



## Investment strategies in new CAP Strategic Plans, Slovakia

Katarína Mihaľová, Director General, Section of Rural  
Development and Direct Payments, Ministry of  
Agriculture and Rural Development

 #ficompass



# Slovak CAP Strategic Plan



- 10th February 2022 – approved by Slovak Government
- 16th February 2022 – submission to the EC
- 11th May 2022 – EC’s Observation letter (315 observations)
- 20th October – Resubmission of the SP to the EC via SFC

<b>EUR million</b>	<b>2023-2027</b>	<b>2023-2027 yearly</b>	<b>2014-2020 yearly</b>	<b>Diff. yearly</b>
I. Pillar: Direct payment	<b>2 048</b>	<b>410</b>	430	<b>-20</b>
II. Pillar: Rural Development	<b>2 053</b>	<b>411</b>	309	<b>102</b>
<b>SUM:</b>	<b>4 101</b>	<b>821</b>	739	<b>82</b>

# Environmental and Climate Change parameters of the Slovak Agriculture



- Many at a better level than the EU average
- pesticides, antimicrobial substances, greenhouse gas emissions, share of organic agriculture
- Improvement needed in soil organic carbon, reduction of field area, diversity of landscape features, loss of permanent grassland

Environmental and Climate Change parameters EU27 / Slovakia	Avg. EU27	Slovak Republic
Share of agriculture in greenhouse gas emissions (2019, %)	10,40	<b>6,70</b>
Share of organic farming (2019, %)	8,50	<b>10,40</b>
Emissions from animal production (2019 on livestock unit)	2,73 t	<b>2,72 t</b>
Use of pesticides (2019, kg/ha)	2 113	<b>1 228</b>
Sales of antimicrobial substances (2018, mg/ PCU )	118	<b>49</b>
Soil organic carbon content (2015)	43,1	<b>22,4</b>

# Slovak Strategic Plan: in line with CAP green architecture



Three components:

1

## Tightening of conditionality (GAEC)

### Introduction:

- protection of wetlands and bogs (GAEC 2),
- general and specific permanent grasslands protection (GAEC 1 and GAEC 9),
- a higher level of vegetation coverage of the agricultural area (GAEC 6),
- crop rotation (GAEC 7),
- higher presence of unproductive elements and surfaces (GAEC 8)

2

## Interventions of the first pillar Introduction of eco-schemes

1. **Whole-farm eco-scheme**
2. **Pasture farming**

Budget: more than **27% of I. Pillar**

3

## Interventions of the II. pillar env. and climate objectives

### Several interventions:

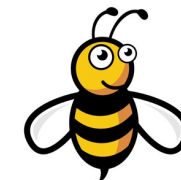
- Organic farming
- Protection of water and soil
- ANC
- Biodiversity
- Animal welfare
- Reducing emissions
- Unproductive elements
- Forest protection
- Budget: more than **46% of II. pillar**



# Direct payments 2023 – 2027

- **Capping and degressivity:**
  - to BISS at the level of 85 % of the amount exceeding EUR 60.000 and 100 % of the amount exceeding EUR 100.000 with the subtraction of salaries/labour costs
- **Types of direct payments:**
  - **Basic income support for sustainability** (ca. 46,6 % of direct payments' ceiling)
  - **Complementary redistributive income support for sustainability** – granted to max. 150 ha per beneficiary (ca. 10 % of direct payments' ceiling)
  - **Complementary income support for young farmers** – granted to max. 100 ha per beneficiary (ca. 0,6 % of direct payments' ceiling)
  - **Eco-schemes** (ca. 27,6 % of direct payments' ceiling)
    - Intervention based on whole-farm approach encompassing multiple environmentally beneficial practices on all types of agricultural land (top-up payment)
    - Animal welfare intervention focused on pastoral breeding of dairy cows, heifers, sheep and goats (compensation payment)
  - **Coupled income support**
    - Support is targeted to crop production sectors (protein crops, hops, sugar beet, fruit and vegetables) and livestock production sectors (milk and dairy, sheep and goat meat)
    - 13 % of direct payments' ceiling, increased by 2 p. p. allocated to support protein crops

