



# CAP Strategic plan

## Financial elements and Draft Financial plan template

### ENRD webinar on the operational design of CSPs – 10 June

*This presentation is only intended to facilitate the work of the ENRD webinar.  
It has no interpretative value as regards the draft Regulations for the CAP post-2020*

***Disclaimer: This presentation is only intended to give an overview of the draft financial plan and the requirements linked to it. It has no interpretative value and is still work in progress.***

# DRAFT FINANCIAL PLAN – CAP SPR

Art. 95(1) (e)

Each CAP Strategic Plan shall contain sections on:  
(e) target and financial plans

Art. 100(2)

The financial plan shall comprise an « overview » table and a  
« detailed financial plan »

# DRAFT FINANCIAL PLAN – CAP SPR

## CAP SPR Negotiations

### Which financial provisions are provisionally agreed?

- National allocations (based on MFF)
- Co-financing rates (Article 85)
- Transfers between pillars (Article 90)
- Transfers hops (DE) and olive oil (IT, FR, GR) to Direct Payments (Article 82(5))
- Transfers of 3% from Direct Payments to interventions in other sectors (Article 82(6)) – *(conditional increase to 5% still under negotiations)*

# DRAFT FINANCIAL PLAN – CAP SPR

## CAP SPR Negotiations

### Which financial provisions are provisionally agreed?

Minimum / Maximum allocations (Article 86)

LEADER (minimum 5%)

Technical assistance (maximum 4%) – no co-financing

Technical assistance (up to 6%) if EAFRD allocation up to EUR 1,1 billion

Minimum spending for environmental- and climate-related objectives under EAFRD

Minimum spending for eco-schemes under DP

Minimum spending for young-farmers (Annex X)

# DRAFT FINANCIAL PLAN – CAP SPR

## Overview table

- Manage national allocations and transfers
- Transfers to be decided ex-ante for the whole period
- Period covered :
  - Financial years 2023-2027
  - = Calendar years 2023-2026 for Direct Payments

# DRAFT FINANCIAL PLAN – CAP SPR

## Overview table (1)

### Member States' allocations for:

- Direct payments
- Interventions in certain sectors
- Rural Development
- Article 81 (Annex IV)
- Article 82 (Annex V + VIII)
- Article 83 (Annex IX)

**Data automatically filled in by IT system**

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## Overview table (2)

### **Possible transfers decided by Member States**

- Between direct payments and rural development
- Estimate of product of reduction if transferred to rural development
- From hops and olive oil to direct payments
- From direct payments to types of interventions in other sectors

### **Possible amounts to be spent through InvestEU, LIFE or ERASMUS**



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## Overview table (3)

### Amounts reserved by Member States to meet the minimum spending requirements under Article 86 (ring-fencing)

- LEADER
- Environmental and climate ring-fencing under Rural Development
- Young farmers (Annex X)
- Eco-Schemes under Direct Payments

# DRAFT FINANCIAL PLAN – CAP SPR

## OVERVIEW TABLE

CAP strategic plan - financial table part I Member State allocations and transfers overview									
Member State's allocations in EUR current prices									
		Financial Year	2023	2024	2025	2026	2027	2028	Total
		(Direct payments (CY N=FY N+1))	2022	2023	2024	2025	2026	2027	
1	EAGF Direct Payments	Initial direct payments allocations (initial Annex IV)	may be exceeded by estimated product of reduction if not transferred to RD	N/A					
2		Cotton (Annex VI)		N/A					
3		Initial direct payments allocations excluding cotton (Initial annex VII)		N/A					
4		Coupled income support (Article 86(5))	amount higher, MS to provide justification - there should be a warning for Commission to check if derogations correctly applied						
5		Transfer to EAFRD total amount (flexibility+reduction) (row 8+9)		N/A					
6		Total flexibility % (to be applied on [row 1- row 2]), article 90(1)		N/A					
7		If above 15%: % for the environmental and climate-related objectives (article 90(1), second subp, litra a))		N/A					
8		If above 15%: % for the installation of young farmers (article 90(1), second subp, litra b))		N/A					
9		Flexibility amount (= row 5*(row 1-row 2))		N/A					N/A
10		Reduction estimate transfer if applicable, article 15		N/A					
11		Transfer to types of interventions in other sectors - amount (article 82(6)) (row 11*(row 1 - row 2))		N/A					N/A
12		Transfer % to types of interventions in other sectors (article 82(6))		N/A					N/A
13		Transferred from EAFRD: amount (article 90(1)(a))		N/A					N/A
14		Transferred from hops: amount (article 82(5)) (only DE)		N/A					N/A
15		Transferred from olive oil: amount (article 82(5)) (only EL, FR and IT)		N/A					N/A
16		Adjusted direct payments allocation (Annex IV) (= rows 1-4-10+12+13+14)		N/A					
17	Adjusted direct payments allocations excl. cotton before reduction transfer (Annex VII) (= rows 3-8-10+12+13+14)		N/A						
18	EAGF sectorial	Wine (Annex V)						N/A	
19		Apiculture envelopes (Annex VIII)						N/A	
20		Hops (article 82(3)) (DE)*						N/A	
21		Olive oil envelopes (article 82(4)) (only EL, FR and IT)*						N/A	
22		Types of interventions in other sectors (= row 10)						N/A	

