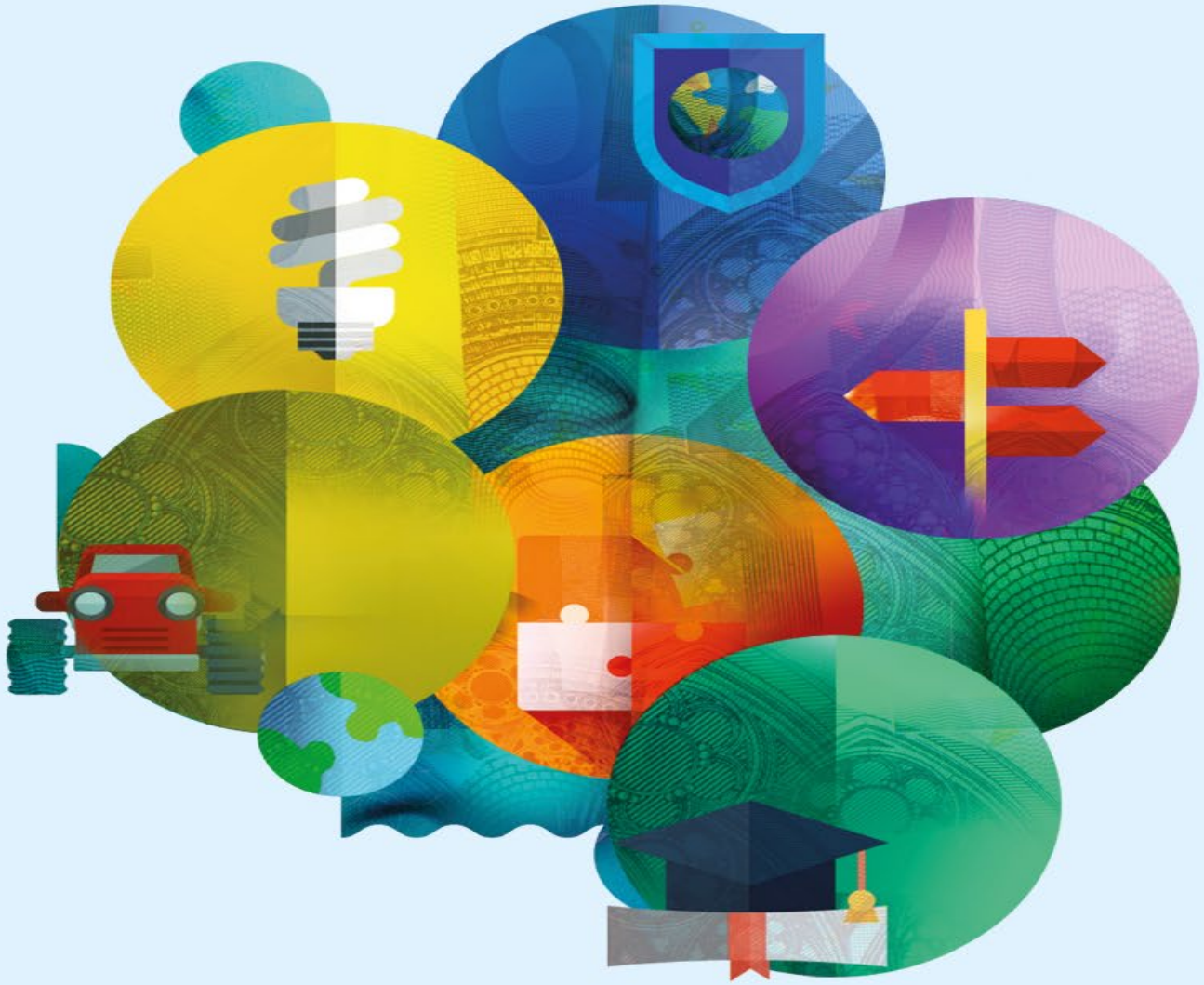
Indicators



GREXE

Meeting of 27 November 2018

#FutureofCA

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Outline

1. From planning through reporting to performance and assurance

2. Output indicators

   Examples on how to plan interventions in view of achieving an objective?

