

## **Annex 1**

# **M6.1 Business start-up aid for young farmers – Main findings from questionnaires.**

## Table of Contents

Introduction.....	3
1. State of play of M6.1 implementation .....	3
2. M6.1 implementation rules.....	4
2.1 Setting-up jointly .....	4
2.2 Type of support and maximal amount envisaged.....	4
2.3 Eligibility criteria.....	6
2.4 Selection criteria.....	8
3. Links with other RDP measures/sub-measures.....	10

## Introduction

The questionnaire was launched in December 2016 to National Rural Networks with the aim of collecting useful information on the implementation of M6.1. 12 replies were received<sup>1</sup>, covering a total of 59 RDPs.

Replies were received from: Estonia, Finland, Greece, Romania, Poland, Malta, Czech Republic, Slovenia, Croatia, Slovakia, Italy and Spain.

### 1. State of play of M6.1 implementation

For most countries analysed, the first call for applications has already been launched. In some countries the second call has also been launched, namely in Poland and Slovenia. In Malta, however, and in two Italian regions - Puglia and Sicily - the sub-measure has not yet been launched. The following table (Table 1) shows the detail of the calls for applications, including the number of applications received and already approved, subject to the availability of information.

Table 1 - M6.1 first implementation phase: calls, applications received and approved.

MS	Call for applications	Number of applications received	Number of applications approved
<b>CZ</b>	1) First call May 2015 2) Second call to be launched in April 2017	1) 682	1) 619
<b>EE</b>	October 2016	238	0
<b>ES</b>	First call launched in all 17 regions between 2015 and 2016.	NA	NA
<b>FI</b>	March 2015	547	467
<b>GR</b>	October 2016	NA	NA
<b>HR</b>	October-December 2015	432	294
<b>IT</b>	Calls for applications launched between 2015 and 2016 in 19 RDPs out of 21. Only Puglia and Sicily have not launched it yet.	Total 3,143	Total 3,423 (higher than those received elsewhere because of joint setting-up).
<b>MT</b>	To be launched in March 2017		
<b>PL</b>	1) First call Sept 2015 2) Second call April 2016	1) 3,313 2) 3,065	1) 2,634 2) 3,065 Total 5,699
<b>RO</b>	March 2015	7,433	1,923

<sup>1</sup> Please note that the Spanish questionnaire was received after the workshop.

MS	Call for applications	Number of applications received	Number of applications approved
SI	1) First call July 2015 2) Second call June 2016	1) 256 2) 412	1) 220 2) No decision taken yet
SK	1) First call July 2015. In December 2016 the budget of the call was increased by €18M	2,088	590. An additional 370 will be approved shortly, following an increased financial allocation.

It is important to notice that in Slovakia the initial financial allocation to M6.1 was increased, following the increased interest of generational renewal in the national political agenda. Nevertheless, additional financial resources will only partially meet the interest generated by this opportunity within the country (960 applications will be supported against the 2,088 received).

## 2. M6.1 implementation rules

### 2.1 Setting-up jointly

Art. 19 of Reg (UE) n. 1305/2013 gives the opportunity to young farmers to set up with other young farmers wishing to create a common agricultural holding between them. In this case, all beneficiaries individually must: i) fulfil the conditions in order to be recognised as young farmers and; ii) respect the thresholds defined at MS level to enable access to support. Additionally, young farmers must hold control of the holding. This option, among the countries analysed, is permitted in Italy, Finland, Malta, Spain and Romania. No specific conditions beyond those established through the regulations have been reported.

### 2.2 Type of support and maximal amount envisaged

Most part of countries analysed use lump sums as their exclusive type of support, except for Finland, which envisages also using the interest rate subsidy.

The maximum amount paid varies in different countries and within countries, going from €17,000 in Greece to €70,000 (maximum established by Annex II of Reg. (UE) 1305/2013) in Malta, Finland, some regions in Spain and five in Italy (Lazio, Umbria, Basilicata, Marche and Friuli Venezia Giulia - the last three only to beneficiaries whose farms are located in mountain areas). The main reasons to justify these variations are the geographical location of farms, farming sectors, type of beneficiaries (e.g. in Slovenia) and Standard Production Value (Romania). Table 2 provides some details about the maximum support paid, and the type of support selected for the countries analysed.

Support is paid in two instalments, as established by the regulation. The amount of the first and second instalments differ both between countries and within them, in the case of regionalised countries. In Estonia and Romania, the first instalment is 75% of the total amount due, while the remaining 25% is paid once the activities envisaged by the business plan are completed. In Poland the first and second instalment are respectively 80% and 20% of the total amount. In Italy, the combinations of 50%-50% and 70%-30% are the most common. One region, Puglia, pays the support in three instalments. The maximum amount paid varies between countries and in some cases within countries. Table 3 shows

the details for the 21 Italian RDPs, in terms of the maximum amount paid in different areas and the first and second instalments.

