



# Agri-environment-climate measure in Poland in the context of non-double funding

## WORKSHOP

“Agri-environment-climate Measures (AECM):  
Challenges of controllability and verifiability”

7th December, 2016 – Brussels

Ministry of Agriculture and Rural Development  
Department for Direct Payments





# Outline of presentation

- I. Parallel work on creating RDP 2014-2020 and Direct Payments
- II. The shape of AECM in the context of the principle of non-double funding
- III. The concept of equivalence and complementarity in AECM - description of selected packages





# Parallel work on creating the 1st and 2<sup>nd</sup> pillar after 2013

## 1. Timeframe:

- Beginning of 2013 - starting work on the document RDP 2014-2020 / shape of Direct Payments (especially cc, greening)
- December 2014 - approval of the RDP
- March - May 2015 - call for applications for AEEM



## Parallel work on creating the 1st and 2<sup>nd</sup> pillar after 2013

### 2. Difficulties during the programming

➤ At the same time:

- work on EU regulations (1<sup>st</sup> and 2<sup>nd</sup> pillars implemented and delegated acts) and creation of RDP
- at national level - work on PL regulations in terms of AECM and Direct Payments (especially cc, greening)\*

\* Department for Direct Payments is responsible for both AECM and DP - faster access to updated information (new /amended rules) regarding “common areas” i.e. greening and baseline (cc, minimum activities)

➤ Political pressure to launch measures

➤ 2014 – last year of AEM applications in frame of RDP 2007-2013



## The shape of AECM in the context of the principle of non-double funding

- Starting point: AEM (RDP 2007-2013) but more ambitious
- Analyzing the draft EU regulations and AECM guidance document: *Technical elements of agri-environment-climate measure in the programming period 2014 – 2020* and Explanatory document: *Methods of the rural development premia calculation to exclude double funding*



**Fundamental principle: calculations can only cover commitments which go beyond the relevant greening practices and beyond all relevant mandatory requirements (baseline)**





# The shape of AECM in the context of the principle of non-double funding

According to the explanatory document: *Methods of the rural development premia calculation to exclude double funding* classified AECM due to relationships between the relevant packages and greening practices

Case 1: The commitments have **no direct link to the greening practices**. *There is no risk of double funding*

⇒ *Package 3. Preservation of orchards of traditional varieties of fruit trees,*

⇒ *Package 6. Preservation of endangered plant genetic resources in agriculture and*

⇒ *Package 7. Preservation of endangered animal genetic resources in agriculture*





# The shape of AECM in the context of the principle of non-double funding

Case 2: The commitments have a **similar nature as the greening practices** but not used for the purpose of equivalence. *There is a risk of double funding.*

Premia calculation - beyond the compulsory greening practices

⇒ **Package 2. Protection of soil and water\***

⇒ *Package 4. Valuable habitats and endangered birds species in the Natura 2000 areas and*

⇒ *Package 5. Valuable habitats outside the Natura 2000 areas*



# The shape of AECM in the context of the principle of non-double funding

Case 3: The commitments which are used for the purpose of **equivalence** and for replacing the greening obligations:

a) The commitments of a **nature similar to the greening practices** in the 1<sup>st</sup> pillar (mentioned in Annex IX of the DP regulation with no asterisk) **which are used for the purpose of equivalence** and for replacing the greening obligations. *There is a risk of double funding.* Premia calculation - beyond the compulsory greening practices

⇒ **Package 1. Sustainable farming\***

~~b) commitments marked by an asterisk in Annex IX and any further equivalent practices added in the future to that Annex): *There is a risk of double funding, double funding is to be avoided through application of a lump sum* reduction corresponding to a part of the greening payments in the Member States or region for each greening practice, as defined in the framework of the delegated act of Regulation 1307/2013~~