3. Result indicators

From planning through reporting to performance and assurance

0

CAP Strategic Plan

Context, Planned output, Targets

1

Annual performance report

+

Annual accounts

+

Management declaration

+

Certification Body opinion

2

Annual performance clearance

Output

+

Annual financial clearance

+

Annual performance review

Results

Performance & Assurance

European Commission

Output indicators

- Main aim of collecting output indicators = Performance clearance
  - Comparison of the planned and realised average unitary amount per intervention

- But not only, they are needed to monitor & evaluate our policy, therefore we need also to collect information on the number of beneficiaries

- Expenditure and Output (number of farmers, projects, hectares, animal heads) are to be provided by intervention

- For some output, aggregates are also requested, e.g.:
  - O.3 Number of CAP support beneficiaries: no double counting
  - O.4 Number of ha for decoupled DP: no double counting although the same ha can be granted BISS+CRISS+YF+Eco-scheme
  - O.13 Number of ha (agricultural) covered by environment/climate commitments going beyond mandatory requirements: area and physical area necessary
  - O.31 Number of ha under environmental practices (synthesis indicator on physical area covered by conditionality, ELS, AECM, forestry measures, organic farming): no double counting

How to plan interventions in view of achieving an objective?

The example of income support and resilience

SWOT - Specific objective:

Support viable farm income and resilience across the Union to enhance food security:

Context (impact) indicators:

- C.25 (I.2) Evolution of agricultural income compared to general economy
- C.25 (I.3) Evolution of agricultural income
- C.26 (I.4) Evolution of agricultural income level by sectors
- C.26 (I.5) Evolution of agricultural income in areas with natural constraints

SWOT & needs assessment:

- Farming sector lagging behind in income compared to the rest of the economy
  - **Analysis per sectors (including income volatility issues)**
  - **Analysis per territories**
- Farm structure & demographics are changing
- Specific needs in terms of risk management
- …

⇒ sectors in difficulties: S1, S2, S3

⇒ territories with constraints: T1, T2, T3

⇒ Types of farms with specific needs: F1, F2, F3

⇒ …

A JOINT STRATEGY PER OBJECTIVE

- Selection and definition of the **interventions**, following a sound intervention logic
- Allocation and justification of **financial resources**
- **Targets** for each relevant common and, where relevant, specific result indicators and related milestones

Planned OUTPUT in the CAP plan

Realised OUTPUT in the annual performance report (ha and beneficiaries)

OUTPUT BY INTERVENTIONS

1. Basic income support in Territory T1
2. Basic income support in Territory T2
3. Basic income support in other areas

→ O.4 Number of hectares for decoupled payments
O.5 Number of beneficiaries for decoupled DP

4. ANCs-mountain areas (e.g. Territory T3) → O.11 Number of ha receiving ANC top up (3 categories)
5. CRISS - Higher support rate for the first X hectares ensuring redistribution to F2 and F3
6. Round-Sum for small farmers (e.g. F1)

→ O.4 & O.5

7. Income stabilisation tool for sector S3 with high volatility → O.8 Number of farmers covered by supported risk management instruments

CAP STRATEGIC PLAN – DESCRIPTION OF THE INTERVENTIONS

Possibly with a maximum variation (art. 89)

- Support rates/premia/calculation methods and, where relevant, brief explanation of why these are appropriate for achieving the targets, also in relation to the baseline
- Individual tables to be filled for:

Indicative role

	2021	2022	2023	2024	2025	2026	2027
Planned unit amount(s)							
Annual planned outputs							
Annual indicative financial allocation							

ANNUAL PERFORMANCE REPORT – USE OF OUTPUTS FOR THE PERFORMANCE CLEARANCE

Corresponding to amounts declared in the annual accounts

Intervention 1	Financial Year N
Realised outputs	
Declared expenditure	
Ratio Expenditure / outputs	

In the performance clearance, this ratio will be compared to the planned unit amount approved in the CAP Plan

Realised outputs are <u>not</u> compared to planned outputs in the performance clearance

ANNUAL PERFORMANCE REPORT

Example O.4 Number of hectares for decoupled payments

- Number of hectares for:
  - The Basic income support for sustainability (BISS) - **TOTAL AND BREAKDOWN**
    1. Basic income support in Territory A
    2. Basic income support in Territory B
    3. Basic income support in other area
  - The complementary redistributive income support for sustainability (CRISS) – **TOTAL AND BREAKDOWN**
    1. Higher support rate for the first X hectares
  - The schemes for the environment and the climate (eco-schemes)– **TOTAL** (inc. for at least one eco-scheme) **AND BREAKDOWN**
    1. Promotion of tree-pasture eco-systems
    2. Enlarged buffer strips
    3. Precision farming scheme
- Number of hectares for which at least one decoupled payment was granted
- The number of hectares for the complementary income support for young farmers (CIS-YF) is to be provided under O.6

ANNUAL PERFORMANCE REPORT – HOW TO CALCULATE OUTPUTS?

