

APPENDIX X: VERIFICATION OF AGRICULTURAL MEASURES RELATED TO POINTS 11.5 A) AND B)

Environmental category	Land use category	Measure	Source of the measure	Supervisory body
Carbon sequestration and greenhouse gas emission reduction (Category 1)	Arable land	Establishment of grassland (using a grass seed mixture comprising at least three native grass species and other grassland-forming species) on 5 percent of the holding's arable land.	Common Agricultural Policy Strategic Plan – Non-Productive Investments (hereinafter: the “KAP Strategic Plan – NTB”)	For clients falling within its scope of inspection, the Hungarian State Treasury.
		Following the harvest of summer- and autumn-harvested crops, where the subsequent crop is not an autumn-sown crop, soil cover shall be maintained by means of cover crops or by retaining the stubble in good agricultural condition until the commencement of preparatory operations for the following year's spring crop, but at least until 28 February.	KAP Strategic Plan – Agroecological Programme (hereinafter: the “KAP Strategic Plan – AÖP”)	For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.
		Cultivation of soil-improving crops (temporary grassland, leguminous forage crops or a mixture thereof) on 20 percent of the holding's arable land.	KAP Strategic Plan – ST AKG (Agri-environment-climate payments)	For clients falling within its scope of inspection, the Hungarian State Treasury.
		Mulch-based stubble management – retaining the stubble residues of the harvested preceding crop to ensure at least 35 percent ground cover, while carrying out appropriate stubble management.	KAP Strategic Plan – ST AKG (Horizontal Arable Land Soil Protection Requirements Package)	For clients falling within its scope of inspection, the Hungarian State Treasury.
		Application of reduced tillage or no-till cultivation (minimum tillage or no-till/direct drilling) on at least 50 percent of the holding's arable land (50 percent in the case of minimum tillage and 20 percent in the case of no-till cultivation).	KAP Strategic Plan – AÖP	For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.

		Establishment of an agroforestry system: ¹ planting tree crops in strips on arable land.	KAP Strategic Plan – NTB (C. Establishment of agroforestry systems for environmental or climate protection purposes)	For clients falling within its scope of inspection, the Hungarian State Treasury.
	Grassland	At least 10 percent but no more than 15 percent of the area shall be left unmown, with the location of the unmown area varying between successive mowing operations.		For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.
		Application of rotational grazing.		
		Tree planting on pasture: 100 trees per hectare (comprising native species).		
Soil protection and reduction of soil erosion (Category 2)	Arable land	Subdivision of large fields into smaller units by strip cropping parallel to contour lines, with strip lengths ranging from a minimum of 35 m to a maximum of 120 m.	KAP Strategic Plan – ST AKG (Agri-environment-climate payments)	For clients falling within its scope of inspection, the Hungarian State Treasury.
		Establishment of erosion control hedgerows or tree belts composed of native species, or brushwood fascines or sediment retention barriers, along watercourses or at locations where rill or gully erosion occurs.	KAP Strategic Plan – NTB (B. Non-Productive Investments for Water Protection Purposes)	For clients falling within its scope of inspection, the Hungarian State Treasury.
		For fields directly adjoining the banks of watercourses, canals or standing waters, the establishment and maintenance, along the entire length of the field adjoining the shoreline, of a grass buffer strip at least 12 metres in width (established using native species) or of tree planting, directly adjacent to the shoreline, on which no plant protection products or mineral or organic fertilisers shall be applied.	KAP Strategic Plan – AKG (Arable land use category – drought / inland excess water / erosion-sensitive zonal designation)	For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.

¹ Its purpose is to cultivate multiple crops simultaneously, taking advantage of the beneficial interactions between them. Woody crops are established in a single-row configuration, with row spacing determined by the working width of the cultivation equipment. The area shall contain at least 150 but no more than 250 trees per hectare.

		Following the harvest of summer- and autumn-harvested crops, where the subsequent crop is not an autumn-sown crop, soil cover shall be maintained by means of cover crops or by retaining the stubble in good agricultural condition until the commencement of preparatory operations for the following year's spring crop, but at least until 28 February.	KAP Strategic Plan – AÖP Arable land use category – erosion / inland excess water / drought-sensitive zonal designation	For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.
		Establishment of erosion control vegetation strips (where the area is designated as erosion-prone in the Land Parcel Identification System (MePAR), the strips shall be established along the contour lines): • Along field margins (where surface runoff is concentrated), with a minimum width of 6 m • within fields, along contour lines or at erosion-prone locations (with a minimum width of 6 m), for example at locations where rill or gully erosion occurs	KAP Strategic Plan – NTB Non-Productive Investments supporting land use change and habitat restoration	For clients falling within its scope of inspection, the Hungarian State Treasury.
	Grassland	At least 10 percent but no more than 15 percent of the area shall be left unmown, with the location of the unmown area varying between successive mowing operations.		For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.
		Any mechanical operations on water-saturated soil shall be prohibited.		For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.

