

SIXTH FRAMEWORK PROGRAMME
SPECIFIC TARGETED RESEARCH PROJECT n° SSPE-CT-2006-044403



AGRIGRID

**Methodological grids for payment calculations in rural development
measures in the EU**

**LFA Questionnaire:
THE NATURAL HANDICAP PAYMENT SCHEMES
FOR MOUNTAIN AREAS (211) AND OTHER AREAS
WITH NATURAL HANDICAPS (212)**

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I. Basic data

The purpose of this part of the questionnaire is to obtain basic information about the whole structure of natural handicap payment schemes for mountain areas (211) and other areas with natural handicaps (212) such as the uptake of the measures, the level of the payments in the different measures and schemes, the existence of payment differentiation and changes with respect to the last programming period. Basic data also include additional information about the eligibility criteria and objectives of the natural handicap payment schemes.

Question 1: Overview of the natural handicap payment schemes. Fill in Table 1 following instructions given below the table.

Table 1: Overview of the natural handicap payment schemes

a	b	c	d	e	f
Different payment schemes and payment categories	Actual payment amount		Targeting	Objectives of the measure	Previous existence of the measure
	EUR/ha	% of calculated payment amount			

Instructions to fill in Table 1:

- a) *Different payment schemes and payment categories.* The purpose is to describe the general structure of the natural handicap payment schemes in a concise way. Indicate whether the question is about a natural handicap payment for mountain areas (211) or for other areas with natural handicaps (212). If there are varying payment amounts or other differentiating elements inside a certain payment category, indicate what they are and explain the logic behind them.
- b) *Actual payment amount. EUR/ha.* Presumption is €/ha, if different units are used, please provide an explanation. For countries, where euro is not used, specify the applied exchange rate here: _____
- c) *Actual payment amount. % of calculated payment amount.* The percentage level of actual payment amount compared with the calculated payment amount. Presumption of the level is 100%; the lower means calculated payment amount is not paid in total (undercompensation); the higher means overcompensation. If the level is differing from 100%, specify the reasons in footnotes below Table 1.
- d) *Targeting.* Determine the area/region where it is possible to enter into a payment scheme or payment category. Preferably also use a map.
- e) *Objectives of the measure.* Describe main objectives of the payment scheme / payment category.

f) *Previous existence of the measure.* Existence of a payment scheme or payment category before the year 2007 and changes in the payment levels. If the measure has existed in the programming period 2000/2004-2006, fill in the column by following marks: 0 measure didn't exist, ↑ increase of payment, ↓ decrease of payment, = same payment. Specify also in percentage terms, how much the payment amount has decreased or increased compared to the new level. Specify reasons for increase or decrease in footnotes below Table 1.

Question 2: Are natural handicap payments to be applied differentiated somehow (e.g. by regional, farm type or some other basis)?

- YES
- NO

If YES, make sure that the logic behind the differentiation has been explained in Table 1 in the column *a) Different payment schemes and payment categories.*

If there has not been any differentiation, specify reasons for that:

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Question 3: Have differentiated natural handicap payments (compensatory allowances) been implemented in past but not in the 2007-2013 RDP?

- YES
- NO

If YES, specify why the differentiation was given up.

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Question 4: Have differentiated natural handicap payments (compensatory allowances) been discussed in-house but not been implemented?

- YES
- NO

If YES, specify why they have not been implemented.

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II. Methodology of the natural handicap payment calculations i.e. “How natural handicap payment levels are calculated”

The purpose of this part of the questionnaire is to obtain information about the methodology and principles how the actual monetary compensation levels of natural handicap payments have been determined. The objective is to identify variables and parameters and their values used in calculations, the central focus being on identification of foregone income, additional costs and possible cost savings due to the participation to the natural handicap payment schemes.

It is important not to forget the connection between payments and so-called “baselines” (conditions resulting from the national law, GAEC and cross-compliance), which are not possible to pay out within the RD measure payments.

Question 5. Identification of the commitments entering into the natural handicap payment scheme and a description of the actual payment calculations.

Specify in the following order:

- A) Write the *name of a natural handicap payment scheme or payment category* [Use the same categorisation and naming as in Table 1 in the column *a*].
- B) Define the *eligibility criteria* (Describe the eligibility criteria for the natural handicap payment scheme or payment category that a farmer or his farm must fulfil in order to be entitled to apply for the payment).
- C) Describe *possible special commitments or contractual prerequisites* concerning the natural handicap payment scheme or payment category.
- D) Describe necessary *land use/management practice changes* resulting from these possible commitments or prerequisites and identify those which have to be taken into account in the payment calculations (for those which are not included in the payment calculations, specify reasons).
- E) Describe the *process of payment calculation* for every natural handicap payment scheme or payment category (preferably in Table 2). The aim is to identify particular items of payment and how they have been calculated, their data source and applied reference period.
- F) Provide an *explanation of the process of payment calculation* in more detail and explain how the different numerical values in Table 2 have been calculated or determined

A) Name of a natural handicap payment scheme or payment category:
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B) Eligibility criteria:
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C) Possible special commitments and contractual prerequisites
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D) Land use /management practice changes

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E) Table 2. Process of payment calculation

Components	EUR/ha*	Data source	Reference period
Additional costs			
Total additional costs			
Cost savings			
Total cost savings			
Income foregone			
Total income foregone			
Proposed amount of payment			

* For countries, where euro is not used, specify the applied exchange rate here: _____

F) Explanation of the process of payment calculation. Explain calculation of numerical values provided in E) Table 2. List also all data sources which are used.