EXAMPLE: Intervention 1 (BISS in territory A) => Output indicator O.4 « Number of hectares for decoupled payments »

- The realised outputs would be the number of hectares supported under this intervention i.e. under BISS, in the territory A
- During financial year N (with correspondence to the expenditure in that financial year)
- All hectares claimed for and eligible

To note: for DP interventions, in the performance clearance, the expenditure corresponding to these outputs would have to be before capping and penalties (and correspondence with the annual accounts ensured) in order to compare with the planned unit amount

ANNUAL PERFORMANCE REPORT – HOW TO CALCULATE OUTPUTS: PARTICULAR SITUATIONS

- Certain long-term interventions, possibly with interim payments (e.g. cooperation, LEADER, certain investments) – several payments linked to the same output:

  Counting of partial outputs (based on share of committed amount paid)?

  ► *Further reflections needed!*

ANNUAL PERFORMANCE REPORT – HOW TO CALCULATE

O.1 Number of EIP Operational Groups:

- Definition:
  - The total number of EIP Operational Groups (OGs) in a MS that receive support under one or more of the interventions set out in the CAP strategic plan by MS under Art 71 and according to conditions set in Art 114. As well as support to innovation through sectoral programmes

  - All EIP Operational Group interventions set out in the CAP strategic plan by the MS, covering all types of interventions, for instance the development of new products or practices, pilot projects, supply chain cooperation, environmental project approaches or climate change actions, cooperation in biomass provision or renewable energy, forest management, social innovative approaches, preparing intergenerational renewal or other new CAP interventions, etc

- Unit of measurement:
  - Number of supported OG innovative projects (not the number of partners or the number of beneficiaries – as MS take various approaches). Each OG to be counted only once.

ANNUAL PERFORMANCE REPORT – HOW TO CALCULATE
O.2 Number of advisors setting up or participating in EIP OGs

- Definition:
  The total number of advisors setting up or participating in an EIP Operational Group (OG) that receive support under one or more of the interventions set out in the CAP strategic plan by MS under Art 71 (through being partner or service provider to an OG) or Art 72 (direct use of advice by the OG, or OG receiving services for innovation support from an advisory body in its setting up period) and according to conditions for OGs set in Art 114.

- Scope:
  All EIP Operational Group interventions and advisory interventions set out in the CAP strategic plan by the MS.

- Definition of an advisor?

ANNUAL PERFORMANCE REPORT – HOW TO CALCULATE
O.2 Number of advisors setting up or participating in EIP OGs

- Definition of an advisor?

  An advisor should give impartial holistic advice on farm for at least 0.5 Full Time Equivalent.

  This should provide him/her with enough view on on-farm processes and –more importantly - impact on farm decision making (trusted advisor).

  He/she should not necessarily be certified, but it is essential to feed the advisor with up-to-date technological and scientific information through his/her integration in the AKIS (Art 13) as described in the CAP plan according to Art 102. MS could set minimum requirements for advisors (e.g. education, regular training etc)