Table 2: Type of support and maximum amount granted in the analysed MS

MS	Type of support	Max. amount
<b>CZ</b>	Lump sum	€45,000
<b>EE</b>	Lump sum First instalment 75% Second instalment 25%	Up to €40,000 Support per beneficiary is calculated taking into consideration the activities envisaged in the business plan.
<b>ES</b>	Lump sum	€70,000 for most regions. Some regions have reduced the amount to be granted to €25,000.
<b>FI</b>	Lump sum Interest rate subsidy	€70,000
<b>GR</b>	Lump sum	€17,000 to €22,000 depending on the type of farm and its location.
<b>HR</b>	Lump sum	€50,000
<b>IT</b>	Lump sum	€70,000 in Lazio and Umbria €70,000 in Basilicata, Friuli Venezia Giulia and Marche for young farmers in mountain areas All other RDPs envisaged lower support.
<b>MT</b>	Lump sum	€70,000
<b>PL</b>	Lump sum First instalment 80%. Second instalment 20%	Some €23,000 (100,000PLN)
<b>RO</b>	Lump sum First instalment 75% Second instalment 25%	1. €50,000 for farms with Standard Production Value between €30,000 and €50,000. 2. €40,000 for farms with Standard Production Value between €12,000 and €29,999
<b>SI</b>	Lump sum	From €18,600 to €45,000. Two categories of beneficiaries are identified: a) Young farmers employed at their farm (€45,000). b) Other young farmers (€18,600).
<b>SK</b>	Lump sum	€50,000

Table 3: Maximum amount paid in Italy and distribution of financial support between the 1<sup>st</sup> and 2<sup>nd</sup> instalment.

RDP	Max amount in mountain areas, and areas with natural constraints	Max. amount in other areas	1st instalment	2nd instalment
<b>Abruzzo</b>	€60,000	€50,000	50%	50%
<b>Basilicata</b>	€70,000	€60,000	70%	30%
<b>Bolzano</b>	€33,000	€27,000	60%	40%
<b>Calabria</b>	€50,000	€40,000	60%	40%
<b>Campania</b>	€50,000	€45,000	60%	40%
<b>Emilia-Romagna</b>	€50,000	€30,000	40%	60%
<b>FVG</b>	€70,000	€50,000	70%	30%
<b>Lazio</b>	€70,000	€70,000	70%	30%
<b>Liguria</b>	€26,000	€18,000	50%	50%
<b>Lombardia</b>	€30,000	€20,000	50%	50%
<b>Marche</b>	€70,000	€50,000	70%	30%
<b>Molise</b>	€55,000	€45,000	80%	20%
<b>Piemonte</b>	€50,000	€35,000	66%	34%
<b>Puglia<sup>2</sup></b>	€55,000	€50,000	50%	30%
<b>Sardegna</b>	€50,000	€50,000	50%	50%
<b>Sicilia</b>	€40,000	€40,000	60%	40%
<b>Toscana</b>	€50,000	€40,000	70%	30%
<b>Trento</b>	€40,000	€40,000	75%	25%
<b>Umbria</b>	€70,000	€70,000	50%	50%
<b>Valle d'Aosta</b>	€40,000	€35,000	50%	50%
<b>Veneto</b>	€40,000	€40,000	80%	20%

### 2.3 Eligibility criteria

Most of the countries analysed had adopted those eligibility criteria established by the European legislation. MAs had to establish upper and lower national/regional thresholds for access to support under sub-measure 6.1. The range of values established by the different countries analysed varies. There are also differences within countries which relate to differing economic conditions. The lower threshold is registered in Greece, Croatia and Italy with €8,000 and the higher in Estonia with €500,000. In Italy, the larger component of RDPs establishes different minimum thresholds depending on the type of rural area where the farm is located. The range goes from €8,000 for farms located in the mountain areas of Bolzano to €18,000 for farms located in rural areas in Lombardia (not mountain or disadvantaged areas). A higher threshold is registered in Puglia with €300,000. The Lower and Higher thresholds established by the Romanian RDP both appeared particularly limited, with the standard output to be included between €12,000 and €50,000.

<sup>2</sup> Support is in case of Puglia paid in three instalments (50%, 30% and 20%)

Two countries among those analysed include, among their eligibility criteria, the obligation for beneficiaries to prove in their business plan that the implementation of the activities envisaged will lead to an increase from the initial economic dimension of the farm. In Finland, the business plan must prove an increase in farm income of €8,500 by the third year of activities and in Poland by 10% of the initial stated farm income. In Greece, beneficiaries must reside in the area where the farm is located. Table 4 shows the available information per country.