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Question 6. If it is not possible to describe the process of payment calculation for particular natural handicap payment schemes or payment categories in your country by using the procedure suggested in Question 5, explain used methodologies of calculation below in as detailed manner as possible. In other words, it is expected to provide here something like “an instruction manual”.

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Question 7. Describe commitments defined in the baseline requirements which have an impact on natural handicap payment calculations:

- a) Describe your system of good agricultural and environmental conditions (GAEC) and their relation to the natural handicap payment scheme.

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- b) Describe any other prerequisites resulting from the national law or cross-compliance which can not be compensated within the natural handicap payment scheme.

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Question 8. Is your country going to provide any payments within the natural handicap payment scheme which exceed the maximum limits stated in the EC Regulation nr. 1698/2005 (eventually any national limits)?

- YES
 NO

If YES, describe them and write reasons:

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Question 9. Are there any national payment ceilings or other maximum/minimum criteria applied which impact on the payment levels within the natural handicap payment scheme?

- YES
 NO

If YES, describe the limits, particular schemes/payment categories by which are used and reasons for setting these limits:

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Question 10. Are there any mechanisms in place which limit possible combinations of natural handicap payment schemes with other rural development measures?

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Question 11. Are there any linkages or interdependencies between natural handicap payments and other rural development measures, which affect the payment level of natural handicap payments?

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Question 12. What problems were encountered during the specification and calculation of natural handicap payment levels?

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Question 13. What solutions were developed to solve these problems?

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Question 14. Which issues did remain unsolved and why?

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III. Data sources

The purpose of this part of the questionnaire is to identify data sources, which are used in payment calculations of the natural handicap payment schemes. The objective is to compare availability of data and to found out which data sources are used and for which purposes.

Question 15. Fill in Table 3 according to the instructions below:

- a) Specify *data source* used for calculation of particular natural handicap payment scheme;
- b) Write *organisation responsible* for data source;
- c) *Periodicity* (it means how frequently are they up-dated, published or reproduced);
- d) *Spatial aggregation level* (it means how data are used within payment calculation, not in which form exist);
- e) *Purpose of the source usage* (write briefly the main range of usage within payment calculation);
- f) *Estimated extent of usage* of particular data source (it is expected to provide an expert estimate and sum should be 100%; the fulfilment of this column is voluntary).

Table 3. The list of the data sources necessary for payment calculation and their usage

a	b	c	d	e	f
Data source	Organisation responsible	Periodicity	Spatial aggregation level	Purpose of the source usage	Estimated extent of usage (%)
					Sum = 100%

Question 16. List all the interviewees and their positions and affiliations

<i>Name</i>	<i>Position</i>	<i>Affiliation</i>

Question 17. Which additional data would have been required for a more thorough and precise calculation of payment levels and to what extent did the lack of such additional data restrict the choice of calculation methods? Please specify.

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IV. Contextual information

The purpose of this part of the questionnaire is to provide subsidiary information which makes statistical comparisons between natural handicap payment schemes and countries possible. In addition, payment administration aspects are added in order to investigate administrative complexity of the payment calculations (i.e. how many institutions are involved into the calculation and a list of valid legislative rules created).

Question 18. Statistical comparison – indicators of “uptake”. Fill in the information requested in Table 4.

Table 4. Indicators of “uptake”

	2004		2005		2006	
Total UAA, ha						
	UAA,ha	% of total UAA	UAA,ha	% of total UAA	UAA,ha	% of total UAA
Area of agricultural land (UAA, ha) under the natural handicap payment scheme for mountain areas (211)						
Area of agricultural land (UAA, ha) under the natural handicap payment scheme for other areas with natural handicaps (212)						
Total number of holdings / farms						
	number	% of total number	number	% of total number	number	% of total number
Number of holdings / farms entering into the natural handicap payment scheme for mountain areas (211)						
Number of holdings / farms entering into the natural handicap payment scheme for other areas with natural handicaps (212)						
Total expenditure for the RDP (EUR)						
	EUR	% of total expenditure	EUR	% of total expenditure	EUR	% of total expenditure
Financial expenditure for the natural handicap payment scheme for mountain areas (211) (EUR)						
Financial expenditure for the natural handicap payment scheme for other areas with natural handicaps (212) (EUR)						

Question 19. Describe the administrative complexity of reviewed payment calculations.

a) How many institutions are involved into payment calculation:

- 1
- 2 – 3
- more than 3

Specify their names:

b) How many institutions are involved in making observations / controlling / testing of payments:

- 1
- 2 – 3
- more than 3

Specify their names:

Question 20. Specify those items of national legislation which define the natural handicap payment scheme in your country.

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Question 21. If you have any additional comments on the survey, please use this box.

(It is expected to add here: remarks and comments of the interviewee that cannot be included in the questionnaire, own observations and reflections on the interview, etc...)

V. Additional information

Question 22. Add here any relevant piece of information (texts, graphics, pictures, maps etc.) (in English, please) which supplements the presented material about the natural handicap payment schemes, payment level calculations and their other characteristics.