



Evaluation of the Implementation of the Farm Advisory System

Final Report – Evaluation Part

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List of acronyms

Acronyms	
AAS	Analytical Accounting Services
AAC	Agriculture Advisors Competencies
AEM	Agro-environmental Measure
ALV	Agency for Agriculture and Fisheries
BAS	Dutch acronym for FAS
CAP	Common Agricultural Policy
CER	Centre d'Economie Rurale (Belgium – Wallonia)
CMEF	Common Monitoring and Evaluation Framework
CR	Country Report
CS	Case Study
CTE	Contrats Territoriaux d'Exploitation
DEFRA	Department for Environment, Food and Rural Affairs (UK)
DFIA	Ministry of Food – Denmark
DG AGRI	Directorate-General for Agriculture and Rural Development
EAFRD	European Agricultural Fund for Rural Development
EAGGF	European Agricultural Guidance and Guarantee Fund
EC	European Commission
EMAS	Eco-Management and Audit System (EMAS)
EQ	Evaluation Question
EU	European Union
FADN	Farm Accountancy Data Network
FASFC	Belgium Federal Agency for Security of the Food Chain
FAO	Food and Agriculture Organization
FAP	Forestry Action Plan
FAS	Farm advisory system
FAServices	Farm Advisory Services
FAT	Farm Advisory Tool
FMI	Forest Management Institute (in CZ)
FoAS	Forestry Advisory Services
FO	Farmers' Obligations
FWA	Fédération Wallone de l'Agriculture

GAEC	Good Agricultural and Environmental Conditions
IACS	Integrated Administration and Control System
IAEI	Institute of Agricultural Economics and Information
ICQM	Integrated Chain Quality Management
ID	Identification
IAFI	Institute of Agricultural and Food Information (CZ)
IEAI	Institute of Agricultural Economics and Information
ILO	International Labour Organization
ITC	Information, Technology and Communication
JC	Judgment Criteria
JRC	Joint Research Centre
KKL	Checklist-folder system used in German Länder and Luxembourg
LLL	Life-Long-Learning
MHQA	Modern High Quality Agriculture
MoA	Ministry of Agriculture
MS	Member State
NGO	Non-Governmental Organization
NIT	New Information Technology
OB	Operating Bodies
OSH	Occupational Safety and Health
PHARE	Programme of Community aid to the countries of Central and Eastern Europe
PPP	Plant Protection Product
RFID	Radio Frequency Identification Systems
RDP	Rural Development Programme
REPS	Rural Environment Protection Scheme
SAPARD	Special Pre-Accession Programme for Agriculture and Rural Development
SAPS	Single Area Payment Scheme
SDP	Sustainable Development Plan
SME	Small and Medium Enterprises
SMR	Statutory Management Requirements
SPS	Single Payment Scheme
TF	Type of Farming
ToR	Terms of Reference

Executive summary

Subject, objectives and scope of the evaluation

This evaluation commissioned by the DG Agriculture and Rural Development of the European Commission ('the Commission') aims at providing an overall independent assessment of the implementation of the Farm Advisory System. It takes the form of a mid-term evaluation, as the FAS is mandatory since January 2007.

The FAS is a system advising farmers on land and farm management. The setting-up of the FAS is an important element of the 2003 Common Agricultural Policy (CAP) reform. The advisory activity has to cover at least the statutory management requirements (SMR) and the good agricultural and environmental conditions (GAEC) included under the scope of cross-compliance that farmers benefiting from CAP payments have to respect.

The overall objective of the evaluation is to examine the effectiveness and efficiency of the FAS with respect to achieving the objectives laid down in Regulation (EC) N°1782/2003. The relevance of the instrument and its coherence with other measures in achieving the objectives of the CAP have also been assessed.

The evaluation was carried out between January and October 2009. It is composed of two parts: a comprehensive description of the establishment and implementation of the FAS in the EU Member States (MS) and the evaluation part itself.

The evaluation covers the instrument as envisaged in Regulation (EC) N°1782/2003, as well as the support from the European Agricultural Fund for Rural Development (EAFRD) for the setting-up and use of advisory services (Regulation (EC) N°1698/2005). Both regulations, complemented by Commission Regulation (EC) N°1974/2006¹, form the legal architecture of the instrument. The relevant amendments to Regulations (EC) N°1782/2003 concerning the FAS, as introduced by Regulation (EC) 73/2009², have also been considered.

The evaluation covers the 27 MS and the period from January 2005 until 2009.

¹ Commission Regulation (EC) N°1974/2006 of 15 December 2006 laying down detailed rules for the application of Council Regulation (EC) N°1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

² Council Regulation (EC) No 73/2009 of 19 January 2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers, amending Regulations (EC) No 1290/2005, (EC) No 247/2006, (EC) No 378/2007 and repealing Regulation (EC) No 1782/2003

Methodology

The evaluation project was developed in four phases: structuring, observing, analysing and judging. It combined both desk and field work. The descriptive part was mainly based on the desk phase, supported by three sources of information:

- Documentation provided to the evaluator during the kick-off meeting in January 2009, and the responses received to a country questionnaire sent out by the Commission (DG Agri) to all MS and related to the implementation of the FAS during 2008;
- Additional documentation gathered directly by the evaluator, including various studies, research papers, articles, and statistics; *and*
- **Country Reports** (CR), which were drafted by country correspondents for the 27 MS (including the regional level, where necessary). The information collected in the CR also supported the answer to the evaluation questions. The limited quality of the information available in the MS has represented a major constraint in the compilation of these CR³.

In addition, case studies and farmer surveys conducted in five MS or regions⁴ supported primary data collection, especially for the evaluation part:

- **Case studies** allowed deepening specific investigation issues for answering the evaluation questions – various specific tools have been developed for implementing the case studies;
- **A postal survey** sent to around 400 farmers, mainly beneficiary farmers in case study areas, and with a response rate of 70%⁵, allowed collecting additional qualitative information at the level of beneficiaries.

A **typology** of the different approaches in the implementation of the FAS by the MS, aiming at structuring both the evaluation part and the descriptive part, has been defined. However, due to the high observed variation in implementing the FAS by the MS, it has not been possible to use the typology as initially foreseen. Nevertheless, it has been helpful for the identification of case study areas.

The evaluation is structured around 14 Evaluation Questions, which cover the following seven themes:

1. Effects on land and farm management;
2. Effects on farmers' income;
3. Achievement of global objectives in terms of meeting the standards of modern, high quality agriculture (also presented in chapter 1.4);

³ Country correspondents have encountered difficulties in collecting robust data especially in relation to all cost elements (cost of advice, cost for farmers, setting-up costs of the FAS, running costs, etc.) and counting of beneficiaries, of operational bodies and advisors. Figures often are aggregates or refer to different ways of counting, or are expressed in local currencies, etc.

⁴ Belgium, the Czech Republic, Denmark, Lower-Saxony (DE), and Veneto (IT)

⁵ The survey has been sent to farmers in BE, DE (NSC) and DK. It has been distributed to farmers at focus groups in CZ and IT (VEN) during case studies.

4. Other impacts and unintended effects;
5. Efficiency analysis;
6. Relevance and coherence of the instrument;
7. Administrative requirements for the Member States and the farmers.

Answers to the Evaluation Questions (by themes 1 to 7)

Theme 1: Effects on land and farm management

Theme 1 examines the following issues: i) support provided by the FAS in increasing the awareness of Community farmers of the impact of their farming practices on the environment, food safety and animal health and welfare; ii) support provided by the FAS in facilitating the implementation of cross-compliance requirements (Statutory Management Requirements -SMR- and Good Agriculture and Environment Conditions -GAEC); iii) support provided by the FAS to the implementation of standards going beyond cross-compliance; and iv) the contribution of the FAS to the development of management skills.

For the single year 2008, the overall outreach of one-to-one advice is around 5% of farmers receiving direct payments⁶ in the 20 MS for which information was available⁷. In MS/regions where the FAS has been implemented since 2007 (or earlier in some MS) the outreach is stabilised around 5-10%, with a maximum rate of 20%. In the same year on-farm small group advice was provided in 10 MS⁸, and reached around 5% of beneficiaries of direct payments in these MS.

The evaluator considers that the establishment of the instrument by Regulation (EC) N° 1782/2003 and the approaches taken by the MS (mainly one-to-one advice based on checklists, or integration of the FAS into pre-existing extension systems), establish a general framework favourable to providing technical advice on land and farm management to Community farmers.

Several elements (regulatory scope, case studies, suggestions from MS in country reports, etc.) tend to indicate that **large farms, already familiar with existing advisory services, are the main users of the FAS.**

The early stage of FAS implementation was a challenge for drawing conclusions in this evaluation. Furthermore, the limited availability of monitoring data and the very scarce information provided by MS regarding various domains addressed or targeted by the FAS, have not always allowed a detailed assessment.

⁶ When calculating the share of farmers reached by FAS advice, the evaluator wanted to compare it to all beneficiaries of CAP payments. Data were available for beneficiaries of all direct payments for each of the 27 MS (including all decoupled and coupled payments, but without payments from the second pillar). These data have been used.

⁷ Data are not available for MT and SK; Data are not correct (double counted) for FR; FAS was not implemented in 2008 in CY, EL, PL and PT.

⁸ AT, BG, CZ, ES (6 regions only), IE, LT, MT, NL, RO and the UK. Five other MS provided small group advice in 2008 however data is not available in 4 of them (EE, IT, SI and SK) and data from FR could not be used as there are double counts. More information in section 5.1.2 of the descriptive part.

Answers to the four specific Evaluation Questions under this Theme 1 are presented hereafter:

i) Environment, food safety and animal health/welfare

The core FAS approach, that is on-farm, mainly one-to-one advice, supported by checklists contributes to awareness raising at the level of beneficiary Community farmers about the three above-mentioned themes in a comprehensive way. Awareness raising is often facilitated by structuring the advice by means of checklists, which translate regulatory provisions into handy information for the farmers. This FAS core approach is likely to increase in the near future, once the FAS is fully operational in all MS.

On-farm thematic and small group advice contribute to awareness raising in a more thematic way, especially on the environment and on animal health and welfare.

Where the coverage of the FAS is broader than the strict cross-compliance requirements (in 12 MS and 4 regions), this additional advice mainly targets environmental awareness raising and rural development priorities.

In the EU15, awareness raising has been conducted in a more or less important way since early 2000 on environmentally sustainable farming practices, food safety (hygiene, traceability etc.) and animal identification. Major incidents and developments (such as the dioxin crisis, mad-cow disease, foot-and-mouth-disease outbreaks, etc.) have strengthened and given more focus to these concerns, which have since then been largely addressed by extension/advisory services. The situation is less clear for the EU12. However, the *Special Accession Programme for Agriculture and Rural Development (SAPARD)* and the 2004-06 Rural Development Plans have already accompanied the transition process, including some appropriation of the new legal frameworks linked to accession to the EU.

Qualitative information from the case studies and the survey show differentiated results on the contribution of the FAS to farmers' awareness raising, according to MS/regions and to the specific way the FAS was implemented. According to the beneficiary farmers surveyed, 34% of the farmers consider that their awareness has improved over recent years. This change in awareness is attributed in similar proportions to the society/media, to the FAS and to the CAP payment mechanism.

The FAS⁹ contributes to awareness raising among Community farmers, of material flows and on-farm processes related to the environment, food safety and animal health/welfare, through its core approach (one-to-one advice supported by checklists), **along with other external elements and instruments including existing extension/advisory services.**

ii) Implementation of cross-compliance requirements (SMR and GAEC)

Overall, the different requirements related to the Statutory Management Requirements and the Good Agriculture and Environment Conditions are comprehensively covered by the different approaches and tools that the MS have established and that they are currently implementing.

⁹ FAS is fully operational in 24 MS

The FAS is mainly implemented through "one-to-one" and to a lesser extent "small group" approaches, which are in both cases "on-farm" approaches. **The core FAS approach, on-farm one-to-one advice and to a lesser extent on-farm small group advice, are considered as very effective.** Indeed, being very individual, specific to the farmers and their holding, they are considered as very effective compared to off-farm approaches and to one-to-all approaches.

Regarding the content of advice, this varies among the MS, also reflecting the manner in which the MS have transposed the various SMR and GAEC requirements into obligations for farmers.

Based on the results of the survey, the main motivation for farmers to request FAS advice is to get specific information about cross-compliance and improve the capacity of the farmer to respect the requirements. The survey also showed that **most farmers are satisfied with the advice provided.**

Checklists are the most used tool for providing advice. While checklists offer the advantage of covering comprehensively the different requirements, the farmers may perceive them as being associated with the control systems linked to cross-compliance, if they are not appropriately approached and advised. Furthermore, when implemented as a comprehensive full package (to cover all requirements), the time available for the advice and the complexity of the checklists may hinder an effective support.

The core FAS approach, on-farm one-to-one advice linked to the major tool (checklists) that is used in most MS (foreseen in 23 MS and operational in 18 MS), supports the implementation of cross-compliance requirements through its comprehensive coverage of all regulatory aspects, their translation into understandable questions for the farmers, and the induced discussions with advisors on the rationale of the different requirements. Improving the capacity to respect cross-compliance requirements is also the main motivation from farmers of making use of this advice. The extent to which this happens is primarily driven by the content of the advice (technically skilled advice should be brought to elements which raise problems) and the ways through which the advice is delivered (devoting time to questions and answers raised by the farmer). Thus, different impacts can be expected in the different MS.

iii) Support to implementation of additional standards beyond SMRs and GAEC

In those MS that make use of EAFRD in relation to farm advisory services, the minimum scope of the advice has to cover occupational safety standards in addition to cross compliance requirements. The FAS may also provide advice on minimum requirements for the use of fertilisers and plant protection product (PPP), which are part of the scope of cross compliance for the farmers benefiting from agri-environmental payments. The FAS may also support the implementation by farmers of animal welfare commitments mentioned in art. 40 of Regulation (EC) N°1698/2005.

Overall, regulatory provisions concerning occupational safety issues have been considered by most MS, and occupational safety standards have been integrated in the FAS advice and checklists if EAFRD has been used. However, the content and type of advice provided in this context varies greatly: in most cases the advice concerning these standards

is provided through conformity checks, while only few MS seem to have established specific operational programmes to address the issue at the level of the agricultural sector. Furthermore, health and safety hazards are intertwined, which makes it difficult tackling them in the agricultural sector through specific action plans. In this context, the provision of the advice is made difficult by the complex set of regulations, the constantly evolving legal framework, and the very nature of the uncertainty about the concrete rules to be applied (binding employees rights versus 'non binding' recommendations to independent workers).

Minimum requirements on the use of fertiliser and plant protection products have been mostly addressed through other advisory services, with limited direct contribution from the FAS.

As for **other Community-based standards**, neither the documentary review nor the country reports or interviews have provided a clear view at Community level.

iv) Management skills

The FAS provides an opportunity for Community farmers to improve their administrative skills, especially in relation to the documentary aspects that are required by cross-compliance. Administrative skills are mainly supported through one-to-one on-farm advice with checklists, which support the coherent documentation of all on-farm processes. **However, there is little evidence that the FAS contributes to integrating and linking these considerable data collections in an overall (technical and economic) advice on farm management** (with the exception of BE-FLA).

Support to wider management skills is very limited, and focuses mainly on financial management.

The advice provided through forestry advisory services to forest holders mostly covers elements concerning forestry plantations and production, the role of the forests-ecosystems and technical forestry management skills (felling, rotations, etc.). The support to forestry owner groups is clearly a priority in 10 MS. However, investigations carried out in preparation of the various country reports have not been conclusive on the way forestry services are organised to provide these services.

Theme 2: Effect on farmers' income

The costs of on-farm one-to-one advice are determined by various factors, including the time spent for the advice. **The cost for an “advisory package”,** which ranges from a simple ticking of boxes of a checklist to a detailed and comprehensive advice, **varies between € 275 and € 2,400.** However, the public subsidies through national and EAFRD funding offset these costs to a considerable extent. **The typical public support intensity varies between 70% and 80%** of the cost. The cost remaining for the farmer after subsidies varies between a minimum of € 55 (ES-CAN) to almost € 1,000 (NL). In addition some MS/regions provide advice for free.

The time spent by farmers on advice ranges between 2-3 hours for thematic advice to up to 8-18 hours when a comprehensive checklist approach is used. This opportunity cost for the farmers, which largely differs between MS, regions, and types of farming, has not been estimated.

A rough estimation of the unit cost for an “advice package” per MS/region compared to the **average** net farm income of farmers from the European Farm Accountancy Data Network (FADN) (referring to all farmers covered by the FADN and not only to FAS beneficiaries) shows a share of around 1 % (based on information available for 14 MS and some regions only).

Thus, overall, the costs that farmers have to face for benefiting from one-to-one advice are relatively low compared to their average net farm income. Nevertheless, **the need to prefinance the advisory cost might still be a constraint for some farmers.**

The effects of the FAS are generally positive, even though they are difficult to quantify. Overall, the main benefit of the core FAS approach (one-to-one on-farm advice) is the contribution to beneficiary farmers’ awareness raising on the effects of their farming practices related to the environment, food safety and animal health/welfare. Additionally the FAS contributes to:

- Build up farmers' understanding of SMR and GAEC requirements and thus increase their acceptability to farmers. It provides a concrete interface with all obligations through the developed checklists;
- Improve farming practices that contribute indirectly to the income of farmers through a more rational use of input factors and nutrient management (reduction in loss and waste) and higher productivity. However, in some cases, the advice might reveal the need for making specific investments;
- A better overall hygiene on the farm. For farms with livestock, application of animal health and welfare standards can lead to increased productivity or lower losses; *and*
- A reduced risk for penalties from the cross-compliance controls.

