Council of the European Union
General Secretariat

Interinstitutional files:
2018/0216(COD)

Brussels, 24 September 2020

WK 10039/2020 INIT

LIMITE

AGRI
AGRILEG
AGRIFIN
AGRISTR
AGRIORG
CODEC

WORKING PAPER

This is a paper intended for a specific community of recipients. Handling and further distribution are under the sole responsibility of community members.

WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on Horizontal Agricultural Questions (CAP Reform)
N° Cion doc.:	9645/18 + COR 1 + ADD 1
Subject:	Proposal for a Regulation on CAP Strategic Plans - New delivery model - Article 89 and payment entitlements - Example

With a view to the meeting of the Working Party on Horizontal Agricultural Questions (CAP Reform) on 30 September 2020, delegations will find attached a presentation by the Commission on Article 89.

Article 89 and Payment entitlements

- For MS managing PEs, Article 89 SPR offers a mechanism similar to the principle of overbooking laid down in Article 22(2) of R.1307/2013
- As under the mechanism of overbooking, MS shall **ex-ante** incorporate the amount of under-execution that can be compensated via BISS in the payment entitlement value.
- Therefore they shall fix the payment entitlements value in accordance with the **maximum planned unit amount.** (The maximum unit amount is to be justified based on the SWOT analysis and needs assessment)
- Where the under-execution is at the level that can be compensated in BISS, the BISS payment/ha will be equal to the PE value. Where the under-execution is lower, the BISS payment/ha will be lower than the PE value.

Example

CAP PLAN

	planned unit amount	planned outputs	maximum unit amount	indicative financial allocation
Eco schemes	200	800.000	220	160.000.000
BISS	300	1.000.000	309	300.000.000
				460.000.000

- PE value = EUR 309

Execution - Scenario 1

	realised outputs	*realised unit amount*	*realised expenditure*
Eco-schemes	720.000	220	158.400.000
BISS	976.052	309	301.600.000
			460.000.000

- By increasing the unit amount under eco-schemes to its maximum and using the upper variation under BISS, unspent funds are avoided.
- For BISS, the payment per ha equals the PE value

CAP PLAN

	planned unit amount	planned outputs	maximum unit amount	indicative financial allocation
Eco schemes	200	800.000	220	160.000.000
BISS	300	1.000.000	309	300.000.000
				460.000.000

Execution - Scenario 2

	realised outputs	*realised unit amount*	*realised expenditure*
Eco-schemes	720.000	220	158.400.000
BISS	1.000.000	301,6	301.600.000
			460.000.000

- MS decides to compensate for lower outputs under eco-schemes by increasing the unit amount to its maximum.
- The remaining unspent funds are compensated by BISS. The payment per ha for BISS = EUR 301,6; higher than the planned unit amount, lower than the PE value.

European Commission

CAP PLAN

	planned unit amount	planned outputs	maximum unit amount	indicative financial allocation
Eco schemes	200	800.000	***206***	160.000.000
BISS	300	1.000.000	309	300.000.000
				460.000.000

Execution - Scenario 3

	realised outputs	***realised unit amount***	***realised expenditure***
Eco-schemes	720.000	206	148.320.000
BISS	1.000.000	309	309.000.000
			457.320.000

- MS pays the maximum amount under Eco-schemes and BISS.
- The payment per ha for BISS = EUR 309 = PE value.
- Some under-execution remains

N.B.: In case co-legislators decide to introduce a ring-fencing for Eco-schemes, while the above flexibilities will fundamentally be the same, there may be cases where such flexibility will be more limited