



Direct Payments

SINGLE AREA PAYMENT SCHEME

and

TRANSITIONAL NATIONAL AID

This fiche presents the single area payment scheme which is a specific scheme under the direct payments of the Common Agricultural Policy, and transitional national aid authorised in the 2013 CAP reform. It presents also the decisions taken by the Member States for the implementation of these schemes. It reflects the content of the relevant notifications available to the Commission services to date. It is made available without prejudice to any finding in respect of their compliance with the regulatory framework. It is provided on the understanding that in the event of a dispute involving Union law it is, under the Treaty on the Functioning of the European Union, ultimately for the European Court of Justice to provide a definitive interpretation of the applicable Union law.

June 2017

1. Introduction

With the 2013 CAP reform the basic payment can be applied either as the [basic payment scheme \(BPS\)](#) or as a transitional simplified scheme – **the single area payment scheme (SAPS)**¹.

The basic payment is compulsory to Member States and, in principle, Member States were to implement it in the form of the BPS. However, the Member States applying in 2014 the SAPS (provided for in Regulation (EC) No 73/2009) were allowed to continue applying the SAPS for the purpose of granting the basic payment for a transitional period until 2020.

All Member States previously applying SAPS² have decided to continue applying this scheme. Consequently, 18 Member States apply the BPS and 10 Member States

¹ Point (i) of Article 1(b) of Regulation (EU) No 1307/2013

² BG, RO, CZ, SK, PL, EE, LT, LV, CY, HU

apply the SAPS. In this document, these 10 Member States are referred to as 'SAPS Member States'.

SAPS Member States may decide to grant **transitional national aid (TNA)** for any of the years in the period 2015-2020³. TNA is aimed at providing a complementary income support, with national funding, to farmers in specific sectors which benefited from the TNA or complementary national direct payments until 2014 pursuant to Regulation (EC) No 73/2009.

Three SAPS Member States⁴ have notified their decision to apply TNA during the entire period (it is possible that in any of the years such decision is reviewed; however, it is not the case until 2017). The other seven Member States make the relevant decision annually and two⁵ of them decided not to grant any TNA in respect of years 2015-2016; they grant TNA from 2017.

2. SAPS eligibility conditions⁶

In order to benefit from the SAPS the following is to be respected:

- Timely submission of the single application for SAPS⁷
- Being a farmer (exercising an agricultural activity) with an eligible area at his/her disposal⁸
- Meeting:
 - The conditions of 'active farmer' referred to in Article 9 of Regulation (EU) No 1307/2013;
 - the minimum requirements referred to in Article 10 of the same Regulation (see table 1 in the Annex regarding minimum requirements set by SAPS Member States).

Any active farmer in any of the years can claim for the SAPS payment. There is no restriction beyond the few previously listed conditions.

For farmers, the eligibility to SAPS is a precondition for receiving support under the other direct payment schemes⁹, except for the Voluntary Coupled Support and direct payments under Regulations (EU) No 228/2013 (programmes for outermost

³ Article 37 of Regulation (EU) No 1307/2013.

⁴ HU, LT and PL

⁵ CY and EE

⁶ For more information, see the informative note on "[Eligibility for direct payments](#)"

⁷ Application is to be submitted within the deadline set by the Member State; it is to be submitted in the Member State in which farmer has the holding (see Article 13 and Article 15 of Regulation (EU) No 809/2014).

⁸ For the definitions of farmer see Article 4(1)(a) of Regulation (EU) No 1307/2013 and for definition of eligible hectare see Article 32(2) of the same Regulation.

⁹ The payment for agricultural practices beneficial for the climate and the environment (greening), the payment to young farmers and, where applied by the Member State, the redistributive payment and payment for areas with natural constraints.

regions) and 229/2013 (programmes for Smaller Aegean Islands). It is also a precondition to access the [Small Farmers Scheme](#) in those Member States where this scheme is applicable.

It is worth to mention, that no SAPS Member State applies the payment for areas with natural constraints¹⁰. Four SAPS Member States¹¹ apply the [redistributive payment](#). Six SAPS Member States¹² apply the Small Farmers Scheme, which means that in 2015 farmers could have opted for this scheme instead of receiving payments under SAPS and under any other direct payments scheme.

3. Payment under SAPS

The SAPS is a decoupled area payment granted as a **flat rate for each eligible hectare** declared by the farmer in his/her single application for the SAPS.