Overall, the use of farm advisory services **does not significantly affect the average farmers’ income directly, neither through costs (largely off-set by public support) nor through immediate positive returns.** The contribution of the FAS to improved farming practices leads to a more sustainable production in an environmental as well as in an economic sense. This might also lead to an effect on the income of farmers, even though this has not been the driving force for the farmers for using the FAS.

Theme 3: Achievement of global objectives

Under this heading, the effectiveness of the FAS is assessed in meeting the standards of modern high quality agriculture. The concept of *modern, high quality agriculture (MHQA)* has been defined by the evaluator for that purpose as multifunctional and resting on three principles: environmental sustainability, competitiveness and adjustment to the needs and priorities of EU society.

Environmental issues are a significant element of FAS advice, especially those relating to cross-compliance (soil/water). This is consistent with the balance of the environmental

focus in cross-compliance. Delivering advice and raising awareness on standards and issues going beyond the ones under the scope of cross compliance is included into the FAS in some MS (especially those making use of EAFRD). These concern mainly issues linked with the implementation of agri-environmental measures.

Despite the potentially large scope of the FAS, **only few MS have directly integrated** the issue of **competitiveness** in the scope of their **FAS advisory activities**, (when this has happened it has generally been in connection with the mobilisation of EAFRD funds). This is linked with the fact that the MS have tended, so far, to shape their FAS around the minimum objective of covering at least the SMR and GAEC included in the scope of cross-compliance, as requested by Regulation (EC) No 1782/2003.

However, these kinds of services are available to farmers outside the FAS, e.g. through other (existing) advisory /extension services, and sometimes through vocational training supported by the EAFRD under *measure 111*. Currently the FAS tends to address competitiveness indirectly, through improved documentation and the application of specific cross-compliance requirements linked to the rational use of inputs, better overall hygiene on the farm and, for farms with livestock, the application of animal health and welfare standards (see theme 2).

In terms of societal concerns, food safety and animal health are well integrated into regulatory aspects of cross-compliance and thus covered by the FAS. Animal welfare issues are covered to a lesser extent.

As regards forest holdings, no comprehensive conclusions can be drawn, due to the inadequate available information on the content and methods of the advisory services to forest holders.

Theme 4: Other impacts and unintended effects

This section considers other impacts that could arise from differences in the implementation of the systems between MS or within a MS (for example free or charged advice, priority groups of farmers, etc.).

Assessing potential specific impacts of the FAS that have not been covered by previous themes is organised around four topics, namely (i) differences in the treatment of farmers, (ii) change in farmers' perception of the CAP, (iii) awareness raising on sustainable farming practices, and (iv) other possible effects.

The FAS provides Community farmers with differentiated access to advice, not only due to specific local conditions, but also to differences existing between the MS as regards the approach, costs and content of the advice. Overall, however, the access to the FAS seems *de facto* to have been open so far to any farmer requesting advice, even if some MS considered specific target groups, including the initial regulatory priority group of farmers receiving more than € 15,000 of direct payments, during the process of establishing their FAS.

Interviewed stakeholders generally felt that the FAS has little impact on improving farmers' perception of the CAP. The association with cross-compliance often leads to a negative view by the farmers, despite their often positive judgments on the quality of the advice provided by the FAS. In general terms, the benefits of the advice tend to be attributed to

the regional/national organisations operating in the agricultural sector, rather than to the FAS, and therefore to the CAP.

A series of interesting other effects were highlighted during case studies:

- a) the opportunity to establish and strengthen a trust relationship that can **facilitate the interfacing between farmers and operating bodies/advisors**;
- b) the continual search of extension services of how to ensure access to groups of farmers that are not used to ask for advisory services, in contrast to the current situation which seems to **focus on farmers who are already very familiar with advisory services**;
- c) the farmer's continued **doubts about the disconnection between advice and cross-compliance controls**; and
- d) a number of different observations such as **reluctance towards written advice** and insurance for advisers against the risk of eventual penalties for farmers that could be referred back to a wrong advice.

The last major side-effect is that some MS have taken the opportunity of FAS to **rethink and review their wider advice and knowledge information systems in the agricultural sector**.

Theme 5: Efficiency analysis

Analysing the efficiency of the FAS concerns the relationship between the various resources employed in pursuing the objective and the results obtained. The factual costs incurred in relation to FAS (administrative costs for the MS and costs for the farmers) should be compared to the identification and appreciation of the expected benefits from FAS.

Available data did not permit to assess with an adequate level of precision the costs incurred by the MS for the establishment and implementation of their systems; benefits expected from the FAS could only be appreciated in a qualitative way.

Despite the scarce information available (only few MS have recorded the costs incurred in relation to the FAS), **the MS consider that the costs for setting-up the FAS have been modest overall**. This is explained by either considering that these costs have represented a very limited part of the overall ministerial budget, or by the fact that the FAS has been integrated into comprehensive advisory systems already operating for a long time. This could also explain the limited uptake of *measure 115*.

Costs for the setting-up of the FAS have tended to be more important in those MS that have planned a detailed needs assessment at the level of the farmers or a tendering process for selecting the operating bodies and accreditation of the advisors.

Overall, the **costs incurred by the MS for running the FAS are mainly linked to funding or co-funding of the advice**. No data are available for MS providing advice for free. In MS co-funding advice, the national contribution to the costs incurred by the farmers for benefiting from the FAS can be considerable, especially when the uptake by

farmers is high (e.g. in Hungary, which shows the highest amount with some 2.7 million Euro in 2008¹⁰).

Even though the quantitative data on the costs incurred and the benefits of FAS are limited, qualitative information lead us to conclude that **the benefits secured by the FAS are proportionate to the costs incurred for its implementation and use by the farmers.**

Another aspect of the efficiency analysis is **whether the EAFRD is an efficient means of providing support and has an added value** in comparison of not using this fund.

EAFRD contribution to support the setting up of the FAS (*measure 115*) has been currently used by only three MS (ES, IT, PT). No meaningful data are available allowing to conclude about the efficiency of EAFRD for supporting the setting-up of the FAS, apart from the above consideration relating to the overall very limited use of this measure.

Measure 114 concerning support for the use of advisory services has a larger uptake, with over half of the MS (15 MS at national level and some regions in 4 MS) making use of it. Supporting the use of advice by the farmers has well eased the cost burden for beneficiary farmers (funding between 60%-80% of the total unit cost of advice). However, **no meaningful elements are available, allowing to conclude that the use of EAFRD leads to a less expensive use of the FAS for farmers.** The advice is indeed for free in some MS and the unit cost of advice is sometimes lower in those MS where the cost of advice is fully charged to the farmers.

Additional outcomes from EAFRD support for the use of FAS are the comprehensive coverage of all cross-compliance requirements. MS that are not using the funds have in general a thematic approach. However, notwithstanding the opportunity of discussing all cross-compliance requirements (and occupational safety), this type of advice might discourage farmers that are already aware of SMR and GAEC to ask for the advice. In addition, such an advice could not be sustainable over time, since farmers having benefited of advice activities once or twice may not be interested in further advice.

Using the EAFRD helps MS in providing the core FAS approach that is one-to-one on farm advice, which we see as an effective approach, although it might be a rather costly one.

Additional value added is further provided by MS using the fund for enlarging the scope of the FAS to other regulatory requirements linked to national, regional legislation or to quality insurance systems, or for integrating economic advice on the farm. Other MS have added specific topics (energy, environment, quality insurance systems) to their farm advisory services.

In sum, even though EAFRD support provides additional outcomes, the information available does not allow providing a definitive conclusion on the efficiency of EAFRD support.

¹⁰ Including EAFRD contribution.

Theme 6: Relevance and coherence

i) Relevance

The relevance of the objectives of the FAS, as outlined in Regulation (EC) N°1782/2003, have been assessed with respect to the needs and problems of the EU agricultural sector. Considering that the objectives of the FAS are defined at EU level, and that a large degree of flexibility is left to the MS in order to adapt the Community framework to the national specificities, two main levels of relevance are distinguished, namely the Community level and the MS level.

At Community level, when mirroring the needs of the EU agricultural sector and the objectives of the FAS, it can be **concluded that the FAS is relevant**. The objectives of the FAS are not only relevant regarding the current needs in the agricultural sector but **also as regards the emerging needs in the Community agricultural sector, in particular those linked to climate change and price volatility**. In addition, the FAS is relevant with respect to the needs of farmers to be advised on cross-compliance related issues.

At MS level, during the first years of implementation of the FAS (and of cross-compliance), the Community framework defining the objectives of the FAS has been transposed in most MS by focusing especially on the support that the FAS can provide to farmers for a correct application of the basic standards for the environment, food safety, animal health and welfare and good agricultural and environmental conditions included in the scope of cross-compliance. We notice a limited attempt, so far, to adapt the Community framework to other specific national contexts and needs. However, 12 MS have widened the coverage of the FAS beyond the scope of cross-compliance in various ways by including: (i) other (national/regional) regulatory aspects and/or quality insurance systems; (ii) some innovative themes compared to the usual advisory business; and (iii) specifically integrating economic advice into the FAS. Few MS have set-up the FAS as an overall advice system integrating advice on various RDP priorities.

Currently, at MS level, for a large number of MS and regions, the FAS does not address comprehensively the various needs of farmers, except cross-compliance advice. **However, other needs are usually covered by the existing advisory and/or extension services.**

ii) Coherence

Coherence has been investigated in terms of synergies/complementarities between the FAS, as defined in Regulation (EC) N°1782/2003, and other Community interventions in achieving the objectives of the CAP and broader Community objectives.

The links between the FAS and other interventions/instruments applied especially under Pillar one are clear. The FAS is defined under Regulation (EC) N° 1782/2003, which refers directly to the heart of interventions of Pillar one, and which establishes an explicit link between the FAS and cross-compliance. The implementation at the MS level confirms this strong synergy/complementarity, as all MS have set up the FAS firstly to address cross-compliance requirements.

The FAS and rural development interventions referring to Pillar two are potentially complementary, although the synergies/complementarities are less explicit in Regulation (EC) N°1698/2005 than they are in Regulation (EC) N°1782/2003. They are however

clearly underlined in the reconstructed intervention logic proposed by the evaluator. Potential synergies and complementarities between the FAS and *measure 111* (vocational training) and *measure 114* (support for the use of advisory services) are high. The FAS is also complementary with axis 2 measures, aiming at improving the environment and the countryside by supporting land management. The FAS provides advice with an important focus on sustainable production methods (notably through the various cross-compliance standards linked to the environment) whereas some measures of axis 2 support environmentally friendly production methods going beyond the compulsory standards.

At MS level, the exploitation of those potential synergies/complementarities varies from one MS to another. Although the FAS can be supported by two specific RD measures, this financial linkage does not give a guarantee of synergies/complementarities with other RD measures. In some MS, the use of EAFRD funds has triggered the widening of the FAS advice to other RDP interventions and priorities. According to the evaluators' findings based on available documents, the concrete synergies between the FAS and other RDP interventions, in particular vocational training, are currently limited.

The potential synergies and complementarities between the FAS and Community interventions in the field of agricultural research are obvious. Nevertheless, at the MS level, research activities have been involved as a contributor to FAS only in few cases. Feedbacks from advisors to researchers would enhance research focused on practical issues at farm level and, vice versa, more frequent contacts between both would ensure that practical solutions developed by researchers find their way to the farming sector.

The review of several Community interventions/instruments supporting the objectives of the Renewed Lisbon Strategy has revealed a high potential of synergies/complementarities with the FAS in the following sectors: (i) employment and long life learning, (ii) environment and sustainable development, (iii) innovation and regional development, (iv) climate change, and (v) energy. Due to the recent implementation of the FAS, concrete synergies could be analysed only to a limited extent. However, the data available do not provide current evidence of synergies/complementarities exploited at the MS level with regards to those instruments/interventions.

The synergies/complementarities between the FAS and other interventions related to the CAP objectives under pillar one and two are potentially very high. The FAS is also coherent with broader Community interventions supporting the objectives of the Lisbon Strategy. At MS level, there is currently little evidence of concrete synergies, partly explained by the recent implementation of the FAS.

Theme 7: Administrative requirements

Administrative requirements considered in this context are those related to the organisation and implementation of the FAS by the MS.

The administrative requirements that the setting up of the FAS has induced vary significantly according to the type of selection process of operational bodies and advisors. If the latter have been designated among existing public or private organisations, administrative requirements for the MS have been marginal. Administrative requirements

(and related costs) have been higher in those MS where an accreditation process through call for proposals has taken place.

A similar situation is also noted concerning the implementation of the FAS. In case EAFRD is mobilised, additional administrative requirements and human resources are induced, due to yearly publication of applications, reaccreditation of advisors, monitoring, reporting and control of the funds used.

The extent to which the FAS creates synergies in terms of reducing administrative costs for farmers has also been considered. This has been approached through the analysis of the possible links and synergies between FAS activities and the administrative requirements that the farmers are facing.

Supporting and promoting a coherent documentation of all on-farm processes is at the heart of the FAS approaches and tools in relation with the documentary aspects that are required by cross-compliance. The improvement of administrative skills (especially reporting and filing) is supported through on-farm one-to-one advice with checklists.

First elements of synergies with the national/regional regulatory provisions and other quality systems are present in DE and LU, thanks to the use of integrated check-folders that include all legal and regulatory provisions. **However, according to the information from case studies, currently these synergies do not reduce the administrative costs for farmers.**

Recommendations

R1. The concept of “Farm Advisory System” should be maintained. Efforts may be developed for going beyond cross-compliance requirements, where appropriate

In the first years of implementation, FAS activities have been especially focused around cross-compliance standards. However, as the concept of the FAS allows to go beyond a pure “cross-compliance approach”, **we see an opportunity for doing so in those MS where this basic support is less needed.** Depending on the respective needs of farmers in the different MS to correctly understand and apply the requirements of cross-compliance, **FAS activities could be further targeted: a) towards an integration of cross-compliance advice with economic advice increasing the usefulness of documentary aspects that are required by cross-compliance b) towards other needs and domains of advice (e.g. climate change, market oriented advice, etc).** This would further support the contribution of the FAS to the global objective of supporting a *Modern, High Quality Agriculture*, and might enhance the overall confidence of the farmers towards the system, which is currently still considered by most farmers as being linked to cross-compliance requirements and controls.

R2. Recommendations towards MS for improving the effectiveness and efficiency of the FAS

The recommendations in this area include:

R.2.1. Carrying out needs assessments, in order to better respond to the specific needs of the potential beneficiaries.

R.2.2 Exploring synergies with other instruments, in particular with agricultural research activities and other extension services.

R.2.3 Further develop the monitoring systems, which should also provide feedback on the issues where more advice is needed and/or on the most suitable tools for providing advice.

R.2.4. Enhancing the access to the FAS for small farms by developing specific FAS tools targeted to this population and by **increasing the knowledge of the FAS and of its potential benefits among these farmers.**

R3 Recommendations towards the EC to support the MS in the implementation of the FAS

Recommendations include:

R.3.1 Promoting the sharing of good practices on approaches and tools among the Managing Authorities and the Operational Bodies in the MS.

R.3.2 Clarifying the rules concerning occupational safety standards. . In this respect, two possible options could be envisaged:

1. The EC could better clarify the precise rules to be respected by the farmers in terms of occupational safety standards;
2. These standards should not be included in the mandatory scope of FAS services when *measure 114* is mobilised by farmers.

R.3.3 Revising the scope of *measure 114* in the sense of removing the obligation for each individual service to cover all cross-compliance standards when this measure is mobilised.

Introduction

This report is the final report which concerns the evaluation of the implementation of the **Farm Advisory System** (FAS) introduced by Regulation (EC) N° 1782/2003. The FAS has been mandatory for all EU Member States (MS) since January 2007.

This evaluation, examining the setting-up and the implementation of the FAS, takes the form of a mid-term evaluation. It will contribute to a review of this instrument in 2010¹¹ by the Commission. The evaluation was carried out between January 2009 and October 2009. It is composed of two parts: a comprehensive description of the establishment and implementation of the FAS in the MS and the evaluation part itself, answering a set of evaluation questions with conclusions and recommendations based on the findings.

The final report is structured according to the specific requirements of the ToR and is made up of 2 parts. The current evaluation part includes a short historic overview and description of the instrument, the methodology of the evaluation and answers to Evaluation Questions. The descriptive part, presents a comprehensive review of the FAS design and implementation until end of 2008 in the various MS.

This report concerns the evaluation part. The first chapter presents the historic overview and description of the instrument. The methodology is described in chapter 2, including the model of intervention logic. Key terms of the evaluation are defined in chapter 3. Chapter 4 provides the answers to the 14 Evaluation Questions. The fifth chapter is the closing chapter presenting conclusions and recommendations on the instrument.

¹¹ Article 12 of the Regulation (EC) No 73/2009 mentioned that “by 31 December 2010 at the latest, the Commission shall submit a report on the application of the farm advisory system, accompanied, if necessary, by appropriate proposals.”

1. Historic overview and description of the instrument

1.1 Background

Since its origin, the Common Agricultural Policy (CAP) has constantly evolved in order to reflect the changing needs of both the agricultural sector and European citizens. This evolution has led to an improved recognition of and to a better support to the multiple dimensions of European agriculture. Since the Mac Sharry reform in 1992, an increasing emphasis has been put on the environmental dimension. Along the same lines, the “Agenda 2000” reform aimed not only at stimulating European competitiveness and ensuring fair income for farmers, but also at taking stock of environmental and food safety considerations. This reform was built on two pillars.

The first pillar is linked to market support and farmer income support. The second concerns rural development. It aims at improving the competitiveness of agriculture and forestry in an environmentally sustainable manner whilst preserving the rural landscape and improving the quality of life in rural areas, as recently restated in Regulation (EC) N°1698/2005 that defines the rural development policy for 2007-2013.