## AECM classification due to relationships between the relevant packages and greening practices

Packages in AECM	Relationships between the packages and greening practices	Risk of double funding	Premia calculation
<b>1. Sustainable farming</b>	a nature similar to the greening practices, used for the purpose of equivalence (practice equivalent to crop diversification)	yes	beyond the compulsory greening practices
<b>2. Protection of soil and water (variant 2.1. Catch crops)</b>	a similar nature as the greening practices (EFA)	yes	beyond the compulsory greening practices * (the case of EFA-raleted AEC commitment)
<b>3. Preservation of orchards of traditional varieties of fruit trees</b>	no direct link to the greening practices	no	specific practices
<b>4. Valuable habitats and endangered birds species in the Natura 2000 areas</b>	a similar nature as the greening practices (maintaining existing permanent grassland)	yes	beyond the compulsory greening practices
<b>5. Valuable habitats outside the Natura 2000 areas</b>	a similar nature as the greening practices (maintaining existing permanent grassland)	yes	beyond the compulsory greening practices
<b>6. Preservation of endangered plant genetic resources in agriculture</b>	no direct link to the greening practices	no	specific practices
<b>7. Preservation of endangered animal genetic resources in agriculture</b>	no direct link to the greening practices	no	specific practices



# The concept of equivalence

Definition of equivalence (art. 43 R 1307/2013):

The equivalent practices shall be those which include similar practices that yield an equivalent or higher level of benefit for the climate and the environment compared to one or several of the practices referred to:

**(a) crop diversification**

(b) maintaining existing permanent grassland and

(c) having ecological focus area on the agricultural area





# The concept of equivalence

Why PL decided to use the practice equivalent in terms of Package 1. Sustainable farming?

- The requirements of Package 1. apply for the area of the whole farm (such as equivalent practices that should apply to the whole eligible area of the holding)
- Benefit for the farmers under the basic payment, who are obligated to observe greening practices - AECM payment

**Considering the above observations and remarks  
the initial shape of the Package 1. was significantly  
modified**



# The concept of equivalence

**Package 1. Sustainable farming is equivalent to** one of the agricultural practices beneficial for the climate and the environment referred to in Article 43 of the Regulation on direct payments, i.e. **crop diversification**

Requirements under crop diversification referred to Art. 44 of the Regulation on direct payments		Requirements under Package 1. Sustainable farming (AECM)
the <b>arable land</b> of the farmer covers <b>between 10 and 30 hectares</b>	<ul style="list-style-type: none"><li>at least <b>2</b> different crops on that arable land,</li><li>the main crop shall not cover more than <b>75 %</b> of that arable land.</li></ul>	at least <b>4 crops*</b> in the main crop on a farm during the year  the share of the main crop and total share of cereals in the structure of sowings not exceeding <b>65%</b>
the <b>arable land</b> of the farmer covers <b>than 30 hectares</b>	<ul style="list-style-type: none"><li>at least <b>3</b> different crops on that arable land.,</li><li>the main crop shall not cover more than <b>75 %</b> of that arable land</li><li>the two main crops together shall not cover more than <b>95 %</b> of that arable land</li></ul>	the share of each cultivation being not smaller than <b>10%</b>  <i>crop - defined in Article 44, paragraph 4 Regulation of the European Parliament and the Council (EU) No. 1307/2013</i>



## Package 1. Sustainable farming - others commitments

1. Application, i.e. for the purpose of obtaining a positive balance of organic matter on the agricultural parcel:
  - of minimum **3 crop groups in crop rotation within 5 years of commitment;**
  - no later than in the fourth year of the commitment, **in two different years:**
    - **catch crop** (sown by 1 October, with simultaneous ban on resuming agri-technical treatments before 15 February) and
    - catch crop (as above) or **ploughing of straw or manure;**
2. Double **chemical soil analysis**
3. The obligation of **an annual preparation of fertilisation plan**

Moreover: mowing or grazing on the permanent grasslands; the obligation to maintain all the permanent grasslands and landscape elements not used for agricultural purposes, being wildlife refuges, ban on the sewage sludge use and the obligation to have an agri-environmental plan

## The answer to the question: how to avoid double funding in Package 1. Sustainable farming

Premia calculation in Package 1. relates to those income losses and additional costs which corresponds to the activities under the commitments which **go beyond the compulsory greening practices** and includes:

- costs of introduction of the fourth crop,
- catch crop cultivation and
- the costs of double soil analysis.



## The concept of complementarity: contribution of the Package 2. Protection of soil and water (winter soil cover/catch crops) to prevent soil from erosion

Support is granted on the designated **areas particularly endangered by water erosion** (ca. 8.2% UAA), the problematic **areas with low content of humus** (ca. 3.6%) and in the **nitrate vulnerable zones (NVZ)** (7.4%).