# DRAFT FINANCIAL PLAN – CAP SPR

## OVERVIEW TABLE

CAP strategic plan - financial table part I Member State allocations and transfers overview										
Member State's allocations in EUR current prices										
Financial Year		2023	2024	2025	2026	2027	2028	Total		
(Direct payments (CY N=FY N+1))		2022	2023	2024	2025	2026	2027	2027		
22	<b>EAFRD</b>	Initial EAFRD Member State's allocation (Annex IX)							N/A	
23		Flexibility transfer to direct payments - amount (Article 90) (=row 24*row 22)							N/A	
24		Flexibility percentage (to be applied on row 22)							N/A	
25		Transferred from direct payments (flexibility+reduction estimate), article 15+90 (row 4)							N/A	
26		Allocated to EU Invest - amount (Article 75)							N/A	
27		Allocated to LIFE/ERASMUS - amount (article 86(7) )							N/A	
27		Allocated to POSEI Regions (PT, ES, FR, GR)							N/A	
28		Adjusted EAFRD Member State's allocations (Annex IX) (= row 22 - row 23 + row 25)							N/A	
a	<b>Minimum financial allocations (Article 86)</b>	Reserved for LEADER (Article 86(1))		1% applied on row 28						
b				resulting amount						
c				amount (in case rebates are confirmed)						
d		Reserved for environmental and climate related objectives under EAFRD (Article 86(2)) - Outermost regions excluded		1% applied on row 28						
e				resulting amount						
e		Reserved for young farmers (Annex X) (Article 86(4))		a= f+g+h				N/A		
f		- through Complementary income support for young farmers		f				N/A		
g		- through investments by young farmers		g						
h		- through the installation of young farmers		h						
i		Reserved for eco-schemes (Article 86 (6a, 6b and 6c))		1% applied on row 3				N/A		
j			resulting amount				N/A			
k	Reduced for eco-schemes (Article 86(6c)) - if confirmed		to be seen if rebates are confirmed and live							
l							N/A			

# DRAFT FINANCIAL PLAN – CAP SPR

## Detailed financial plan

- **Expected level of payments per financial year**
- **Content as in planning of interventions**
  - Automatically taken over to the financial plan by IT system
- **Reporting on financial years**
  - For Direct payments: planning of financial year N equals the claim year N-1
- **Period covered: up to 2028 for EAGF, up to 2029 for EAFRD (in line with n+2 rule)**
- **Provides overview of the plan**



# DRAFT FINANCIAL PLAN – CAP SPR

All this is still work in progress as many provisions are still to be agreed between the co-legislators

Further changes will therefore be needed and financial plan adapted

# Financial information on intervention level

# Key elements to be planned

- *Form and rate of support or amounts*
- *Unit amounts and annual planning*
- *Output planning*
- *Examples*
- *Method of calculation*
- *Explanation and justification*
- *Financial allocation*



# FORM AND RATE OF SUPPORT specific to EAFRD (support to beneficiaries)

	<b>If NON IACS</b>	<b>If IACS</b>
<b>Form of support</b>	<ul style="list-style-type: none"> <li>○ <b>Grant</b></li> <li>○ <b>Financial instrument</b></li> </ul> <p>Basis of establishment for the grant</p> <ul style="list-style-type: none"> <li>• <b>reimbursement of eligible costs actually incurred by a beneficiary</b></li> <li>• <b>unit costs</b></li> <li>• <b>lump sums</b></li> <li>• <b>flat – rate financing</b></li> </ul>	<ul style="list-style-type: none"> <li>• unit cost based on additional costs and income foregone</li> <li>• transaction cost</li> <li>• one off payment</li> <li>• lump sum</li> </ul>
<b>Rate(s) of support (for non-IACS) /Amount(s) of support (IACS)</b>	<b>Targeting and conditions</b> for different groups. Rates of support; explanation for different support rates and eligibility	<b>Targeting and conditions for different groups and amounts</b>
<b>Explanation of the basis for the amount(s) and method of calculation</b>	Indicate legal basis where necessary. Indicate other reference / benchmark	<b>Certified method for the calculation for EAFRD and certain eco-schemes</b>