Table 4: Eligibility criteria

MS	Eligibility criteria
CZ	Young farmers can set up their farm in the entire country, except for Prague.
EE	1) 50% of costs envisaged in the business plan to be used for purchasing tangible assets. 2) <b>Standard output:</b> Higher than €14,000 and lower than €500,000. For beneficiaries taking over a farm, the revenue of that farm should cover 50% of the total revenue.
FI	1) <b>Standard output</b> not lower than €12,000 and does not exceed €400,000 2) Reindeer farms: min 80 and max 500 LU (or the number envisaged by the reindeer cooperative the beneficiary joins). 3) Potential beneficiaries must be able to prove in the business plan that they will be able to reach €8,500 income by the third calendar year of implementation.
GR	1) Potential beneficiaries must not have owned a farm in the past. 2) <b>Standard output</b> of at least €8,000 and that does not exceed €100,000. 3) Young farmers must have their permanent residence in the area where the farm is located. 4) Business plan to be implemented in a period not shorter than three and not longer than four years.
HR	1) <b>Standard output</b> between €8,000 and €49,999 when the application is submitted. 2) Professional skills and knowledge in agriculture. 3) Assessment of the business plan: quality and viability. 4) Potential beneficiaries were not registered as head of a holding for more than 18 months before applying for support. 5) Business plan to be fully implemented in less than three years.
IT	1) <b>Standard output:</b> the minimum and maximum thresholds change in different regions. The Minimum level goes from €8,000 to €22,000 and the maximum from €80,000 to €300,000. 2) Education and professional skills of beneficiaries.
MT	Potential beneficiaries must possess: 1) A holding or farm. 2) A VAT no. 3) Be recognised as a farmer by the Employment and Training Corporation. 4) All necessary licences/permits. In the case where a potential beneficiary does not possess all this when applying, he/she must provide evidence that the process has been initiated for at least one of the four elements listed above when presenting the application

MS	Eligibility criteria
<b>PL</b>	1) In the case of couples, the grant can be awarded only to one person, even if they run two separate farms. 2) Arable farms must have at least the national average size (or the 'voivodship' size, where this is lower than the average size) and not exceed 300 ha. 3) at least 70% of the minimum size of the farm must be owned by the farmer or leased from the Agricultural Property Stock of the State Treasury. 4) Standard output not lower than €13,000 and does not exceed €150,000. 5) Business plan must envisage an increase of 10% of the initial economic size of the farm 6) Activities envisaged by the BP must be implemented within three years of the payment of the first instalment.
<b>RO</b>	1) <b>Standard output</b> must be between €12,000 and €50,000. 2) The business plan must envisage the implementation of all activities within three years from the decision granting financial support. Five years in the case of farms involved in horticultural and fruit production. 3) The implementation of the business plan should start not later than nine months after the decision granting financial support.
<b>SI</b>	1) Suitable education and professional knowledge. 2) Min 6 ha and max 80 ha of agricultural land. Farms with less than 6 ha must permanently breed at least 15 LU, but not more than 180 LU.

#### 2.4 Selection criteria

The selection criteria established by the countries analysed are diverse. Differences are registered not only between countries but also within countries. Nevertheless, selection criteria used in different RDPs can be grouped in some categories, namely:

- *Assessment of the quality and, in some cases, viability of the business plan.* Consistency between the strategy defined and the activities proposed is usually evaluated.
- *Geographical location of the farm.* Young farmers who want to set up their farms in mountain areas or areas with natural constraints are usually awarded extra points in the selection process.
- *Farming sector.* Beneficiaries who want to focus on certain farming sectors considered relevant for the agricultural sector at national level are awarded extra points. Dairy, livestock, horticulture and fruit production are the main sectors specified in the countries analysed. Croatia includes organic farming among the relevant sectors at national level.
- *Level of education and professional skills.* Most countries analysed award extra points to those beneficiaries who can already fulfil the requirements in terms of education and professional skills.
- *Contribution to RD horizontal priorities.* Extra points are awarded to those business plans that can contribute to the achievement of the objectives related to horizontal priorities (IT, PL, SI).
- *Participation in cooperation activities.*
- *Strategies oriented to environmental objectives.*

Table 5 gives an overview of the selection criteria adopted (subject to the availability of information).

