

CALL FOR PROPOSALS

to achieve sustainable development in rural areas

Title of the Call for proposals:

Agri-environment payment

Code number of the Call for proposals: VP4-10.1.1-21

Call for proposals by the Government of Hungary for farmers **to achieve sustainable development in rural areas.**

In the Partnership Agreement, the Government has set the goal of **promoting climate change adaptation, risk prevention and management, improving the state of our most important natural resources, water, soil and biodiversity, and strengthening agri-environmental protection.** The Government intends to achieve this objective with the cooperation of **farmers** under the conditions set out in this Call for proposals.

In the framework of this cooperation, the Government undertakes to:

- Award projects that meet the conditions of the Call for proposals with a *unit- and area-based, non-repayable* subsidy, in the amount of the subsidy awarded to the project, subject to the availability of funds;

In the framework of the cooperation, applicants for the subsidy undertake to:

- Contribute to the achievement of the goal of **promoting climate change adaptation, risk prevention and management, improving the state of our most important natural resources, water, soil and biodiversity, and strengthening agri-environment protection with the implementation of their project;**
- Finance the project from their own resources in addition to the subsidy received.

(1) BACKGROUND TO THE PLANNED DEVELOPMENTS

1.1. Justification and purpose of the Call for proposals

The Call for proposals will contribute to the following objectives:

- Sustainable development in rural areas
- The preservation and improvement of environmental conditions (soil and water) by developing a production structure adapted to the local conditions,
- The elimination and prevention of environmental load of agricultural origin,
- The strengthening of agricultural practices based on the sustainable use of natural resources,
- The preservation of biodiversity,
- The development of environmentally sound farming and sustainable land use, with land management,
- The improvement of agrobiodiversity,

- The improvement of the ratio of livestock to crop production by promoting extensive husbandry,
- The promotion of quality food production by promoting environmentally friendly farming practices,
- The fight against adverse climate change and adaptation to climate change through appropriate production structure and changing land use.

Only applications that meet the above objective are eligible under this Call for proposals.

1.2. Available funds

At the time of the Call for proposals, the planned budget available for funding is **360 billion HUF**.

This Call for proposals is co-financed by the European Agricultural Fund for Rural Development (EAFRD) and the budget of Hungary.

The expected number of applications to be supported: **approximately 23 000**.

For each thematic specification group, the funding period lasts between 1 January 2022 and 31 December 2024.

1. Thematic specification group (TECS)

The support is based on specific, verifiable requirements which achieve the objectives set out by the subsidy through their direct or indirect effects. The support is based on land use, for which the following 8 main categories, 16 thematic specification groups are specified:

Serial number	Name of the thematic specification group			Serial number of the thematic specification group
	Territorial delimitation category	Land use category	Special area category	
1.	Horizontal	arable land	-	Thematic specification group 1
2.	Horizontal	grasses	-	Thematic specification group 2
3.	Horizontal	plantation	-	Thematic specification group 3
4.	Horizontal	reeds	-	Thematic specification group 4
5.	Zonal	MTÉT (environmentally sensitive) arable land	With bustard protection requirements	Thematic specification group 5
			With red-footed falcon protection requirements	Thematic specification group 6
			With Great Hungarian Plain bird protection requirements	Thematic specification group 7
			With mountain and hill bird protection requirements	Thematic specification group 8
6.	Zonal	Arable land for water protection	With erosion-sensitive delimitation ²	Thematic specification group 9
			With inland water-sensitive delimitation ³	Thematic specification group 10
			With drought-sensitive delimitation	Thematic specification group 11
7.	Zonal	MTÉT (environmentally sensitive) grasses	With bustard protection requirements	Thematic specification group 12
			With Great Hungarian Plain bird protection requirements	Thematic specification group 13
			With mountain and hill bird protection requirements	Thematic specification group 14
			With butterfly protection requirements	Thematic specification group 15
8.	Zonal	Grasses for water protection	With inland water-sensitive delimitation ⁴	Thematic specification group 16

Detailed specifications for the thematic specification groups are included in *Annex 1*.

2. Development of specification types and specification package(s) within a thematic specification group

In each of the thematic specification groups, specifications can fall into the following two categories:

I. Agri-environment basic packages (mandatory specifications): *specifications that exceed the other requirements listed in Article 28(3) of Regulation (EU) No 1305/2013.*

(a) These specifications or combinations of specifications shall be met by land use category (arable land, grasses, plantation, reeds) or by territorial delimitation [horizontal (A), zonal (ZA)].

(b) The mandatory specifications are applicable throughout the entire territory of all contiguous area covered by the commitment (KET) supported in the given thematic specification group.

(c) The paid amount is not determined per specification, but for all mandatory specifications of the given thematic specification group, in a lump-sum payment.

II. Optional specifications (V): *specifications besides the basic package that address different environmental challenges (sowing structure requirements, soil and water conservation, protection of biodiversity, etc.) and from which the applicant may choose freely.* The paid amount is determined per specification.

a) Applicants are required to develop at least one, but no more than two specification packages per thematic specification group for every area indicated in their application from the system of optional specifications – except for the thematic specification groups for MTÉT arable crops, MTÉT grasses and horizontal reeds.

(aa) for every contiguous area covered by the commitment (KET) in the given thematic specification group, one of these two specification packages must be chosen, no other combination is possible.

(ab) if the number of optional specifications allows, the specification package shall contain a minimum of two optional specifications and the specification packages shall differ in at least one of the optional specifications.

b) For the MTÉT arable land and MTÉT grasses thematic specification groups, it is possible to choose a specification in addition to the basic package, but this is not mandatory.

(c) For the horizontal reed thematic specification group, there is no optional specifications, so no specification can be chosen in addition to the basic package.

d) With the exception of the thematic specification groups for MTÉT arable crops, MTÉT grasses and horizontal reeds, the applicant must select a specification package for every contiguous area covered by the commitment (KET) in the given thematic specification group.

3. Contiguous area covered by the commitment (KET) and the fields

(1) The basic unit of the subsidy is the contiguous area covered by the commitment (KET).

(2) The contiguous area covered by the commitment (KET) is a contiguous land area, which:

- is included in a thematic specification group,
- in case of plantations, except for walnut and chestnut⁵, belongs to the same plantation group,

- is defined as one unit,
- is within a single physical block of LPIS,
- is identified by EOVS (Unified National Projection) coordinates,
- can be linked to a customer,
- is clearly delimited on the map.

(3) The method of identifying the contiguous area(s) covered by the commitment (KETs) and how to indicate them in the application is specified in Chapter “4.3. *Deadline and procedure for submitting an application – 3. Identification (survey) of areas to be included in the support*” and Annex 2 of the Call for proposals.

(4) Annual payments are based on the field indicated in the Unified application (Egységes kérelem).

(5) Payment applications submitted each year shall indicate the fields relevant for the given year within the contiguous area covered by the commitment (KET).

⁵Walnut and chestnut plantations shall not be measured as part of the "Stone fruit and nut" plantation group, but as a separate KET

4. Rules for choosing a thematic specification group (TECS)

(1) For every contiguous area covered by the commitment in the application, the applicant must select a thematic specification group complying with the conditions specified in section 3.4.1.1. C) Regulations 3. Area restrictions of the Call for proposals.

(2) Support may be requested for a contiguous area covered by the commitment only under one thematic specification group.

(3) The applicant shall comply with all mandatory specifications and all optional specifications of the chosen thematic specification group throughout the whole commitment period.