In 2003, a new fundamental reform of the first pillar (Regulation (EC) N° 1782/2003) to reinforce the different dimensions of the CAP was agreed. With this reform, linking farming subsidies to production was to be discontinued. Since its implementation, producer support is largely decoupled from production decisions. Farmers are entitled for support independently from the level of production *and* production choices¹².

However, farmers have to respect environmental, food safety, and animal welfare legislation, as well as the maintenance of the farm in good agricultural and environmental conditions. If these standards are not respected, farmers may be subject to reduction or withdrawal of a number of CAP payments (first and second pillar). This *link* between the payments to farmers and the respect of compulsory standard is called cross compliance. The standards to be respected are part of the *scope* of cross compliance.

This regulation introduced the obligation for the Member States to set up a Farm Advisory System (FAS) by 1 January 2007 (article 13 of Regulation (EC) N° 1782/2003).

A review in 2007-2008 of this major reform of the CAP (“Health check revision of the CAP”) led to an adaptation of the regulation (Regulation (EC) N° 73/2009¹³) taking into account the lessons learned from the first years of implementation of Council Regulation (EC) N° 1782/2003. It appeared that certain elements of the support scheme needed to be adjusted. Experience also showed that a number of requirements within the scope of cross-compliance were not sufficiently relevant to farming activity or to farm land or were concerning national authorities instead of concerning farmers (recital 3 of Regulation (EC) N° 73/2009).

¹² It should be noted that with Agenda 2000 support was decoupled from production levels but was still dependent on the production choices.

¹³ Council Regulation (EC) N°73/2009 of 19 January 2009 establishing common rules for direct support schemes for farmers under the CAP and establishing certain support schemes for farmers, amending Regulations (EC) N°1290/2005, (EC) n°247/2006, (EC) n°378/2007 and repealing Regulation (EC)N°1782/2003.

1.2 Cross-compliance

As laid out in Regulation (EC) N°1782/2003, farmers are required to comply with:

- 19 Statutory Management Requirements (SMR)¹⁴ based on Community legislative acts in the areas of the environment; public, animal and plant health; and animal welfare (Annex III of Regulation (EC) N°1782/2003)¹⁵. Most of these legislative acts are directives that are applied in each MS through national legislation (See attached list in Appendix 3).
- Specific requirements in relation to Good Agricultural and Environmental Condition (GAEC) to be defined by each MS, taking into account their specific soil and climatic conditions; existing farm systems, land use, crop rotations, farming practices and farm structures (Annex IV of Regulation (EC) N°1782/2003); and the overall obligation to maintain land under permanent pasture. (See attached list in Appendix 4)

Since 2005, all farmers receiving direct payments have been subject to compulsory cross-compliance. Moreover, since 2007 application of cross-compliance has been extended to farmers benefiting from payments from eight Rural Development measures, mainly from axis 2 of the Regulation (EC) N°1698/2005.

Cross-compliance is compulsory and non-respect can lead to a reduction (partial or full) of direct aid. MS play the leading role in applying cross-compliance at national but also at regional level, and it is their responsibility to inform farmers on the definition of GAEC in their agricultural situation and to inform them on statutory management and GAEC requirements.

Regulation (EC) N° 73/2009 slightly amended provisions concerning SMR and GAEC, especially GAEC. They can be found in annex II and III of this Regulation. Regulation (EC) N° 1782/2003 referred to 11 GAEC. These were revised in Regulation (EC) N° 73/2009 to 15 GAEC subdivided into 8 compulsory standards and 7 optional standards. However, these changes have not been taken on board in this evaluation, as MS have planned and implemented FAS (until end 2008) using the previous regulatory framework.

1.3 The Farm Advisory System

The setting-up of FAS is an important element of the 2003 CAP reform. The FAS has been introduced in order to help farmers to “*meet the standards of modern, high-quality agriculture*”. Therefore, MS have to establish a comprehensive system offering advice to commercial farms. Recital (8) of Regulation (EC) N°1782/2003 specifies that “*The Farm Advisory System should help farmers to become more aware of material flows and on-farm processes relating to the environment, food safety, animal health and welfare*”.

¹⁴ There are 19 SMR numbered from 1-18, with SMR 8 and 8a.

¹⁵ Respect of SMR in EU15 MS (including Malta and Slovenia) has become mandatory in 3 steps: 2005 – 2006 – 2007. In new MS applying SAPS, SMR became mandatory as from 2009. Before that, only GAEC and requirements on permanent pastures were mandatory.

The FAS aims at least helping farmers to be compliant with cross-compliance, although, as the term “at least” mentioned in the Regulation suggests, the FAS can not be solely limited to SMR and GAEC. This implies that, under the discretion of the Member States, the FAS could serve as a horizontal tool covering broader CAP issues.

Participation of farmers is voluntary. Under Regulation (EC) N° 1782/2003, the possibility of making the participation compulsory after 2010 for certain categories of farmers was foreseen, but this possibility has then been removed through Regulation (EC) N° 73/2009.

The Farm Advisory System (FAS) has been gradually introduced since 2005 and Member States were obliged to introduce it from January 2007.

Possible support from the European Agricultural Fund for Rural Development (EAFRD) for the use by farmers and forest holders of management and advisory services, and for the setting-up of farm management, farm relief and farm advisory services for farmers and of Forestry Advisory Services (FoAS) for forest holders is foreseen under Regulation (EC) N°1698/2005.

Two measures are available for the MS to be possibly included in national/regional RDP: *measure 114* supporting the use of advisory services by farmers and forest holders (art. 24) and *measure 115* supporting the setting-up of farm management, farm relief and farm advisory services for farmers and of FoAS for forest holders (art.25).

Following recitals 18 and 19 of Reg. 1698/2005, the objective of these measures is to help farm and forest holders to improve the sustainable management and overall performance of their holdings.

The two measures are part of a number of axis 1 measures, dealing with competitiveness of the agricultural and forestry sector. They aim, together with other measures, more specifically promoting knowledge and the improving human potential. In particular, activities carried out in the context of *measure 111* (vocational training and information action) could cover issues also targeted by advisory activities.

When advisory activities are funded through the EAFRD, the *minimum* coverage of these activities is broader than what is stated in Regulation (EC) N°1782/2003 (occupational safety standards based on Community legislation in addition to SMR and GAEC), as well as the targeted beneficiaries (farm and forestry holders versus commercial farms¹⁶).

In addition, detailed capacities are requested from authorities and bodies selected to provide advisory services, in order to be selected or accredited (see art 15(2) of Commission Regulation (EC) N° 1974/2006¹⁷). They include notably appropriate resources in terms of staff, technical and administrative capacity. Regulation (EC) N°1782/2003 requires strict obligations in terms of data protection from advisors and advisory bodies.

¹⁶ This has been changed by article 12 of Regulation 5EC) No 73/2009. Member States may determine, in accordance with objective criteria, the priority categories of farmer that have access to the farm advisory system.

¹⁷ Commission Regulation (EC) No 1974/2006 of 15 December 2006 laying down detailed rules for the application of Council Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

Advice does not start from scratch: national or regional extension and advisory systems have a long history. Systems informing farmers of various pre-existing requirements existed prior to FAS. Complementary to national or regional extension services, the 2000-2006 RDP (European Agricultural Guidance and Guarantee Fund (EAGGF) funded), already identified a “...*particular effort...to educate farmers in and inform them of agricultural methods compatible with the environment*” and a need for adequate training in “*new approaches to management, production and marketing*”¹⁸. *Ad hoc Farmers Advisory Services* were thus provided in some Member States in relation to agri-environmental measures and environmental planning at farm level.

At Member State level the advisory system and the services provided are interwoven with pre-existing agricultural extension services, certification systems, other business advisory services, information channels, and so forth (as suggested in graph 1). Advising farmers in relation to the Common Agricultural Policy is thus ultimately a combination of these three levels: pillar one referring to FAS, pillar two and the existing MS extension services.

In this context, when considering the setting-up and implementing FAS, the following key elements have to be considered:

- The field of the FAS-advice is at least "the whole" cross-compliance requirements at farm level.
- If EARFD funds are mobilised under pillar two, in addition to the scope of cross-compliance, occupational safety standards based on Community legislation¹⁹ have also to be covered as a minimum requirement.
- FAS can be operated by one or more designated authorities or by private bodies and therefore is defined as a system rather than specific services.
- Under Regulation (EC) N°1782/2003, the minimum target group for FAS were those farmers receiving at least €15,000 of direct payments in line with provisions laid down for the different payment systems in Regulation (EC) N°1782/2003. However, this condition was removed through Regulation (EC) N°73/2009.
- MS have the possibility to enlarge their FAS framework to other standards, such as other good farming practices (even larger than GAEC) and standards relating to agro-chemicals, or any other Community or national relevant standards.
- Advice and compliance control must remain separate, the farmer bearing the ultimate responsibility for his actions in relation to cross-compliance, as indicated in the following box:

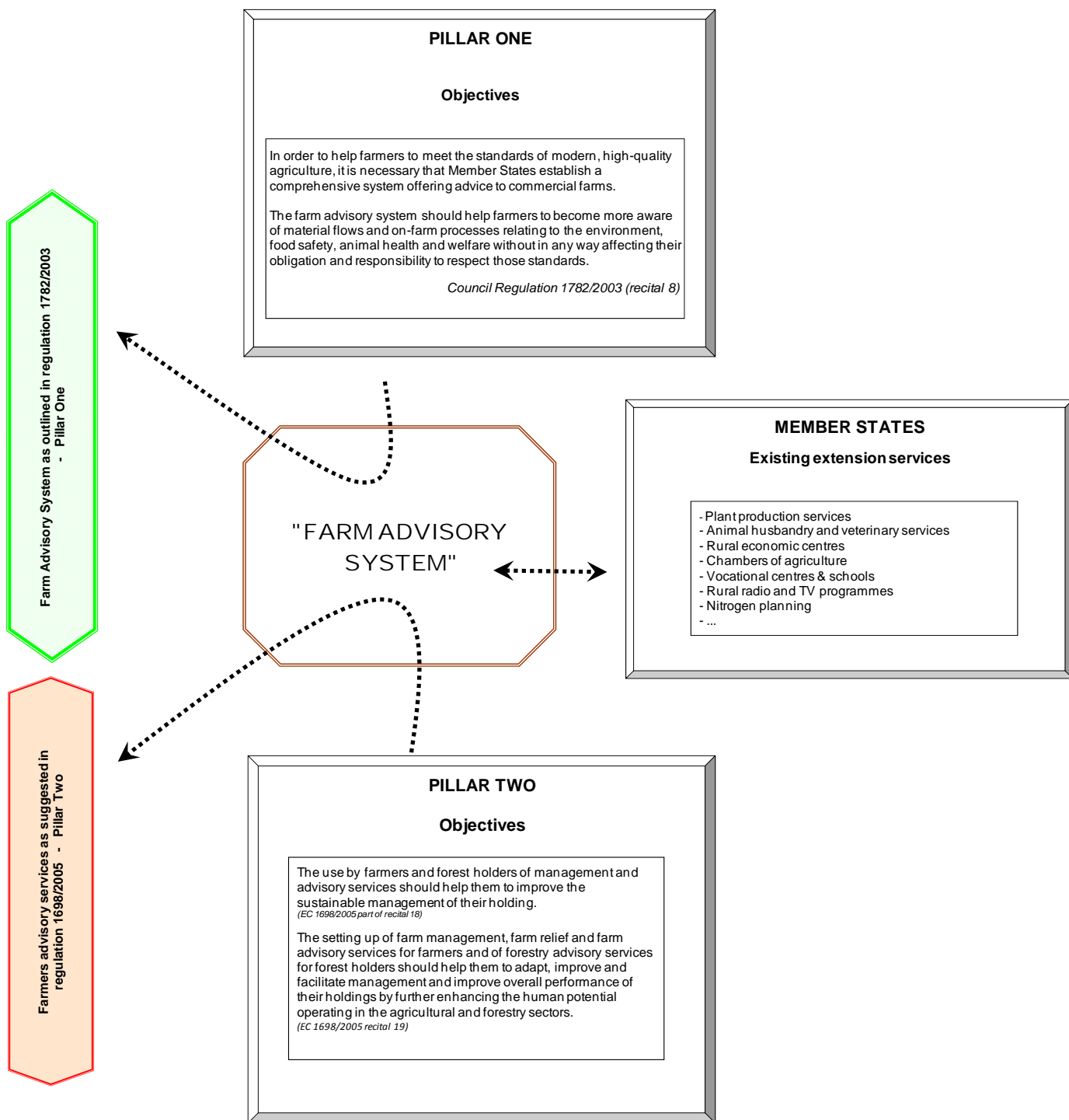
Advisor	Farmer	Controller	Member States
Helps farmer with advice	Responsible for his actions, has to understand the requirements	Controls can lead to sanctions	Have to inform farmers about the requirements included in the scope of cross compliance

Personal or individual information and data obtained during advisory activities cannot be disclosed, with the exception of irregularities and infringements covered by an obligation laid down in Community or national law.

¹⁸ Recitals 22 & 21 – Regulation (EC) N° 1259/1999

¹⁹ COM(2007) 62 final Improving quality and productivity at work: Community strategy 2007-2012 on health and safety at work.

Graph 1: FAS Interactions between Pillar One, Pillar Two and existing services



2. Methodology

Three methodological issues, as requested in the terms of reference are presented; i) an intervention logic for FAS based on the supporting regulations; ii) the manner in which data, literature review and investigations have been done and iii) an attempt at a typology aimed at structuring both the evaluation part but also the descriptive part for the 27 MS. However, the huge diversity of systems has precluded this attempt. Nevertheless elements examined have oriented the identification of case study areas.

2.1 Model of the intervention logic

Regulations (EC) N°1782/2003 and (EC) N°1698/2005 form the legal architecture that determines the intervention logic for FAS which is presented in graph 2.

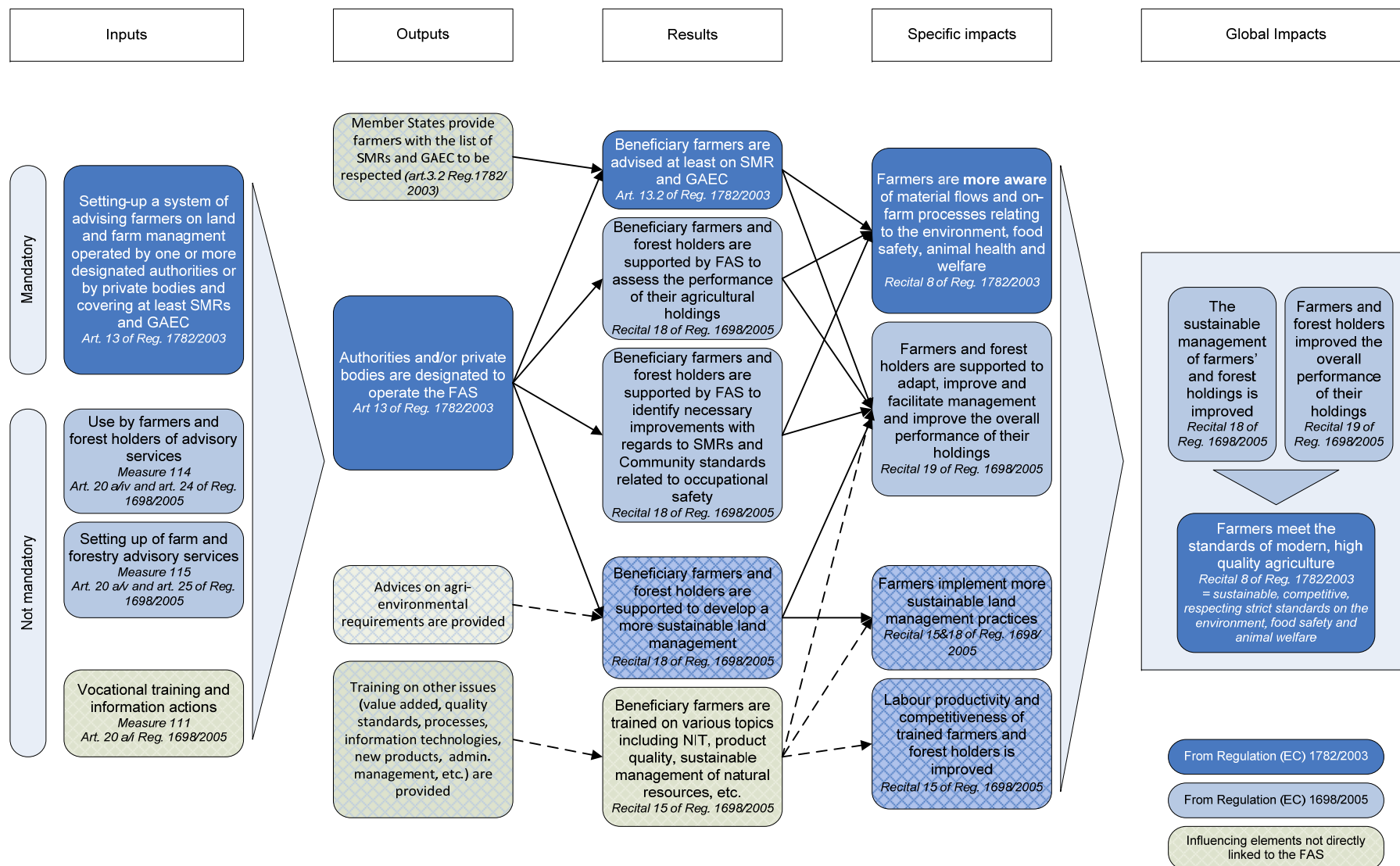
From the first Regulation (EC) N°1782/2003 three major elements can be extracted: (i) the obligation to set up a system of advising farmers on land and farm management, operated by one or more designated authorities or by private bodies; advisory activities provided shall cover *at least* farmer obligations under the scope of cross-compliance which is considered a mandatory input in the intervention logic; (ii) the fact that farmers are more aware of material flows and on-farm processes (recital 8) which is seen as one specific impact leading towards the global impact of (iii) meeting standards of modern and high quality agriculture (recital 8).