Table 5: Selection criteria



MS	Selection criteria
<b>CZ</b>	Points are awarded to: <ol style="list-style-type: none"> <li>1) Young farmers setting up in areas with specific issues</li> <li>2) Selected farm sectors, such as organic production</li> <li>3) Young farmers totally or partially taking over another farm (when the previous farmer is older than 55y)</li> <li>4) Business plans that envisage a significant increase in the economic value of the farm.</li> </ol>
<b>EE</b>	<ol style="list-style-type: none"> <li>1) Level of education: max 10 points</li> <li>2) Work experience of the applicant: max 5 points</li> <li>3) Consistency of the BP with the objective of M6.1: max 15 points</li> <li>4) Promoting generational renewal - farms taken over from parents/grandparents: max 15 points</li> <li>5) Dairy farming: max 15 points</li> <li>6) Fruit and vegetables: max 5 points</li> </ol>
<b>FI</b>	The measure description within the Mainland RDP does not include detailed selection criteria but rather selection principles. Selection will be based on location of the farm, quality and coherence of the business plan, work experience, education.
<b>GR</b>	<ol style="list-style-type: none"> <li>1) Relevant professional skills/work experience.</li> <li>2) Participation in common activities or quality schemes; membership of a producer group. Participation in an organic scheme.</li> <li>3) Income: low annual income</li> <li>4) Characteristics of the area where the farm is located (population, areas with natural constraints, mountain areas, small islands).</li> <li>5) Ownership of the farm vs rental.</li> <li>6) Quality of the business plan.</li> </ol>
<b>HR</b>	<ol style="list-style-type: none"> <li>1) Size of the farm.</li> <li>2) Ownership of the main farm assets.</li> <li>3) Employment status of the beneficiary.</li> <li>4) Level of education and previous work experience.</li> <li>5) Farms sectors considered as a priority in the country.</li> <li>6) Location in areas facing natural constraints.</li> <li>7) Commitment to access agri-environmental measures and convert to organic agriculture.</li> </ol>
<b>IT</b>	The same as national selection criteria, yet varying in different regions. Nevertheless, they can be grouped in three main categories: <ol style="list-style-type: none"> <li>1) Evaluation of education and professional skills of potential beneficiaries.</li> <li>2) Geographical location of farms.</li> <li>3) Strategy envisaged by the business plan, such as particular attention to environmental sustainability or innovation.</li> </ol>

MS	Selection criteria
<b>PL</b>	<ol style="list-style-type: none"> <li>1) Size of the holding</li> <li>2) Education and professional skills</li> <li>3) Type of production/sector</li> <li>4) Comprehensiveness of the business plan</li> <li>5) Processing activities undertaken on the farm</li> <li>6) Impact on RDP cross-cutting objectives</li> <li>7) Age gap between farmers transferring the farm and those taking over it.</li> <li>8) Participation in producers' groups or other organised types of cooperation</li> <li>9) Taking over the entire farm or joining with other small farmers.</li> </ol>
<b>RO</b>	<p>Points are awarded considering:</p> <ol style="list-style-type: none"> <li>1) Consolidation of holdings, based on the number of farms taken over.</li> <li>2) Skills and knowledge of potential beneficiaries.</li> <li>3) Livestock farms (cattle, sheep, goats and beekeeping).</li> <li>4) Farms involved in horticulture and fruit production sectors.</li> <li>5) Farms located in specific areas, considered of importance at national level.</li> <li>6. Farms breeding local (registered) breeds.</li> </ol>
<b>SI</b>	<p>Two main categories:</p> <ol style="list-style-type: none"> <li>1) Socio-economic aspects.</li> <li>2) Contribution to horizontal priorities.</li> </ol>

### 3. Links with other RDP measures/sub-measures

Links between sub-measure 6.1 and other RDP measures/sub-measures are identified in 6 of the countries analysed, namely Estonia, Greece, Italy, Romania, Slovenia and Slovakia. M4.1 is the one most commonly related to M6.1, followed by M1 and M2 (see table 6).

Table 6: Links between M6.1 and other measures per MS

MS	Links with other measures
<b>EE</b>	No specific links, but young farmers can get 5% higher support rate under M4.1
<b>GR</b>	<p>No specific links, but young farmers have:</p> <ol style="list-style-type: none"> <li>1) direct access to sub-measure 1.1 and 4.1.</li> <li>2) specific combinations may be established with sub-measures 2.1, 3.1 and M9.</li> </ol>
<b>IT</b>	Yes, within the measure package.
<b>RO</b>	Yes, with sub-measure 4.1, particularly 4.1a related to fruit production.
<b>SI</b>	Yes, young farmers supported benefit from a 20% higher support rate when applying for sub-measures 4.1 and 4.2.
<b>SK</b>	Yes, M4.1

The option of taking up the measure package is only implemented by Italy from those countries analysed. In Italy, only four regions (Lombardia, Liguria, Lazio and the Trento province) do not envisage utilising the measure package. In Sicily, on the other hand the measure package is compulsory. Figure 1 shows the measures involved in the package.

Figure 1: Measures involved in the measures package and number of regions using them.

