



What is a green investment (Article 68) funded by the EAFRD

Expert Group on Monitoring and Evaluating the CAP (GREX)

17 September 2021

Provisions on green and animal welfare investments

- **Higher maximum support rates** for certain types of investment (Article 68):
 - Up to 100% for investments in afforestation, establishment and regeneration of agro-forestry systems, land consolidation in forestry and **non-productive investments** linked to one or more of the specific environmental- and climate-related objectives (SO4-5-6) including non-productive investments aimed at protecting livestock and crops against damages caused by wild animals
 - Up to 80% for productive investments linked to specific environmental- and climate-related objectives (SO4-5-6) or to animal welfare (referred to under SO9)
- Investments in irrigation: Maximum support rates set out in Art 68a(7).
- **Ring-fencing** of at least 35% of EAFRD contribution to the CAP plan for environmental and climate objectives (SO4-5-6) and animal welfare (referred to under SO9) (Article 86(2))

Non-productive investments

- Non-productive investments linked to the achievement of agri-environment-climate objectives (SO4-5-6)
- *Definition: Investments that do not lead to any significant increase in the value or profitability of the agricultural or forestry holding*
- Rationale for support rate of up to 100%: Financial incentive to undertake investments which do not generate any significant return, but deliver a positive environmental impact (public goods)
- In case of revenue-generating components – support rate should be lower than 100% (ECA-recommendation)
- Up to 80% EAFRD co-financing for non-productive investments under Article 68 (Article 85)

Examples of non-productive investments

- Restoration of wetlands and peatlands
- Restoration of habitats and landscapes
- Restoration of dry stone walls, fencing and other works to facilitate conservation management

Productive investments for environment, climate and animal welfare

Principles:

- **Productive** – is linked to the production cycle and may lead to an increase in the value or profitability of the holding
- **“All green” approach** – an investment does not qualify if it only has some green component(s) (e.g. investment in a new stable with solar panels on the roof) – no green-washing! The whole investment should be expected to have positive effects on the environment/climate/animal welfare.
- **Going beyond baseline** – i.e. upgrading facilities to new (more environmental, climate and animal welfare friendly) standards is not sufficient in itself – also not investments to comply with new requirements cf. Article 68(4a)

Productive investments for environment, climate and animal welfare

Clear planning / clear reporting:

- Interventions designed specifically to address those green objectives (SO4-5-6) or animal welfare (under SO9) – with a direct and significant link to the related result indicator(s).

Most relevant result indicators:

- R.15 Renewable energy from agriculture, and forestry and from other renewable sources, R.16a Investments related to climate, R.23 Investments related to natural resources, R.23a Environment-/climate-related performance through investment in rural areas, R.27a Investments related to biodiversity, R.38 Improving animal welfare.

Examples of productive investments for environment, climate and animal welfare

- On-farm rainwater collection reservoirs
- Investment in the production of renewable energy (meeting the sustainability criteria of the RED II Directive)
- Specific combine harvester which protects animals such as hamsters
- Investments in animal welfare friendly stables

Planning of interventions

- **Case-by-case assessment** – will always be necessary
- **An appropriate support rate** – it may not be appropriate to use the highest possible support rate – depending on the level of expected economic benefit for the beneficiaries
- **Interventions need to be planned separately from other types of investments:**
 - Different eligibility criteria
 - Respect of green and animal welfare ring-fencing (financial allocation at intervention level)
 - Specific output indicators (productive and non-productive)

Thank you!