Regarding the second Regulation (EC) N°1698/2005, direct reference is made to FAS in two non mandatory measures: (i) article 20 a/iv addresses the possibility of supporting the use of advisory services by farmers and forest holders (referred to as *measure 114*); and (ii) article 20a/v addresses the possibility of support for the setting-up of farm management, farm relief and farm advisory services, as well as of FoAS (referred to as *measure 115*). A third measure (111) of this Regulation can be considered as indirectly relating to FAS and has therefore been included in the possible inputs leading to the achievement of the global objectives: article 20 a/i addresses vocational training and information measures, including diffusion of scientific knowledge and innovative practices for persons engaged in the agricultural, food and forestry sectors. Regulation (EC) No1698/2005 foresees a differentiation between “training activities” (*measure 111*) and “advisory services” (*measures 114 and 115*). For the evaluation, *measure 111* is considered as an input contributing to the achievement of the global objectives and not as directly linked to FAS.

The second pillar regulation provides various objectives included at result and impact level (specific and global) from recital 18 and 19. Based on these recitals, specific results, leading to a number of specific impacts, have been earmarked by the evaluator: (i) beneficiary farmers and forest holders are helped to assess the performance of their holdings; (ii) beneficiary farmers and forest holders are helped to identify necessary improvements with regard to SMR and occupational safety;²⁰ (iii) beneficiary farmers and forest holders are helped to develop a more sustainable land management. This is complemented by (iv) farmers are advised on various topics relating to value added, innovation, farm management, and others (referring to *measure 111*).

²⁰ GAEC are not mentioned in recital 18 although included in the scope of Advisory Services.

Graph 2: Farm Advisory System Intervention Logic



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One main output is expected from art. 13 of Regulation (EC) N°1782/2003: “Authorities and/or private bodies are designated to operate the FAS”. These are complemented by other outputs from Regulation (EC) N°1698/2005, although not directly linked to the FAS, but contributing to achieving the global objectives.

Specific impacts are further organised by the evaluator around: (i) the farmers' awareness of cross-compliance standards (recital 8 of Regulation (EC) N°1782/2003); (ii), the capacity of farmers and forest holders to adapt, improve and facilitate management and improve the overall performance of their holdings (art. 19 of Regulation (EC) N°1698/2005); iii) their implementation of more sustainable land management practices; and iv) their improved labour productivity-competitiveness (recital 15 of Regulation (EC) N°1698/2005 also referring to *measure 111*).

The global impact is worded following recital 8 of Regulation (EC) N°1782/2003: "Farmers meet the standards of modern, high quality agriculture", and should be achieved through sustainable managed farm and forestry holdings and improved overall performance of these holdings (recital 18 and 19 of Regulation (EC) N°1698/2005).

2.2 Tools used for conducting the evaluation

Three main approaches were used for primary data collection supported by several tools, namely:

- **Country reports** (CR) drafted by country correspondents supported with available documentation and completed by face-to-face or telephone interviews with FAS managers; these have been collected for the 27 Member States (including regional level where necessary), in order to have a full description of the FAS and to have some elements to answer evaluation questions;
- **Case studies** in five MS/regions of MS in order to deepen specific investigation to answer evaluation questions; various specific tools have been developed for implementing case studies;
- A postal **survey** of mainly beneficiary farmers in case study areas.

2.2.1 Documentary review

First of all, a synthesis of available data at 27 MS level has been completed. It was mainly based on three sources of information: (i) the documentation provided to the evaluator during the kick-off meeting in January 2009 and the responses received by mid-February to a country questionnaire sent out by the Commission (DG Agri) related to FAS implementation during 2008; (ii) additional information gathered directly by the evaluator from different sources (internet, articles etc.).

The documentation received from the Commission at the kick-off meeting was sent to all country correspondents, together with the responses to the country questionnaires sent by DG Agri to the various MS. These documents were to be reviewed by the country correspondents and elements incorporated by them into the respective country reports as appropriate.

2.2.2 Country reports

a) *First review and pre-filling of country reports*

A country report format was developed by the evaluator based on the requirements of the ToR and the contents of the Commission questionnaire for 2008. It is a pivot tool of data collection at the 27 MS level. Each country report has been organised in three parts:

- The setting-up of the system,
- The implementation of the system, and
- Suggestions and recommendations from the MS.

Each country correspondent was provided with a set of basic documents and statistics compiled by the Core evaluation team and the Commission questionnaire for 2008 when available for that particular country. Correspondents were requested to screen this information, collect additional data and to conduct all necessary phone interviews.

Report format and instructions were sent by mid-February to country correspondents. Correspondents were requested to complete the format in two steps, the first step aiming at obtaining a baseline picture of FAS and relevant documentation and a second step aiming at compiling a series of additional materials or elements, in line with the overall requirements of the Evaluation Questions and defined by the evaluator and the present interim report.

b) *Screening of available information in country reports*

The first baseline contributions were reviewed by the evaluator and discussed with members of the lead evaluation team. Available information in these documents was screened and classified in three categories: (i) the information is available; (ii) the information is available but not sufficient or not sufficiently clear and (iii) the information is missing. Information gathered was of mixed quality.

In general, information received regarding the prior needs assessment, implementation dates (and official communications of setting-up FAS), the lists of bodies (not their comprehensiveness) and the listing of FAT (not the effective way they were implemented) was more or less complete at this stage of the study. It was the case for most of the country reports received. The information was usually based on phone interviews with those responsible for FAS at MS level (prior needs assessment and other preparatory work) and on documents such as *PowerPoint* from Joint Research Centre (JRC) or the Questionnaire that DG Agri recently received (for some MS only).

Indicative information on the applied criteria for the selection of operating bodies (including the criteria for ensuring and checking appropriate resources, qualified staff, advisory experience and reliability), on funding of the setting-up of the system (including the use of EAFRD where relevant or stating the reason for not using it), on the overall organisation of the system (including interactions between stakeholders, with pre-existing extension services and with the research community), and on the applied criteria for the selection of priority beneficiary farmers, was provided in most country reports; but was

neither clear enough nor sufficient for a complete description of the system or for answering the Evaluation Questions.

Information as regards the effective tools used (if included, cost to the farmer whether free of charge, or the percentage paid, but not the exact amount), percentage of farmers reached and frequency of access to the system, funding of the functioning of the system (more particularly of the intervention, including the total amount per approach and the split between national, EU and private funding), and the organisation of the monitoring, coordination and steering was also available in a fair number of reports, but again was neither sufficiently clear nor sufficient for a complete description of the system or for answering the EQs.

An important category of information which was often, if not always, missing related to the types of beneficiary (including percentage of farmers reached, preferred tools used for the different types of farmer or the amount of direct payment received), and the description and funding of the coordination and monitoring of the system (exact amount or estimate).

Some interesting data items such as the main focus of the FAS in the MS, the thematic priorities in 2008, the implementation date, the method of informing farmers about the FAS, MS observations on implementation, or suggestions for the coming five years at MS/EU level, were usually available.

c) Needs for collection of additional information

In addition to the information collected through the first batch of country reports, the following major needs for additional information were addressed:

1. Completing the information gaps in order to establish a series of basic common data throughout the 27 MS in relation to the various thematic headings of the country report. This was achieved through the second round of consultations with the country correspondents as described in section 2.3.1.4.
2. Inclusion of a series of additional topics and issues such as more precise framings of occupational safety activities, FoAS, management skills in order to be able to provide a series of basic common data for the evaluator's answers to the relevant evaluation questions.
3. Gathering information directly from farmers on awareness needs for advice, satisfaction, perception of CAP and cost-benefit elements. This was done in a limited number of case study areas using the questionnaire that is described in section 2.3.3.
4. Obtaining a closer and more precise picture on a series of essential elements in the country reports, to allow the evaluator to finalise his answers to, and judgement of, the 14 evaluation questions.
5. An in-depth cross-checking of a series of issues, as highlighted in the following tables, within a limited number of case study areas in order to provide the evaluator with additional insights, to allow the evaluator to finalise his answer to, and judgement of, the 14 evaluation questions.

These various needs were streamlined through two major tasks:

- The completion of the country reports
- Conducting in-depth investigations and cross-checks of information provided in the country reports in five case study areas

d) *Second round to gather missing information at EU27 level*

More in depth assessments were thus required for several important issues:

- More precise descriptions of what was effectively achieved with the various FAT (types of services and advice) (section 2.7 of the CR);
- Costs (range) to farmers according to advice, services, service providers (section 3.3 of CR);
- Correlating these activities and FAT to the expected outputs of the intervention logic (section 3.4 of CR);
- The various costs to the MS for running the system, including its coordination (section 3.5 of CR);
- The monitoring and following-up on FAS (sections 3.6 of CR).

Additional sections have been included and covered in the country reports:

- How occupational safety at farm level is addressed in the MS and is this done with the support of FAS?
- How are FoAS organised and provided in the MS/regions that have mobilised *measure 114* of the EAFRD to do so?
- How was information on advice on the SMR and GAEC provided in MS prior to FAS?

During the second part of the completion of Country Reports (CR), this additional data and clarifications have been collected:

- The types of activities or services provided to the farmers. Few country correspondents have been able to go beyond the breakdown of FATs as outlined in the country format. The second batch gave much more information on this issue.
- The breakdown of bodies delivering advice. Lists were often extensive but firstly provided little insight into the themes these bodies are specialised in, their internal administrative and technical capacity and effective delivery during the years since FAS was set up. The second batch gave a little more information.
- The description and present organisation of the extension services, of FAS as it is set up and its inter-links needed to be cross-checked. This was often quite delicate and complicated to obtain in countries which operate through regional or multiple systems of advice providers. Information on how advice on the SMR and GAEC was provided in MS prior to FAS has been usually clearly obtained.
- Information on how occupational safety at farm level is addressed in the MS and whether this is done or not with the support of FAS has been clear.
- Financial information has often been quite difficult to obtain: figures were mainly estimates of human resources, overall budgetary allocations for extension services, inexistent or incomplete (only sometimes addressing coordination, monitoring, etc.), or

mere indications of levels of co-funding without providing exact ranges of costs to be co-funded;

- The criteria applied either for selecting farmers to be prioritised or for operating through thematic and yearly action plans have been delivered more comprehensively.
- Criteria for selecting bodies or advisors were often not operational ones and information on tender specifications and processes has been a bit more collated.
- The same lack of precision concerning the financial elements is still present in most reports when addressing effective numbers of farmers concerned by types of FAT or activities. Frequency of using the advice was significantly difficult to obtain, and this might be linked to the idea generated by *measure 114*, that support can only be provided for one piece of advice/audit.
- Little information was initially gathered regarding FAS activities, which go beyond cross-compliance. The second batch gave a bit more information but most MS FAS coordinators seem to consider that cross-compliance is the sole purpose of FAS.
- Description of overall monitoring and coordination were quite often weak, more particularly when the overall system description of the FAS and extension services is confused or complex. When the latter is comprehensive, more information has been addressed and assessed but in many MS no real monitoring was in place.
- As for concerned Member States/regions (those that have mobilised *measure 114* of the EAFRD for forestry holders) information on how FoAS are organised and provided has been delivered.

2.2.2 Case studies

a) Topics investigated in case studies

Fieldwork relating to the various investigations in the selected case study areas combined a series of tools in order to provide additional elements to those contained in the national country reports and specific element for answering EQ. These inputs are the basis for addressing evaluation questions. They focus on the following major topics:

Major topics investigated in the case study areas	
▪	Farmers awareness
▪	FAS support to the implementation of cross-compliance requirements by community farmers
▪	'Occupational safety', 'fertilisers – plant protection products' and 'other community standards' obligations
▪	Cost-benefit elements at farmer level
▪	Unexpected results
▪	Cost-benefit elements at MS level
▪	RDP's mobilisation
▪	Wider context (CAP and Lisbon strategy)
▪	Reduction of administrative costs for farmers thanks to the FAS
▪	Forestry advisory services

b) Tools used to gather information

In addition to the completion of country reports the fieldwork required by a case study was articulated around the following tools:

- A face to face interview with the national/regional management of FAS,
- Face to face interviews with FAS operational bodies (managers and mainly advisors),
- Focus groups (if possible) with various stakeholders involved in the setting-up and running of FAS; and with farmers (where possible depending on timing).

Interview of FAS national/regional management

This interview was conducted with the national or regional FAS managers or management teams; and more particularly the following persons: (i) the FAS responsible at the Ministry of Agriculture (eventually regional Ministry) and (ii) one or two officers within the Ministry dealing with extension and agricultural research.

This interview has been conducted at least once in each case study area, sometimes more. Often additional questions were asked by phone or email.

Each interview lasted around 2 hours and covered the following major topics:

- The overall system and the way FAS was set-up and is monitored,
- The specific activities of FAS,
- The uptake of FAS, (including discussion about advantages and disadvantages of the system as set-up),
- The costs – utility of the advice and the use of EAFRD
- And a wider discussion on FAS's overall objective and the management's of 'a modern and high quality agriculture'.

Interviews with FAS advisory bodies

Face-to-face interviews with FAS advisory bodies (managers and/or advisors), lasting more or less one to two hours, dealt with the following topics:

- The overall system and the way the FAS was set-up and is monitored (focusing more on the day to day issues of planning, implementing and running the instrument; the coordination of activities with farmers on the one hand and the FAS management on the other),
- The specific activities/results of the FAS (focussing more on the impacts on farmers, changes in farming processes and respect of obligations, changes in overall awareness, value added of the FAS system as seen by the advisor bodies),
- The cost ranges to farmers for different advice or services & the utility of the advice,
- The eventual use of EAFRD *measure 114*.

Depending of the Member state/region visited the FAS bodies' visits included farmers' associations or farmers' unions, chambers of agriculture, cooperatives, private (profit or non-profit) companies (specialised or more generalist), environmental or civil society NGOs, individual accredited advisors and sometimes university or research centres. In

each case study area, an appropriate mix of advisors of these groups were interviewed as far as it was possible in the time for case study.

Additionally, when, in a particular Member State or region visited, a major stakeholder in farm advisory was not part of the FAS, the Evaluator also tried to meet him. It was the case in BE-WAL with the farmers' union and the public local extension advisory services.

Focus groups with FAS stakeholders and farmers

It was firstly planned to try to organise two focus groups in each case study: one dealing with FAS stakeholders and one with farmers (and eventually a final one with the FAS stakeholders again serving as a restitution of the team's findings).

Due to timing problems (June and July was not the best moment to organise such focus groups either with stakeholders or with farmers) only in the Czech Republic, Denmark and Italy did the consultant manage to organise proper focus groups. However, in Germany and Belgium the consultant met more stakeholders in individual face to face interviews and met farmers in another way.

The focus groups lasted about two to three hours. A short power-point presentation, prepared according to each case study's particular situation, was used as a support.

In that of the stakeholders, the following topics were discussed:

- The specific activities (results) of the FAS,
- The various needs for advice at farm holdings,
- The way the FAS is monitored and activities eventually updated,
- The uptake of FAS, including discussion about the pro and cons of the system,
- The costs – benefits of the advice.

In that of the farmers, the following topics were discussed:

- Farmers' needs for advice,
- Farmers awareness,
- Specific activities (results) of the FAS as perceived by the farmers,
- Costs – benefits of the advice.

2.2.3 Farmer survey

A survey was realised in all five case study areas among mainly beneficiary farmers of FAS advice. The survey was implemented in different ways according to MS/regions.

The purpose of the survey was to gather information at the level of the beneficiaries. Around 400 questionnaires have been delivered to farmers. In three MS/regions, BE (WAL), DK and DE (NCS), the questionnaire was sent by postmail to around 100 farmers for each MS. In addition, 65 farmers in CZ and IT (VEN) were handed out the questionnaire after focus groups organised during the case studies. The objective was to get

back about 40 effectively completed questionnaires per case study area in order to have the view of farmers. The rate of response was around 70%, with 285 valid questionnaires.

A 3 to 4 pages questionnaire addressed several qualitative statements or queries, in a closed manner using a simple scoring scale, related to:

- farmers' perceptions and awareness of their farming practices (and the evolution over recent years), satisfaction, needs about FAS advice etc.),
- the specific activities and results of FAServices;
- cost – utility of the advice.

Farmers had the possibility to submit comments in an open section, possibility that was largely used.

It is a qualitative survey, which usefully complements data collected during case study interviews with major stakeholders, supporting the illustration of some specific elements at farmers' level.

The questionnaire was presented to the task manager of the steering group and has been translated into national languages of case study countries after approval. It is not quantitatively representative.

2.3 Typology and identification of case study areas

2.3.1 Purpose of FAS typology

The intention of an FAS typology is to facilitate the presentation and analysis of the diverse situations encountered throughout the 27 Member States. It is principally based on the approaches and ways used by the MS in setting-up and implementing FAS. It does not, however, discriminate countries according to any other more economic, farming system or natural resources based elements. It is thus purely geared towards the purpose of this evaluation which is to assess the implementation and functioning of the FAS.

2.3.2 Elements of FAS typology

During the first steps several elements were retained for a FAS typology, namely: (i) farm advisory approaches; (ii) integration of FAS with pre-existing extension services; (iii) percentage of farmers reached; (iv) targeted beneficiaries and priorities; (v) operating bodies' status; (vi) cost of the advice to farmers; and the use of EAFRD *measures 114* (vii) and *115* (viii) to co-fund the system.

