



**Ministry of Environment
and Food of Denmark**
The Danish
Agricultural Agency

The relevance of units for output indicators in Annex I

What is the purpose of using the term “units”?

One of the main issues with the New Delivery Model (NDM) is establishing reliable unit amounts on a *project/operation* level in relation to the performance clearance (art. 121 CAP regulation, art. 52 HZR regulation).

This will be very difficult, if not impossible, due to the following factors:

- projects vary in size.
- projects vary in timeline for completion.

The consequence of this are:

- Increased administrative burden in relation to justifications.
- Arbitrary reductions and/or suspensions following the performance clearance.

The term units is meant to:

- Provide more flexibility in the planning process.
- Ensure a more predictable performance clearance and reduce the need for justifications and risk of reductions/suspensions.



How does it work?

Allows member states to plan using a unit of measurement more suitable for standardization across different projects/operations. For example:

Modernisation of stables (O.18 - productive investment):

Suitable unit = livestock unit (115 EUR)

- Project 1 = 2100 livestock units X 115 EUR = 241.500 EUR
- Project 2 = 3900 livestock units X 115 EUR = 448.500 EUR

Afforestation (O.20 - non-productive investment):

Suitable unit = hectare (650 EUR)

- Project 1 = 5 hectares X 650 EUR = 3.250 EUR
- Project 1 = 15 hectares X 650 EUR = 9.750 EUR

The total cost of the projects will fluctuate, but the price pr. unit remains constant.



Which output indicators could benefit?

Potential benefit for most project/operation based output indicators, as the individual projects can vary in size and timeline for completion.

Many relevant indicators relate to interventions not currently used in DK RDP and the content of the future CAP-plan is still under development. However, it is important to anticipate that such flexibility may also be needed for indicators not relevant for current schemes.

Preliminary thoughts on potential units for other indicators (not exhaustive) :

O.19 – local infrastructures:

- Broadband

O.21 – Off-farm productive investments:

- Similar to O.18.
- Different types of technologies could be subject to SCO.

O.26/O.28 – Generational renewal projects/Cooperation projects:

- Advisors, consultants.
- Facilitation.
- Workshops.

O.8 – Supported risk management instruments (units already included?):

- New possible scheme. No previous experience in DK.
- Cost pr. farmer will likely vary. Possible unit could be hectares.



Ensuring flexibility moving forward

Units are meant as a complementary tool.

Applicability would depend on the nature of the intervention and the ability of the member states to develop suitable units, for example through the use of SCO.

In our view, the addition of units to the relevant output indicators offer:

- Increased flexibility for the implementation and reporting of interventions and better compatibility with the NDM.
- Potential for furthering and supporting the use of SCO.

Units and projects are not mutually exclusive:

- Still possible to plan and report based on projects.
- Projects would also have to be reported for milestones and targets.