An active farmer can receive the SAPS for any eligible hectare of his/her holding, irrespective of the type of agricultural activity carried out on that area and irrespective of the agricultural sector. The production decisions of a farmer has no impact on the SAPS payment: an equal unit rate (flat rate) is granted per eligible hectare used for crop production by a farmer or per eligible hectare of agricultural land maintained by a farmer.

The flat rate is calculated by Member States annually taking into account the annual SAPS financial envelope¹³ and the total number of eligible hectares declared by farmers for this payment.

The payment to an individual farmer depends on the number of eligible hectares declared and also on the respect of the application conditions. For example, where a farmer does not submit a timely application, a reduction to his/her SAPS payment is applied.

Besides, where the SAPS payment to be granted to a farmer exceeds EUR 150 000, the part of the amount exceeding EUR 150 000 shall be subject to a **reduction of at least 5%**¹⁴, unless the Member State opted for using more than 5 % of its annual national ceiling (total direct payments envelope) for financing the redistributive payment.¹⁵

More detailed explanation on the reduction of payments is available under point 2.5 of the fiche '[Direct Payments: Financial mechanisms in the new system.](#)'

¹⁰ See Article 48 of Regulation (EU) no 1307/2013.

¹¹ BG, LT, PL, RO

¹² BG, EE, HU, LV, PL, RO

¹³ According to Article 36(4) of Regulation (EU) No 1307/2013 the annual financial envelope for SAPS is obtained by deduction from the national ceiling (Annex II of Regulation (EU) No 1307/2013) the amounts foreseen for the redistributive payment, the payment for agricultural practices beneficial for the climate and the environment (greening), the payment for areas under natural constraints, the young farmer payment and the voluntary coupled support. For more detail see Regulation (EU) No 2015/1089 regarding financial ceilings set for the calendar year 2015 and Regulation (EU) 2016/699 regarding financial ceilings set for the calendar year 2016.

¹⁴ Article 11 of Regulation (EU) No 1307/2013.

¹⁵ LT and RO opted for a better distribution through the redistributive payment.

Moreover, SAPS payment to farmers in any year may be subject to a linear reduction, where it is necessary for the purposes of financing the payment for young farmers¹⁶ and/or the small farmers' scheme.¹⁷

4. Transition from SAPS to BPS

According to their policy decisions taken by 1 August 2014, no SAPS Member State decided to apply the basic payment scheme (BPS) before 31 December 2020; they intend to apply SAPS for the maximum transitional period possible.

Articles 38 to 40 of Regulation (EU) No 1307/2013, however, provide modalities for introducing the BPS. Principles regarding the operation of the BPS would apply also to the SAPS MS once they introduce the BPS; i.e. possibility to apply the BPS regionally, payment available only upon activation of payment entitlements per eligible hectare, payment entitlements obtained either from the allocation (the first allocation in the year of setting up of the scheme or for some categories from the national reserve) or via transfer from another farmer, and no activation of payment entitlements may result in losing them¹⁸.

5. Transitional national aid

According to Article 37 of Regulation (EU) No 1307/2013, SAPS Member States may grant transitional national aid (TNA), which is aimed at providing complementary income support with national money to certain sectors for which similar support was granted in the past (in the case of BG and RO, this past reference is the complementary national direct payments (CNDPs) granted in 2013; in the other 8 Member States, it is the TNA granted in 2013). TNA was proposed to avoid a sudden and substantial decrease of support for these sectors, but at the same time the level of support available under TNA is to be steadily decreased annually.

Besides TNA support is mostly provided in the form of decoupled payments (based on historic sectoral beneficiaries, but without production obligations).

¹⁶ Article 51(2) of Regulation (EU) No 1307/2013.

¹⁷ Article 65(2)(c) of Regulation (EU) No 1307/2013.

¹⁸ For more detail see fiche on the BPS: https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key_policies/documents/basic-payment-scheme_en.pdf

Background information

Transitional national aid (TNA) is a successor to the complementary national direct payments (CNDPs).

In Member States acceding to the EU since 2004 direct payments have been introduced according to a phasing-in schedule (EU-10 reached 100 % EU level in 2013, BG and RO in 2015. HR will reach it in 2022).

The Acts of Accession of these Member States provided an option to grant additional national support (CNDPs) (or in case of CY state aids) on top of the EU payments during the phasing-in period. While in Member States having entitlement based system (SI, MT and HR), CNDPs were granted as a simple complement to the applicable EU direct payment schemes, SAPS Member States could design specific CNDPs to support specific sectors.