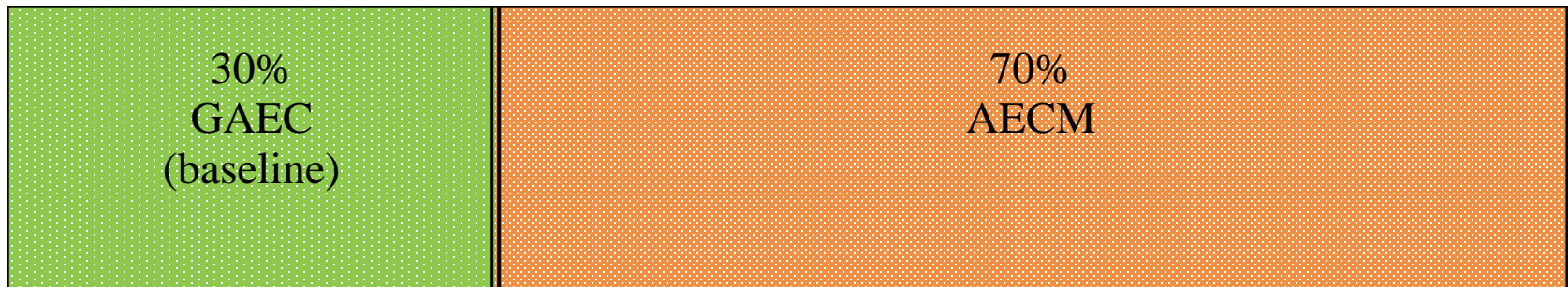
A complementary impact of Package 2. Protection of soil and water to counteracting soil erosion with the instruments of the CAP first pillar is observed, in particular, within:

- a. the GAEC 4 standard (Minimum soil cover)
- b. the requirements with regard ecological focus areas (EFA) as part of the „green” component of the direct support scheme.



## Complementarity: Package 2. and GAEC 4 standard (minimum soil cover)

On the designated areas particularly endangered by water erosion (8,2% UAA), where maintaining the minimum soil cover (GAEC 4) is obligatory on at least 30% of agricultural areas in the farm, payment under package 2 shall be granted only for the area not indicated to fulfil the GAEC 4 (up to 70%).



Agriculture areas in the farm on the areas particularly endangered by water erosion





## Complementarity: Package 2. and EFA

**EFA in Poland:** land lying fallow, landscape features, buffer strips, strips of eligible hectares along forest edges; areas with short rotation coppice, afforested areas, **areas with catch crops**, or green cover established by the planting and germination of seeds, areas with nitrogen-fixing crops

Relevant requirements	
Catch crops - EFA	Package 2. - AECM
<ul style="list-style-type: none"> <li>➤ Sowing of:               <ul style="list-style-type: none"> <li>• stubble catch crop: 1 July - 20 August</li> <li>• winter catch crop: 1 July – 1 October</li> </ul> </li> <li>➤ Obligation to maintain on the ground:               <ul style="list-style-type: none"> <li>• stubble catch crop: until 1 October of that year</li> <li>• winter catch crop: until 15 February of the following year</li> </ul> </li> <li>➤ <b>As catch crop only the mixture consisting of minimum 2 plant species can be used</b></li> <li>➤ Ban on using a mixture of plants consisting of only species of cereals</li> </ul>	<ul style="list-style-type: none"> <li>➤ Sowing of catch crop plants by 15 September;</li> <li>➤ Ban on agri-technical treatments before 1 March;</li> <li>➤ <b>Catch crops contain mixture of minimum 3 plant species; dominant in the mixture can not exceed 70% of composition;</b></li> <li>➤ Ban on using a mixture of plants consisting of only species of cereals</li> </ul>

Others requirement of the Package 2.: ban on fertilisation, ban on using pesticides and herbicides for catch crops, ban on the sewage sludge use.