Reviewing all these elements with the available information, it was found that the first four elements could not be used any further, as for:

- Farm advisory approaches: all countries have so far reported using the major FAS approaches (or Farm Advisory Tools – FAT) which are “one-to-one advice” (on or off-farm), small group advice, websites, helpdesks and publications. Furthermore, information provided at this stage is not detailed enough to be able to create or

distinguish well-defined classes and groups of activities carried out through these major tools or their combination.

- Integration of FAS with the pre-existing extension services: most countries seem to have major problems in defining the exact scope of FAS. Therefore, clear linkages to the existing extension systems have so far not been described in the documents available to the evaluator.
- The percentage of farmers reached: the information provided in the country reports is at this stage too dispersed. Furthermore, several countries do not differentiate between implementation years and others provide only rough overall estimates.
- The targeted beneficiaries and priorities: the initially proposed target group of farmers receiving more than €15,000 per year in direct payments was not adopted by most MS. Furthermore the revised Regulation (EC) N°73/2009 from January 2009 removed the mention of this target group. Member States could have opted for their own priorities and implementation targets. This has generally not been the case, and even though some countries seem to have highlighted priorities such as Nitrate Vulnerable Zones or young farmers, this is done in a very *ad hoc* manner which precludes any attempt at classification.

Consequently the remaining four items were considered as basic criteria :

- Operating bodies' status,
- Cost of the advice to farmers,
- Use of EAFRD *measures 114, and*
- Use of EAFRD *measures 115.*

Operating bodies

The structure and organisation of the FAS among the Member States is characterised by a high diversity and complexity. Indeed, each country has its own extension service history and Regulation (EC) N°1782/2003 left the countries free to choose the organisation of the system most appropriate to their needs and characteristics. Therefore most Member States assigned the competence for setting-up FAS and coordinating it to the local Ministry of Agriculture or to a designated agency or centre within or outside the Ministry by January 2007.

Three main kinds of situations regarding Operating Bodies (OB) have been distinguished: public bodies, private bodies and a mixed context (public and private bodies), with an additional distinction between private profit and non-profit bodies. Sections 3.1 and 3.2 in the descriptive part provide a more detailed description of the three major types of OB.

Cost of advice to farmers

The cost of advice to farmers was seen as an essential element in understanding the outcomes of the FAS. This cost element has been limited to the cost of one-to-one advice on the farm, as most other FAT are provided free of charge: (i) off-farm one-to-one is most of the time linked to other extension opportunities such as advisors' sitting days, agricultural fairs etc; (ii) small groups, have not been reported in all countries and are quite often also provided free of charge; (iii) most other FAS approaches (web sites, publications

and telephone helpdesks) are provided by the FAS national coordinator and access is free of charge.

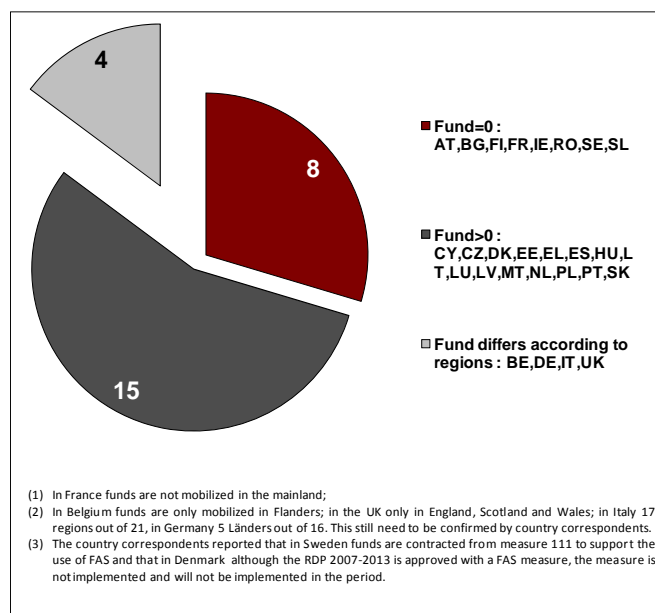
Three kinds of situations are distinguished: (1) the service is completely free of charge to farmers (5 MS: BG, CY, LV, RO and SK), or (2) farmers have to pay a fee (flat rate or subsidised through national or European funding) (15 MS), or (3) farmers have to pay the ‘full price’ of the advice. The latter situation is only encountered in two MS (DK and IE).

Use of EAFRD funds

The EAFRD has foreseen the possibility to support the use or the setting-up of the FAS through *measures 114* and *115* of Regulation (EC) N°1698/2005. *Measure 115* has not been widely used, only by six MS and not always for setting-up the FAS. Only Spain, Italy and Portugal have significantly mobilised the measure. *Measure 114* supporting the use of advisory services at farmers’ level has been much more widely mobilised by 15 MS at national level²¹ and by 4 MS in some regions. Eight MS have not contracted it at all (see graph 3).

The volume of funds mobilised by country varies significantly between Member States, with Poland, Italy and Spain together mobilising approximately 70% of the total allocated funds.

Graph 3: Countries using *measure 114* for the period 2007-2013



The table below summarises the **four criteria** of the typology analysed in the previous section for all Member States, namely the status of operating bodies, the cost for farmers and the use of *measure 114* or *115*.

²¹ Or in all regions –provinces of the country.

Table 1: Summary table of the 4 criteria for each Member State

	Operating body status	Cost for farmers	Measure 114	Measure 115
AT	Mixed (private/public)	Mixed	No	No
BE	Several systems	Several systems	Differs upon region	No
BG	Public	Free	No	No
CY	Public	Free	Yes	No
CZ	Mixed (private/public)	Mixed	Yes	No
DE	Several systems	Several systems	Differs upon region	Differs upon region
DK	Private profit	Real cost	Yes	No
EE	Private mixed (profit/non-profit)	Mixed	Yes	No
EL	Private mixed (profit/non-profit)	Mixed	Yes	No
ES	Several systems	Several systems	Yes	Yes
FI	Private mixed (profit/non-profit)	Mixed	No	No
FR	Mixed (private/public)	Mixed	No	No
HU	Mixed (private/public)	Mixed	Yes	No
IE	Mixed (private/public)	Real cost	No	No
IT	Several systems	Several systems	Differs upon region	Differs upon region
LT	Private non-profit	Mixed	Yes	No
LU	Mixed (private/public)	Mixed	Yes	No
LV	Private non-profit	Free	Yes	No
MT	Private mixed (profit/non-profit)	Mixed	Yes	Yes
NL	Private profit	Mixed	Yes	No
PL	Public	Mixed	Yes	No
PT	Private non-profit	No info	Yes	Yes
RO	Public	Free	No	No
SE	Mixed (private/public)	Mixed	No	No
SK	Mixed (private/public)	Mixed	Yes	No
SL	Mixed (private/public)	Free	No	No
UK	Several systems	Several systems	Differs upon region	Differs upon region

The table clearly shows the complexity of grouping Member States into a number of homogeneous classes representing the different ways of setting-up and implementing FAS, as each country (and/or region) has different characteristics which do not converge into homogeneous groups.

2.3.3 Identification of case study areas

In order to propose five case study areas where more in depth investigations for specific issues had to be done, the above four criteria (operating bodies, cost for farmers, use of *measure 114* and *115*) have been fine-tuned and grouped in such a way as to show that case study areas cover a representative palette of MS.

a) *Fine-tuning selection criteria for case study areas*

In addition to the detailed description of the four selected ranking criteria, two additional elements have been taken into consideration: (i) the regional dimension of several countries (BE, DE, ES, IT and the UK) and (ii) the effective implementation of FAS's in MS.

The first element has been addressed as follows, the basic criteria concerning the status of operating bodies has been further disaggregated for these four countries. Ideally all regions of these four countries should have been considered here, but due to the lack of detailed information at regional level received during the first round of country reporting; only the following regions have been considered:

- BE (FLA, WAL)
- DE (BDB, NRW, SWH, SAA, BDW, NSC, RHP, THU, SAN, MEV, HES, BAY, SAC)
- IT (LAZ, PIE, EMR, LOM, VEN, CAM, VDA, SAR, BOL)
- ES (AND, ARA, CAN, CYL, CAT, CLM, GAL, LRI, NAV, PVA)
- UK (ENG, WAL, SCO, NIR)²²

In all five countries, private bodies and public services intervene differently within each region. This is reflected in the ranking table presented later and entitled “*Grouping of MS and indication of potential case study areas*”.

The second element is summarised in the table below and it considers countries where FAS is not yet operating or is still at the preliminary stages of the process. These countries will thus not yield comprehensive information about how the system is de facto operating and they are therefore not selected as potential case study areas.

Table 2: Countries/regions not considered for the cases studies

	Countries	Date of implementation
1	Bulgaria	Not yet implemented
2	Latvia	January 2009
3	Poland	March 2009
4	Portugal	January 2009
5	Romania	Not yet implemented

²² Italy IT (BOL: Bolzano, CAM: Campania, EMR: Emilia-Romagna, LAZ: Lazio, LOM: Lombardia, PIE: Piemonte, SAR: Sardegna, VDA: Valle d'Aosta, VEN: Veneto)

Spain ES (AND: Andalucía, ARA: Aragón, CAN: Cantabria, CYL: Castilla y León, CLM: Castilla-La Mancha, CAT: Cataluna, GAL: Galicia, LRI: La Rioja, NAV: Navarra, PVA: País Vasco)

Germany DE (BDB: Brandenburg, BAY: Bayern, BDW: Baden-Württemberg, HES: Hessen, MEV: Mecklenburg-Vorpommern, NSC: Lower Saxony, NRW: Nordrhein-Westfalen, RHP: Rheinland-Pfalz, SAA: Saarland, SWH: Schleswig-Holstein, SAC: Sachsen, SAN: Sachsen-Anhalt, THU: Thüringen)

b) Case study area selection

Following a first attempt to group MS and regions as regards the four criteria, it appeared that it was not possible to select a case study area where *measure 115* had been used (due to the very low number of MS and regions that used it). It has thus been decided to remove this criterion from the case study area selection and to analyse this element using inputs from country reports only.

The selection of case study areas is based on the following three entry grouping system of MS:

- Entry one: status of the operating body
- Entry two: cost to farmers
- Entry three: use of EAFRD *measure 114*

Table 3 shows the grouping of MS (sometimes by regions for MS with several systems at work in their regions) with entry one set on the first criteria of ‘status of operating bodies’.

Table 3: Grouping of MS and indication of potential case study areas

Status of operating bodies	Cost for farmers	Use of <i>measure 114</i>	Member States
Private profit	Free	No	
	Not free	Yes	IT (VEN) IT (EMR, LOM, LAZ, PIE), NL
		No	DK DE (BDB)
Private non-profit	Free	No	BE(WAL) UK (ENG, NIR)
	Not free	Yes	ES (AND, ARA, CAN, CYL, CLM, GAL, LRI, PVA), LT, LV, PT
		No	DE (SWH, SAA)
Private mixed (profit/non-profit)	Free	No	
	Not free	Yes	BE(FLA) EE, EL, ES (CAT), MT
		No	FI
Mixed (private/public) + semi public bodies	Free	No	SL
	Not free	Yes	CZ, DE (NSC) DE (BDW, NRW, RHP, THU), HU, IT (CAM), LU, SK, UK (WAL)
		No	AT, DE (SAN, MEV, HES, BAY, SAC), FR, IE, IT (VDA), SE, UK (SCO)
Public	Free	No	BG, RO
	Not free	Yes	CY, ES (NAV), IT (SAR), PL
		No	IT (BOL)

Case studies were selected in such a way as to represent all possibilities of each of the three criteria, they are indicated in bold within the yellow shaded lines. Countries/regions in which FAS implementation is rather recent are shown in grey in the above table.

In countries implementing FAS through profit operating bodies (and charging farmers), two case studies were suggested; one of a country-region using *measure 114*: Italy, Veneto, and one of a country not using any EAFRD funding: Denmark (full cost).

A country combining both private profit and private non-profit operating bodies was proposed to be addressed through Belgium. In BE-FLA, operating bodies are private bodies (both profit and non-profit making) and *measure 114* is mobilised whereas in BE-WAL, operators are private non-profit making only and *measure 114* is not mobilised.

In 21 MS/regions, FAS is operating through a mixture of private and public bodies. This category is the most common situation encountered. According to the Evaluator, it was therefore considered being relevant to devote at least two case studies to this category. The use of *measure 114* being considered as an important criterion, CZ and DE (NSC) were suggested as case study areas for this group of operators.

Additionally, CZ and DE (NSC) were particularly chosen to study the impact of FAS on forestry holders.

According to the evaluator, it was less relevant to conduct a case study in areas where only public bodies were operating. First of all, few countries still rely only on these operators (7, of which only 4 at national level). Secondly, three countries (BG, RO and PL) have not yet (or only very recently – March 2009) started implementation of FAS.

The case study areas were the following:

DENMARK
<ul style="list-style-type: none"> ▪ Cost for the farmer: full price ▪ Measure 114: No ▪ Operating bodies : private bodies

Denmark is one of the two EU countries where FAS services are totally paid for by farmers. Denmark does not mobilise any EAFRD funds to support its extension and FAS services. Furthermore Denmark's overall organisation of extension services was privatised in 2003 and is almost exclusively taken care of by farmer-driven service providers.

Italy has one of the most complex FAS systems as it covers all possible configurations. Its practical implementation is nearly totally devolved to the regions and it is heavily funded through the use of all EAFRD measures including *measure 111*. In most regions service providers are private operators, often including farmers' associations, cooperatives and local organisations. The Veneto region is an interesting region as it is at good stage in the FAS implementation (compared to some other Italian regions). It implements *measure 114*.

ITALY: VENETO
<ul style="list-style-type: none"> ▪ Cost for the farmer : Mixed ▪ Measure 114 : yes ▪ Operating bodies : private bodies ▪ FAS at regional level

BELGIUM

- **Cost for the farmer:** free of charge in Wallonia, mixed in Flanders
- **Measure 114** : not in Wallonia, very high in Flanders
- **Operating bodies:** private non-profit in Wallonia, private in Flanders

Belgium has the advantage of combining two very different payment methods for advice within the same country: In BE-WAL the service is provided free of charge. In BE-FLA farmers are required to pay for the service and they can subsequently benefit from EAFRD co-funding. Furthermore, Be-WAL operates more through thematic advice providers organised as non-profit associations whereas BE-FLA operates through mainly private profit-making bodies providing modular services. BE-FLA is also one of the countries that will mobilise a high average amount of €150 per holding from EAFRD.

The Czech Republic developed a rather comprehensive agriculture extension system through previous Programme of Community aid to the countries of Central and Eastern Europe (PHARE) and Special Pre-Accession Programme for Agriculture and Rural Development (SAPARD) support. This system involves several types of service providers (NGOs, Universities, specialised centres, private contractors, etc.). FAS is integrated with this system and EAFRD funds are extensively used to co-fund the cost of advice provided to the farmers. *Measure 115*, as in most other Eastern European Countries has not been mobilised. They also have a relatively developed forestry sector and this served as a case study in relation to forestry holdings.

CZECH REPUBLIC

- **Cost for the farmer:** mixed
- **Measure 114** : very high
- **Operating bodies** : mixed, i.e. private, public, NGO and universities
- 2630 thousand ha of **forest and other wooded land** (15.9% private)

GERMANY: NSC

- **Cost for the farmer:** Mixed
- **Measure 114** : Yes
- **Operating bodies** : Private or mixed
- **FAS at regional level**

Germany is characterised by heterogeneous agricultural advisory systems and services that are the competence of the federal *Länder*. The latest developments have been characterised more and more by juxtaposed public and private advisory services. Chambers of Agriculture play a major role in some German *Länder* (those in the northwest), as is the case in some other EU Member States. *Measure 114* is used in five (out of 15 *Länder*, Bremen being included in Lower

Saxony). Lower Saxony gathers more than 50% all EAFRD funds for *measure 114* allocated to Germany. Lower Saxony is an interesting example of the pluralistic advisory system and services. In addition, Lower Saxony has already largely implemented FAS with around 15,000 farmers being trained since 2005 (one-to-one advice), while implementation of FAS in the five eastern German *Länder* is more recent. FAS in Lower Saxony goes beyond cross-compliance including notably energy management and organic farming and this *Länder* presents an interesting amount of forestry hectares.

3. Key-terms of the evaluation

3.1 Material flows and on-farm processes

Generally speaking, material flows and on-farm processes refer to the farming system and to farming practices.

There are a multiple series of definitions for material flows, depending on the level these flows are to be considered: (i) definitions relating to “*analysing*” the flows of inputs and outputs of a given production cycle or process within a production unit²³ (such as farm holdings); (ii) others relate to “*impact assessments*” of the above mentioned cycles or processes on the environment²⁴ (and thus including hidden flows and/or exiting flows); and (iii) others still relate to “*auditing*” of input and output flows within cycles and processes to ensure tracing and certification according to specific standards and regulations.

Regarding on-farm processes, the definition used by the evaluator is provided by FAO in its farm management manuals.

*“A process is the specific way in which a production operation is done, together with the levels or amounts of resources used in doing it. A process specifies or implies the use of some operational technology, the types and levels of resources used in its operation, and the types and levels of its resultant outputs.”*²⁵

On-farm processes as defined here present two general analytical challenges: (a) the selection of the 'best' or most appropriate technology; and (b) the effective operation of the selected technology at its optimal level in terms of inputs and outputs.” The latter is directly related to the first series of material flow definitions, i.e. those relating to analysing production cycles and processes.