# Unit amounts (specific for clearance) – key elements

<b>Unit amount name</b>		
<b>Type of support</b>	○ <b>grant</b> ○ <b>financial instrument</b>	
<b>Type of unit amount</b>	○ <b>uniform</b> ○ <b>average</b>	If type of unit amount is average Explanation why uniform is not possible
<b>Territorial scope - Region(s):</b>	<b>When the territorial scope of the Intervention is 'Regional' or 'National with regional elements':</b>	
<b>Contribution rate(s)</b>		
<b>Result Indicator</b>	<b>Optional</b>	
<b>Explanation /justification / including the variation amounts</b>		

# Annual planning per unit amount and outputs

Financial year	EAFRD	23	24	25	26	27	28	29	total
<b>Name of Planned unit amount (average or uniform) (grant or FI)#1</b>	<b>Amount</b>								
	<b>Maximum variation amount</b>								
	<b>Annual Planned Output #1 - optional at unit amount or groups of Unit amounts or intervention level</b>								
<b>Name of planned unit amount #2</b>	<b>XXX</b>								
<b>Financial allocation (expected level of payments)</b>									

# Simulated example under Art. 68

<b>Form of Grant</b>	<b><u>For investment costs and indirect costs</u></b> <ul style="list-style-type: none"><li>• <b>For standardised type of cost as set out in national decree "ABC":</b> unit cost (SCO) on the basis of Art 77(1)(b), quantified on the basis of Art 77(2)(a)(i)</li><li>• For indirect costs: <b>flat rate (SCO) on the basis of Art 77(1)(c)</b></li><li>• For all other types of cost: <b>reimbursement of eligible costs actually incurred based on Art 77(1)(a)</b></li></ul>
<b>Rate/intensity of support/justification</b>	<u>Investment costs</u> <ul style="list-style-type: none"><li>• 85% for the following investments:</li><li>• 100% for all other types of investments</li></ul> <u>Indirect costs</u> <p>100% of indirect costs, limited to max. 15% of the eligible investments costs</p>
<b>Justification of the unit amounts</b>	<ul style="list-style-type: none"><li>○ annex II of the European Court of Auditors report "The cost-effectiveness of EU Rural Development support for non-productive investments in agriculture" (2015), where costs of types of non-productive investments are listed.</li><li>○ Using expert judgment, these costs have been adapted to the specific socio-economic situation in country X, especially regarding labour cost levels and the average size of holdings where the investments will be done.</li></ul>

# Simulated example under Art. 69

Form of support (from menu)	Combination of grants and financial instruments
<b>Type/ Rate(s)/ Intensity of support</b>	Grants: Lump sum of 40.000 EUR + top up of 5.000 EUR for XX + top up of 5.000 EUR for XX
<b>Justification (in the case of different levels and top ups).</b>	<p>According to the study on generational renewal carried out in XX (link), the average financial needs for start-up business in agriculture is XX EUR. Evaluations from current RDP implementation shows that the amount set was adequate to attract enough applicants.</p> <p>For regions X, Y, Z - Necessary higher incentive for engaging in agricultural activity in regions with lower population density and less favourable conditions for farming:            Lump sum of 50.000 EUR            + top up of XX EUR for XX            + top up of XX EUR for XX</p> <p>Details for financial instruments (keeping in mind the cumulation rules)</p>

## Examples of unit amounts under art. 65: Grassland Management

Including  
transaction  
costs

### Menu of possible commitments

- (a) Delayed mowing - €130/ha
- (b) Obligation to leave 20% of the parcel unmown - €140/ha
- (c) Removal of the cut biomass - €130/ha
- (d) No use of pesticides - €140/ha
- (e) Limited nitrogen fertilization - €150/ha
- (f) Use of organic instead of mineral fertilizers - €140/ha

#### Option 1: Type of operation where all commitments are obligatory

Unit amount: value of commitments (a)-(f) summed up to arrive to the unit amount

1 Unit amount  
Most common!

#### Option 2: 'sets' of obligatory commitments

Unit amount for set 1: (a)+(b)+(c)

Unit amount for set 2: (d) + (e) + (f)

Unit amount for set 3: (a) + (b) + (d) + (e)

...

3 Unit amounts

#### Option 3: 'pick and choose' with a unit amount per commitment

Unit amount: 6 unit amounts (one per commitment)

6 Unit amounts

#### Option 4: 'pick and chose' of at least an x number of commitments

Unit amount: average unit amounts (lumpsum) depending on the x number of commitments undertaken

Unit amount for at least 3 commitments, Unit amount for at least 5 commitments, etc.  
[NB: only possible in case of comparable commitments]

1, 2 or more Unit  
amounts  
(« forfaits »)