## The answer to the question: how to avoid double funding in Package 2. Protection of soil and water

According to explanatory document: *Methods of the rural development premia calculation to exclude double funding* premia calculation for AEC commitments on EFA must take into consideration the following aspects:

- **Quantitative aspect:** when a relevant AEC commitments is applied on, for instance, 10% of the arable land, the premia for the first 5% is reduced due to the need to avoid double funding) while for the area exceeding 5%, the full premia may be paid;
- **Qualitative aspect:** when the content of the AEC commitment goes beyond what is required for the commitment to be equivalent to a greening practice, a payment corresponding to the additional cost and income foregone resulting from this additional level of commitment can be paid in full

\*\*\* The case of EFA-related AEC commitments, **the full premium can be paid only for commitments on an area going beyond the 5% of the arable land under EFA obligations** (taking into account conversion and weighting factors) or **going beyond EFA obligation in qualitative terms**



## The answer to the question: how to avoid double funding in Package 2. Protection of soil and water

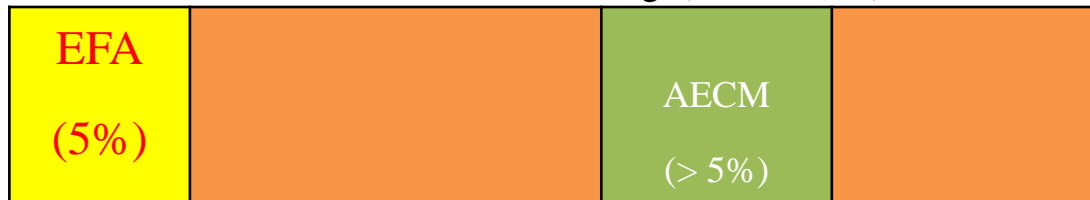
Because of premia calculation in Package 2 is related to: (i) lower standard gross margin from successive crops, costs of seeds and cultivation-sowing treatments and (ii) benefits of savings arising from reduction in nitrogen doses for successive crops, the value of catch crop ploughed as an organic fertiliser improving physical characteristics of soil

to avoid double funding Package 2 with EFA is used the following rule:

it may not declare simultaneously a catch crop as part of EFA and as a commitment AECM (Package 2)

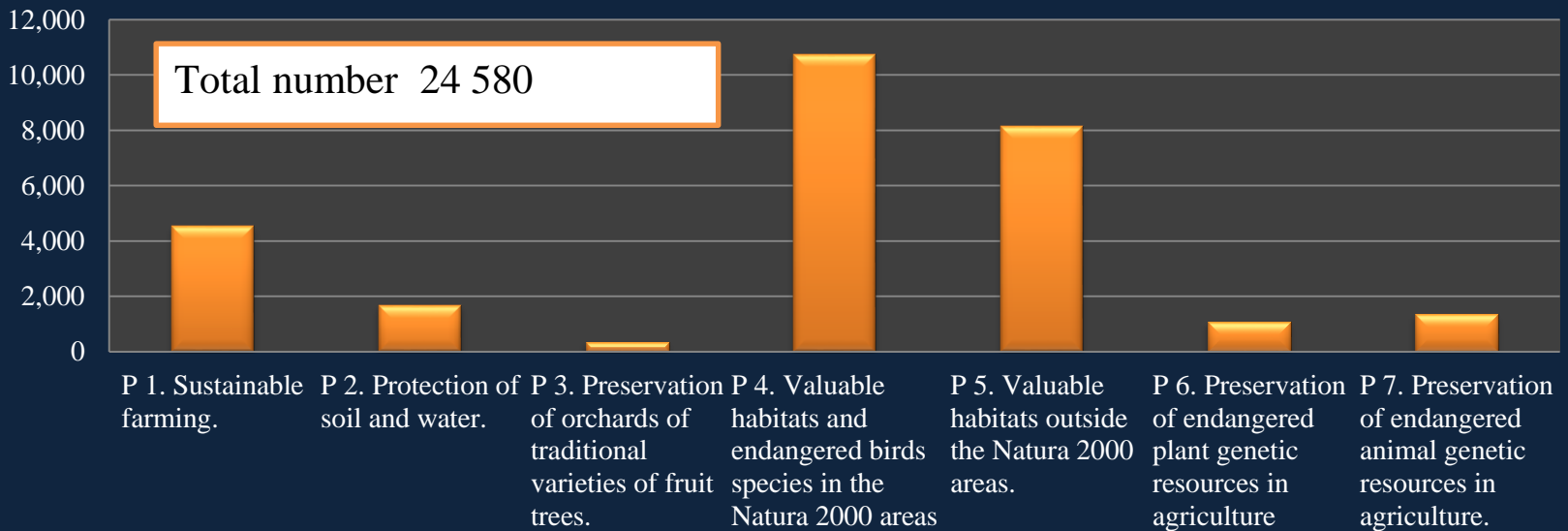
### Quantitative approach

Arable land of the holding (>15hectares)



