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>913</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>914</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>915</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

Payment for Young Farmers	Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.						
	% of national ceiling: 2 %						
	Northern Ireland has decided to allocate 2 % of their national ceiling to Young Farmers, which corresponds to 6.52 million in 2015 and 6.58 million in 2019. There will be additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25% of the regional average payment per ha multiplied by the number of payment entitlements. The threshold of eligible payment entitlements is set at 90 ha.						
Voluntary coupled support	Member States are allowed to choose to implement the coupled support for different sectors or regions.						
	<input type="checkbox"/> Coupled support as % of national ceiling: 0%			<input type="checkbox"/> Support for protein crops as % of national ceiling: 0%			
	Northern Ireland decided not to implement voluntary coupled support <sup>916</sup> .						
Other voluntary schemes under Pillar I	Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers						
	<input type="checkbox"/> Payment for areas with natural constraints			<input type="checkbox"/> Small farmers			
	Northern Ireland chose to neither implement payments for areas with natural constraints nor small farmer scheme <sup>917</sup> .						
Yearly Union Support for P.II <sup>918</sup>	2014	2015	2016	2017	2018	2019	2020
	€ 371,473,873	€ 370,520,030	€ 369,548,156	€ 368,557,938	€ 367,544,511	€ 366,577,113	€ 365,935,870
Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of total budget	EU support rate	Implemented measures				
	€ 39.634.145 7,3%	20 %	M1.1: Support for vocational training and skills acquisition actions				
			M1.2: Support for demonstration activities and information actions				
			M1.3 Support for short-term farm and forest management exchange as well as farm and forest visits				
	€ 1.524.390 0,3%	20 %	M2.1 support for setting up farm/forestry advisory services				
	€ 56.707.318 10,4%	21 %	M4.1 support for investments in agricultural holdings				
			M4.2 support for investments in processing/marketing and/or development of agricultural products				
			M4.3 support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry				
			M4.4 support for non-productive investments linked to the achievement of agri-environment-climate objectives				
	€ 13.414.635 2,5%	20 %	M 7.1 support for drawing up and updating of plans for the development of municipalities and villages in rural areas and their basic services and of protection and management plans relating to Natura 2000 sites and other areas of high nature value				
M7.3 support for broadband infrastructure							
M7.4 support for investments in the setting-up, improvement or expansion of local basic services for the rural population including							

<sup>916</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.312.

<sup>917</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, pp.311 and 314.

<sup>918</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791 (UK figures)

			leisure and culture, and the related infrastructure
			M7.5 support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure
€ 21.817.070 4,0%	57 %		M8.1 support for afforestation/creation of woodland
			M8.3 support for prevention of damage to forests from forest fires and natural disasters and catastrophic events
			M8.5 support for investments improving the resilience and environmental value of forest ecosystems
€ 193.972.708 35,6%	60 %		M10.1 payment for agri-environment-climate commitments
			M10.2 support for conservation and sustainable use and development of genetic resources in agriculture
€ 3.402.438 0,6%	60 %		M11.1 payment to convert to organic farming practices and methods
			M11.2 payment to maintain organic farming practices and methods
€ 79.268.293 14,6%	60 %		M13.2 compensation payment to other areas affected by specific constraints
€ 6.390.240 1,2%	20 %		M16.1 support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability
			M16.2 support for pilot projects and for the development of new products, practices, processes and technologies
			M 16.3 cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism
			M16.4 support for horizontal and vertical cooperation among supply chain actors
			M16.5 support for joint action undertaken with a view to mitigating or adapting to climate change
			M16.8 cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism
€ 82.926.830 15,2%	20 %		M19 LEADER CLLD (all submeasures)
€ 45.365.855 8,3%	20 %		M20: Technical Assistance

**Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).**

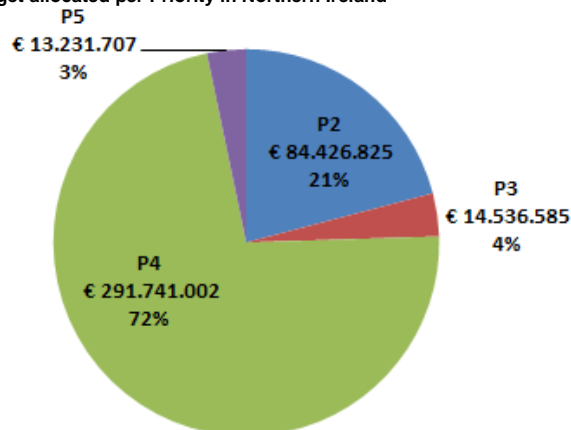
National RDP

Regional RDP

**Key focus areas for rural development**

The total RDP budget for Northern Ireland is at around € 544.423.923 for the entire planning period. Northern Ireland has allocated more than half of this budget (72%) to Priority 4 “restoring, preserving and enhancing ecosystems” followed by 21 % to Priority 2 “competitiveness of all types of agriculture and farm viability”, 4 % to Priority 3 “food chain organisation and risk management” and 3 % to Priority 5 “resource efficiency and shift towards a low carbon and climate resilient economy”. The following figure provides an overview of the shares by Priority in millions of euro.

Figure 142 Budget allocated per Priority in Northern Ireland



Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

### Overview

Northern Ireland has decided to offer 11 measures. In terms of budget allocation the highest amounts are allocated to:

- M19 “LEADER CLLD” (€ 82.926.830);
- M13 “Payments to areas facing natural or other specific constraints” (€ 79.268.293);
- M4 “Investments in physical assets” (€ 56.707.318);

### M01 Knowledge Transfer and Innovation actions

Northern Ireland allocated 7.28 % of the total RDP budget to knowledge transfer and innovation actions. This measure, in combination with the Cooperation Measure, is intended to focus on the following issues:

- Improving the level of awareness of new technologies among farmers and producers.
- Supporting technology transfer activity through peer group learning.
- Improving the awareness of recent and ongoing research within Northern Ireland across all sectors.
- Providing structures for the two-way flow of innovative ideas between the industry and researchers.
- Improving and adapting knowledge transfer styles to the target group of agriculture and food production.
- Providing training to assist with the implementation and compliance of the Environmental Farming Scheme within the Programme.
- Providing training to farmers that will demonstrate the relevance of efficient nutrient planning to the sustainability of their business.
- Ensuring environmental management and in particular nutrient and soil management is an integral part of production systems

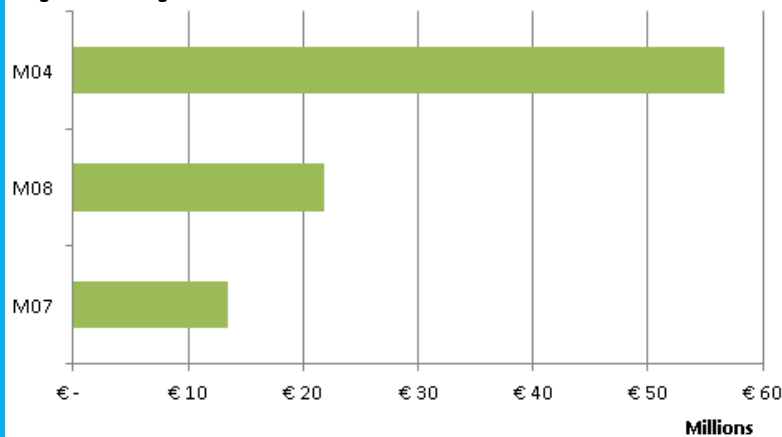
### Investment measures (M04, M05, M06, M07, M08)

Northern Ireland implemented investment measures:

- M4 “Investments in physical assets” (€ 56.707.318);
- M7 “Basic services and village renewal in rural areas” (€ 13.414.635); and
- M8 “Investments in forest area development and improvement of the viability of forests”(€ 56.707.318).

The following figure illustrates the budget allocation per investment measure.

**Figure 143 Budget allocated to investment measures in Northern Ireland**



Source: Ecorys based on DG AGRI data (2016)

Job creation is not an explicit objective of the investment measures run under M4. For M7 and M8, the rationale is that by using these measures barriers to job creation are reduced.