		Establishment of hedgerows or shelterbelts composed of native species along field margins.	KAP Strategic Plan – NTB C. Establishment of agroforestry systems for environmental or climate protection purposes	For clients falling within its scope of inspection, the Hungarian State Treasury.
Increasing soil organic matter content (Category 3)	Arable land	Application of reduced tillage or no-till cultivation (minimum tillage or no-till/direct drilling) on at least 50 percent of the holding's arable land (50 percent in the case of minimum tillage and 20 percent in the case of no-till cultivation).	KAP Strategic Plan – AÖP	For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.
		Mulch-based stubble management – retaining the stubble residues of the harvested preceding crop to ensure at least 35 percent ground cover, while carrying out appropriate stubble management.	KAP Strategic Plan – ST AKG (Horizontal Arable Land Soil Protection Requirements Package)	For clients falling within its scope of inspection, the Hungarian State Treasury.
		Following the harvest of summer- and autumn-harvested crops, where the subsequent crop is not an autumn-sown crop, soil cover shall be maintained by means of cover crops or by retaining the stubble in good agricultural condition until the commencement of preparatory operations for the following year's spring crop, but at least until 28 February.	KAP Strategic Plan – AÖP	For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.
		Application of organic manure at least once during the five-year period, in compliance with FVM Decree No 59/2008 (IV. 29.) of the Ministry of Agriculture and Rural Development, or application of organic manure, pelleted organic manure, compost or compost tea (as defined in FVM Decree No 36/2006 of the Ministry of Agriculture and Rural Development), or application of microbiological products that promote soil biological activity (including products containing free-living nitrogen-fixing bacteria (Azotobacter, Azospirillum and Rhizobium species), rhizosphere bacteria, and stubble decomposition preparations).		

		Maintaining, within the cropping pattern, at least 15 percent forage legumes and at least 5 percent green fallow each year, and/or maintaining, within the cropping pattern, at least 20 percent forage legumes and at least 20 percent green fallow.	KAP Strategic Plan – Rural Development Programme (VP), Agri-environment-climate payments (AKG) – Arable land use category – erosion / inland excess water / drought-sensitive zonal designation	For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.
	Grassland	At least 10 percent but no more than 15 percent of the area shall be left unmown, with the location of the unmown area varying between successive mowing operations.		For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.
		For each field, an unmown area with a minimum width of 6 metres shall be established.		For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.
		Tree planting on pasture: 100 trees per hectare (comprising native species) (see page 24 for details).		

		Establishment of hedgerows or shelterbelts composed of native species along field margins.	KAP Strategic Plan – NTB C. Establishment of agroforestry systems for environmental or climate protection purposes	For clients falling within its scope of inspection, the Hungarian State Treasury.
Improvement of the quantitative and qualitative status of water bodies, with particular emphasis on water retention (Category 4)	Arable land	Establishment or development of water management infrastructure serving landscape-scale water retention in low-lying areas suitable for water retention, by ensuring the accumulation and retention of water for the longest possible period and by creating temporary or permanent open water bodies.	KAP Strategic Plan – NTB B. Non-productive investments for water protection purposes	For clients falling within its scope of inspection, the Hungarian State Treasury.
		For fields directly adjoining the banks of watercourses, canals or standing waters, the establishment and maintenance, along the entire length of the field adjoining the shoreline, of a grass buffer strip at least 12 metres in width (established using native species) or of tree planting, directly adjacent to the shoreline, on which no plant protection products or mineral or organic fertilisers shall be applied.	KAP Strategic Plan – AKG (Arable land use category – drought / inland excess water / erosion-sensitive zonal designation)	For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.
		Retention of excess water occurring in low-lying areas (i.e. by preventing its drainage) and the rewetting of such areas.	KAP Strategic Plan – NTB B. Non-productive investments for water protection purposes	For clients falling within its scope of inspection, the Hungarian State Treasury.
		Carrying out subsoiling to a medium depth at least once during the first five years of the commitment period.		For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.

