

NATIONAL FRAMEWORK FOR THE ENVIRONMENTAL ACTIONS IN APPLICATION OF ARTICLE 103f (1) OF COUNCIL REGULATION (EC) No 1234/2007

1. Introduction

Farming, is an activity that contributes to the development of rural areas, the production of agricultural products and food, the maintaining of the countryside identity, while creating eco-environment which is a habitat of wild fauna and flora.

The intensification of agriculture as a result of the intensive use of fertilizers and plant protection products, large use of irrigation water and high level of farming mechanization, together with other human interventions in conjunction with natural disasters, could endanger the environment. As a result there is a quantitative and qualitative degradation of environment natural resources (soil, water, air) and biodiversity. More specifically:

➤ Soil

The biggest risk to the soil is the desertification due to erosion. Soil erosion is the result of the use of inappropriate cropping practices on sloping grounds and/or in windy areas and, in some cases, unforeseen events such as fires. Other factors that impact negatively on soil quality is its organic matter reduction, pollution from agricultural waste and destruction of the soil structure and permeability

➤ Water

Country's adequacy of water considered doubtful but the water is characterised by good quality. There is an uneven geographical and seasonal distribution, with surplus water resources in western and northern regions and deficient in others (e.g. islands). The largest proportion (around 87%) of usable volume of water is consumed for the agriculture needs, which is the result of the overconsumption and the non-rational management of the limited water resources available in certain areas.

The water quality is generally good except for some areas of high concentration of nitrates due to the intensification of agriculture and, in particular, the non-rational use of fertilizers. Important problem is also the salinization of under-ground water, mainly due to excessive rates of irrigation during the summer months.

➤ Biodiversity

Because of the country geographical position, the soil relief and traditional agricultural activities which are implemented in several areas, farmed areas are among the richest in components that make up biodiversity. But in recent years it has been noticed a genetic erosion due to the loss of domestic varieties. Other negative effects to the maintenance of biodiversity may result from desertification, water eutrophication, fires, and pollution from the intensification of the agriculture activities etc.

➤ Climate change

The involvement of farming in the emission of gases that create the greenhouse effect is limited and mainly comes from nitrous oxide emissions

due to the use of nitrogen fertilizers and CO₂ emissions due to the transport of the products by road.

The National Framework of the environmental actions concerning the fruits and vegetables sector (N. F.), determines the general conditions for the implementation of environmental actions through the Producers Organisations' operational programmes, aiming at the reduction of the pressure that fruit and vegetable production cause to the environment.

In this framework are described actions of rational management of agricultural land, which contributes to the maintenance and protection of environment (general objective) through the achievement of the following specific objectives:

1. protection of soil
2. protection and maintenance of water quality
3. sustainable use of water resources
4. protection and maintenance of habitat and biodiversity
5. protection and maintenance of landscape
6. contribution to climate change mitigation
7. reduction and/or improved management of waste

In this direction, the environmental actions in the fruit and vegetable sector will complement the measures in the pillar II of the CAP, with the programme of Rural Development, mainly axis 2 (agri-environmental commitments).

2. General requirements concerning the environmental actions selected under an operational programme

1. The environmental actions must meet the appropriate requirements of Reg. (EC) No 1698/2005, including those on complementarity, consistency and conformity as set out in Article 5 of that Regulation.
2. The environmental actions must:
 - respect the requirements for the agri-environmental payments as provided in Reg.(EC) 1698/05, art. 39, par. 3
 - respect the provisions of the National Framework
 - be compatible and complementary with other environmental actions of operational programmes and with the measures of the Rural Development programme (axis 2 agri-environmental commitments) implemented by the members of the Producer Organisation.
3. Operational programme may combine different environmental actions and/or these actions may be combined with agri-environmental actions of the

Rural Development programme. In that case the financing will take account of the loss of income and the additional costs due to the above combination.

4. To be eligible, the environmental actions must be beyond the «baseline» requirements. The «baseline» requirements include:

- The mandatory standards established pursuant to Articles 4 and 5 of and Annexes III and IV to Reg. (EC) 1782/03 (cross compliance),
- The minimum requirements concerning the use of plant-protection products and fertilizers in the production of agricultural products established by the national legislation, and
- Other relevant mandatory requirements established in the national legislation.

5. In order to be considered eligible, the environmental actions must:

- Have an expected positive effect on the environmental objectives as described above
- Go beyond the «baseline»
- Cause income loss and/or additional costs due to their implementation
- Entail commitments that are controllable

6. The support to environmental actions, which is calculated on the basis of income loss and additional cost resulting from the implementation of these actions, could be modified if the "baseline" changes (i.e. in case of amendment of one or more requirements or standards included in the «baseline»).

7. Operational programmes which include environmental actions that entail two or more commitments beyond the «baseline», such as organic production or integrated production, are considered to respect the obligation that is provided for in Article 103c, paragraph 3, first comma, point (a) of Council Reg.(EC) No 1234/2007.

8. The Producer Organisation decides whether:

- The operational programme shall include at least 2 environmental actions, or
- at least 10% of expenditure under the operational programme shall cover environmental actions per year

with the condition that the above decision cannot change during the whole duration of the operational programme.

9. Where the duration of an environmental action is an essential condition for its effectiveness, i.e. for attaining the expected environmental benefits, the same duration should apply as for similar agri-environmental measures under the Rural Development programme. In the case where the duration of the operational programme is shorter (i.e. 3 or 4 years) than the duration referred to above, the Producer Organisation is obliged to continue the environmental action concerned in its subsequent operational programme, if this is necessary for attaining the duration applying for similar agri-environmental measures

under the Rural Development programme, except for duly justified reasons, and in particular based on the results of the mid-term evaluation of the operational programme provided for in Article 127(3) of Commission Regulation (EC) No 1580/2007.

10. Environmental actions must respect the provisions of Article 60(2), third and fourth subparagraphs, of Commission Regulation (EC) No 1580/2007. In any case, the amount of support for environmental actions (other than the acquisition of fixed assets) cannot be higher than the maximum amounts laid down in the Annex to Council Regulation 1698/2005 for agri-environmental payments.
11. No environmental action under this Framework can benefit from support from Community sources other than the Community financial assistance referred to in Article 103d of Council Regulation (EC) No 1234/2007.

3. Non-exhaustive list of environmental actions

1. Organic production method

The organic production method is an approach to sustainable agricultural production as it contributes to:

- the reduction of the use of fertilizers and plant-protection products for the production of fruit and vegetables, which contributes to the achievement of multiple environmental objectives, such as the soil protection, the water protection and the biodiversity conservation, by reducing emission of pollutants and increasing soil organic matter content.
- the protection of consumers by offering safe products.

In the light of the current low rate of adoption of the organic production method in the fruit and vegetable sector, and considering the small and fragmented agricultural land and the favourable soil and climatic conditions, the promotion of the organic production method presents a competitive advantage.

Moreover, there is no problem in the marketing of organic products due to the guaranties (certification) offered to consumers.

Justification of the action:

The conversion from the conventional method of production to organic method of production is expected to contribute to:

- Reducing emission of pollutants for soil and water (from agro-chemicals)
- Reducing NO emissions (climate change mitigation)
- Increasing soil organic matter content (and biodiversity).

Baseline: is the conventional method of production which respects the cross compliance standards, together with the minimum requirements concerning the use of plant-protection products and fertilizers and other relevant mandatory requirements established in the national legislation.

The commitments that create the conditions for aid are:

- (1) Application of organic production methods compliant with the provisions of Council Regulation (EC) 2092/91 (of Council Regulation (EC) 834/2007 from 01/01/2009)
- (2) The inscription in the organic production system, in accordance to Reg. (EC) 2092/91 and, from 01/01/2009, of Reg. (EC) 834/2007 (obligatory requirement not eligible for support)¹
- (3) Certification by a recognised organic certification body (obligatory requirement not eligible for support)²
- (4) Analyses (e.g. soil, water) necessary to the respect of the organic production standards.

Commitment (4) is eligible only if associated with commitment (1), which must therefore be included in the operational programme.

Aid calculation: it will be taken account of the income loss and additional costs resulting from the implementation of the action. Specifically:

- *income loss:* for the income loss calculation, the value of the conventional production per hectare will be compared to the corresponding value of the organic production. (on real cost basis).

additional cost:

- Costs related to the conversion from the conventional production methods (compliant with the "baseline" requirement) to organic production methods (compliant with the provisions of Council Regulation (EC) 2092/91 or, from 01/01/2009, the provisions of Council Regulation (EC) 834/2007) (on real cost basis).
- Expenditure for soil and water analyses (on real costs basis).

The calculation of the additional costs will take account of possible cost savings resulting from the action (e.g. reduced use of plant protection products, fertilisers and water) and the increased income due to the possible greater value to be received in the market for organic products.

2. Integrated management of production

The integrated production management is a production system which meets

¹ This requirement could be eligible for support under another chapter of the National strategy related to actions aimed at improving or maintaining product quality.

² This requirement could be eligible for support under another chapter of the National strategy related to actions aimed at improving or maintaining product quality.

the requirements for sustainable agricultural production, which respects the environment and the safety of products because it contributes to:

- the protection of the soil, due to the improved use of fertilisers and plant-protection products, and the application of suitable crop rotations,
- the protection of water resources, due to the reduction of risks of pollution from nutrient losses or plant-protection products, and the more appropriate water use.

The action aims at encouraging producers to adopt recognised systems of integrated management of production.

Justification of the action:

Due to the controllable and continuous improvement of the soil fertilization and plant protection management, the action is expected to contribute to:

- improving the soil structure and soil organic matter content,
- protecting water quality due to the reduction of risks of chemical pollution (from fertilizers, plant protection products)
- improved use of water resources, though the improved management of irrigation
- reducing emissions of greenhouse gasses (e.g., NOx).

Baseline: is the conventional method of production which respects the cross compliance standards, together with the minimum requirements concerning the use of plant-protection products and fertilizers and other relevant mandatory requirements established in the national legislation.

The commitments that create the conditions for aid are:

- (1) Transition from the conventional production system to the integrated management system of AGRO 2 standard (National standard AGRO 2 - Guideline on the application and certification of standard AGRO 2).
- (2) Certification by a recognised certification body (obligatory requirement not eligible for support)³

Calculation of the aid: it will be taken account of the additional costs resulting from the implementation of the action, concerning:

- Expenditure for the acquisition of special equipment and materials such as traps, pheromones, predators, pH meter, etc., necessary to the respect of requirements of AGRO 2 standard.
- Expenditure for analyses of soil, water, leaf diagnosis, residues, etc., necessary to the respect of requirements of AGRO 2 standard.

³ This requirement could be eligible for support under another chapter of the National strategy related to actions aimed at improving or maintaining product quality.

3. Replacement of existing irrigation systems

The transition of conventional irrigation systems to improved irrigation techniques and specially to techniques that contribute to water saving is considered, with the update of the irrigation systems, as a key factor for the improvement of water balance at regional level, through the reduction in the consumption of irrigation water.

Commitments that create the conditions for aid:

- (1) Investment in a new irrigation system in replacement of a conventional irrigation system aimed at reducing water consumption, and specially replacement of flooding irrigation or high pressure sprinkler irrigation systems with drop irrigation systems or low and medium pressure (3-5 atm) sprinkler irrigation systems.
- (2) Investment in complementary equipment necessary for the identification and/or control of the frequency, timing and amount of water use for irrigation.

The Commitment (2) is eligible only if associated with commitment (1), which must therefore be included in the operational programme.

This action must be proposed on the basis of a study to be prepared by a skilled scientist with which it is confirmed that the expected water saving is at least 25%. A lower threshold of 10% of water saving can be admitted in the case where the investments can be expected to ensure, together with a reduction in water consumption, another environmental benefit (reduction in energy use, reduction in soil erosion, reduced use of fertilisers, etc.), to be clearly identified in the study.

Calculation of the aid: it will be taken account of the additional costs resulting from:

- Expenditure linked to the installation of the new irrigation system (pipes, becks, etc.)
- Expenditure for the complementary equipment (Electrovalves, fertilizer distributors, systems for monitoring and control the soil moisture, etc.)

Where investments are replaced (e.g. replacement of existing irrigation system or irrigation control equipment), the residual value of the investments replaced must be subtracted from the cost of the replacement (or added to the operational fund of the Producer Organisation concerned).⁴

The applicable duration of the above investments is five years. This period starts the date of the investment delivery.

⁴ In accordance with provisions of Article 61(3), second comma, of Commission Regulation (EC) No 1580/2007 (OJ L 350, 31.12.2007, p. 1).

4. New installations or replacement of existing facilities with new facilities of higher efficiency in energy use and reduction in the use of conventional fuels.

The proposed actions can be implemented in greenhouses or other agricultural facilities and are aimed at the use of renewable energy sources and/or at saving energy, thus contributing to:

- climate change mitigation through the reduction in the consumption of conventional fuels and the reduction of emissions of greenhouse gasses (mainly NO_x and CO₂)

Commitments that create the conditions for aid:

Two types of commitments are possible:

- a) New installations of heating system, cooling system, system of production of energy, etc, that exploits alternative renewable energy sources such as solar energy, wind, geothermal energy, photovoltaic arcs.
- b) Replacement of an existing heating system, cooling system, system of production of energy, etc, with a system that uses gas instead of fuel oil.

In order to be eligible for support, an action entailing the commitment of type b) must be proposed on the basis of a study to be prepared by a skilled scientist with which it is confirmed that the expected energy saving is at least 25%. A lower threshold of 10% of energy saving can be admitted in the case where the investment can be expected to ensure, together with a reduction in energy consumption, another environmental benefit (reduction in emission of air pollutants, use of renewable energy sources, etc.), to be clearly identified in the study.

A general requirement for eligibility for all types of actions will be that the new system installed must be proportionate to the actual or foreseeable production capacity of the holding, greenhouse or facility concerned.

Calculation of the aid: it will be taken account of:

- The cost of the investment.

Where investments are replaced (e.g. replacement of existing heating system), the residual value of the investments replaced must be subtracted from the cost of the replacement (or added to the operational fund of the Producer Organisation concerned).⁵

5. Environmental management of crop residues

The proposed actions aimed at reducing waste production and/or at the improvement of waste management.

⁵ In accordance with provisions of Article 61(3), second comma, of Commission Regulation (EC) No 1580/2007 (OJ L 350, 31.12.2007, p. 1).

Commitments that create the conditions for aid:

- creation of the infrastructure necessary for the storage, management and/or processing of crop residues and organic by-products in order to produce compost, which subsequently is proven to be sold or used by members of the Producer Organisation. The action does not concern the compost production from withdrawal products, which is an obligation under the national legislation.

Calculation of the aid: it will be taken account of:

- The expenditure for the creation of installations for compost production
- The expenditure for additional materials that accelerate the compost production process
- The expenditure for the related equipment for the fragmentation of branches and crops residues

Cost savings that result from the use of compost instead of fertilizers or income from compost sold to third parties must be deducted.

6. Investment in multiple use cleaning materials

The proposed action is aimed at the reduction in use of conventional detergents and biocides for the cleaning and disinfection of reusable boxes, warehouses, etc. The action is expected to contribute to:

- soil and water quality protection by avoiding pollution by waste cleaning water and other contaminants

Commitments that create the conditions for aid:

- Purchase and use of steam cleaning machinery for disinfection (The applicable duration is five years. This period starts the date of the investment delivery)
- Purchase and use of eco-labelled detergents in replacement of conventional detergents. Use of the eco-labelled detergents must be made according to the directions.

Calculation of the aid: it will be taken account of:

- The purchasing cost the equipment.
- The additional costs that arise from the purchase of eco-labelled detergent instead of conventional detergents. Eligibility is limited to the volumes effectively used, which must be consistent with the directions.

7. Environmental actions related to transport

The proposed actions are expected to result in a reduction in the emissions of greenhouse gasses and air pollutants through the use of transport means for products that are alternative to road transport (e.g. train or ship). In this way, these actions contribute to:

- climate change mitigation and maintenance of air quality.

Commitments that create the conditions for aid:

- Replacement of product transport by road with product transport by train or ship.

Calculation of the aid: it will be taken account of:

- The additional costs that arise from the use of train or ship instead of road transport

8. Training, advice and technical assistance

Training, advice, and technical assistance, through the recruitment of qualified staff or the purchase of specialised services to support the implementation and/or the management of environmental actions (including for project preparation), is not considered as an autonomous environmental action, but as a commitment that can complement an environmental action which is contained in this National Framework, including organic and integrated production.

For these complementary commitments to be considered eligible for aid:

- the operational programme must include the environmental action to be complemented;
- the accompanying commitment must be specifically targeted to reinforce the effects of that action;
- the activities inherent to the commitment must be entrusted to additional (internal or external) qualified personnel;
- the operational programme must indicate the specific tasks that the additional qualified personnel is required to perform.”

Calculation of the aid: it will be taken account of:

- The expenditure for the additional qualified staff employed or for the specialized service.

Similar actions are not eligible for aid under the actions of training and promoting to consultants services which are included in other chapters of the National Strategy.