**1.1.1.1.**

**Supplementary information sheet on aid for investments in agricultural holdings linked to primary agricultural production**

*This information sheet relates to State aid for investments in tangible and intangible assets on agricultural holdings linked to primary agricultural production as described in Section 1.1.1.1 Chapter 1 of Part II of the European Union Guidelines for State aid in the agricultural and forestry sectors and in rural areas ('the Guidelines').*

1. **GENERAL ELIGIBILITY CRITERIA**
   1. Will the investments at which the aid is aimed, respect prohibitions and restrictions laid down in Regulation (EU) No 1308/2013, including where such prohibitions and restrictions only refer to the Union support provided for in that Regulation?

yes  no

* 1. Is the aid granted for investments in tangible assets and intangible assets on agricultural holdings linked to the primary agricultural production?

yes  no

* 1. Is the aid granted in favour of investment in tangible assets and intangible assets linked to the production of biofuels or to the production of energy from renewable sources on holdings?

yes  no

If the answer is yes, please reply to questions 1.3.1. to 1.3.14..

* + 1. Is the investment made for the production of biofuels as defined in Article 2, point (33), of Directive (EU) 2018/2001[[1]](#footnote-1)?

yes  no

* + 1. If the answer to question 1.3.1. is yes, are renewable energy production facilities eligible for aid only if their production capacity is no more than equivalent to the annual average fuel consumption of the agricultural holding?

yes  no

* + 1. Please confirm that the produced biofuel is not sold on the market:

yes  no

* + 1. Is the investment made for the production of thermal energy and/or electricity from renewable sources on agricultural holdings?

yes  no

* + 1. If the answer to question 1.3.4. is yes:

(a) is the aim of the renewable energy production facilities on the agricultural holding eligible for aid only to serve their own energy needs?

yes  no

and

(b) is the productioncapacity of the renewable energy production facilities eligible for aid no more than equivalent to the combined average annual energy consumption of thermal energy and electricity on the agricultural holding, including the farm household?

yes  no

* + 1. Regarding electricity, is it sold into the grid?

yes  no

If the answer is yes, please note that the selling of electricity is allowed into the grid as far as the annual average self-consumption limit is respected.

* + 1. Where more than one agricutural holding carry out the investment for the production of energy from renewable sources with the aim to serve their own energy needs or for the production of biofuels on holdings, is the annual average consumption equivalent to the sum of the annual average consumption of all beneficiaries?

yes  no

* + 1. Are there any minimum standards at the national level for energy efficiency for investments in renewable energy infrastructure that consume or produce energy?

yes  no

* + 1. If the answer to question 1.3.8. is yes, is there a requirement at national level that the minimum standards referred in question 1.3.8. are complied with?

yes  no

* + 1. Is the aid granted in favour of investments in installations, the primary purpose of which is electricity production from biomass?

yes  no

* + 1. If the answer to question 1.3.10. is yes, do the installations use a minimum percentage of the heat energy produced as determined by the Member State?

yes  no

* + 1. Are there thresholds established at the the level of the Member State, for the maximum proportion of cereals and other starch rich crops, sugar and oil crops used for bioenergy production, including biofuels, for different types of installations in accordance with Article 26 of Directive (EU) 2018/2001?

yes  no

* + 1. Is aid to bioenergy projects limited to bioenergy meeting the applicable sustainability and greenhouse gas emissions saving criteria laid down in Union legislation including Article 29 of Directive (EU) 2018/2001?

yes  no

* + 1. Does the production capacity of the installation exceed the average annual consumption of the beneficiary(ies)?

yes  no

If the answer is yes, please note that Member States must comply with the conditions laid down in the Guidelines on State aid for climate, environmental protection and energy 2022[[2]](#footnote-2) unless such aid is exempt from notification obligation (e.g. through the GBER[[3]](#footnote-3)).

* 1. Which of the following objectives does the investment pursue?

(a) the improvement of the overall performance and sustainability of the agricultural holding, in particular through a reduction in production costs or the improvement and re-deployment of production;

(b) the improvement of the natural environment, hygiene or animal welfare standards;

(c) the creation and improvement of infrastructure related to the development, adaptation and modernisation of agriculture, including access to farm land, land consolidation and land improvement, the supply of sustainable energy, energy efficiency, supply and saving of water;

Please specify if another activity pursuing this objective is covered:

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(d) the restoration of agricultural production potential damaged by natural disasters, exceptional occurrences or adverse climatic events which can be assimilated to a natural disaster, animal diseases and plant pests, protected animals and the prevention and risk mitigation of damage caused by those before-mentioned events and factors.

Please specify if another activity pursuing this objective is covered:

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(e) contributing to climate change mitigation and adaptation, including by reducing greenhouse gas emissions and enhancing carbon sequestration, as well as promoting sustainable energy and energy efficiency;

(f) contributing to sustainable circular bioeconomy and fostering sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency;

(g) contributing to halting and reversing biodiversity loss, enhancing ecosystem services and preserving habitats and landscape;

Please note that the investment must pursue at least one of the above objectives.

* 1. Please indicate the eligible costs:

(a) the construction, acquisition, including leasing, or improvement of immoveable property, including investments in passive in-house wiring or structured cabling for data networks and, if necessary the ancillary part of the passive network on the private property outside the building;

If the aid is granted in favour of the costs of land purchase, is land purchased only eligible for aid to an extent not exceeding 10 % of the total eligible costs of the operation concerned?

yes  no

If the answer is no, does the operation concern:

environmental conservation and carbon-rich soil preservation?

land purchased by young farmers through the use of financial instruments?

Please note that only in the above mentioned cases a higher percentage than 10% of the cost of land purchase may be permitted.

Please provide information concerning the exceptional and duly justified circumstances so that the Commission may assess the case in question.

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(b) the purchase or lease purchase of machinery and equipment up to the market value of the assets;

(c) the general costs linked to the expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies; feasibility studies remain eligible costs even where based on their results, no expenditure referred to in points (a) and (b) is incurred;

(d) the acquisition or development or usage fees of computer software, cloud and similar solutions and the acquisition of patents, licenses, copyrights and trademarks;

(e) the expenses for non-productive investments linked to the objectives referred to in point (152)(e), (f) and (g) of the Guidelines;

(f) in the case of investment aimed at the restoration of agricultural production potential damaged by natural disasters, exceptional occurrences or adverse climatic events which can be assimilated to a natural disaster, animal diseases or plant pests and protected animals, the eligible costs may include the costs incurred for restoring the production potential, including capitalised work, up to the level as it was at before the occurrence of those events;

Please note that, where appropriate, the beneficiaries should endeavor to include in the restoration, adaptation measures to climate change.

(g) in the case of investments aimed at the prevention of damage caused by natural disasters, exceptional occurrences, adverse climatic events which can be assimilated to a natural disaster, animal diseases and plant pests and by protected animals, the eligible costs may include the costs of specific prevention actions aiming at reducing the consequences of such probable events.

Please note that in case of damage by adverse climatic events which can be assimilated to a natural disaster or by plant pests, beneficiaries should, where appropriate, endeavour to include in the restoration, adaptation measures to climate change, in order to minimise damage and losses produced by similar events in the future.

(h) purchase and planting of annual plants:

carried out for the objective set out in point (152)(d) of the Guidelines;

carried out for preserving plant varieties under threat of genetic erosion under the commitments referred to in point (210) of the Guidelines;

(i) purchase of animals:

the purchase carried out for the objective of point (152)(d) of the Guidelines;

the purchase of animals of endangered breeds as defined in Article 2, point (24) of Regulation (EU) 2016/1012 under the commitments referred to in point (207) of the Guidelines;

thepurchase of guard dogs protecting livestock against large predators.

* 1. Do the eligible costs include?

(a) the purchase of agricultural production rights and payment entitlements;

(b) the purchase and planting of annual plants other than those referred to in question 1.5. (h) of this Supplementary Information Sheet;

(c) the purchase of animals other than those referred to in question 1.5. (i) of this Supplementary Information Sheet;

(d) investments to comply with Union standards in force;

(e) costs, other than those referred to point (153) of the Guidelines connected with leasing contracts, such as lessor's margin, interest refinancing costs, overheads and insurance charges;

(f) working capital;

(g)wiring or cabling for data networks outside the private property.

If any of the costs referred to in points (a) to (g) is included, please note that the aid cannot be declared compatible with the internal market.

* 1. Is aid granted in favour of investments to irrigation?

yes  no

If the answer is yes, please reply to the following question:

* + 1. Please confirm that the investments fulfil the following conditions:

(a) a river basin management plan, in accordance with the terms of Directive 2000/60/EC, has been notified to the Commission for the entire area in which the investment is to take place, as well as in any other areas whose environment may be affected by the investment;

(b) the measures taking effect under the river basin management plan in accordance with Article 11 of Directive 2000/60/EC and of relevance to the agricultural sector have been specified in the relevant programme of measures;

(c) water metering enabling measurement of water use at the level of the supported investment is in place or will be put in place as part of the investment;

(d) an investment in an improvement to an existing irrigation installation or element of irrigation infrastructure is eligible only if the following conditions are complied with:

it is assessed ex-ante as offering potential water savings reflecting the technical parameters of the existing installation or infrastructure;

if the investment affects bodies of ground-or-surface water whose status has been identified as less than good in the relevant river basin management plan for reasons related to water quantity or if state-of-the-art climate vulnerability and risk assessments determined that the affected water bodies in good status could lose their status for reasons related to water quantity caused by climate change impacts, an effective reduction in water use must be achieved contributing to the achievement and maintenance of good status of these water bodies, as laid down in Article 4(1) of Directive 2000/60/EC:

Member States must set percentages for potential water savings and effective reduction in water use as an eligibility condition, to ensure that:

(1) the percentage of potential water savings must amount to at least 5 % when the technical parameters of the existing installation or infrastructure already ensure a high degree of efficiency, and to at least 25 % when the current degree of efficiency (prior to investment) is low and/or for investments that take place in areas where water savings are most needed to ensure the achievement of good water status (where not yet achieved) and avoid deterioration of status of water bodies;

(2) the percentage of effective reduction in water use, at the level of the investment as a whole, must amount to at least 50 % of the potential water saving made possible by the investment in the existing irrigation installation or element of infrastructure.

Please note that the conditions set out in this point (d) should apply to an investment in an existing installation, which affects only energy efficiency or to an investment in the creation of a reservoir or to an investment in the use of recycled water which does not affect a body of ground or surface water.

(e) aid to investments in the use of reclaimed water as an alternative water supply can be granted only if the provision and use of such water is compliant with Regulation (EU) 2020/741 of the European Parliament and of the Council[[4]](#footnote-4);

(g) aid to investments resulting in a net increase of the irrigated area affecting a given body of ground or surface water can be granted only if the following two conditions are complied with:

(i) the status of the water body has not been identified as less than good in the relevant river basin management plan for reasons related to water quantity; and

(ii) an environmental analysis shows that there will be no significant negative environmental impact from the investment. Such an environmental impact analysis must be either carried out or approved by the competent authority of the Member State and may also refer to groups of holdings.

Please note that the two criteria referred to in (i) and (ii) must both be fulfilled for investment aid in this particular case to be declared compatible with the internal market.

(i) Aid to investments in the creation or expansion of a reservoir for the purpose of irrigation can be granted only if it does not lead to significant negative environmental impact.

* 1. Please confirm that the maximum aid intensity, expressed as a percentage of eligible costs of investment is limited to:

65% of the eligible costs;

80% of the eligible costs in the following cases:

investments linked to one or more of the specific environmental- and climate-related objectives referred to in point (152) (e), (f) and (g) of the Guidelines or to animal welfare;

investments by young farmers;

investments in the outermost regions or smaller Aegean Islands;

85 % of the eligible costs in case of investments of small farmers within the meaning of Article 28 of Regulation (EU) 2021/2115;

100% of the eligible costs in the following cases:

non-productive investments linked to one or more of the specific environmental- and climate-related objectives referred to in point (152)(e), (f) and (g) of the Guidelines;

investments for the restoration of production potential referred to in point (152)(d) of the Guidelines and investments related to prevention and risk mitigation of damage caused by natural disasters, exceptional occurrences, adverse climatic events which can be assimilated to a natural disaster, or protected animals.

Aid for investments in irrigation:

80 % of the eligible costs for irrigation on-farm investments made under point (157)(c) of the Guidelines;

100 % of the eligible costs for investments in off-farm infrastructure in agriculture to be used for irrigation;

65 % of the eligible costs for other irrigation on-farm investments.

**OTHER INFORMATION**

Please indicate any other information considered relevant to the assessment of the measure concerned under this Section of the Guidelines.

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1. Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (recast) (OJ L 328, 21.12.2018, p. 82). [↑](#footnote-ref-1)
2. OJ C 80, 18.02.2022, p. 1. [↑](#footnote-ref-2)
3. Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1). [↑](#footnote-ref-3)
4. Regulation (EU) 2020/741 of the European Parliament and of the Council of 25 May 2020 on minimum requirements for water reuse (OJ L 177, 5.6.2020, p. 32). [↑](#footnote-ref-4)