Some of the investment measures a combination of public and private investments are assumed. The following support rates apply:

- Investments in agricultural holdings 40 to 50%
- Investments in processing/marketing and/or development of agricultural products 10 to 50%
- Agroforestry 80 – 100%
- Investments in forestry technologies, processing, mobilising and marketing of forestry products 40%

Other investment measures can be fully publicly financed as they will work with public tendering procedures ( M7, M8).

.Support is provided for non-productive investments linked to the achievement of agri-environment climate objectives and providing benefits to the landscape and the environment for beneficiaries receiving support under the Environmental Farming Scheme<sup>919</sup>.

There is no support for new or existing irrigation systems.

#### **M10 Agri-Environment-Climate and M11 Organic Farming**

Northern Ireland spends on M10 "Agri-environment-climate" €193.972.708 of which the national contribution is 35.63%<sup>920</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are farmers and land managers. Under the Environmental Farming Scheme there will be three levels. The higher level will be open to farmers with designated sites or priority habitats or species, the wider level to farmers outside these areas and the group level to farmers where there is a need for cooperative action. Examples of these operations include a wide range of measures aimed at the following objectives:

- Restoring, preserving and enhancing biodiversity;
- Improving water management and water quality;
- Reducing soil erosion and improving soil management;
- Fostering carbon conservation and sequestration in agriculture
- Reducing greenhouse gas and ammonia emissions from agriculture<sup>921</sup>,

For M11 "Organic Farming" €193.972.708 of public spending has been allocated of which the national contribution accounts for 0.62%<sup>922</sup>. All of the expenditure is categorised under Priority 4. Beneficiaries must be Active Farmers with at least 3 ha of arable land or improved grassland or 1 ha of horticultural land. They must be licensed by an Organic Control Body<sup>923</sup>. Both submeasures (M11.1 "payment to convert to organic farming practices and methods" and M11.2 "payments to maintain organic farming practices and methods") are implemented.

#### **M16 Co-operation**

M16 "cooperation" receives € 6.390.240 of public spending of which 1.17% is national contribution. Under Priority 3 56% of the total amount is spent, for Priority 2 24% is allocated,

<sup>919</sup> Rural Development programme for Northern Ireland Section 8.2.3.3.3.1.

<sup>920</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

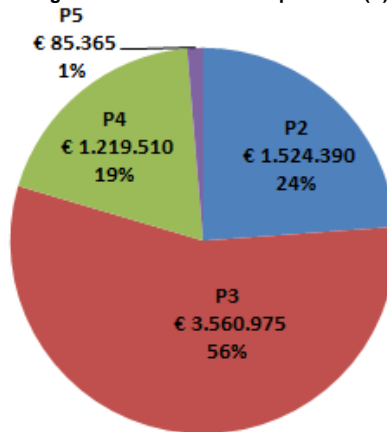
<sup>921</sup> Northern Ireland Rural Development Programme Section 8.2.6.3.1.1.

<sup>922</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>923</sup> Northern Ireland Rural Development Programme Section 8.2.7.3.1.6.

under Priority 4 19% and under Priority 5 1%.

Figure 144. Division of budget for M16 over different priorities (P) for the 2014-2020 period



Source: Ecorys based on DG AGRI data (2016)

The measure pursues a range of objectives including:

- Forming European Innovation Partnership Operational Groups
- Forming and developing supply chain partnerships through an Agri-food Cooperation Scheme
- Facilitating the Group level of the Environmental Farming Scheme by supporting the cooperation costs of bringing farmers and land managers together to deliver environmental benefits at a landscape scale.<sup>924</sup>
- Drawing up a single management plans for woodlands in different ownership within a single landscape unit<sup>925</sup>

Following submeasures have been selected:

- M16.1, 16.2, 16.3, 16.4, 16.5, 16.8 and 16.9;

#### M19 LEADER CLLD

The total CLLD budget allocated under the EAFRD in Northern Ireland is €85,365,854. It will be carried out under a single thematic objective: promoting social inclusion and combatting poverty and any form of discrimination<sup>926</sup>. All funds are targeted under Priority 6 “Fostering local development in rural areas”. Around 100% of the rural population is intended to be covered under Local Development Strategy. The target is to create 700 jobs.<sup>927</sup>

Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.

#### Targeting of RDP measures

Measures especially targeted at Young Farmers: none  
 Measures targeted at Small Farms: none  
 Measures targeted at Innovation Activities: measures M1, M2 and M16.

#### Approaches taken to financial support in RDP

Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.

Northern Ireland do not implement simplified cost.

<sup>924</sup> Northern Ireland Rural Development Programme Section 8.2.9.2.

<sup>925</sup> Northern Ireland Rural Development Programme Section 8.2.9.3.6.6.

<sup>926</sup> Northern Irish Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme


<sup>927</sup> DG AGRI (2016): RDP factsheet Northern Ireland



Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.	
	Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input checked="" type="checkbox"/> ERDF <input type="checkbox"/> ESF <input checked="" type="checkbox"/> EMFF



# United Kingdom – Wales

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€21,410,993,000 <sup>928</sup> (UK figures)	€2,580,157,491 <sup>929</sup> (UK figures)				
Level of implementation	Regional		<b>4 RDPs (Wales is one of the four regions in the United Kingdom)</b> <sup>930</sup>			
P.I yearly national ceilings <sup>931</sup> UK figures	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
	€ 3,169,800,000	€ 3,176,300,000	€ 3,182,700,000	€ 3,191,400,000	€ 3,200,800,000	€ 3,591,700,000
Summary of P.I Direct Payment schemes	<b>Basic Payment Scheme</b>		<b>68%</b>			
	<b>“Greening” Payment</b>		<b>30%</b>			
	<b>Payment for Young Farmers</b>		<b>Up to 2 %</b>			
	Coupled Support		Not implemented			
	Small Farmers Scheme		Not implemented			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	<b>Member States have the possibility to shift parts of their total CAP budget between pillars.</b>					
	<input type="checkbox"/> No flexibility		<input checked="" type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I	
	Wales decided to apply flexibility between pillars, i.e. transferring 15% from PI to PII in the period 2014 to 2019 <sup>932</sup> ;					
Active farmer definition	<b>Member States shall define the concept of “active farmer”. Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.</b>					
	Wales has identified the following criteria for “active farmer” : <ul style="list-style-type: none"> <li>Wales defined ‘minimum activity’ in relation to minimum agricultural activity on land naturally kept in a state suitable for grazing and farmers where over half their holding is made up of saltmarsh or coastal dunes will need to either undertake a minimum level of grazing (0.01-0.05 European livestock units per hectare a year) or maintain stock proof fencing and provide fresh water for livestock or control non-native invasive weeds and scrubs. (Min stocking rate or another proof of active farming which is not about grazing) (art. 4.2.b).</li> </ul>					

<sup>928</sup> UK figure from ECMultiannual Financial Framework 2014-2020 and the financing of the CAP:

[http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>929</sup> UK figure from ECMultiannual Financial Framework 2014-2020 and the financing of the CAP:

[http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>930</sup> DG AGRI data on RDPs (2016)

<sup>931</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>932</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.293.

<sup>933</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.293.