For the purpose of this evaluation the following concepts of on-farm processes and material flows will be used as shown in graph 4 below:

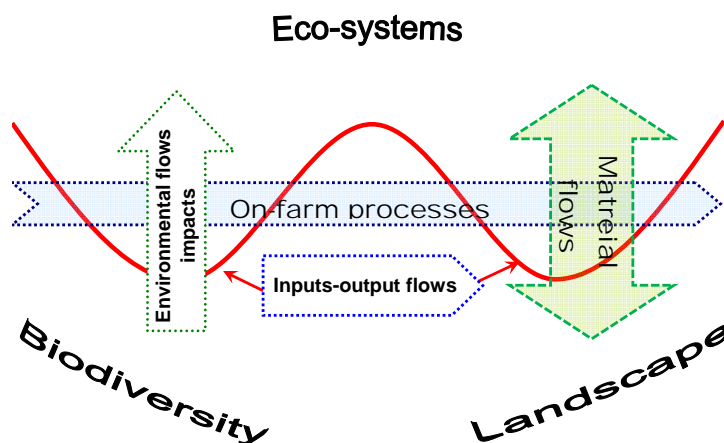
- **On-farm processes** will cover the specific way in which farming production operations are done and thus also the input-output flows. This is shown by the “horizontal” production process level (i.e. inclusive of food-safety and animal health and welfare).
- **Material flows** are those flows from the farming system and practices which interact with the environment, mainly water, soil and atmosphere and consequently on bio-diversity and eco-systems (i.e. inclusive of all environmental flows). This is shown by the “vertical dimension.”

²³ And those that are common in industrial layout planning, management of logistic centres, process management, etc.

²⁴ Material flow analysis is considered as one of the major tools of environmental impact assessments (cfr Environmental Accounts and Material Flow Analysis and other Environmental Systems Analysis Tools, by Göran Finnveden and Åsa Möberg – Stockholm University – Sweden)

²⁵ Farm Management for Asia: a Systems Approach. (FAO Farm Systems Management Series - 13), 1997.

Graph 4: On-farm processes and material flows



3.2 Farm Advisory System and Farm Advisory Services

Farm advice can be delivered in different ways and approaches, each of these bearing its own and focused definition²⁶ which include the following three elements:

- **Information** as the provision of facts that clarify issues without requiring any individual follow-up actions:
 - *General information:* Provision of basic information to farmers as regards SMR and GAEC i.e. a list of farmers' obligations as required by article 3.2 of Regulation (EC) N°1782/2003: "*the competent national authority shall provide the farmer with the list of SMR and GAEC to be respected*". **The provision of general information about cross-compliance is excluded from the scope of the FAS.**
 - *Specific information:* Specific information goes beyond a simple list of SMR and GAEC. Various farm advisory tools (FAT) are provided on the web, at meetings or fairs (booklets, brochures, leaflets, etc.) or information through the media (newspapers, newsletters, etc.) or telephone help lines could be included here (see FAT hereafter).
- **Advice** as the provision of a technical skilled opinion on a specific subject (on or off-farm) to assist the farmer in his decision making:
 - *Product/process-advice:* Provision of a technical or managerial skilled opinion in order to facilitate the decision process relating to a product/process.
 - *Overall farm advice:* Provision of an overall skilled opinion aimed at clarifying the farm holding parameters (selection of processes, technologies, markets, management, etc.) and interacting on the farmers' assessment of his holding's strengths and weaknesses.

²⁶ Inspired by Hermann Boland – Institut für Agrarsoziologie und Beratungswesen – Giessen 2006 – Die Vielfalt der deutschsprachigen Länder – Slide 3.

- **Training:** as the acquisition of competences to solve things through short thematically focused training opportunities such as short workshops or farmers' meetings led by specialised trainers. Such group activities may improve performance of advisors using a peer pressure learning concept as the group or the presence of peer examples may convince a farmer to take up advice that he would not take up in case of specialised information or personal advice. The use of training may reduce advice costs per farmer but will focus less on the individual problems on a farm.

Farm Advisory System (FAS): concerns the system set-up by Member States in order to comply with article 13 of Regulation (EC) N°1782/2003. It includes the overall organisation of this system and the various operators (including various private and public bodies) contributing to the delivery of the various FAServices to farmers required within an MS.

Farm Advisory Services (FAServices): These include the various advisory activities, called services, to be provided to farmers covering *at least* SMR and GAEC, ranging from information to training and advice and to overall farm advice (as defined above). If EAFRD support from rural development (Regulation (EC) N°1698/2005) is provided for the use of advisory services by farmers and forest holders, these services shall cover occupational safety and minimum requirements on fertilisers and Plant Protection Products in addition to SMR and GAEC.

Farm Advisory Tools (FAT): are tools used to provide advice in the broad sense including information, advice and training. As developed by the CIFAS study²⁷, FAT include booklets/brochures/leaflets; newspapers/newsletters/periodical news; checklists or combined tools based on a checklist, power point presentations, plans or maps, manuals, templates, help lines etc. Some tools are directly for farmers, others facilitate the work of farm advisors and directly support the farmer's own decision making process.

Forestry Advisory Services²⁸ (FoAS): these include the various advisory activities that are provided for forest holders with support of *measure 114* of RDP (Regulation (EC) N°1698/2005) for the improvement of the overall performance of their holding.

²⁷ Study on environmental cross-compliance indicators in the context of the Farm Advisory System (CIFAS), IfLS - Institut für Ländliche Strukturforchung, (2006).

²⁸ In principal these services are also organised as a system, even though the present regulations only mention services in respect to forestry advice and do not refer per se to a Forestry Advisory System. Depending on MS, Forestry Services are either streamlined through the Ministry of Agriculture or are housed within natural resource based ministries or departments. The system through which Forestry Advice Services are provided may therefore often be different from the one providing Farm Advisory Services.

3.3 Assessment criteria for meeting the standards of “modern, high quality agriculture”

According to recital (8) of Regulation (EC) N°1782/2003, the overall objective of FAS is to help farmers in "***meeting the standards of modern, high quality agriculture***". There are however no explicit definitions in the various official documents of these standards and agriculture, and it is essential to this evaluation that one has a clear perception of what is at stake in this vision of European agriculture.

If this overall objective is common to both the agricultural and forestry sector, it will need to be fine-tuned based on the different regulatory frameworks that govern these sectors: the 2003 reformed Common agricultural Policy for the agricultural sector and the 1998 EU Forest Strategy and its 2007-2011 EU Forest Action Plan for the forestry sector. Two sets of appropriate assessment criteria will thus need to be defined.

3.3.1 Agricultural sector

In the framework of decoupled payments, farmers are expected to meet a series of minimum requirements contained in what is commonly referred to as cross-compliance. The question is thus whether or not the standards of modern, high-quality agriculture are strictly synonymous with respect to cross-compliance as set out in Regulation (EC) N°1782/2003 or whether these latter standards are wider and therefore address issues and criteria additional to those enclosed within the regulatory framework of cross-compliance.

The evaluator is of the opinion that, as suggested in the FAS intervention logic, modern, high quality agriculture needs to be effectively viewed as going beyond the regulatory framework for cross-compliance. This is based on a series of Council decisions and regulations related to the CAP reform (Regulation (EC) N°1782/2003) and to the strategy for rural development (Council Decision 2006/144/EC).

The objectives to reform the CAP have always been modernisation of the sector and promotion of high-quality products to insure farmers' revenues. Agricultural practices and activities have evolved substantially in recent years in response to increased market pressures, ever more demanding end-consumers and new technologies and opportunities which may have major and lasting impacts on how food is produced and marketed.

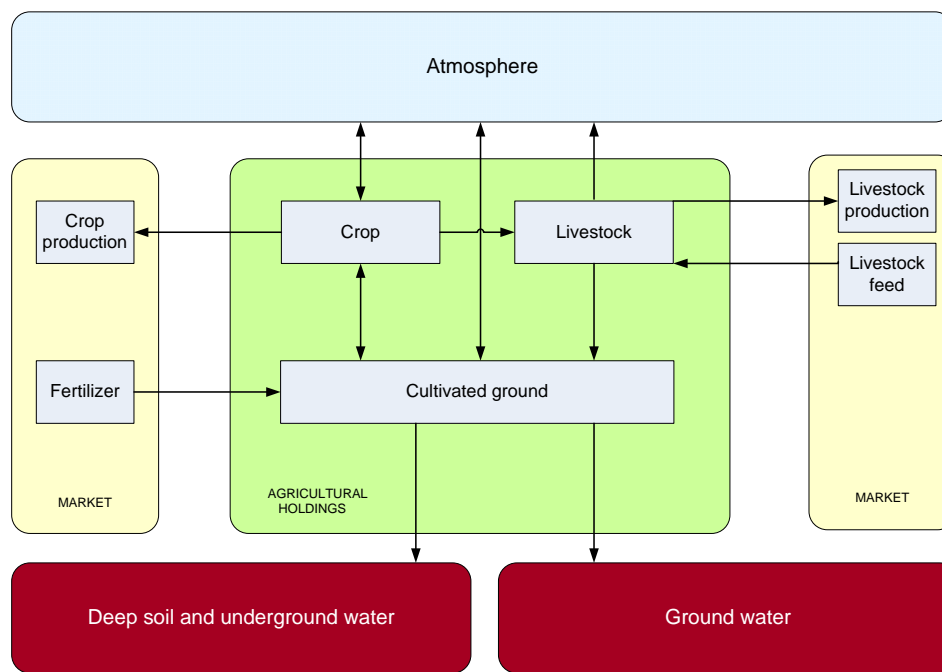
The vision of a “modern and high quality agriculture” would thus rest mainly on the three basic concepts of the reformed CAP: environmental sustainability, competitiveness, and adjustment to the expectations of European citizens. These concepts will be used in this evaluation as major judgement criteria.

■ Environmental sustainability

Environmental concerns have taken on increasing importance in public debates and the concept of sustainability can now no longer be dissociated from agricultural policies or ignored. A farm is perceived as a system in which material flows interact with the environment. This system needs to be adequately managed to ensure the long-term protection of the EU's and world's natural resources. These on-farm material flows are

closely linked to major environment concerns such as water, air (carbon flow) and soils. The system is roughly illustrated in graph 5 below.

Graph 5: On-farm material flows linked to the environment



Source: Debouche C. and Lambin J.2002, adapted by ADE

▪ **Competitiveness**

In the early years of the CAP, competitiveness was mainly driven by economies of scale, owing to increased mechanisation and productivity, obtained through significant progress in agronomic and farming techniques. The focus has now shifted to differentiating in favour of products with higher value added, within an overall context of the global competitiveness of agriculture production and new demands from consumers. This implies:

- Better linkages to increased demand for high-quality and value added products;
- Innovative production systems;
- Better integration within the agro-food chain, and in some cases developing niche and shorter circuits;
- Developing new outlets for agricultural products (including non-food products).

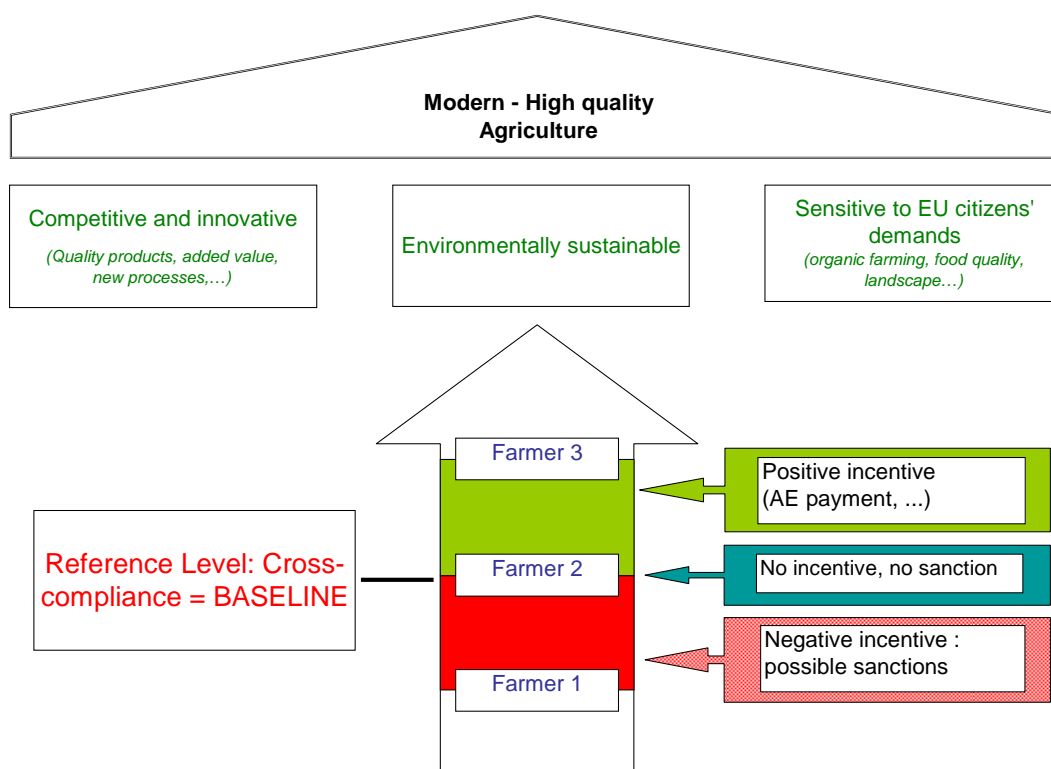
▪ **Other demands: expectations from European citizens**

During the last ten to twenty years, European citizens have expressed growing concerns about the way their food and environment are affected by European agriculture. Major incidents and developments such as the dioxin crisis, mad-cow disease, foot and mouth disease outbreaks, continued lobbying for more attention to animal welfare, and the impacts of agro-chemicals on human health have strengthened and given more focus to these concerns. Furthermore, agriculture's ecological impacts on biodiversity and preservation of specific natural areas or biotopes (either through protection by appropriate farming techniques or through negatively impacting on them), on landscapes, river basins,

etc. cannot be neglected, and agriculture needs to address these issues and represents an important and active player in these various fields.

If one considers this wider perception as the definition of “a modern and high quality agriculture”, it can be put into perspective with cross-compliance as defined under Regulation (EC) N°1782/2003, (as illustrated in the following graph).

Graph 6: Modern, high quality agriculture



Source: European Commission DG Agriculture and Rural Development, adapted by ADE

Cross-compliance, seen *stricto sensu*, will only address parts of environmental sustainability and EU citizens' demands, some of which are captured in the 18 SMR and 11 GAEC. Farmers that attain this compliance level can thus be considered as having reached a minimum reference level, on which further activities can build in order to reach a modern and high quality agriculture. But it is clear from the above that competitiveness, and aspects of environmental sustainability and EU citizens' demands, as defined above, will not be met.

Thus going beyond cross-compliance on the way to modern, high quality agriculture remains an important objective of the reformed CAP, and FAS should be a modality that can eventually motivate and network existing actors to close this gap.

Thus, it is proposed to address this question via the analysis of how activities implemented through FAS (especially Farm Advisory Tools - FAT) lead to the overall objective of meeting standards of modern, high quality agriculture. The judgement criteria proposed are:

- FAT include activities addressing competitiveness of agricultural activities (value added, high quality, new outlets, innovation, etc.)
- FAT include activities addressing sustainable natural resources management (including above cross-compliance baseline requirements)
- FAT include activities addressing needs and priorities of EU society (animal health and welfare, food safety).

3.3.2 Forestry sector

In relation to the forestry sector, the definition of “Modern, high quality agriculture” needs to be understood in the light of the European Forestry Action Plan (FAP)(2007-2011)²⁹ which is guided by the following overall approaches: sustainable forest management³⁰ and multifunctional forestry. This EU Forest Action Plan will be coordinated and implemented through 27 national forest action plans. It is articulated around four major objectives:

- To improve the long-term competitiveness of the forest sector and to enhance the sustainable use of forest products and services.
- To maintain and appropriately enhance diversity, carbon sequestration, integrity, health and resilience of forest eco-systems at multiple geographical scales.
- To contribute to the quality of life by preserving and improving the social and cultural dimensions of forests.
- To improve coherence and cross-sectoral cooperation in order to balance economic, environmental and socio-cultural objectives at multiple organisational and institutional levels.

The three major criteria developed above for the agricultural sector can thus also be used for forestry:

- **Environmental sustainability** focussing on the elements of sustainable use, enhancement of biodiversity, carbon sequestration and health and resilience of forest eco-systems.
- **Competitiveness** focusing mainly on the first FAP objective which is to develop high quality and value added products based on renewable raw materials, encouraging research and technologies, promoting the use of forest biomass for energy, and encouraging cooperation between forest owners and their training.
- **Other demands: expectations from European citizens** focusing mainly on enhancing the protective function of the forests, their recreational and landscape function and the overall public environmental education on forests.

²⁹ Communication from the Commission COM(2006) 302 final on an EU Forest Action Plan

³⁰ Which the Ministerial Conference in Helsinki defined in 1993 as: “the stewardship and use of forest lands in a way that maintains their biodiversity, productivity, regeneration capacity, vitality and their potential to fulfill, now and in the future, relevant ecological, economic and social functions, at local, national and global levels, without causing damage to other ecosystems.

Although cross-compliance has been extended to farmers and forest holders benefiting from payments of RDP measures under axis 2, forest holders are *stricto sensu*, less concerned than farmers (some SMR (environmental and plant health) and some GAEC contain elements that could impact on forestry activities). Another essential difference that needs to be highlighted here is that forest ownership structures are complex and changing. The share of non-farmer owners is increasing, and there are many small sized (in ha) ownerships, thus imposing new forest management structures (such as grouping of owner and contracted forest operators) and providing adequate vocational and elementary forestry training to these owners and operators.