		Following the harvest of summer- and autumn-harvested crops, where the subsequent crop is not an autumn-sown crop, soil cover shall be maintained by means of cover crops or by retaining the stubble in good agricultural condition until the commencement of preparatory operations for the following year's spring crop, but at least until 28 February.	KAP Strategic Plan – AÖP	For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.
		Mulch-based stubble management – retaining the stubble residues of the harvested preceding crop to ensure at least 35 percent ground cover, while carrying out appropriate stubble management.	KAP Strategic Plan – ST AKG (Horizontal Arable Land Soil Protection Requirements Package)	For clients falling within its scope of inspection, the Hungarian State Treasury.
		Application of reduced tillage or no-till cultivation (minimum tillage or no-till/direct drilling) on at least 50 percent of the holding's arable land (50 percent in the case of minimum tillage and 20 percent in the case of no-till cultivation).	KAP Strategic Plan – AÖP and	For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.
	Grassland	Establishment of temporary wetlands through the retention of excess water occurring in the area and the rewetting of such areas.	KAP Strategic Plan – NTB B. Non-productive investments for water protection purposes	For clients falling within its scope of inspection, the Hungarian State Treasury.
		Tree planting on pasture: 100 trees per hectare (comprising native species) (see page 24 for details).		
		Establishment of hedgerows or shelterbelts composed of native species along field margins.	KAP Strategic Plan – NTB C. Establishment of agroforestry systems for environmental or climate protection purposes	For clients falling within its scope of inspection, the Hungarian State Treasury.
		The drainage of inland excess water and temporary standing water shall be prohibited.		For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.

Protection and enhancement of biodiversity and ecosystems (Category 5)	Arable land	Increasing crop diversity within the cropping pattern by cultivating insect-pollinated arable crops on at least 20 percent of the arable land (e.g. common vetch (winter or spring varieties), buckwheat, phacelia, crimson clover, mustard, oil radish, fennel, leguminous crops, etc.; see Annexes 18 and 19 to Call for Proposals VP4-10.1.1-21 for further details).		
		Sowing native perennial wildflower seed mixtures (on areas designated with the MEH01 code), provided that the sowing is carried out on a contiguous area of at least 0.5 hectares and the area is maintained for a minimum of three years through a combination of overseeding and mowing.		
		Establishment and maintenance, throughout the commitment period, of pesticide-free field margins serving as small game habitats or pollinator strips, composed of at least three native or flowering herbaceous species, on at least 25 percent of the arable land, with a minimum width of 6 metres and a minimum length of 50 metres. Installation of bird nest boxes and T-shaped perching poles in these areas in accordance with the applicable requirements.		For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.
		A total area corresponding to 10 percent of the arable land, achieved through a combination of the following measures: • Landscape features protected under Good Agricultural and Environmental Condition (GAEC) 8 requirements • a shelterbelt composed of native tree species, consisting of at least three rows of trees and one row of shrubs • field margins established as pollinator strips or wildlife forage strips (minimum width of 9 metres and a contiguous area of at least 0.5 hectares). • establishment of grass strips or shrub strips (minimum width of 9 metres and a contiguous area of at least 0.5 hectares)	KAP Strategic Plan – AÖP	For clients falling within its scope of inspection, and in respect of the approved measures, the Hungarian State Treasury.

		for fields directly adjoining the banks of watercourses, canals or standing waters, the establishment and maintenance, along the entire length of the field adjoining the shoreline, of a grass buffer strip at least 12 metres in width (established using native species) or of tree planting, directly adjacent to the shoreline, on which no plant protection products or mineral or organic fertilisers shall be applied.; • establishment of a wetland recorded in the Land Parcel Identification System (MePAR) and/or maintenance of the ecological status of the habitat • fallow land – during the fallow period, soil cover shall be maintained by establishing green fallow or by retaining stubble residues.		
	Grassland	Timing and diversification of grassland mowing (through rotational mowing of sections of the grassland, leaving part of the area unmown on an alternating basis), adapted to the function of the grassland as a pollinator habitat.		
		At least 10 percent but no more than 15 percent of the area shall be left unmown, with the location of the unmown area varying between successive mowing operations.		For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.
		For each field, an unmown area with a minimum width of 6 metres shall be established.		For clients falling within its scope of inspection, the Hungarian State Treasury, provided that the measure is included in the applicable AÖP.
		Application of rotational grazing.		