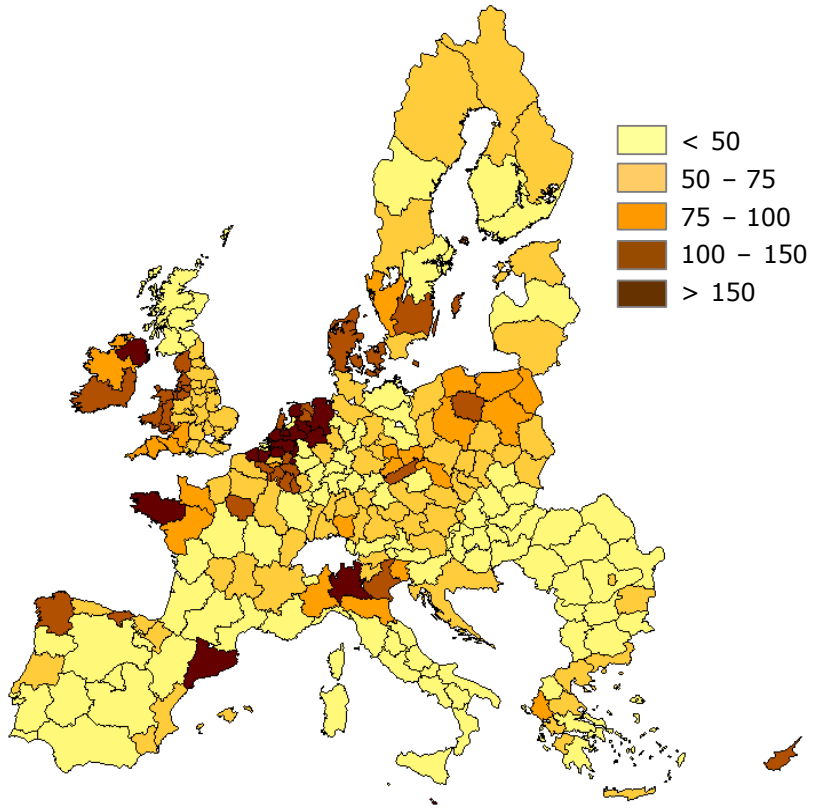
The example of water quality and use

Water-relevant elements of conditionality

- SMR 1: Water Framework Directive - arts. 11(3)(e) and 11(3)(h)
- SMR 2: Nitrates Directive - arts. 4 & 5
- GAEC 4: Establishment of buffer strips along watercourses
- GAEC 5: Use of Farm Sustainability Tool for Nutrients

Action needed on the basis of available evidence based on context indicators and other information

N surplus by 2030, (kg N / ha)



Source: JRC, based on the 2016 CAPRI baseline

Example of further choices by a MS

- "Pillar I eco-scheme" with water-related elements:
  - E.g. buffer strips going beyond conditionality requirements, with riparian vegetation
- Pillar II area payments for voluntary management commitments related to water
  - E.g. 1 fertiliser use reduction
  - E.g. 2 use of less water-intensive crop rotations
- Investment support
  - E.g. in more efficient irrigation systems

(N.B. Various types of area-based commitments could be funded in Pillar I or Pillar II, according to MS preferences.)

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How the indicators fit together (water example)

Output	Result
O.4: Number of ha for decoupled payments:	R.20: % of ag land under management commitments for water quality
Output for water eco-scheme	R.21: % of ag land under management commitments for nutrient management
O.13: Number of ha covered support for [Pillar II] management requirements	R.22: % of irrigated land under commitments to improve water balance
Output for area payment 1	R.23: % of farmers with support for investments related to care for the environment or climate
Output for area payment 2	
[Investment outputs]	

How the indicators fit together (water example)

Result	Impact
R.20: % of ag land under management commitments for water quality	I.15: Gross nutrient balance on ag land I.16: Nitrate concentration in groundwater I.17: Water exploitation index plus
R.21: % of ag land under management commitments for nutrient management	
R.22: % of irrigated land under commitments to improve water balance	
R.23: % of farmers with support for investments related to care for the environment or climate	

External factors

STRATEGY - Specific objective:

Support viable farm income and resilience across the Union to enhance food security:

INTERVENTIONS TO ADDRESS THE NEEDS

1. Basic income support in Territory T1
2. Basic income support in Territory T2
3. Basic income support in other areas
4. ANCs-mountain areas (e.g. Territory T3)
5. CRISS - Higher support rate for the first X hectares ensuring redistribution to F2 and F3
6. Round-Sum for small farmers (e.g. F1)
7. Income stabilisation tool for sector S3 with high volatility

Consistency to be checked also looking at: definitions (e.g. genuine farmers), minimum requirements for DP, eligibility conditions for each interventions, reduction and capping…

Outcomes of the needs assessment:

⇒ territories with constraints: T1, T2, T3

⇒ Types of farms with specific needs: F1, F2, F3

⇒ Sectors in difficulties: S1, S2, S3

⇒ …

Setting of targets, e.g.:

- R.4 Share of UAA covered by income support and subject to conditionality CAP support
- R.5 Share of farms with CAP risk management tools
- R.6 Percentage additional support per hectare for eligible farms below average farm size
- R.7 Percentage additional support per hectare in areas with higher needs

More on result indicators

Result indicators

- Result indicators establish the link between interventions and their purpose
  - Climate adaptation (R.12), Reduce GHG emissions (R.13, R.14), Reduce ammonia (R.13, R.19), Maintain and/or enhance carbon storage (R.14), Soil management (R.18), Water quality (R.20), Nutrient management (R.21)…
- **1 result indicator = 1 target**, possibly several objectives
- Main aim of collecting result indicators = target setting and measuring progress towards those targets (Performance review)
- 1 intervention can count in several result indicators, but 1 hectare/beneficiary counts only once in one result indicator (all Result indicators < 100%)
- 1 Result =
  - Numerator without double counting divided by
  - Denominator (context indicator UAA, Number of holdings…)

Linking interventions to result indicators: example 1

R.6 (redistribution to smaller farms): *percentage additional support per hectare for eligible farms below average farm size (compared to average)*

- Based on Direct Payment (DP) interventions
- Showing how much more DP support per hectare a farm below the average farm size receives

This would be calculated by taking the total DP received by farmers below the average farm size, divided by the total number of hectares of these farmers

$$\frac{\text{Average DP/ha of farmers below average farm size}}{\text{Average DP/ha}} - 1 = \text{R.6 in \%}$$

Linking interventions to result indicators: example 2

R.9: Farm Modernisation: % of farmers receiving investments to restructure and modernise, including to improve resource efficiency

Relevant interventions included in a given CAP Plan:

- Investments to increase competitiveness
- Investments to increase efficiency in direct processing
- Investments to improve water efficiency

X, Y and W farmers have benefitted in year N from support under each of the above interventions, respectively

No double counting of the same farmer under the same indicator!

$$\frac{X + Y + W}{\text{Total number of farmers in the MS}} = \text{R.9 (\%) in year N}$$

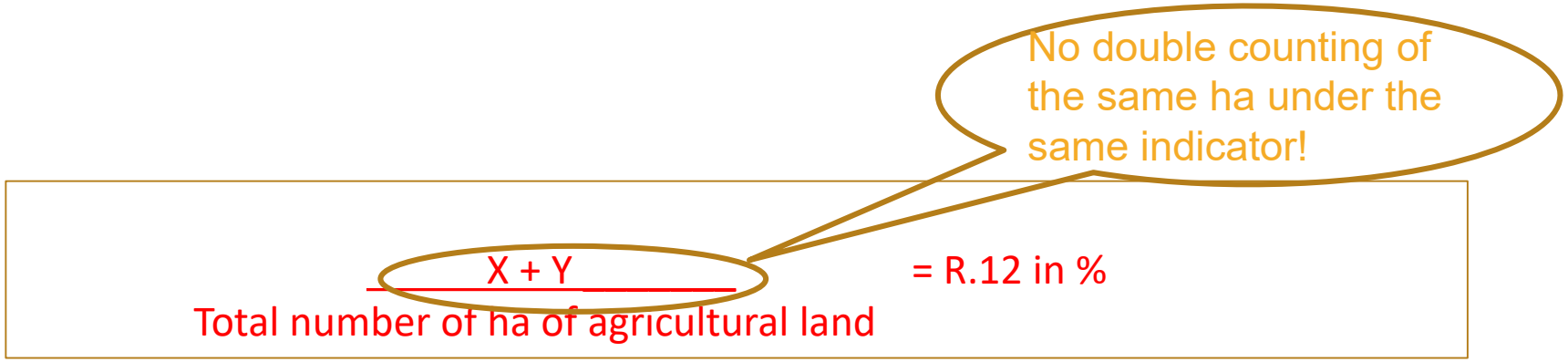
Linking interventions to result indicators: example 3

R.12 (Adaptation to Climate Change): *share of agricultural land under commitments to improve climate adaptation*

Interventions included in a given CAP Plan and contributing to the planned target level of R12:

- Climate related eco-scheme(s) (CES)
- Specific climate-related management commitments (CMC)

X and Y hectares (ha) are covered by CES and CMC in year N, respectively



Thank you for your attention!