However, such sector-based CNDPs had a certain link with the applicable EU schemes under the entitlements based system: sectors to be supported under CNDPs could be only sectors supported under other EU schemes and where an EU scheme was decoupled from the production, the corresponding CNDPs had to be decoupled from production too. At any time the level of support available for the sector could not exceed the corresponding EU level for the sector.

CNDPs being intrinsically part of the phasing-in, they were designed to be phased-out. It also meant that the sectors benefiting from CNDPs could experience a significant decrease in the overall available support as SAPS never allowed for differentiating the support level for sectors. Hence, in order to ensure continuity of the level of support to farmers in 2013, it was allowed to introduce TNAs for those sectors which benefited from CNDPs (state aid in case of CY) in 2012. The applicable conditions were the same as for CNDPs in 2012 (see regulation (EU) No 671/2012). In 2013 TNAs were not available to BG and RO.

In the context of the transitional rules before full application of the CAP post-2013 reform, Regulation (EU) No 1310/2013 provided that also in 2014, all SAPS Member States could grant TNAs. It also provided that the level of support under TNAs had to be reduced, i.e. maximum 80 % of the sector specific envelopes in respect of 2013 TNAs (or CNDPs in case of RO and BG). RO opted to apply TNAs since 2014, while BG continued the application of CNDPs in that year.

In accordance with the political agreement on SAPS continuation, Regulation (EU) No 1307/2013 provides also the possibility to grant TNAs in SAPS MS (conditions as for TNAs in 2013, and in the case of BG as for CNDPs in 2013). The support is subject to gradual reduction: in 2015 the maximum level is up to 75 % of the 2013 sector specific envelopes, in 2016 up to 70 % ... in 2020 up to 50 % of the 2013 sector specific envelopes.

Given that Member States had important leeway in designing their CNDPs/TNAs, the type of support and the conditions for receiving it may vary between Member States.

Table 2 in the annex provides detail on the decision taken by Member States in respect of the TNA application as notified to the Commission by 31 March 2017. Decision regarding application of the TNA is to be taken annually. By way of simplification Member States have a possibility to notify their decision once for the entire period (until 2020) and in their annual notification just to confirm that the decision has not been changed meanwhile. This simplification possibility was used by LT, HU, PL and EE (from year 2017); however considering that their decision might be reviewed table 2 in the annex displays only the decision taken in respect of year 2015 to 2017.

In addition, it is worth to note that actual amounts paid under the TNA might be lower than the maximum level decided by Member States. A common reason for this is the availability of the national funds (national budget restrictions).

Table 1: Minimum requirements for receiving direct payments as set by SAPS Member States pursuant to Article 10 of Regulation (EU) No 1307/2013

MS Region	MS/Region	Point b (area threshold) ¹⁹	
		Hectares	EUR threshold applicable to farmers receiving animal related VCS and holding fewer
Bulgaria	BG	0.5	100
Czech Republic	CZ	1	100
Estonia	EE	1	100
Cyprus	CY	0.3	100
Latvia	LV	1	100
Lithuania	LT	1	100
Hungary	HU	1	100
Poland	PL	1	200
Romania	RO	1	100
Slovakia	SK	1	100

Source: MS notifications

¹⁹ Please note: no SAPS Member State applies Article 10(1)(a) of Regulation (EU) No 1307/2013 (EUR threshold to all farmers) and in general these Member States opted for standard thresholds (adjustment to take into account structure of their agricultural economies done in BG, CY and PL).

**Table 2: Application of the transitional national aid in SAPS
Member States: overview of the decisions taken and notified by
Member States until 31 March 2017**