Basic Payments	<ul style="list-style-type: none"> <li>• Wales will not maintain a negative list (art. 9(2)).</li> <li>• A person or a group of persons which fall under the scope of art. 9 (2) can be regarded an active farmer if they can demonstrate with verifiable evidence: <ul style="list-style-type: none"> <li>◦ that the agricultural activities are not insignificant by demonstrating that one-third or more of total receipts are from agricultural activities.</li> <li>◦ that its principle business or company object consists of exercising an agricultural activity by providing documents from Companies House or from an accountant stating that their principal business activity is agriculture, horticulture, forestry, farming, animal or plant husbandry</li> </ul> </li> <li>• Wales decided not to implement any additional economic or professional requirements (art. 9 (3)).</li> <li>• The exemption threshold for the active farmer clause is applicable to recipients who did not receive more than €5,000 in the previous year.</li> <li>• Wales opted for a physical threshold (5ha) regarding the minimum requirement for receiving Direct Payments.</li> </ul>
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<b>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</b>			
Basic Payments	68 % of national ceiling	<input checked="" type="checkbox"/> <b>National model (single region)</b>	<input type="checkbox"/> Partial internal convergence
		<input type="checkbox"/> SAPS	<input checked="" type="checkbox"/> <b>Flat payment in 2019</b>
		<input type="checkbox"/> Regional model	
<p>Wales has allocated annually about € 185 million to basic payments. The amount increases from €184.28 million in 2015 to €186.32 million in 2020.</p> <p>Further key decisions taken by Wales concerning basic payments are:</p> <ul style="list-style-type: none"> <li>• Basic Payments represents 68 % of the ceiling for Pillar I<sup>934</sup>;</li> <li>• A single payment region for the whole country (a late change made following a successful legal challenge to the regional model originally proposed)<sup>935</sup>;</li> <li>• There is no minimum size threshold for receiving Basic Payments in Wales. The list of eligible farmers can be extended to farmers who: <ul style="list-style-type: none"> <li>◦ produced fruits in 2013; or</li> <li>◦ produced vegetables in 2013; or</li> <li>◦ produced ware potatoes in 2013; or</li> <li>◦ produced seed potatoes in 2013; or</li> <li>◦ produced ornamental plants in 2013; or</li> <li>◦ cultivated vineyards, in 2013; or</li> <li>◦ never held entitlements but farmed in 2013<sup>936</sup>.</li> </ul> </li> <li>• Wales decided not to apply limitation on the number of entitlements to be allocated to farmers<sup>937</sup>;</li> <li>• The implementation of internal convergence for all entitlements equal size steps will be calculated for each of the five years in the transition to a 2019 flat rate for each payment region. Wales will apply a single flat rate payment in 2019 but will not apply a maximum decrease in initial unit value<sup>938</sup>. The Initial Unit Value will be calculated based upon the value of entitlements a farmer held (owned or leased) in 2014.<sup>939</sup></li> </ul>			

<b>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</b>		
Reduction of payments	<input checked="" type="checkbox"/> <b>Degressivity: 15 – 30 – 55 -100%</b>	<input checked="" type="checkbox"/> <b>Redistributive payment</b>
	<input checked="" type="checkbox"/> <b>Threshold: €150,000 – €200,000 - €250,000 - €300,000</b>	
	<input type="checkbox"/> Application: no specificities	

<sup>934</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>935</sup> Statement by Rebecca Evans, Deputy Minister for Farming and Food, Welsh Government, 5<sup>th</sup> July 2015

<sup>936</sup> BPS-Allocation of payment entitlements (Form 4).xls

<sup>937</sup> BPS-Allocation of payment entitlements (Form 4).xls

<sup>938</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.298.

<sup>939</sup> BPS- Details IUW

	<p>Wales decided to implement the following percentages of reduction of payments regarding amounts above<sup>940</sup>:</p> <ul style="list-style-type: none"> <li>• €150,000: 15%</li> <li>• €200,000: 30%</li> <li>• €250,000: 55%</li> <li>• €300,000: 100%</li> </ul> <p>Wales will not apply any deduction of salary linked to agricultural activity<sup>941</sup>.</p> <p>Wales has also decided to apply a redistributive payment covering the first 54 ha of each claim, a decision linked to the switch to a single payment region.<sup>942</sup>.</p>			
<b>Greening</b>	<p><b>Member States have to allocate 30% of the national ceiling to the ‘green payment’.</b> Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply ‘equivalent practices’, either via the agri-environment-climate measure under the rural development policy or via a national or regional ‘certification scheme’.</p>			
	<p><b>Green payment</b></p>			
	<table border="1"> <tr> <td><input type="checkbox"/> Equivalent practices</td> <td><input type="checkbox"/> Flat payment</td> <td><input checked="" type="checkbox"/> Individual payment</td> </tr> </table>	<input type="checkbox"/> Equivalent practices	<input type="checkbox"/> Flat payment	<input checked="" type="checkbox"/> Individual payment
	<input type="checkbox"/> Equivalent practices	<input type="checkbox"/> Flat payment	<input checked="" type="checkbox"/> Individual payment	
	<p><b>Permanent grassland</b></p>			
	<table border="1"> <tr> <td><b>Total area of ESPG in Natura 2000:</b> 111,330 ha (100 %)</td> <td><input checked="" type="checkbox"/> ESPG outside Natura 2000</td> <td><input checked="" type="checkbox"/> Regional application <input type="checkbox"/> National application</td> </tr> </table>	<b>Total area of ESPG in Natura 2000:</b> 111,330 ha (100 %)	<input checked="" type="checkbox"/> ESPG outside Natura 2000	<input checked="" type="checkbox"/> Regional application <input type="checkbox"/> National application
<b>Total area of ESPG in Natura 2000:</b> 111,330 ha (100 %)	<input checked="" type="checkbox"/> ESPG outside Natura 2000	<input checked="" type="checkbox"/> Regional application <input type="checkbox"/> National application		
<p><b>Ecological Focus Areas</b></p>				
<table border="1"> <tr> <td><b>6 types of EFAs</b></td> <td><input type="checkbox"/> Regional implementation</td> <td><input type="checkbox"/> Collective implementation</td> <td><input type="checkbox"/> Forest cover derogation</td> </tr> </table>	<b>6 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation
<b>6 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation	
<p>30% of Wales’ ceiling<sup>943</sup> which represents 81.3 million in 2015 and 82.2 million in 2019 is allocated to greening<sup>944</sup>. The implementation of the greening payments will be done at regional level<sup>945</sup>.</p> <p>Wales made the following implementation choices concerning the greening payment:</p> <ul style="list-style-type: none"> <li>• Wales has decided to apply the derogation to the uniform greening payment per hectare, which means they implement an individual payment<sup>946</sup>;</li> <li>• It will not implement any equivalent practices<sup>947</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at national level, about 111,330 hectares are currently covered<sup>948</sup>. All these hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 100 % of the total permanent grassland<sup>949</sup>. 53,718 hectares of ESPG is further designated outside of Natura 2000, which accounts for 48% of total ESPG.<sup>950</sup></li> <li>• Wales has decided to focus on the following 6 Ecological Focus Areas<sup>951</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow</li> <li>○ Landscape features: 2 – hedges or wooded strips and traditional stone walls.</li> <li>○ Areas with short rotation copice: 9 – maple, alder, birch, sweet chestnut, hazel, ash, poplar, willow and lime. Mineral fertilisers are not allowed but plant protection products are allowed on Wales.</li> <li>○ Afforested areas</li> <li>○ Areas with nitrogen fixing crops: 14 NFC – chickpea, soybean, lentil, birds foot trefoil, lupin, alfalfa, sweet clover, sainfoin, bean, pea, clover, vetch (exc. Faba bean), faba bean and bean.</li> </ul> </li> </ul>				

<sup>940</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.309.

<sup>941</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.309.

<sup>942</sup> Statement by Rebecca Evans, Deputy Minister for Farming and Food, Welsh Government, 5<sup>th</sup> July 2015

<sup>943</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>944</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>945</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>946</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>947</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>948</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>949</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>950</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.301.

<sup>951</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

Payment for Young Farmers	Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.						
	% of national ceiling: 2 %						
	Wales has decided to allocate 2% of their national ceiling to Young Farmers which corresponds to € 5.42 million in 2015 which increase to 5.48 million in 2020. There will be no additional eligibility criteria implemented, but Young Farmers can also apply for the Pillar 2 Young Entrants Support Scheme which, as well as grants, offers the following: <ul style="list-style-type: none"> <li>• Access to the Young Entrants Business Enabled Service which covers a range of training, knowledge transfer and joint venture topics.</li> <li>• Access to a fully funded mentor service with established farmers<sup>952</sup>.</li> </ul> The calculation of the yearly top up amount per beneficiary is equal to up to 25 % of the national average per ha in 2019 multiplied by the number of activated ha. The threshold of eligible payment entitlements is set at 25 ha <sup>953</sup> .						
Voluntary coupled support	Member States are allowed to choose to implement the coupled support for different sectors or regions.						
	<input type="checkbox"/> Coupled support as % of national ceiling: 0 %			<input type="checkbox"/> Support for protein crops as % of national ceiling: 0 %			
	Wales decided not to implement voluntary coupled support <sup>954</sup> .						
Other voluntary schemes under Pillar I	Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers						
	<input type="checkbox"/> Payment for areas with natural constraints			<input type="checkbox"/> Small farmers			
	Wales chose to neither implement payments for areas with natural constraints <sup>955</sup> nor small farmer scheme <sup>956</sup> . The reason why Wales does not implement the small farmer scheme is because the Small Farmer Scheme would only support around 1,104 farms. In addition the Welsh Government does not want to have any farms which do not follow the cross compliance requirement. Any exemption may raise the risk of a decrease in environment and animal health standards in Wales <sup>957</sup> .						
Yearly Union Support for P.II <sup>958</sup>	2014	2015	2016	2017	2018	2019	2020
	€ 371,473,873	€ 370,520,030	€ 369,548,156	€ 368,557,938	€ 367,544,511	€ 366,577,113	€ 365,935,870
Summary of measures implemented under P.II	Total public spending in € for 2014-2020	EU support rate	Implemented measures				
	€ 58.823.528 5,2%	43 %	M1.1: Support for vocational training and skills acquisition actions M1.2: Support for demonstration activities and information actions M1.3: Support for short-term farm and forest management exchange as well as farm and forest visits				
	€ 15.371.147 1,4%	43 %	M2.1 Support to help benefiting from the use of advisory services M2.2 support for the setting up of farm management, farm relief and farm advisory services as well as forestry advisory services				

<sup>952</sup> Information from Welsh Government website.