The evaluation will only be looking at forestry services in so far as they are provided and set-up with the support of Regulation (EC) N°1698/2005. Possible advisory services can be designed to focus on³¹:

- Advice concerning plantations and production operations
- Advice concerning forest management plans
- Advice concerning ownership and associative management practices
- Advice concerning management skills
- Advice concerning the role of forest in ecosystem
- Advice concerning sustainable forestry practices
- Advice concerning the recreational role of forests

It is thus proposed to address this question via the analysis of how the above activities lead to the overall objective of meeting standards of “modern, high quality agriculture/forestry”. The judgement criteria proposed are:

- Advice provided addresses competitiveness of forestry activities (value added, high quality, new outlets, innovation, associating forest owners, etc.)
- Advice provided addresses enhanced environmental protection (biodiversity, climate change, resilient eco-systems, etc)
- Advice provided addresses priorities of EU society (protective and recreational functions, public awareness of forests, etc).

³¹ DG Agri H4 – March 2009 - Report on the implementation of forestry measures under the rural development Regulation 1698/2005 for the period 2007-2013 – Annex III

4. Evaluation questions

Preliminary remarks

Limitations to the investigations

A number of problems have been encountered during the investigations that have led to the compilation of the CR and the synthesis thereof in the descriptive part. These problems seriously limit the comprehensiveness of the latter documents, which represent one of the basic inputs to answering the evaluation questions. Main problems are:

1. Collecting additional data to DG AGRI 2008 questionnaire; some country correspondents have had difficulties to collect additional precision.
2. The implementation of FAS remains in its infants' stages and this has a direct impact on the reporting by MS of FAS achievements.
3. During the second part of the country report investigations, correspondents were confronted with a lack of official documents describing the existing extensions services or framework in the various MS.
4. The same observation stands for official and detailed documents related to the FAS, beyond hand-out brochures for farmers.
5. The absence of FAS content based monitoring or follow-up systems, most MS are still contemplating how to organise and implement such systems. However, when advices are subsidised, financial elements are collected but little qualitative treatment of this information is available.
6. There is a problem of staff turn-over (regular staff rotations were encountered by correspondents in several MS), whereby knowledgeable people on FAS is often fragmented and discontinued in time.
7. As descriptive part showed, MS have variable perceptions of the scope and objectives pursued by FAS.

Furthermore, the evaluation was conducted with a very tight time schedule. This has not facilitated the cross-checking and eventual return to the various country correspondents in due time to remain within the different deadlines of documented delivery. This has also had implications on the way in which case studies have proceeded as they were to be implemented during a period of high on-field operations for farmers (the June to August period). Meetings have had to be rescheduled or cut shorter, and even for OB advisers and managers timing was not always ideal.

The 2009 farmer survey

In three of the case study areas, BE-WAL, DE-NSC and DK the short questionnaire was sent by post to farmers and in IT and CZ the questionnaire was distributed to farmers after focus group during case studies.

A total of 280 questionnaires were received back by the evaluator, of which 176 respondents had received FAS advice.

Table 4: Number of questionnaires received

Case study	Total questionnaires received	Whom FAS beneficiary
BE-WAL	120	20
DE-NSC	36	35
DK	59	59
IT-VEN	40	40
CZ	25	22
Total	280	176

BE-WAL is the only region where the majority of respondents had not used any FAServices or did not know about it (100 out of the total 120). In all other surveys, very few surveyed farmers had not received FAS advice.

It is a qualitative survey, supporting the illustration of some specific elements at farmers' level (see 2.2.3).

Limitation in answering the Evaluation questions

Given that the FAS was implemented only recently, effectiveness (i.e. the extent to which the intended impacts or objectives of the intervention are achieved) can only be assessed in broad terms such as initial results and operational objectives rather than impacts which are more difficult to assess at this stage. Thus in the general approach, the evaluator proposes *either* to assess or directly appreciate the result or impact concerned, *or*, whenever that is not possible, to analyse the main features of implementation(s) in order to understand the potential results or impacts.

Regarding the EQs in general, the difficulties of identifying the net effects of the FAS need to be underlined. In numerous countries many farmers seem at least partially aware of cross-compliance requirements, are improving their management skills, or are going beyond basic requirements - and that is not only due to the FAS. Various types of extension services have been in place and have a long history with important activities in many Member States (particularly in the EU 15) and the impacts resulting from the FAS or from existing advisory systems are hardly separable. In the new MS, programmes such as SAPARD have contributed to laying the foundations of similar systems.

4.1 Theme 1: Effects on land and farm management

4.1.1 Evaluation question 1.1 : Awareness raising

Question 1.1 To what extent did the implementation of the Farm Advisory System increase the awareness by Community farmers of material flows and on-farm processes related to:

- Environment
- Food Safety
- Animal Health / Welfare

Interpretation of the question

Following recital 8 of Regulation (EC) N°1782/2003, increasing farmers' awareness of material flows and on-farm processes relating to the environment, food safety, animal health and welfare represents one of the specific objectives of the FAS as shown in the intervention logic (section 2.1).

As defined in section 1.3.2, material flows and on-farm processes applied in the agricultural holdings for producing and processing any agricultural commodity affect the relationship between the biosphere (soil, water and atmosphere) plants and animals. This question aims at assessing the extent to which the FAS has increased the understanding (awareness) of Community farmers concerning the effects that agricultural (and processing) practices can have with respect to the environment, food safety and animal health/welfare.

Approach and judgement criteria

Several difficulties were anticipated in addressing this question. The first is related to the actual measurement of farmers' awareness and its evolution over recent years. The second difficulty lies in the attribution of changes to the FAS or to other services or external factors. Indeed, farmers' awareness on material flows and on-farm processes - especially regarding the environment and food safety - is likely to have also been influenced by other factors and not only the FAS, before and during the evaluation period. Finally, the assessment is hampered by the limited period of implementation of the FAS.

The following steps have been adopted to answer the EQ:

- Analysis of the advice provided by the FAS in the Member States (trying to distinguish in which domains (the environment, food safety, animal health/welfare) and through which tools (source: CR);
- Although a counterfactual situation could not be established at Community level, external factors that could have contributed to awareness raising through enlarged advisory services before and outside the FAS are briefly discussed;
- Outreach of farmers by typical FAS advice, namely on-farm, one-to-one and small group advice, in combination with considerations (expert judgement) on the

potential contribution that these types of advice could have on raising awareness of farmers on the different topics;

- Investigations at case study-level on the contribution of the FAS on changing farmers' awareness in relation to environmental, food safety and animal health/welfare issues (source: case studies and farmers survey).

The analysis is conducted using three major judgement criteria:

- Specific information on the environment, food safety and animal health and welfare is provided by advisory bodies" (JC1)
- Farmers (or priority farmers) are reached by FAS activities (JC2)
- Evolution of beneficiary farmers' awareness since FAS implementation (JC3)

In assessing the first JC, three elements have been considered concerning awareness raising: i) the contribution of the FAS through its core approaches of on-farm advice; ii) the specific additional contributions that have been incorporated into the design of the FAS in those MS that have stated to go beyond the minimum cross-compliance requirements; and iii) the wider context of the pre-existing work already undertaken and ongoing by the extension /advisory services.

Validity – limitations of the approach

Main data sources are the CR for the type of advice provided in all MS and the estimation of the number of farmers reached. The information concerning the number of farmers reached in CR is very fragmented and no data is available by domain. Case studies have allowed the completing and deepening of these issues. An approach of the evolution of farmers' awareness rests on case studies (discussions with FAS advisors and managers) and the farmers' survey (see introductory disclaimer to all EQs on the way the survey was conducted). Although a precise counterfactual situation could not be established, some contextual elements are provided for the EU15, much less for the EU12. The main limitation, as for the other EQ is the early stage of FAS implementation at least at Community level.

Summary Box

To what extent did the implementation of the Farm Advisory System increase the awareness by Community farmers of material flows and on-farm processes related to: i) environment; ii) food safety; and iii) animal health / welfare

The question about the extent to which the implementation of the FAS has increased awareness by Community farmers of the impact of their farming practices on the environment, food safety and animal health and welfare rests on the following JC. First, possible impacts on awareness are inferred from the specific information on the environment, food safety and animal health and welfare that is provided by advisory bodies and the ways through which this information is provided (JC1). This is linked to a general discussion about the already existing awareness of Community farmers. A second criteria (JC2) is the current outreach of farmers followed by some qualitative indications about the evolution of farmers' awareness from the farmers' survey (JC3).

The core FAS approach, that is on-farm mainly one-to-one advice supported by checklists and to a lesser extent small group advice, currently contributes to awareness raising at the level of beneficiary Community farmers about all three themes in a comprehensive way, due to this very close and individualised method of implementation. Awareness raising is often done via structuring of the advice by means of checklists which translate regulatory provisions into understandable information for farmers. This contribution is likely to increase in the near future, once the FAS are fully operational in all MS. On-farm thematic - and small group advice contribute to awareness raising in a more thematic way especially on the environment and animal health and welfare. In the MS that implemented FAS going beyond the strict cross-compliance requirements (12MS and 4 regions), the additional advice mainly targets environmental awareness raising and RDP priorities. In four MS and some regions in three other MS (EE, IE, LT, SL, BE-FLA, UK-WAL and IT 17 out of 21 regions) the FAS has been set-up as an overall advice system integrating economic farm advice to advice on cross-compliance as well as various other priorities from RDP, sometimes by integrating the FAS in the existing extension services (IE, UK-WAL, etc.). In these MS particularly, the FAS is an opportunity to increase awareness on material flows and on-farm processes related to issues linked to the environment, animal health and welfare going beyond cross compliance requirements.

In the EU15, awareness raising on environmentally sustainable farming practices, on food safety (hygiene, traceability etc.) and on animal identification has been in place in a more or less important way since the early 2000s. Major incidents and developments such as the dioxin crisis, mad-cow disease, foot and mouth disease outbreaks, continued lobbying for more attention to animal welfare, and impacts of agro-chemicals on human health have strengthened and given more focus to these concerns that have since been addressed by existing extension/advisory services. The situation is less clear for the EU12. However, SAPARD programmes and the 2004-06 RDP have already accompanied the transition process, including some appropriation of the new legal frameworks linked to the EU accession.

Community farmers concerned by the FAS are beneficiaries of a number of CAP payments (including direct payments)³². For the single year 2008, the overall outreach of

³² When calculating the share of farmers reached by FAS advice, the evaluator wanted to compare it to all beneficiaries of CAP payments. Data were available for beneficiaries of all direct payments for each of the 27 MS (including all decoupled and coupled payments, but without payments from the second pillar). These data have been used.

one-to-one advice is 4.8% of farmers receiving direct payments in the 20 MS for which information was available³³. In MS/regions where the FAS has been implemented earlier, in some cases since 2005, the outreach is stabilised around a maximum rate of 20%. On-farm small group advice was provided in 10 MS³⁴ during 2008 to around 5.5% of the beneficiaries of direct payments in these 10 MS.

Qualitative information from the case studies and the survey show differentiated results on the contribution of the FAS to raising farmers' awareness, according to regions/MS and to the specific way the FAS was implemented. According to the beneficiary farmers surveyed, 34% of the farmers consider that their awareness has changed (improved) over recent years. This change in awareness is attributed in similar proportions to the society/media, to the FAS and to the CAP payment mechanism.

In conclusion, the FAS contributes to awareness raising of material flows and on-farm processes related to the environment, food safety and animal health/welfare among Community farmers. The extent to which this happens is primarily driven by the content of the advice and the ways through which the advice is delivered. Thus we can expect variable impacts in the different MS. One-to-one advice supported by checklists (foreseen in 23 MS and operational in 18 MS) has the advantage of comprehensiveness, while small group advice (10 MS) and thematic advice (4 MS) is more focused on farmers' needs/demands. The latter also allows expansion of the number of farmers supported by advice. In 2008 the outreach of both one-to-one FAS advice and small group advice is estimated at around 5% of beneficiaries of direct payments in MS where the FAS is operational.

The already operational FAS³⁵ contribute to awareness raising through its core approach (one-to-one advice supported by checklists), along with other external elements and instruments including existing extension/advisory services in place. These contribute to awareness raising partly through other approaches.

However, drawing strong conclusions at EU level is made difficult by the short period of implementation of the instruments (e.g. it is impossible to investigate on the concrete changes in farming practices that the FAS has induced). We consider that there is potential for an increase in the uptake of FAS in the long run. This is supported by the observation that MS/regions having implemented the FAS from 2005 onwards have reached a higher outreach (up to 20% of beneficiaries of direct payments).

The evaluator considers that the establishment of the instrument by the Regulation (EC) N° 1782/2003 and the approaches taken by the MS, (mainly one-to-one advice based on checklists, or integration of the FAS into pre-existing extension systems), establish a general frame favourable to the awareness raising of Community farmers on environmental, food safety and animal welfare/health issues.

³³ Data are not available for MT and SK; Data are not correct (double counted) for FR; FAS was not implemented in 2008 in CY, EL, PL and PT.

³⁴ AT, BG, CZ, ES (6 regions only), IE, LT, MT, NL, RO and the UK. Five other MS provided small group advice in 2008 however data is not available in 4 of them (EE, IT, SI and SK) and data from FR could not be used as there are double counts. More information on section 5.1.2 of the descriptive part.

³⁵ Around 24 out of 27 MS (CY, EL, PL, PT) with additional differences among regions in MS (ES, IT).

Analysis

Specific information on the environment, food safety and animal health and welfare provided by FAS advisory bodies

On-farm one-to-one advice

As shown in sections 4 and 5 of the descriptive part, at Community level, FAS approaches are very much focused on **on-farm** activities such as one-to-one on-farm advice (all MS except UK-ENG) and small groups (UK-ENG as sole approach, whilst other have implemented this approach as a complement to the one-to-one advice). In a large majority of EU MS (23), the main tools supporting advice are checklists (auto-checklists, simple checklists, modular checklists or more integrated check-folders delivered by advisors (see section 5.1.1 of the descriptive part).

Checklists take the form of a list of questions or statements which are supposed to translate the regulatory contents in understandable questions for the farmers. All themes of cross-compliance are covered by these lists. Depending on the way these checklists are used and the type of detailed advice that is provided, this tool enables the advisor and the farmer to exchange views and to ascertain that they have a common understanding of each of the requirements.

Developing awareness of farmers occurs through the questions raised by farmers when going through the checklists and subsequent discussions with the advisor. **This type of finding can be generalised to all the MS that make use checklists as a tool for the advice.** The support delivered to be compliant with cross-compliance requirements through checklists linked to advice includes raising awareness concerning the environment, food safety and animal health and welfare.

On-farm thematic advice and small group advice

Thematic advice is provided as a leading element of the FAS advice in 5 MS (AT, BE-WAL, DK, FR and IE) and as a complementary element in 5 regions or MS (ES, FI, IT, LT and PT). This approach enables an enhanced focus on certain SMR and GAEC standards that cause more concern to farmers. Also, according to EU regions and MS, farmers already have a sound level of awareness (i.e. animal identification and food security in MS affected by major food crises at end of the 1990s and the beginning of the 2000s). For example in IE and BE-WAL nitrogen issues and animal health and welfare are the most sought themes.

On-farm small group advice is mainly used in the UK-ENG and IE, as is discussed in more detail under section 5.1.2 of the descriptive part. It enables expanding the outreach of farmers of FAS advice. It is focused on areas around elements of environmental sustainability or in response to specific issues where important cross-compliance breaches have been recorded in countries or areas of these countries.

Contribution of a FAS designed to go beyond cross-compliance requirements

According to the CR covering the 27 MS, 12 MS and regions in another 4 MS (see table 1 in section 1.5 of the descriptive part) have designed their FAS to go beyond *at least* cross-compliance. Most of these MS have mobilised EAFRD funds to support the FAS for 2007-

2013 (9/12 MS) (only BG, IE and SL have set-up a FAS going beyond cross-compliance without using the EAFRD).

The concept of “going beyond” cross-compliance is of a different nature according to MS. Some MS simply widened checklists and advice to the whole national/regional statutory frame, including all quality assurance systems, in particular organic farming (DE, LU). Other MS included in a very punctual way one or two specific themes considered as innovative compared to usual advisory business such as advice on energy efficiency at farm level. Very few MS (for example EE, IE, LT and SL) integrated the FAS into their overall existing extension services, thus providing *de facto* all possible extension services (see particular sections 2.2 (existing extension/advisory systems) and 2.3 (overall organisation of the FAS) in the descriptive part).

The forms of additional advice provided is differentiated among MS and illustrated in table 5 on the following page. Planned activities can be summarised as follows:

- The specific issues generally considered with respect to the **environment** are: energy saving, alternative energy utilisation, organic farming, water protection schemes, agro-environmental requirements, Natura 2000, pollution control and nitrate action programmes.
- Issues concerning specific quality standards, product certification or organic products. These have been classified under food safety.
- To a lesser extent, some very punctual additional advice regarding animal health/welfare centred on animal nutrition and/or breeding (UK, CY) and yield management (IT).

Four MS and some regions in three other MS (EE, IE, LT, SL, BE-FLA, UK-WAL and IT 17 out of 21 regions) have set-up the FAS as an overall advice system integrating economic farm advice to advice on cross-compliance as well as various other priorities from RDP, some of them by integrating the FAS in their existing extension services.