TEMPLATE CLIENT AUTHORISATION DECLARATION FOR “GREEN” AGRICULTURAL CLIENTS AND CLIENTS WITH “GREEN” AGRICULTURAL TRANSACTIONS

I, the undersigned, “XY” (type and number of identity document:¹; mother’s maiden name¹:; place and date of birth¹:; client identification number:²) / short name:; registered office:; company registration number:; tax number:; represented by:; support identification number:, as a beneficiary maintaining a legal relationship for the receipt of support with the granting authority (National Paying Agency) (hereinafter: the “Client”),³ hereby *authorise* “XY” Bank Zrt/Nyrt (registered office: ...; company registration number: ...) (hereinafter: the “Bank”) to disclose to the Hungarian State Treasury (registered office: H-1054 Budapest, Hold utca 4.) (hereinafter: the “Treasury”) the Client’s data specified in point 1 that constitute banking secrecy or personal data, for the purpose of enabling the Treasury to verify that the conditions for the Bank’s application of the “*Green Corporate and Municipal Preferential Capital Requirement*” announced by the Magyar Nemzeti Bank (hereinafter: the “MNB”) (hereinafter: the “Discount”) are fulfilled (hereinafter: the “Purpose of Data Processing”),⁴ during the period specified in point 3.

By signing this declaration, I/we also consent to the Treasury disclosing to the Bank, upon the Bank’s request, the Client’s data listed in point 2, which constitute support secrecy data within the meaning of Section⁵ 15(1) of the Subsidies Act, during the period specified in point 3, for the above-mentioned Purpose of Data Processing.

I/We hereby release the Bank from its obligation to maintain the confidentiality of the data listed in point 1 that constitute banking secrecy vis-à-vis the Treasury.

1. Categories of data disclosed by the Bank to the Treasury

Where the Client intends to obtain bank financing for a purpose falling within point 11.5⁶ of the MNB Green Corporate and Municipal Preferential Capital Requirement Programme (hereinafter: the “Programme”), but does not satisfy the eligibility criteria set out in point 11.1 of the Programme, the Bank shall disclose the following data to the Treasury:

¹ Identity details of a client acting on his or her own behalf.

² The client identification number assigned pursuant to Section 10(2)(b) of Act LXV of 2022 on the Procedure for Agricultural Subsidies Provided from the Common Agricultural Policy and the National Budget (hereinafter: the “Subsidies Act”).

³ In the case of a Family Farm of Agricultural Producers, each member shall separately provide an authorisation declaration as a client acting on his or her own behalf.

⁴ The Purpose of Data Processing is to verify the support, which is a prerequisite for participation in the Programme announced by the MNB.

⁵ Act LXV of 2022 on the Procedure for Agricultural Subsidies Provided from the Common Agricultural Policy and the National Budget.

⁶ INSERT WEBSITE LINK TO THE NEW ZVT NOTICE!

- the Client's identification details specified in the first paragraph of this declaration;
- the Client's support identification number assigned pursuant to Section 10(2)(b) of the Subsidies Act;
- confirmation of whether the Client intends to obtain bank financing pursuant to point 11.5 a) or point 11.5 b) of the Programme;
- the types of Environmental Objectives⁷ undertaken by the Client in connection with points 11.5 a) and 11.5 b) of the Programme.

Where the Client intends to obtain bank financing for a purpose falling within point 11.1 and/or Section 11.6 of the Programme,⁸ the Bank shall disclose the following data to the Treasury:

- the Client's identification details specified in the first paragraph of this declaration;
- the support identification number assigned pursuant to Section 10(2)(b) of the Subsidies Act;
- confirmation of whether the Client intends to obtain bank financing pursuant to point 11.1 or point 11.6 of the Programme.

Where the Client intends to obtain bank financing for a purpose falling within point 11.8⁹ of the Programme, the Bank shall disclose the following data to the Treasury:

- the Client's identification details specified in the first paragraph of this declaration;
- the Client's support identification number assigned pursuant to Section 10(2)(b) of the Subsidies Act;
- confirmation of whether the Client intends to obtain bank financing pursuant to point 11.8 of the Programme;
- the types of investments and interventions promoting active water replenishment¹⁰ undertaken by the Client in connection with point 11.8 of the Programme.

2. Categories of data disclosed by the Treasury to the Bank

Where the Client intends to obtain bank financing for a purpose falling within point 11.5 of the Programme, but does not satisfy the eligibility criteria set out in point 11.1 of the Programme, the Treasury shall disclose the following data to the Bank for the above-mentioned Purpose of Data Processing:

- whether, in the most recent effective decision adopted in relation to the payment applications submitted under the relevant support measures, any irregularity was established (yes/no) during the verification of the relevant requirement relating to the Environmental Objectives under point 11.5 of the Programme;
- the reference year of the relevant support measure and of the decision adopted in respect of the payment application forming the basis for the data disclosure, and the identification

⁷ INSERT WEBSITE LINK TO APPENDIX III

⁸ INSERT WEBSITE LINK TO THE NEW ZVT NOTICE!

⁹ INSERT WEBSITE LINK TO THE NEW ZVT NOTICE!