<sup>953</sup> Information from Welsh Government website

<sup>954</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.314.

<sup>955</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.311.

<sup>956</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.315.

<sup>957</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.315.

<sup>958</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791

			M2.3 support for training of advisors
€ 332.620.600 29,5%	90 %	M4.1 support for investments in agricultural holdings	
		M4.2 support for investments in processing/marketing and/or development of agricultural products	
		M4.3 support for investments in infrastructure related to development, modernisation or adaptation of agri- culture and forestry	
		M4.4 support for non-productive investments linked to the achievement of agri-environment-climate objectives	
€ 30.000.001 2,7%	66 %	M6.1 business start up aid for young farmers	
		M6.2 business start up aid for non-agricultural activities in rural areas	
		M6.4 support for investments in creation and development of non-agricultural activities	
€ 69.646.295 6,2%	43 %	M7.1 support for drawing up and updating of plans for the development of municipalities and villages in rural areas and their basic services and of protection and management plans relating to Natura 2000 sites and other areas of high nature value	
		M7.2 support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving	
		M7.3 support for broadband infrastructure	
		M7.4 support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure	
		M7.5 support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure	
		M7.6 support for studies/investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural land- scapes and high nature value sites including related socioeconomic aspects, as well as environmental awareness actions	
		M7.7 support for investments targeting the relocation of activities and conversion of buildings or other facilities located inside or close to rural settlements, with a view to improving the quality of life or increasing the environmental performance of the settlement	
€ 72.404.237 6,8%	43 %	M8.1 support for afforestation/creation of woodland	
		M8.2 support for establishment and maintenance of agro- forestry systems	
		M8.3 support for prevention of damage to forests from forest fires and natural disasters and catastrophic events	
		M8.4 support for restoration of damage to forests from forest fires and natural disasters and catastrophic events	
		M8.5 support for investments improving the resilience and environmental value of forest ecosystems	
		M8.6 support for investments in forestry technologies and in processings	
€ 310.031.635 27,5%	43 %	M10 Agri-environment-climate	
€ 51.764.705 4,6%	43 %	M11.1 payment to convert to organic farming practices and methods	
		M11.2 payment to maintain organic farming practices and methods	
€ 352.942 0,0%	43 %	M 15.1 payment for forest-environmental and climate commitments	
€ 84.470.588 7,5%	43 %	M16.1 support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability	
		M16.2 support for pilot projects and for the development of new products, practices, processes and technologies	
		M16.3 cooperation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism	
		M16.4 support for horizontal and vertical cooperation among supply chain actors	
		M16.5 support for joint action undertaken with a view to mitigating or adapting to climate change	
		M16.6 support for cooperation among supply chain actors for	

			sustainable provision of biomass for use in food and energy production and industrial processes
			M16.8 support for drawing up of forest management plans or equivalent instruments
			M16.9 support for diversification of farming activities
€ 56.077.795 5,0%	58 %		M19 LEADER CLLD (all submeasures)
€ 44.862.233 4,0%	43 %		M20:Technical assistance

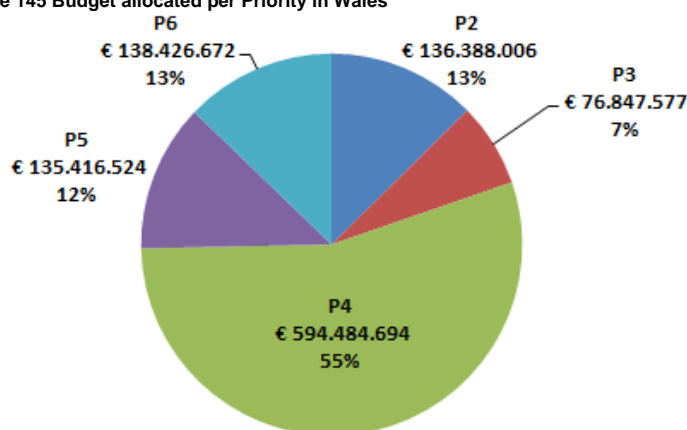
Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).

National RDP

Regional RDP

The total RDP budget for Wales is at around € 1.126.425.706 for the entire planning period. Wales has allocated more than half of this budget (55 %) to Priority 4 “restoring, preserving and enhancing ecosystems” followed by 13% to Priority 2 “competitiveness of all types of agriculture and farm viability”, 12 % to Priority 5 “resource efficiency and shift towards a low carbon and climate resilient economy”, 13 % to Priority 6 “social inclusion, poverty reduction, and economic development in rural areas” and 7% under Priority 3 “food chain organisation and risk management”. The following figure provides an overview of the shares by Priority in millions of euro.

Figure 145 Budget allocated per Priority in Wales



Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

#### Overview

Wales has decided to offer 12 measures. In terms of budget allocation the highest amounts are allocated to:

- M 4 “Investments in physical assets” (€332.620.599,61);
- M 10 “Agri-Environment-Climate” (€310.031.634,89);
- M 16 “Cooperation” (€84.470.588,38);

#### M01 Knowledge Transfer and Innovation actions

Wales allocated 5.22 % of the total RDP budget to knowledge transfer and innovation actions. The Welsh Government is putting in place a Knowledge Transfer and Mentoring Scheme to provide revenue grants and contract funding to knowledge transfer and/or training providers. These providers will support the business development, lifelong learning and professional development needs of SME businesses and individuals engaged in the agriculture, forestry and food sectors, in addition to land managers and other SME businesses operating in rural

Key focus areas for rural development

Use of measures in RDPs



areas<sup>959</sup>.

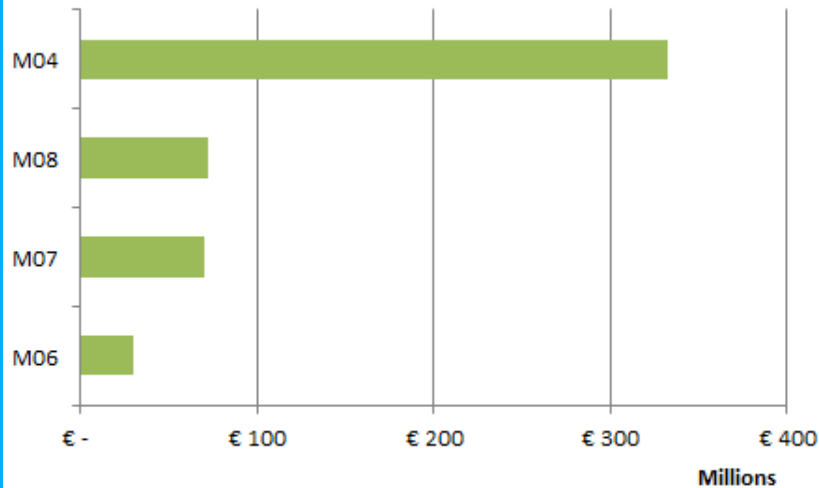
#### Investment measures (M04, M05, M06, M07, M08)

Wales implemented investment measures:

- M4 “Investments in physical assets” (€332.620.599,61);
- M6 “Farm and business development (€30.000.001,47);
- M7 “Basic services and village renewal in rural areas” (€69.646.295,34); and
- M8 “Investments in forest area development and improvement of the viability of forests”(€72.404.237,20).

The following figure illustrates the budget allocation per investment measure.

Figure 146 Budget allocated to investment measures in Wales



Source: Ecorys based on DG AGRI data (2016)

For the investment measures M6 the links to intended job creation are explicitly made as they are implemented with the intention of strengthening the rural economy, creating new jobs and raising added value, but the number of jobs created is not used as a factor in determining which applicants receive funding<sup>960</sup>. For M7 and M8, the rationale is that by using these measures barriers to job creation are reduced.

Some of the investment measures a combination of public and private investments are assumed with support rates ranging from 10 to 40 % for the Food Business Investment Scheme (M4), up to 40% for the Sustainable Production Grant Scheme (M4) and for the Timber Business Investment Scheme (M8)<sup>961</sup>. Other investment measures can be fully publicly financed as they will work with public tendering procedures (M6, M7, M8).

Support for non-productive investments is linked to environmental management under the AECM measure.

Investments in new or existing irrigation systems are also covered by these investment measures but do not appear to be targeted specifically in Wales..

#### M10 Agri-Environment-Climate and M11 Organic Farming

Through the Glastir scheme Wales spends on M10 “Agri-environment-climate” € 310.031.635 of which the national contribution is 27.52 %<sup>962</sup>. All of the expenditure is categorised under Priority 4. The main beneficiaries of this measure are farmers. Glastir Advanced targets financial support at specific locations where action will best deliver the intended outcomes using a set of Geographical Information System (GIS) maps. Glastir Entry is open to all farmers and land managers. Examples of these operations include a very wide range of habitat management options and options intended to improve water quality, alleviate flood risk, reduce greenhouse gas emissions and benefit the historic environment.

For M11 “Organic Farming” € 51.764.705 of public spending has been allocated of which the national contribution accounts for 4.6%<sup>963</sup>. All of the expenditure is categorised under Priority 4.

<sup>959</sup> Rural Development Programme for Wales Section 8.2.1.2.

<sup>960</sup> Scheme terms and conditions on the Welsh Government website.

<sup>961</sup> Information from the scheme guidance notes on the Welsh Government Website

<sup>962</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

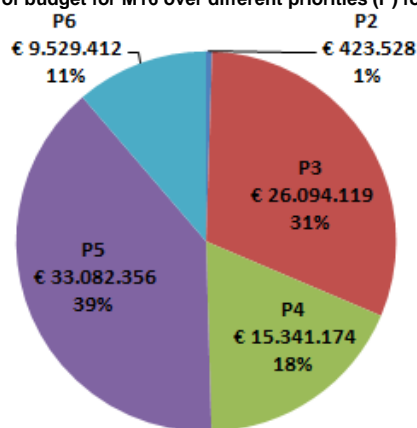
<sup>963</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

Beneficiaries under Glastir Organic must pass the Active Farmer test, must have completed an Organic Business Plan and must be registered with an Organic Control Body<sup>964</sup>. Both submeasures (M11.1 “payment to convert to organic farming practices and methods” and M11.2 “payments to maintain organic farming practices and methods”) are implemented.

### M16 Co-operation

M16 “cooperation” receives € 84.470.588 of public spending of which 7.50 % is national contribution. Under Priority 2 1 % of the total amount is spent, for Priority 3 31% is allocated, under Priority 4 18%, under Priority 5 39% and under Priority 6 11%.

Figure 147. Division of budget for M16 over different priorities (P) for the 2014-2020 period



Source: Calculations Ecorys based on DG AGRI data (2016)

The Sustainable Management Scheme, run under this measure, pursues the objectives of improving natural resources and the benefits they provide, taking action to reduce greenhouse gas emissions and improving business and community resilience to the impacts of climate change<sup>965</sup>. The Cooperation and Supply Chain Development Scheme can be used to assist a very wide range of cooperative actions by businesses, organisations and communities across all six of the Rural Development Programme objectives<sup>966</sup>. Following submeasures have been selected:

- M16.2, 16.3 and 16.5

### M19 LEADER CLLD

The total CLLD budget allocated under the EAFRD in Wales is € 56.077.795. All funds are targeted under Priority 6 “Fostering local development in rural areas”. Around 45,53% of the rural population is intended to be covered under Local Development Strategy. The target is to create 100 jobs.<sup>967</sup>

Activities under LEADER must be consistent with at least one of the five LEADER themes for Wales:

- adding value to local identity and natural cultural resources facilitating pre-commercial development, business partnerships and short supply chains.
- exploring new ways of providing non-statutory local services
- renewable energy at community level exploitation of digital technology.<sup>968</sup>

Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.

### Targeting of RDP measures

Measures especially targeted at Young Farmers: Measures M1, M2 and M6  
 Measures targeted at Small Farms: None.  
 Measures targeted at Innovation Activities: Measures M1, M2 and M16

<sup>964</sup> Rules booklet for Glastir Organic 2015

<sup>965</sup> Sustainable Management Scheme, Guidance Notes

<sup>966</sup> Cooperation and Supply Chain Development Scheme Guidance Notes


<sup>967</sup> DG AGRI (2016): RDP factsheet Wales

<sup>968</sup> Information on LEADER from Welsh Government website.

Approaches taken to financial support in RDP	Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.	
	Wales does not implement simplified cost.	
Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.	
	Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input type="checkbox"/> ERDF <input type="checkbox"/> ESF <input checked="" type="checkbox"/> EMFF



## United Kingdom – Scotland

	Identifying information					
	Pillar I: Direct Payments	Pillar II				
EU Budget 2014 - 2020	€21,410,993,000 <sup>969</sup> (UK figures)	€2,580,157,491 <sup>970</sup> (UK figures)				
Level of implementation	Regional		4 RDP (Scotland is one of the 4 regions in the United Kingdom) <sup>971</sup>			
P.I yearly national ceilings <sup>972</sup> UK figures	2015	2016	2017	2018	2019	2020
	€ 3,169,800,000	€ 3,176,300,000	€ 3,182,700,000	€ 3,191,400,000	€ 3,200,800,000	€ 3,591,700,000
Summary of P.I Direct Payment schemes	Basic Payment Scheme		59.75 %			
	“Greening” Payment		30%			
	Payment for Young Farmers		Up to 0.25 %			
	Coupled Support		Up to 10 %			
	Small Farmers Scheme		Not implemented			
	Areas with Natural Constraints		Not implemented			
Flexibility between pillars	Member States have the possibility to shift parts of their total CAP budget between pillars.					
	<input type="checkbox"/> No flexibility		<input checked="" type="checkbox"/> P.I to P.II		<input type="checkbox"/> P.II to P.I	
In Scotland, there will be a transfer of funds from P.I to P.II of 9.5% from 2014 to 2019						
Active farmer definition	Member States shall define the concept of “active farmer”. Only natural or legal persons falling under this definition as laid out by the Member State will be eligible for receiving Direct Payments.					
	Scotland has identified following criteria to “active farmers”: <ul style="list-style-type: none"> <li>two alternative minimum activity conditions for “active farmers on ‘land that is naturally kept in a state suitable for farming;”</li> <li>Scotland opted for a physical threshold of 3 ha or 100 euro in case of animal-related coupled support;</li> <li>Non-agricultural sporting estates are added to the negative list (art. 9(2)”<sup>973</sup>;</li> <li>Scotland applies following readmission criteria:               <ul style="list-style-type: none"> <li>By proving that the applicant’s agricultural activities are not insignificant. This is the case when:                   <ul style="list-style-type: none"> <li>Agricultural activities are undertaken on trading basis and in a sustainable way; or</li> <li>Herd, flocks or other groupings of farming livestock, are managed for the purpose of producing meat, wool or hides as an end-use product; or</li> <li>That receipts from their agricultural activities represent, at least, one third of the total of all receipts, calculated from relevant and reliable financial information and set of financial accounts.</li> </ul> </li> </ul> </li> </ul>					

<sup>969</sup> UK figures from ECMultiannual Financial Framework 2014-2020 and the financing of the CAP:

[http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>970</sup> UK figures from ECMultiannual Financial Framework 2014-2020 and the financing of the CAP:

[http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap\\_en.pdf](http://ec.europa.eu/agriculture/cap-funding/budget/mff-2014-2020/mff-figures-and-cap_en.pdf)

<sup>971</sup> DG AGRI data on RDPs (2016)

<sup>972</sup> Based upon the numbers of Annex III as amended by Commission Delegated Regulation 2015/851.

<sup>973</sup> DG AGRI data (2016) AF Notification 1-08-2014.

	<ul style="list-style-type: none"> <li>○ By proving that the applicant's principal business or company objects consist of exercising an agricultural activity by providing: <ul style="list-style-type: none"> <li>▪ The founding documents of the business or an affidavit from the business' legal advisers states that its principal business activity is agriculture; or</li> <li>▪ Recognised by HM Revenue and Customs (HMRC), or would be recognised by them, as qualifying for relief from taxation based on the agricultural value of agricultural property, owned and / or occupied, for the purposes of agriculture.</li> </ul> </li> <li>• Scotland will not apply any additional economic or professional requirements</li> </ul> <p>There is no exemption threshold for the "active farmer" test.</p>									
<b>Basic Payments</b>	<p><b>Member States have the possibility to make a series of choices concerning basic payments. These cover amongst others: to decide to apply different values for payment entitlements, to apply the basic payment scheme at regional level and (when applying the single area payment scheme) to grant transitional national aid.</b></p> <table border="1" data-bbox="419 595 1343 725"> <tr> <td data-bbox="419 595 730 651">59.75 % of national ceiling</td> <td data-bbox="730 595 1031 651"> <input type="checkbox"/> National model (single region) </td> <td data-bbox="1031 595 1343 651"> <input type="checkbox"/> Partial internal convergence </td> </tr> <tr> <td></td> <td data-bbox="730 651 1031 685"> <input type="checkbox"/> SAPS </td> <td data-bbox="1031 651 1343 685"> <input checked="" type="checkbox"/> Flat payment by 2019 </td> </tr> <tr> <td></td> <td data-bbox="730 685 1031 725"> <input checked="" type="checkbox"/> Regional model </td> <td></td> </tr> </table> <p>Scotland has allocated annually about € 311 million to basic payments. The amount increases from €310.34 million in 2015 to 313.29 million in 2019.</p> <p>Further key decisions taken by Scotland concerning basic payments are:</p> <ul style="list-style-type: none"> <li>• Basic Payments represent 59.75 % of the national ceiling for Pillar I<sup>974</sup>;</li> <li>• The level of implementation is regional considering the whole territory as three regions based on the quality of land<sup>975</sup>;</li> <li>• The minimum threshold for receiving Basic Payments are set at a minimum of 3 hectare of eligible land. In addition, the list of eligible farmers can be extended to those farmers who: <ul style="list-style-type: none"> <li>○ produced fruits in 2013; or</li> <li>○ produced vegetables in 2013; or</li> <li>○ produced ware potatoes in 2013; or</li> <li>○ produced seed potatoes in 2013; or</li> <li>○ produced ornamental plants in 2013; or</li> <li>○ cultivated vineyards, in 2013; or</li> <li>○ never held entitlements but farmed in 2013<sup>976</sup></li> </ul> </li> </ul> <p>Scotland will apply a regional flat rate payment in 2019. The transition from historic to areas payments will be made in five equal steps from 2015 to 2019. Maximum decrease in initial unit value will not be applied in Scotland. The Initial Unit Value will be calculated based upon the value of entitlements a farmer held (owned or leased) in 2014. Scotland decided to apply limitation on the number of entitlements limited on the basis of the reduction coefficient for permanent grassland.</p>	59.75 % of national ceiling	<input type="checkbox"/> National model (single region)	<input type="checkbox"/> Partial internal convergence		<input type="checkbox"/> SAPS	<input checked="" type="checkbox"/> Flat payment by 2019		<input checked="" type="checkbox"/> Regional model	
	59.75 % of national ceiling	<input type="checkbox"/> National model (single region)	<input type="checkbox"/> Partial internal convergence							
	<input type="checkbox"/> SAPS	<input checked="" type="checkbox"/> Flat payment by 2019								
	<input checked="" type="checkbox"/> Regional model									
<b>Reduction of payments</b>	<p><b>Member States are allowed to reduce payments for amounts exceeding a certain threshold (at least €150,000) by at least 5%. They can also choose not to apply if a redistributive payment is implemented using more than 5% of the national ceiling.</b></p> <table border="1" data-bbox="419 1509 1343 1599"> <tr> <td data-bbox="419 1509 879 1543"> <input checked="" type="checkbox"/> Degressivity: 5% </td> <td data-bbox="879 1509 1343 1543" rowspan="3"> <input type="checkbox"/> Redistributive payment </td> </tr> <tr> <td data-bbox="419 1543 879 1576"> <input checked="" type="checkbox"/> Threshold: € 150,000 and cap at € 500,000 </td> </tr> <tr> <td data-bbox="419 1576 879 1599"> <input type="checkbox"/> Application: not specific </td> </tr> </table> <p>Scotland decided to implement a 5% reduction for the part of the amount of Direct Payments exceeding €150,000 and to cap at €500,000<sup>977</sup> .</p> <p>Scotland will apply a deduction of salary linked to agricultural activity<sup>978</sup> .</p>	<input checked="" type="checkbox"/> Degressivity: 5%	<input type="checkbox"/> Redistributive payment	<input checked="" type="checkbox"/> Threshold: € 150,000 and cap at € 500,000	<input type="checkbox"/> Application: not specific					
<input checked="" type="checkbox"/> Degressivity: 5%	<input type="checkbox"/> Redistributive payment									
<input checked="" type="checkbox"/> Threshold: € 150,000 and cap at € 500,000										
<input type="checkbox"/> Application: not specific										

<sup>974</sup> DG AGRI data (2016): Overview MS choices on DP

<sup>975</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Study, July 2015, p.69.

<sup>976</sup> BPS-Allocation of payment entitlements (Form 4).xls

<sup>977</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.308.

<sup>978</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.308.

Greening	Member States have to allocate 30% of the national ceiling to the 'green payment'. Choices available to Member States are the level of implementation and the type of payment (individual or flat rate). Furthermore, the implementation of the provisions for permanent grassland and Ecological Focus Areas is left to the Member States. Alternatively, Member States can decide to apply 'equivalent practices', either via the agri-environment-climate measure under the rural development policy or via a national or regional 'certification scheme'.			
	<b>Green payment</b>			
	<input type="checkbox"/> Equivalent practices	<input checked="" type="checkbox"/> <b>Flat payment</b>	<input type="checkbox"/> Individual payment	
	<b>Permanent grassland</b>			
	<b>Total area of ESPG in Natura 2000:</b> 332,702 ha (41 %)	<input type="checkbox"/> ESPG outside Natura 2000	<input checked="" type="checkbox"/> <b>Regional application</b> <input type="checkbox"/> National application	
	<b>Ecological Focus Areas</b>			
	<b>5 types of EFAs</b>	<input type="checkbox"/> Regional implementation	<input type="checkbox"/> Collective implementation	<input type="checkbox"/> Forest cover derogation
	30% of Scotland's ceiling <sup>979</sup> is allocated to greening which represents 157.8 million in 2015 and 159.3 million in 2019 <sup>980</sup> . The implementation of the greening payments will be done at regional level <sup>981</sup> .			
	Scotland made the following implementation choices concerning the greening payment:			
	<ul style="list-style-type: none"> <li>• The implementation of greening payments will be done at regional level by use of a flat payment. Equivalent practices for crop diversification might be implemented after a review in 2016<sup>982</sup>;</li> <li>• The ratio and obligation for permanent grassland is calculated at regional level, around 812,178 hectares are currently covered<sup>983</sup>; 332,702 hectares are designated as environmentally sensitive permanent grassland (ESPG) in Natura 2000. This represents 41 % of the total permanent grassland<sup>984</sup>. No ESPG is designated outside Natura 2000<sup>985</sup>.</li> <li>• Scotland has decided to focus on the following 5 Ecological Focus Areas<sup>986</sup>: <ul style="list-style-type: none"> <li>○ Land lying fallow</li> <li>○ Landscape features: 1 – field margins</li> <li>○ Buffer strips: 10m minimum, organic not allowed; other buffer strips: from 2m to 20m width.</li> <li>○ Areas with catch crops or green cover: 7 species.</li> <li>○ Areas with nitrogen fixing crops: 11 NFC – chickpea, lentil, birds foot trefoil, lupin, alfalfa, bean, pea, clover, vetch (exc. faba bean), faba bean and bean.</li> </ul> </li> </ul> <p>There is an additional management requirement for nitrogen fixing crops to be associated with an EFA field margin where they are grown next to the edge of a field<sup>987</sup>.</p>			
Payment for Young Farmers	Member States may define eligibility criteria for young farmers applying for the payment for young farmers and can decide the top up amount they will receive on their Basic Payments.			
	<b>% of national ceiling: 0.25 %</b>			
	Scotland has decided to allocate 132.1 million % of their national ceiling to Young Farmers which corresponds to € 131.5 million in 2015 which increases to 135.75 million in 2020. There will be no additional eligibility criteria implemented. The calculation of the yearly top up amount per beneficiary is equal to 25 % of the regional average per ha in 2019 multiplied by the number of activated ha. The threshold of eligible payment entitlements is set at 90 ha.			

<sup>979</sup> Annex II as amended by the Commission Delegated Regulation (EU) 2015/851 of March 2015, amending Annexes II, III and VI to Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

<sup>980</sup> DG AGRI data - Table and graph on the overview of percentages by year – (consolidated)

<sup>981</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>982</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, p.303.

<sup>983</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>984</sup> DG AGRI data on Greening payment method of calculation (2016)

<sup>985</sup> DG AGRI data on Greening Notifications main choices 2015-04-20

<sup>986</sup> DG AGRI data on Implementation-decisions-ms\_en.pdf, p.24

<sup>987</sup> Scottish Government guidance document: Basic Payment Scheme - Greening

Voluntary coupled support	Member States are allowed to choose to implement the coupled support for different sectors or regions.						
	<input checked="" type="checkbox"/> Coupled support as % of national ceiling: 10%				<input type="checkbox"/> Support for protein crops as % of national ceiling: 0%		
	<p>In Scotland, 10% of the national ceiling (which corresponds to €52,599,901 in 2015 to €53,128,979 in 2019) is allocated to Voluntary Coupled Support (VCS). The sectors covered by VCS are categorised under “region”. Reg. (EU)1307/2013, art. 52 (3) provides Member States the opportunity to not only support the sectors laid out in art. 52 (2), but to support certain regions where specific types of farming or specific agricultural sectors that are particularly important for economic, social or environmental reasons and undergo significant difficulties. In Scotland these are Scottish suckler beef on the islands and the mainland and for Scottish upland sheep. 8% of the VCS is allocated to the beef and 2 % to the sheep. Throughout the planning period the amounts slightly change, but their overall distribution remains stable.<sup>988</sup></p> <p>The following figure provides an overview on the shares allocated per sector for VCS based upon the total budget for the 2015-2020 period.</p>						
Other voluntary schemes under Pillar I	Member States can take decisions concerning voluntary payments for farmers in areas with natural constraints and voluntary simplified schemes for small farmers						
	<input type="checkbox"/> Payment for areas with natural constraints				<input type="checkbox"/> Small farmers		
Scotland chose to not to implement payments for areas with natural constraints or for the small farmers scheme <sup>989</sup> .							
Yearly Union Support for P.II <sup>990</sup>	2014	2015	2016	2017	2018	2019	2020
	€ 371,473,873	€ 370,520,030	€ 369,548,156	€ 368,557,938	€ 367,544,511	€ 366,577,113	€ 365,935,870
Summary of measures implemented under P.II	Total public spending in € for 2014-2020 % of of total budget	EU support rate	Implemented measures				
	€ 3.718.372 0,2%	36 %	M1.1: Support for vocational training and skills acquisition actions M1.2: Support for demonstration activities and information actions M1.3 support for short-term farm and forest management exchange as well as farm and forest visits				
	€ 24.005.237 1,4%	36 %	M2.1 Support to help benefiting from the use of advisory services M2.3 support for training of advisors				
	€ 833.306 0,0%	36 %	M3.1support for new participation in quality schemes N.B. this has only been included to cover agreements entered into under the previous programme.				
	€ 254.595.361 15,1%	36 %	M4.1 support for investments in agricultural holdings M4.2 support for investments in processing/marketing and/or development of agricultural products M4.3 support for investments in infrastructure related to development, modernisation or adaptation of agri- culture and forestry M4.4 Support for non-productive investments linked to the achievement of agri-environment-climate objectives				
	€ 11.369.174 0,7%	36 %	M6.1 business start up aid for young farmers M6.3 business start up aid for the development of small farms				
	€ 19.804.537 1,2%	36 %	M7.3 support for broadband infrastructure M7.5 support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure				

<sup>988</sup> DG AGRI data on VCS – Sectors, amount per sector MS, year (2016)

<sup>989</sup> European Parliament, Implementation of the first pillar of the CAP 2014 – 2020 in the EU Member States, Annexes, July 2015, pp.311 and 314.

<sup>990</sup> Annex I of Reg (EU) 1305/2013 as amended by Commission Delegated Regulation 2015/791



€ 294.637.098 17,5%	54 %	M8.1 support for afforestation/creation of woodland	
		M8.2 support for establishment and maintenance of agro- forestry systems	
		M8.3 support for prevention of damage to forests from forest fires and natural disasters and catastrophic events	
		M8.4 support for restoration of damage to forests from forest fires and natural disasters and catastrophic events	
		M8.5 support for investments improving the resilience and environmental value of forest ecosystems	
		M8.6 support for investments in forestry technologies and in processings	
	€ 318.583.388 18,9%	36 %	M10 Agri-environment-climate
	€ 15.003.275 0,9%	36 %	M11.1 payment to convert to organic farming practices and methods
			M11.2 payment to maintain organic farming practices and methods
	€ 550.863.573 32,7%	66 %	M13.2 compensation payment to other areas affected by specific constraints
€ 6.340.532 0,4%	36 %	M14 Animal Welfare NB This Measure has been included to fund commitments entered into under the previous programme.	
€ 25.804.340 1,5%	51 %	M 15.1 payment for forest-environmental and climate commitments	
€ 36.346.636 2,2%	37 %	M16.1 support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability	
		M16.2 support for pilot projects and for the development of new products, practices, processes and technologies	
		M16.4 support for horizontal and vertical cooperation among supply chain actors	
		M16.5 support for joint action undertaken with a view to mitigating or adapting to climate change	
€ 103.218.556 6,1%	48 %	M19 LEADER CLLD (all submeasures except submeasure 1)	
€ 18.003.931 1,1%	36 %	M20: Technical assistance	

Member States have the possibility to either have one rural development programme (RDP) for the whole country or to distinguish between regional programmes. Within each RDP they can allocate budget to six different priority areas. Priority area 1 is an overarching priority (and hence no RDP has allocated a dedicated budget).

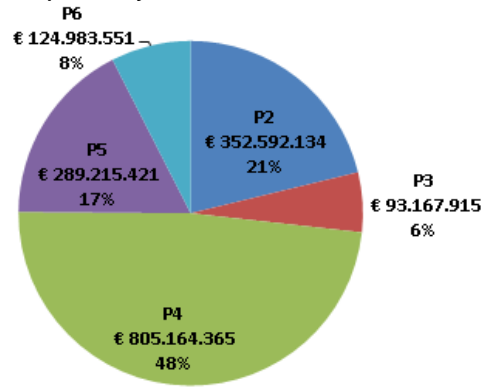
National RDP

Regional RDP

**Key focus areas for rural development**

The total RDP budget for Scotland is at around € 1,683,127,316 for the entire planning period. Scotland has allocated almost of this budget (48 %) to Priority 4 “restoring, preserving and enhancing ecosystems” followed by 21 % to Priority 2 “competitiveness of all types of agriculture and farm viability”, 17 % to Priority 5 “resource efficiency and shift towards a low carbon and climate resilient economy”, 8 % to Priority 6 “social inclusion, poverty reduction, and economic development in rural areas” and 6% to Priority 3 “food chain organisation and risk management”. The following figure provides an overview of the shares by Priority in millions of euro.

Figure 148 Budget allocated per Priority in Scotland



Source: Calculations Ecorys based on DG AGRI data (2016)

Member States/Regions can choose from a selection of 20 measures across six Priorities. In this section the key choices of Member States (and their RDPs) are described with regard to Knowledge Transfer and Information Actions, Investment measures (M04, M05, M06, M07, M08), Agri-Environment Climate, Organic Farming, Co-operation measure and LEADER. These measures have the highest probability of creating synergies or contradictions with Pillar I and will be the focus of further analysis.

**Overview**

Scotland has decided to offer 14 measures and TA. In terms of budget allocation the highest amounts are allocated to:

- M13 "Payments to areas facing natural or other specific constraints" (€ 550,863,573);
- M 10 "Agri-environment-climate" (€ 318,583,388);
- M 08 "Investments in forest area development and improvement of the viability of forests" (€ 294,637,098);

**M01 Knowledge Transfer and Innovation actions**

Scotland allocated 0.2 % of the total RDP budget to knowledge transfer and innovation actions. This measure will be implemented through the Knowledge Transfer and Innovation Fund. The focus of this measure will be on promoting skills development and knowledge transfer in the primary agricultural sector<sup>991</sup>.

**Investment measures (M04, M05, M06, M07, M08)**

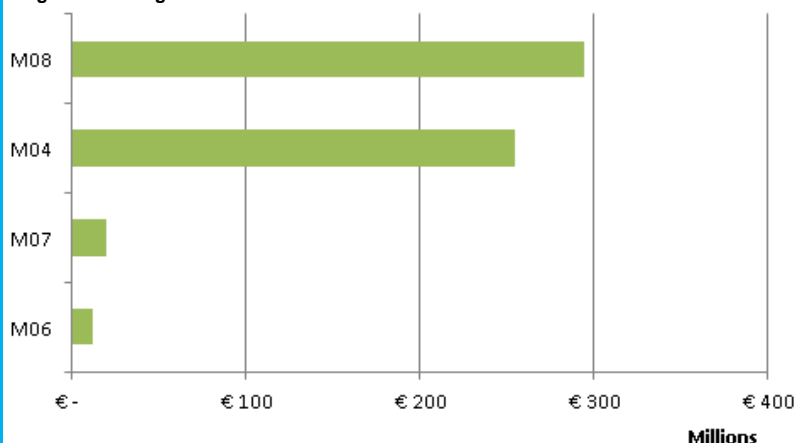
Scotland implemented investment measures:

- M4 "Investments in physical assets" (€ 254,595,361);
- M6 "Farm and business development (€ 11,369,174);
- M7 "Basic services and village renewal in rural areas" (€ 19,804,537); and
- M8 "Investments in forest area development and improvement of the viability of forests" (€ 294,637,098).

The following figure illustrates the budget allocation per investment measure.

<sup>991</sup> Information from the Scottish Government website

Figure 149 Budget allocated to investment measures in Scotland



Source: Ecorys based on DG AGRI data (2016)

For the investment measures M6 the links to intended job creation are explicitly made as they are implemented with the intention of strengthening the rural economy, creating new jobs and raising added value. Job creation is not however a requirement of any of the three scheme run under this measure in Scotland. For M7 and M8, the rationale is that by using these measures barriers to job creation are reduced.

Some of the investment measures a combination of public and private investments are assumed with the following support rates:

- 40 to 90% for investments in agricultural holdings
- 10 to 40% for for investments in processing/marketing and/or development of agricultural products
- 40 % for investments in forestry technologies and in processing, mobilising and marketing of forest products
- 60 % for Agroforestry)

Other investment measures can be fully publicly financed as they will work with public tendering procedures (M6, M7, M8).

Non-productive investments are linked to the achievement of the agri-environment-climate objectives set out in sub-measure 10.1 in accordance with the national, regional or locally identified specific needs and priorities, established via the SWOT analysis and the subsequent identification of needs through the design of the SRDP, as detailed in those sections<sup>992</sup>.

None of the measures target irrigation.

#### M10 Agri-Environment-Climate and M11 Organic Farming

Scotland spends on M10 "Agri-environment-climate" € 318,583,388 of which the national contribution is 74 %<sup>993</sup>. 53% of the expenditure is categorised under Priority 4, the remaining 47% on Priority 5.. The main beneficiaries of this measure are farmers, groups of farmers and other land managers with land in Scotland. Applications are scored against a range of criteria related to the potential for environmental benefit. Examples of these operations include a wide range of habitat management options, options to improve water quality, manage flood risk and mitigate and adapt to climate change and also options for conserving the historic environment and enhancing public access..

For M11 "Organic Farming" € 15,003,275 of public spending has been allocated of which the national contribution accounts for 74 %<sup>994</sup>. All of the expenditure is categorised under Priority 4. Beneficiaries must be registered with an Organic Certification Body and comply with organic standards. Both submeasures (M11.1 "payment to convert to organic farming practices and methods"and M11.2 "payments to maintain organic farming practices and methods") are implemented.

#### M16 Co-operation

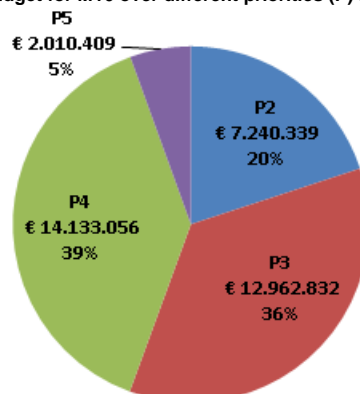
<sup>992</sup> Scottish Rural Development programme section 8.2.4.2.

<sup>993</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

<sup>994</sup> DG AGRI data (2016). EAFRD Financial Plan by measure

M16 "cooperation" receives € 36,346,636 of public spending of which either 0 or 74% is national contribution. Under Priority 2 20 % of the total amount is spent, for Priority 3 36 % is allocated, under Priority 4 39 % and under Priority 5 5 %.

Figure 150. Division of budget for M16 over different priorities (P) for the 2014-2020 period



Source: Calculations Ecorys based on DG AGRI data (2016)

The measure pursues the objectives of

- Supporting co-operative action to meet the facilitation and co-ordination costs of agrienvironment – climate co-operative projects, to be delivered at an ecosystem or landscape scale
- Facilitating first-time establishment of crofting common grazings committees which may then access support towards various operations.
- Supporting joint action for key forestry projects through facilitation and co-ordination involving a number of land owners where co-operation is essential in order to effect true landscape scale control and achieve environmental benefits
- Supporting the maintenance of operational groups and other collaborative ventures undertaking a range of agricultural projects which support the development of new and innovative products, practices, processes and technologies
- Delivering growth and value in Scotland's food and drink industry by increasing cooperation and developing integrated supply chains<sup>995</sup>

Following submeasures have been selected:

- M16.1, 16.2, 16.4 and 16.5.

#### M19 LEADER CLLD

The total CLLD budget allocated under the EAFRD in Scotland is € 103,218,556. It will be carried out under a single thematic objective: promoting social inclusion and combatting poverty and any form of discrimination<sup>996</sup>. All funds are targeted under Priority 6 "Fostering local development in rural areas". Around 86.8 % of the rural population is intended to be covered under Local Development Strategy. The target is to create around 580 jobs.<sup>997</sup>

Within RDPs different stakeholders can be targeted from farmers (young, small etc.) to other rural groups. Moreover, measures can be supporting innovative activities.

#### Targeting of RDP measures

Measures especially targeted at Young Farmers: measures M1, M2, M6 and M16.  
Measures targeted at Small Farms: none.  
Measures targeted at Innovation Activities: measures M1, M2 and M16.,

#### Approaches taken to financial support in

Member States (and their RDPs) can take different approaches for granting financial support. In this section it is firstly identified whether Member States have used the Simplified Cost option. And secondly, did Member States make use of any financial instruments.

<sup>995</sup> Scottish Rural Development Programme Section 8.2.13.2.

<sup>996</sup> Ministry of Agriculture, Forestry and Food, Directorate for Agriculture (2014). Unofficial Translation of the National Rural Development Programme

<sup>997</sup> DG AGRI (2016): RDP factsheet Scotland

RDP	Simplified cost options are not yet used in Scotland	
	Financial instruments are not used in Scotland	
Use of the Community-Led Local Development (CLLD) multi-fund option in RDPs	The CLLD multi-fund option leaves a lot of room for Member States (and their RDPs) to fund further activities using other European Structural Investment Funds.	
	Use of CLLD multi-fund option?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If yes, which other ESI funds are used (or planned to be used) for CLLD?	<input checked="" type="checkbox"/> ERDF <input type="checkbox"/> ESF <input checked="" type="checkbox"/> EMFF



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