# Sectoral interventions



## Apiculture sector

- ADVIBEES (EUR 684 946), INVAPI (EUR 1 120 035), ACTLAB (EUR 10 000), COOPAPI (EUR 10 000), PROMOBEEES (EUR 140 000)

## Fruit & vegetable (EUR 25 000 000)

- Quality improvement
- Optimization of the market access
- Environment protection – water savings, soil conservation, minimalization of pesticides use
- Improvement of work conditions
- Promotion and application of the quality schemes of the EU

## Other sectors (EUR 25 051 643)

- Milk and milk products, Pigmeat, Sheepmeat and goatmeat, Potatoes

## Wine sector (EUR 5 223 000)

- From the financial year 2024, only one intervention will be implemented – RESTRVINEY
- From the financial year 2027, further interventions will be implemented: INWINE, HARINWINE, INFOR, ACTREPUT

# Interventions of rural development (IACS)

## Environmental, climate-related and other management commitments (Art.70) – Overview, greater ambitions



- **Agroforestry systems, Linear vegetation, Afforestation of agricultural land** – SO4
- **Organic farming** – SO4, SO5, SO6, SO9
- **Precise fertilisation of arable soils – protection of water resources** – SO5
- **Prudent management on arable land, in orchards and vineyards** – SO5  
(Operations: **Prudent management of arable land**, Prudent management when growing vegetables, potatoes and strawberries, Prudent management in orchards, Prudent management in the vineyards)
- **Protection and preservation of biodiversity** – SO5, SO6  
(Operation: Protection of the great bustard habitat, Protection of the European ground squirrel habitat, **Management of biotopes of grassland species in Sites of Community Importance – mosaic mowing**, Protection of semi-natural and natural grasslands)
- **Weeding of waterlogged arable land** – SO4, SO6
- **Breeding and maintenance of endangered breeds of farm animals** – SO6
- **Support of animal welfare** – SO9  
(Operations: **Improving of housing conditions for sheep and goats, Giving up early weaning of lambs and baby ewes and goats, using native milk in calf nutrition**, Improving of housing conditions for dairy cows, Improving the living conditions of sows and piglets, Improving of stable well-being of fattening pigs, Increase in the fattening area of pigs, **Improvement of conditions in poultry fattening**)
- **Forestry-environmental and climate services and forest protection (LEKS)** – SO6  
(Operations: LEKS in Special Protection Areas, LEKS in Sites of Community Importance, **LEKS – protection of Western Capercaillie**)

Financial allocation: 2023-2027:  
**EUR 641 747 977** (30,9 % from RD)  
 (EAFRD: EUR 406 417 481)

*Red – completely new interventions and operations, others – significant strengthening of the acreage or conditions of obligations*

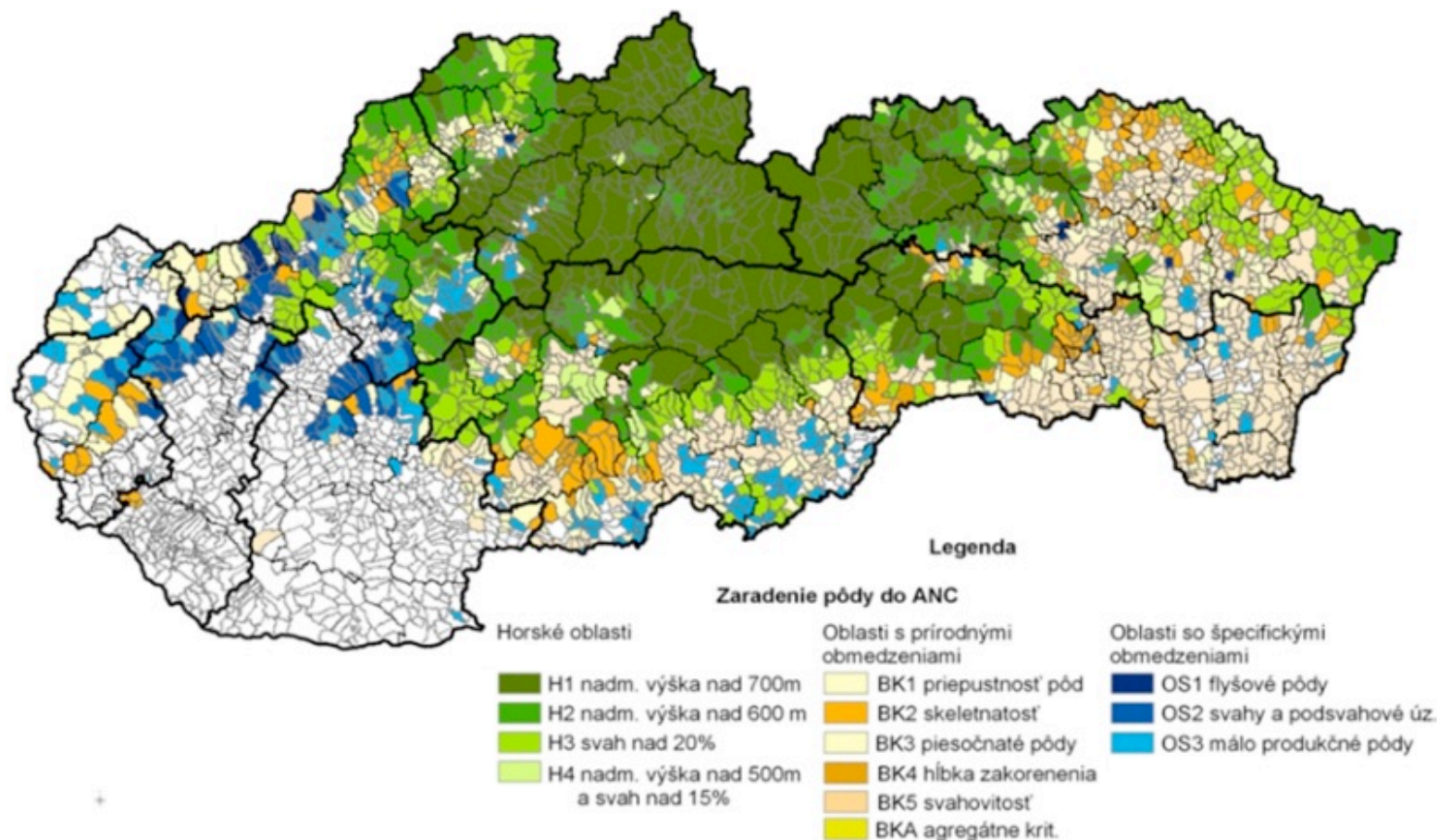
Together Arable land Forest land Animals	232 605 ha 23 350 ha 186 169 LU	Together Arable land Forest land Animals	596 616 ha 34 000 ha 393 781 LU	<b>Comparison:</b> <i>Almost twice the area of agricultural land and more than twice the number of animals will be supported</i>
---	---------------------------------------	---	---------------------------------------	---

# Interventions of rural development (IACS)

## Natural or other area-specific constraints (Art.71)



Oblasti s prírodnými a inými osobitnými obmedzeniami SR



© Research institute of agriculture and food economics Bratislava

ANC	1 127 775 ha
Mountain (H)	445 312 ha
Others (BK)	529 987 ha
Specific (OS)	152 476 ha

### Payment:

By subcategories of agricultural system

- Animal farms ( $\geq 0,25$  LU/ha)
- Plant farms ( $< 0,25$  LU/ha)

+ degressivity of payment determined by the form of savings form land scale

- up to 450 ha 100%
- from 450 – 900 ha 89%
- from 900 – 1800 ha 79%
- from 1800 ha 67%

### Financial allocation 2023-2027:

EUR 369 717 895 (17,8 % from RD)

(EAFRD: EUR 236 213 005)





- **Payment within the Natura 2000 system on agricultural land – SO1, SO6**

Management of agricultural lands – permanent grasslands in Natura 2000 territories (SCIs) falling into the 4th and 5th degree of protection according to the specified conditions.

Acreage: 1 879 ha

- **Payment within the Natura 2000 system on forest land – SO1, SO6**

It is prohibited to interfere with the forest cover and damage the vegetation and soil cover in the SCIs (5th degree of protection) + 5% of forest areas in 5th degree protection outside of SCIs.

Acreage: 26 447 ha

*(State enterprises are excluded from support)*

These interventions follow up the measures of the previous program period.

Financial allocation 2023-2027:

**EUR 6 642 852** (0,3% from RD)

(EAFRD: EUR 4 209 578)

# Interventions of rural development – project interventions



## 27 project interventions (of which 12 new or selected specific activities)

### NEW INTERVENTIONS:

1. Establishing an agroforestry system
2. Establishment of linear vegetation elements
3. Afforestation of agricultural land
4. Investments in agricultural enterprises to reduce emissions of greenhouse gases and ammonia
5. Productive investments in expanding and building new irrigation systems on farms
6. Productive investments in expanding and building new off-farm irrigation infrastructure
7. Productive investments in the reconstruction and modernisation of the existing irrigation infrastructure
8. Investments in off-farm water retention measures
9. Investments in increasing the water retention function of the forest
10. Building common facilities and measures – landscape features/ green and blue infrastructure
11. Investments in bioeconomy
12. Financial contributions to commercial insurance premiums for insurance schemes in agriculture



Financial allocation in 27 project interventions: 2023-2027:

EUR 996 076 365 (49,46% from RD)

(EAFRD: EUR 628 869 842)



# Investments in renewable energy sources and the REPowerEU



## Energy self-sufficiency and energy efficiency in agriculture

Slovakia decided not to reallocate financial resources aimed at the use of renewable energy sources, reduction of energy intensity into the Recovery plan.

A separate allocation was set aside as part of the investment interventions that will generate investments contributing to the REPowerEU Plan objectives in the amount of EUR 320 million and at least 90 MW in installed power capacity from renewable resources. Support will be provided for investments using renewable energy sources, reducing energy consumption, and increasing of energy savings in agricultural holdings, enterprises processing agricultural products, and in other holdings operating in the agricultural sector.

Support for these types of investments would be provided in form of grants and also in form of **financial instruments**.

# Financial instruments in CAP Strategic Plan for Slovakia

Using financial instruments to foster competitiveness and increase resilience of agricultural holdings



## National strategy - Vision for modern agriculture 2035

- Financing gap in agri-food supply chain
  - Investments in animal production/processing: up to EUR 1,1 billion
  - Investments in plant production/processing: up to EUR 1,4 billion

## Project Interventions

- Productive investments in agricultural enterprises
- Productive investments in agricultural enterprises - young farmer



## Allocation for FI in SK Strategic plan

- EUR 150.0 million of public resources for the provision of guarantees
- EUR 128.7 million of public resources for grants and interest rate subsidy complementing guarantees

## Product components

1. Guarantee instrument for commercial loans
2. Investment grants/interest rate subsidy directly linked to loans, especially:
  - young and small farmers
  - specific sub-segments of the sector
  - specific investments



Thank you!

[www.fi-compass.eu](http://www.fi-compass.eu)

Follow us:    



fi-compass is provided by the European Commission in partnership with the European Investment Bank  
Copyright © Investment Bank 2022  
[events@fi-compass.eu](mailto:events@fi-compass.eu) | [www.fi-compass.eu](http://www.fi-compass.eu)