¹⁰ INSERT WEBSITE LINK TO APPENDIX III

of the relevant requirement.

Where the Client intends to obtain bank financing for a purpose falling within point 11.1 of the Programme, the Treasury shall disclose the following data to the Bank for the above-mentioned Purpose of Data Processing:

- the aggregate area of the Client's eligible agricultural land as specified in the Client's most recent decision granting area-based support or Basic Income Support, together with the relevant support year;
- in the case of point 11.1 of the Programme, the areas claimed by the Client under the eligible support schemes,¹¹ based on the Client's most recent application for area-based support or Basic Income Support, for the relevant claim year, with duplicate areas removed;
- broken down by support measure, whether any irregularity has been established¹² (yes/no) in the effective decision adopted in relation to the payment applications submitted under the relevant support measures, together with the identification of the relevant requirement and the corresponding support year.

Where the Client intends to obtain bank financing for a purpose falling within point 11.6 of the Programme, the Treasury shall disclose the following data to the Bank for the above-mentioned Purpose of Data Processing:

- In respect of the implementation and maintenance of Habitat Improvement Non-Productive Investments under the Rural Development Programme, as well as investments carried out under the Green Future calls for proposals of certain KAP agricultural and rural development subsidies,¹³ whether any irregularity has been established, in the most recent effective decision adopted in relation to the payment applications submitted under the relevant support measures, concerning compliance with the maintenance obligation.

Where the Client intends to obtain bank financing for a purpose falling within point 11.8 of the Programme, the Treasury shall disclose the following data to the Bank for the above-mentioned Purpose of Data Processing:

- whether any irregularity has been established (yes/no), in the most recent effective decision adopted in relation to the payment applications submitted under the relevant support measures, during the verification of the relevant requirement concerning the investments and interventions promoting active water replenishment referred to in point 11.8 of the Programme;

¹¹ INSERT WEBSITE LINK TO THE NEW ZVT NOTICE!

¹² In the case of the AKG and ÖKO programmes, the Treasury has not established any irregularity in relation to the following requirements: failure to maintain a farm diary; maintaining a farm diary with incomplete or inaccurate records; deficiencies in the preparation of the nutrient management plan; failure to comply with the principles of integrated pest management (excluding the KAP-AKG and KAP-ÖKO programmes, for which compliance with the principles of integrated pest management is not required); downgrading of the organic status of any land participating in the VP-ÖKO and KAP-ÖKO; recommencement of the conversion period; or withdrawal of organic certification.

In the case of Natura 2000 grasslands, the Treasury has not established any irregularity, in its most recent payment decision, in relation to compliance with the land use rules laid down in Government Decree No 269/2007. (with the exception of the obligation to provide prior notification to the National Park of mowing activities).

¹³ INSERT WEBSITE LINK TO THE NEW ZVT NOTICE!

- the reference year of the relevant support measure and of the decision adopted in respect of the payment application forming the basis for the data disclosure, and the identification of the relevant requirement.

3. Duration of data disclosure

For the above-mentioned Purpose of Data Processing, the Bank shall disclose to the Treasury the data specified in point 1 from the date on which it requests the information necessary for the preparation of the personalised indicative offer to be provided to the Client. For the above-mentioned Purpose of Data Processing, the Treasury shall disclose to the Bank the data specified in point 2 from the date of receipt of the Bank's request

- until the loan, together with all interest and ancillary charges, has been repaid in full or until the loan agreement is terminated on any other grounds;
- or, where the term of the loan exceeds the duration of the Programme, until the expiry of the Programme.

4. Frequency of data disclosure

For the above-mentioned Purpose of Data Processing, the Bank shall disclose the data specified in point 1 to the Treasury for the preparation of the personalised indicative offer to be provided to the Client and in the course of the annual credit review, but no more than once per month.

5. Acknowledgement of the Privacy Notice

I/We, the undersigned, hereby declare that I/we have read and understood the information relating to the processing of personal data carried out by the Bank and the Treasury for the Purpose of Data Processing set out herein. Such information is contained in the Bank's Business Rules and, which are available on the Bank's website (www.....hu) and at the Bank's branches. Information relating to the processing of personal data carried out by the Treasury is set out in the Treasury's current General Privacy and Data Protection Notice, which is available under the "Legal Information" menu of the Treasury's website ([General Privacy and Data Protection Notice – Hungarian State Treasury](#)).

I/We, the undersigned, hereby declare that I/we have been informed that the Bank will notify the Treasury of the declarations made by me/us in this document.

Dated:

Client's authorised signature

Signed in the presence of the undersigned witnesses:

1.

Name:

Signature:

Address:

2.

Name:

Signature:

Address: