European Commission

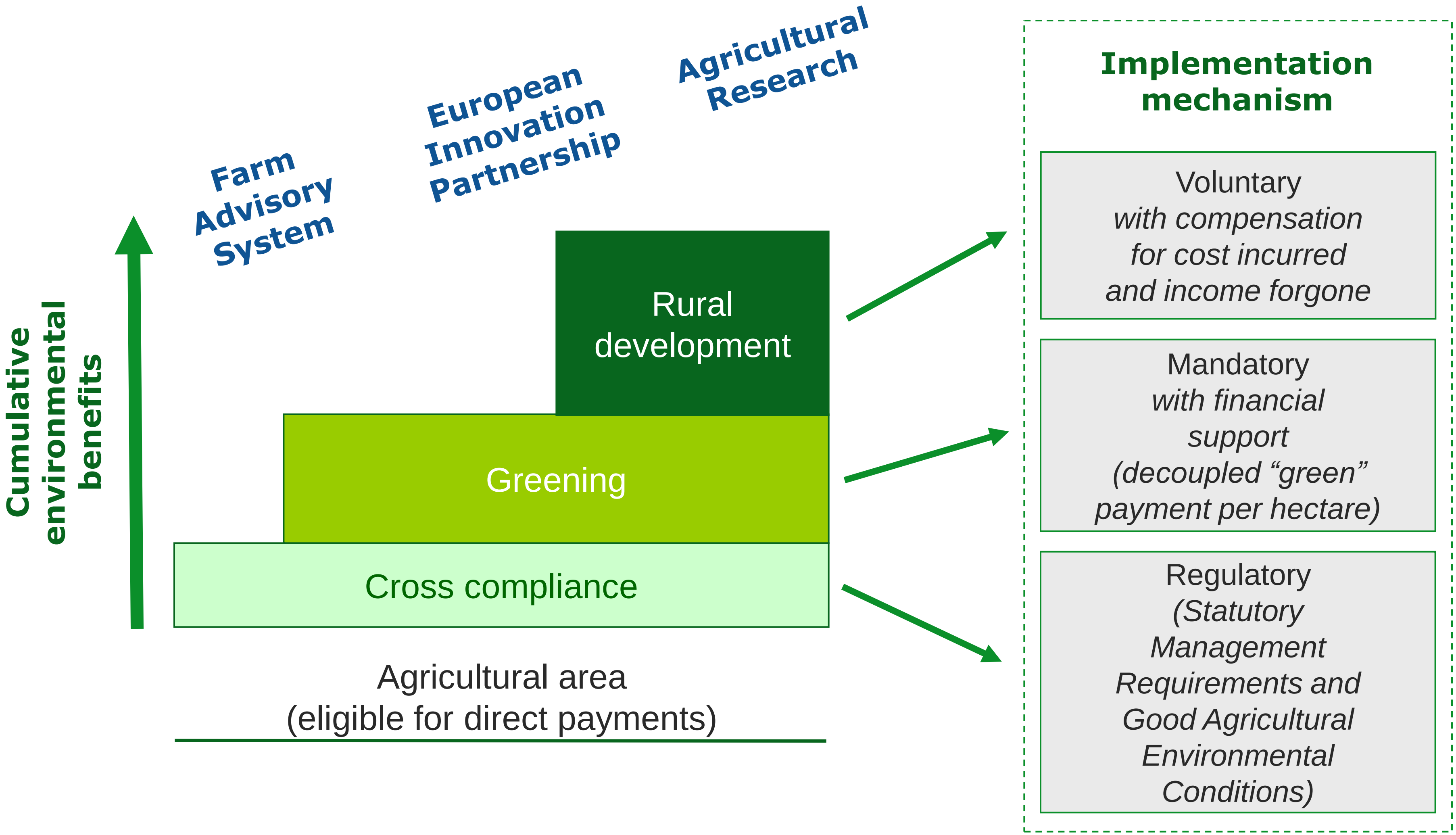
Non-double funding principle in rural development

Agriculture and Rural Development

Regulation 1305/2013 on double funding

- Measures concerned: agri-environment-climate, organic farming, Natura 2000 & Water Framework Directive payments
- General rule: no double funding between the payments for the above measures and the green payments in the 1st pillar
- Method of the payments' calculation: "*when calculating the payments (…), Member States shall deduct the amount necessary in order to exclude double funding of the practices referred to in Art.43 of DP Regulation*".

The new greening architecture of the CAP



Organic farming, Natura 2000 and WFD

- *Organic farming* in the 1st pillar:
  - ✓ farmers entitled ipso facto for the greening payments as organic farming is a holistic approach with a comprehensive set of rules
  - ✓ Farmers applying organic farming production methods are considered to fulfil implicitly the objectives of greening

- Farmers under *Natura 2000 and WFD*:
  - ✓ shall observe the greening practices of the 1st pillar "to the extent that those practices are compatible with the objectives of those Directives"
  - ✓ if contradiction between greening and objectives of Direction: no greening obligation

Different commitments and double funding

- Commitment with no link to the greening practices – no risk of double funding = no need to premia reduction

- Commitments of a similar nature to the greening practices but not used for the equivalence – risk of double funding = premia reduction

- Commitments (AEC) used for the equivalence:

  - of similar nature – risk of double funding = premia reduction

  - of different nature and marked with asterisks – risk of double funding = premia reduction.

Excluding double funding

- Double funding between the greening practices established under greening in pillar I and the pillar II area based commitments has to be excluded when calculating the relevant payments:

✓ for agri-environment-climate, organic farming and Natura 2000 and WFD payments shall take into account only those commitments which go beyond the relevant greening practices

✓ for three agri-environment-climate commitments (*catch crops, winter soil cover, production with no fertilisers and/or pesticides*) when applied for equivalence purposes, by lump sum reduction (in case they are not used for equivalence – a normal, not reduced, calculations apply).

Specific cases of double funding

- Small farmers:

  - ✓ Although exempted from the greening obligations, their direct payments also draws from the greening envelope
  - ✓ no justification for granting higher pillar II premia compared to other beneficiaries
  - ✓ Therefore, small farmers are also subject to double funding reduction

- Beneficiaries not eligible for the 1st pillar DP:

  - ✓ As this category is not eligible for either direct or green payments in the 1st pillar, there is no risk of double funding
  - ✓ Therefore, these beneficiary are not concerned by double funding reduction

Case of EFA (ecological focus area)

- EFA pillar I obligation: at least 5% of the arable land of the holding under EFA
- Certain AEC commitments can be used for the equivalence to EFA obligation
- In that case, the double funding reduction applies to the first 5% of the arable land which is required under pillar I:

  - ✓ *Quantitative aspect*: if a relevant AEC commitments is applied on 10% of the arable land, the premia to the first 5% is reduced due to double funding), above that level the full premia is paid

  - ✓ *Qualitative aspect*: when the content of the commitment goes beyond what is required for the equivalence (e.g. mix of specific seeds), this additional level of commitment can be paid with no double funding reduction.

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Thank you for your attention!