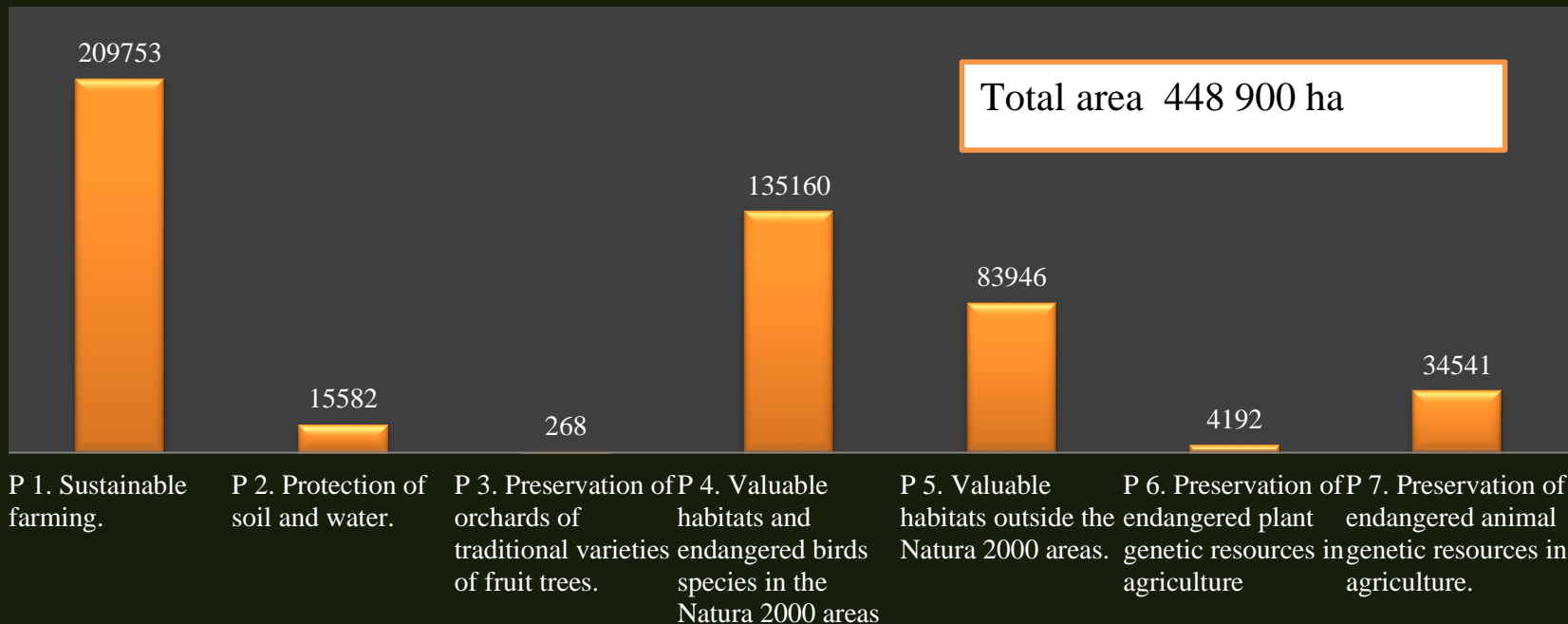
# Interest in participating in the AECM (2015-2016)

## Number of AECM beneficiaries



# Area and number of animals declared for AECM (2015-2016)

Area/number animals declared for AECM [ha]/[unit]





# How to avoid double funding during the ongoing RDP 2014-2020?

To pay particular attention to the components of baseline and greening, which can be changed or modified during the RDP 2014-2020





**Thank you very much  
for your attention!**



Photo by K.Chrabaszcz



Photo by K.Chrabaszcz



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