MS	TNA type	Amount decided (000 EUR)			Unit rate decided (EUR unit)		
		2015	2016	2017	2015	2016	2017
BG	Bovine animals (decoupled)	24 591.75	22 952.30	21 312.85			
	Decoupled area payment	0.00	0.00	0.00			
	Sheep and goat (coupled)	20 576.00	19 204.50	17 832.75	21.00	21.00	21.00
	Suckler cows (coupled)	0.00	0.00	0.00			
	Tobacco (decoupled)	60 416.00	56 388.50	52 360.75			
CZ	Decoupled area payment	25 053.75	23 383.50	21 713.25	9.63	9.63	9.63
	Hops	4 056.00	985.60	915.20			
	Potato starch	1 674.00	1 562.40	1 450.80			
	Ruminants	3 720.75	3 472.70	3 224.65			
	Sheep and goat (coupled)	50.25	46.90	43.55	6.70	6.70	6.70
	Suckler cows (coupled)	971.25	906.50	841.75	14.35	14.35	14.35
EE	Arable crops			6 005.91			
	Cattle			3 531.71			
	Ewe (coupled)			436.80			9.10
	Ewe (decoupled)			47.33			
	Milk			8 469.74			
	Seeds			16.21			
	Suckler cows (coupled)			1 392.30			162.50
HU	Arable crops (decoupled)						
	Beef (decoupled)	14 345.00	13 388.90	12 432.55			
	Cattle extensification (decoupled)	10 419.00	9 724.00	9 029.80			
	Ewe (coupled)	79.50	74.20	68.90	0.07	0.06	0.06
	Ewe (decoupled)	1 575.00	1 470.00	1 365.00			
	Milk (decoupled)	40 637.00	37 928.10	35 218.95			
	Rice (decoupled)						
	Suckler cows (coupled)	10 419.75	9 725.10	9 030.45	89.06	83.12	77.18
	Suckler cows (decoupled)						
	Tobacco (Burley) - decoupled	2 862.75	2 671.90	2 481.05			
Tobacco (Virginia) - decoupled	8 315.00	7 760.90	7 206.55				
LT	Arable crops	22 846.50	21 323.40	19 800.30			
	Bulls 1	17 718.75	16 537.50	15 356.25			
	Bulls 2	7 919.25	7 391.30	6 863.35			
	Ewes (coupled)	177.00	165.20	153.40	10.50	9.80	9.10
	Flax for fibre	118.50	110.60	102.70			
	Milk	18 509.25	17 275.30	16 041.35			
	Protein crops	1 608.75	1 501.50	1 394.25			
	Slaughtered adult animals	25 755.75	24 038.70	22 321.65			
	Suckler cows (decoupled)	8 763.00	8 178.80	7 594.60			
	Arable crops	9 157.86	9 961.10	11 352.90			
LV	Arable crops and potato starch	5 016.12	2 169.65	6 489.60			
	Bovine animals (decoupled)	0.00	0.00	3 878.55			
	Ewe (coupled)	129.62	129.62	167.70	14.00	14.00	14.00
	Milk	0.00	0.00	9 807.85			
	Potato starch	192.43	83.23	248.95			
	Slaughtered bovine animals	0.00	0.00	2 585.70			
	Suckler cows	1 982.13	867.40	2 284.75	181.00	181.00	181.00
PL	Decoupled animal payment						
	Decoupled area payment						
	Hops						
	Potato starch						
	Tobacco (group I- Virginia)	23 118.75	21 577.50	20 036.25			
Tobacco (group of varieties II, III, IV)	12 975.75	12 110.70	11 245.65				
RO	Beef and veal (decoupled)	116 770.27	108 985.58	101 201.00			
	Decoupled area payment	127 952.00	119 422.02	110 892.00	22.10		27.00
	Decoupled payment for dairy	27 785.80	25 933.40	24 081.00			
	Decoupled sugar beet payment	2 273.25	2 121.70	1 970.15			
	Flax and hemp	8.50	7.94	7.15			
	Hops	125.90	117.51	109.20			
	Sheep and goat (coupled)	58 596.50	54 690.08	50 784.00	21.60	20.52	27.00
	Tobacco (decoupled)	1 534.00	1 534.80	1 656.20			
SK	Decoupled animal payment	31 656.75	29 546.30	27 435.85			
	Decoupled area payment	43 917.75	40 989.90	38 062.05			
	Hops	64.50	60.20	55.90			
	Sheep and goat (coupled)	3 129.75	2 921.10	2 712.45	68.25	63.70	59.15
	Suckler cows (coupled)	2 955.00	2 758.00	2 561.00	105.00	98.00	91.00
CY	Cereals (excl durum wheat)						
	Durum wheat						
	Milk and dairy						
	Beef						
	Sheep and goat			4 270.00			14.00
	Pig sector						
	Poultry and eggs						
	Wine						
	Olive oil						
	Table grapes						
	Dried grapes						
	Processed tomatoes						
	Bananas						
Tobacco							
Deciduous fruit (incl. stone fruit)							

Source: MS notifications