Table 5: Additional advice activities planned by some Member States

Member states that declare FAS objectives beyond SMRs & GAEC			Environment	Food safety	Animal health & welfare	Not specified
Details provided in CR in response to MS objectives assigned to FAS (cfr section 1.5 of descriptive part)			Details provided in CR when the various Farm advisory tools are reviewed (see tables in sections 3.7 of Country reports)			
12 Member States						
BG	Bulgaria					
CY	Cyprus	According to RDP program			animal breeding	
CZ	Czech Republic	Other wider RDP related services	Natura 2000			
EE	Estonia	Through the regional information centres cover the wider range of farm advice	Water protection schemes			
ES	Spain	Linked to the various RDP priorities				
HU	Hungary	Longer term priority: to enhance the competitiveness and performance of the farms.	Agricultural environmental protection plans			
IE	Ireland	FAS fully integrated into pre existing advisory services and covers other priorities such as REPS, sucklers, ...;				
LT	Lithuania	Agri-environment; holding accounting & management; preparation of business plans and project administration; on the implementation of ‘Leader’ method.	Organic farming Agro-			
LU	Luxembourg	Linked to the RDP priorities, QM milk, quality labels in the meat sector, demands related to the landscape and natural environment maintenance and safety at work				
PL	Poland	Rural population and public institutions perceive FAS as general advise to farmers on all rural issues				
SK	Slovakia					
SI	Slovenia	Quality issues, landscape and settlement in the countryside, pollution prevention and nature conservation, competitiveness, suitable and the landscape, economically sustainable farm holdings	Alternative energy	new products		
			Alternative energy	new products		
Regions in 4 MS						
BE	Belgium-FLA	(Only in Flanders) - expand a series of regional priorities such as business economic advice and environmental planning that were on-going.				
DE	Germany	Energy savings + organic farming are included in FAS in some <i>Länder</i> , checklists should cover all relevant legislation including quality systems even if FAS advice is limited to cross-compliance		all - Various quality standards checklists		
IT	Italy	Linked to the various RDP priorities in 17 out of 21 regions	PIE - energy saving SAR - farm energy production	9 regions - quality systems & certification		
			all - Yield managemnt	CAM-technology innovation		
UK	UK-WAL	Linked to the RDP priorities				
		One-to-one advice				not specified
		Small group				countris that have not mobilised RDP funds (2007-2013)
		Internet - telephone desk				
		Paper publications				

Contribution of the existing extension activities and external elements to awareness raising (counterfactual situation)

A precise counterfactual situation at Community level (type of advice received by Community farmers before the implementation of the FAS, and/or type of advice that they would receive in the absence of the FAS) could not be established. Nevertheless, the following elements contribute to explain tendencies (trends) of current awareness raising among Community farmers by disregarding the FAS.

In most of the EU-15, pre-existing extension services already provide specific information on the environment, food safety and animal health. The 1992 reform of the CAP introduced the very notion of sustainable agriculture and opened the door to a number of accompanying measures to promote production methods that are compatible with the environment and the maintenance of the rural and natural space (Regulation (EC) N° 2078/92). This was the start of the Agro-Environmental Measures (AEM); these have been further confirmed and elaborated under the RDP regulation for the programming period 2000-2006 (Regulation (EC) N° 1257/1999). The different national extension OB have adapted to these reforms and already provide advice to farmers on these issues. The CTE in France introduced as a major innovation for the 2000-2006 programming period is an example illustrating this change of approach (see box).

CTE in France:

In France, the concept of “sustainable territorial user contract” CTE (Contrat territoriaux d’exploitation) has been a major innovation of agricultural and rural development policy introduced by the Agrarian Law of 1999. This 5-year contract was a major element of the 2000-2006 RDP. It rested on an overall farm approach, including an economical approach of the farm, employment, the environment and local territorial aspects. The multi-functionality of agriculture is at the heart of this concept. This contract associates support to farm investment to the application of environmentally sustainable farming practices. This ambitious approach sparked deep debates at county (département) level between the various agricultural and non-agricultural stakeholders on agricultural practices, environmental externalities of some practices and more sustainable approaches. It largely supported awareness raising of environmentally sustainable agriculture.

Ex post evaluation of the French National RDP2000-2006

In the same way, the various sanitary crises around the year 2000 and earlier in the animal sector have paved the way in regards to food security (mad cow disease, the dioxin crisis in BE and the foot & mouth disease outbreak in the UK in 2000). This has highlighted the need and laid the foundations for traceability, including stricter animal identification. Depending on the scale of the crisis in the different EU15 MS, significant measures were taken and implemented at the beginning of the century; all these measures being supported by the different veterinary services and strengthened (or re-organised) food security agencies.

All these factors have significantly supported awareness raising in the EU-15 over the past 5 to 8 years at least. In this context, several countries have developed a wide range of support tools, for example:

- software and calculators (especially for nitrogen), software for animal ID
- thematic publications
- farm walks focusing on birds
- REPS in IE and farming plans.

Awareness raising outside the FAS

BE-WAL: Since 2000, or even earlier, several private non-profit organisations have covered issues on the environment, food safety and animal health. Some of these OB have recently been included in the FAS. However, they still mainly deliver their advice (unchanged due to the FAS) through direct contact with farmers and only in a very limited way through the FAS (in 2008, two of these main OB delivered advice, approximately 3,000 advice sessions of which only 77 were through the FAS).

IT-VEN: 100,000 copies of technical publications on topics related to the environment, food security and animal health were distributed during the 2000-2006 RDP. OB specialised in animal production supplied specific support on animal health/welfare going beyond cross-compliance.

These have not been developed for or by the FAS, but are accessible to farmers on demand (FAS advisors can of course use them). Some examples for existing advice provided by OB disregarding the FAS are provided in the box on the right for BE-WAL and IT-VEN.

In some MS (FR, IE, UK-SCO and UK-NIR) the FAS is inextricably linked to the existing advisory framework (see section 2.3 of the descriptive part on the overall organisation of the FAS) and the activities recently implemented by the FAS are an integral part of their workload.

For the EU10 (12), first SAPARD programmes until the accession, then RDP programmes (2004-2006) and the current programme (2007-2013) have accompanied the transition process towards private farming and first appropriation of the new legal rules (cross-compliance) at farm level. Both have contributed to the upgrading of farming and processing practice and therefore also to awareness. According the evaluators appreciation, differences on awareness of the impact of farming practices on the environment, on food safety and animal health/welfare exist between managers of large farms (large enterprises with a legal person: joint stock company, limited liability company or large co-operatives) and holders of small family farms.

Farmers (or priority farmers) reached by FAS activities

An initial priority group through Regulation (EC) N°1782/2003 were farmers receiving more than €15,000 in direct payments per year (see section 2.5 of the descriptive part). The EU counted approximately 13.7 million farm holdings in 2008. About 8.7 million farmers received direct payments in 2006³⁶. At Community level, beneficiaries of direct payments **represent 63% of all farmers and about 83% of the UAA**³⁷. The remaining 37% that do not receive direct payments are mainly small scale farms, sometimes part-time farmers or non-professional farms that represent around 17% in terms of UAA. Despite this priority group, in theory all farmers could make use of the FAS, with or without public support.

The proportion of farmers who do not receive direct payments varies a lot depending on MS. In the EU15, overall more than 80% of farmers receive direct payments (except in the UK where they represent 65%). In the EU 12, less than 40% of farmers receive direct payments (except in LV: 73%, SL 72%, PL: 61% and CZ 51%).

Farmer outreach is discussed for the year 2008 for most MS and additional data are provided for those MS that have implemented the system from 2005 onwards.

Farmers' outreach in 2008 at Community level

The average farmers' outreach of FAS advice concerns the two main FAS approaches, namely one-to-one and small group on-farm FAS advice. Figures at Community level are available only in 2008 for almost all MS. These figures are shown hereafter.

³⁶ No data on direct payments for the 27 MS are available after 2006. Only data for the EU15 are available but in order to get a homogenous target group the evaluator decided to use 2006 data.

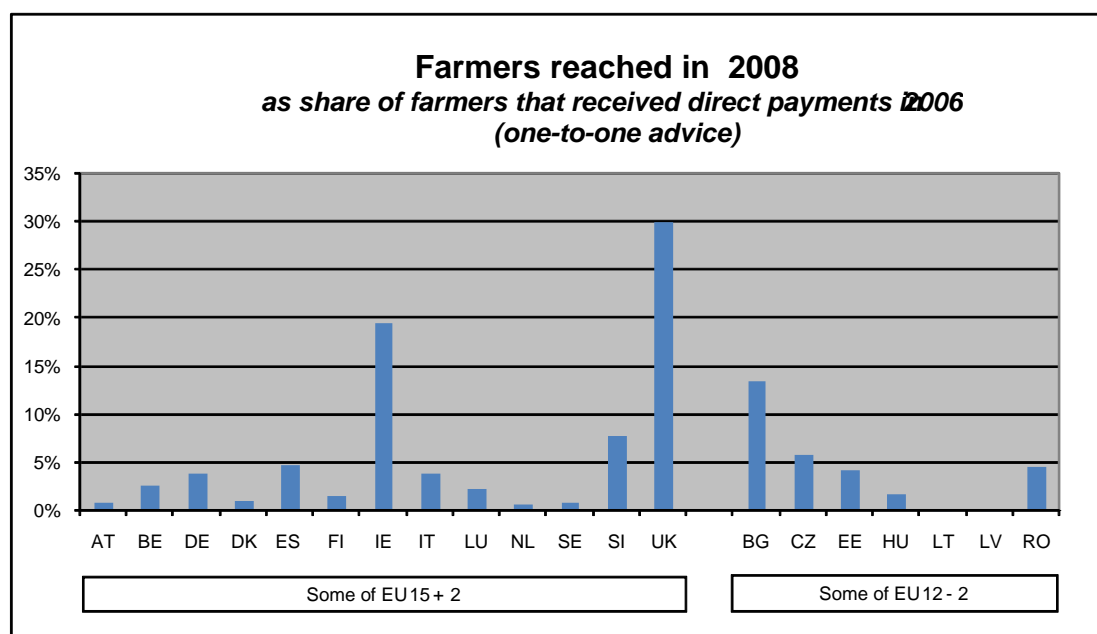
³⁷ The UAA of EU 27 amounted to 173.517 million ha in 2007 according to Eurostat (Newschronos, data September 2009), the agricultural area under a single area payment scheme to 42.1 million ha (10 EU MS) and hectares from EU15+2 accompanying a single payment scheme to 101.424 million ha.

▪ One-to-one on-farm FAS advice

According to CR, in 2008, 152,056 on-farm one-to-one FAS advice sessions were provided in 20 MS/regions³⁸. The average outreach of this advice represents 4.8% of the 3.2 million³⁹ beneficiaries of direct payments in 2006 in the 20 MS/regions concerned⁴⁰.

This outreach is also differentiated between Member States using Single Payment Schemes (EU15 plus Malta and Slovenia) and those MS that have a special treatment with Single Area Payment Scheme (SAPS) (EU12 minus Malta and Slovenia). This outreach is on average 6.1%⁴¹ for those using Single Payment Scheme (SPS) and 3.9%⁴² for those using SAPS. Graph 7 below presents the farmers' outreach by one-to-one on-farm advice in 2008 for each MS.

Graph 7: Farmers reached by one-to-one on-farm advice in 2008



Data not available for MT and SK; Data not correct (double counted) for FR; FAS not implemented in 2008 in CY, EL, PL and PT; For BG and RO, the target group was not beneficiaries of direct payments in 2006 but target group mentioned in RDP; For DE, ES, IT and the UK, the outreach concerns only some regions (DE: BAY, NSC, RHP, THU; ES: CAT, CLM, LRI, NAV; IT: EMR, PIE, TOS, UK: SCO, NIR, WAL)

³⁸ Information that has been collected through CR for the 27 MS and is presented in section 5.2 of the descriptive part. Figures for France have been excluded as they show a major problem with double counting. In CY, EL, PL and PT there were no beneficiaries in 2008 (see footnote No. 26). In MT and SK information is not available. In some MS, information is available for a few regions only (DE: BAY, NSC, RHP, THU; ES: CAT, CLM, LRI, NAV; IT: EMR, PIE and TOS).

³⁹ The number of direct payment beneficiaries in 17 MS + some regions only in DE, ES and IT (see previous reference note) – In BG and RO, the target group of the RDP is mentioned.

⁴⁰ Indeed, no one-to-one on-farm FAS advice was implemented in four MS (CY, EL, PL and PT) and in some regions of ES, IT and the UK. No information is available for MT, SK or some regions of DE. FR has been excluded due to a problem with double counting. Beneficiaries of direct payments of all these MS/regions have been excluded for the calculation.

⁴¹ EL, FR, MT and PT have been excluded. As for FR, the data available is not correct (double counted), for EL and PT, FAS did not start in 2008 and data for MT are not available.

⁴² CY, PL and SK are excluded as no information is available for SK and FAS didn't start in 2008 in CY and PL.

▪ On-farm small group advice

Off-farm advice or off-farm small groups are often reported together with existing extension service activities and have been excluded from the typical FAS approaches. However on-farm small group advice may be considered as a FAS approach. They have been implemented in a limited number of MS (in some cases training activities that can be assimilated to FAS activities are funded through RDP measure 111⁴³). They often include a strong FAS option but can also address wider issues.

More particularly, data on small group advice is available in 10 MS⁴⁴. Five other MS provided small group advice in 2008 however data is not available in 4 of them (EE, IT, SI and SK) and data from FR could not be used as double counting has occurred.

129,282 farmers were provided small group advice during 2008 in these 10 MS. This represents 5.5% of the 2.4 million direct payment beneficiaries of these 10 MS mobilising this kind of approach.

In the UK-ENG, there were 212 small groups organised in 2008 allowing almost 8,000 farmers to be advised. Since the FAS implementation (2005), a total of 1,114 small groups have been organised totalling 36,857 farmers reached. This represents an outreach of almost 35%.

Farmers' outreach in some MS/regions from 2005 onwards

A few MS/regions implemented the FAS before 2008 and provided comprehensive figures in relation to farmers reached during previous years through one-to-one advice.

The following table presents an overall picture of the number of farmers reached between 2005 and 2008 for some regions or MS that implemented FAS before 2008.

⁴³ Reg. 1698/2005 distinguishes between "training activities" (measure 111) and "advisory services" (measures 114-115)

⁴⁴ AT, BG, CZ, ES (6 regions only: CAN, CAT, CLM, LRI, NAV, PVA), IE, LT, MT, NL, RO and the UK. More information on section 5.1.2 of the descriptive part.

Table 6: Overall picture of regions or MS implementing the FAS before 2008

	Farmers reached by one-to-one advice from 2005-2008					Farmers receiving direct payments in 2007	% of farmers reached
	2005	2006	2007	2008	Total		
AT	-	-	2,000		2,000	129,430	1.5%
DE-BAY	-	-	10,000		10,000	122,000	8.2%
DE-NSC (1)	5,298	4,569	2,825	2,314	10,000	50,000	20%
DE-RHP	930				930	26,000	3.6%
DE-THU	300				300	5,000	6%
DK (2)	-	3,886	600	600	5,086	63,200	8.0%
FI	-	-	800	1000	1,800	68,130	2.6%
HU	-	-	8,834	3,299	12,133	197,980	6.1%
IT-EMR	-	-	800		800	35,882	2.2%
IT-PIE	-	3,984			3,984	40,856	9.7%
NL (3)	750	750	1,200	547	3,247	69,660	4.7%
SE	-	-	1196		1,196	81,380	1.4%
SI	-	-	485	4000	4,485	51,810	8.6%

(1) Several farmers introduced more than one request for advice. The MoA estimates the number of beneficiary farmers at around 10,000 since 2005 leading to a reach of around 20%.

- (2) FAServices were co-funded through RDP during the 2000-2006 programming period, since 2007, farmers have to pay the full cost
- (3) During 2005 and 2006, advice was co-funded through the national budget, from 2007 onwards RDP intervention has been mobilised. In 2007, an additional 2000 farmers were reached through 300 to 350 small groups (of \pm 7 farmers)

Source: ADE-Consortium Country reports

As shown in table 6, some regions or MS delivered FAS advice earlier than 2008 and provided figures of beneficiaries. The proportion of farmers reached varies between 1-2% (AT, IT-EMR and SE) to 8-10% (DE-BAY, IT-PIE and SI) up to 20% in DE-NSC.

FAS beneficiaries

Although no detailed monitoring data on the type of beneficiary farmers are available at Community level, several elements provide indications about the main type of beneficiaries, namely:

- 1) Regulation (EC)N°1782/2003 stipulates that MS shall give priority to farmers who receive more than €15,000 in direct payments per year⁴⁵; the size of this priority group is not exactly known as statistics provide figures for various groups of payment, namely more than €10,000 or more than €20,000. In the EU25, 12.3% of beneficiaries of direct payment receive more than €10,000 and 6.4% receive more than €20,000⁴⁶.

⁴⁵ This priority group was initially targeted by the MS, even if it was removed in Regulation (EC) N°73/2009.

⁴⁶ This average is quite diverging according to MS. In eight MS (BE, DK, DE, FR, IE, LU, NL and the UK) between 33-63% receive more than €10,000 while this proportion is under 1% in six MS (CY, LV, LT, MT, PL and SI). Source of statistics: Indicative figures on the distribution of aid, by size-class of aid received in the context of direct aid paid

- 2) Although a significant number of MS have planned to address additional target groups, 9 MS and 13 regions have maintained this regulatory target group (see section 2.5 of the descriptive part);
- 3) Among the suggestions from MS, some mention the difficulty for smaller and part-time farmers gaining access to FAS advice;
- 4) Monitoring data in BE and discussions in case studies confirm that larger farmers (according to the specific country/region) in close contact to advisory services in general are those making the most use of FAS advice.
- 5) From case studies and discussion with advisors it seems that those farmers that are already aware of major aspects of cross-compliance and willing to improve their performance are mostly those that use FAS advice.

All these elements tend to indicate that mainly larger farms which are already in contact with existing advisory services make use of the FAS.

Qualitative information about the evolution of farmers' awareness since FAS implementation from the survey

Reminder: As detailed in the preliminary remarks to EQ, questionnaires were delivered to around 350 farmers in 5 regions/MS, beneficiaries of FAS advice⁴⁷. 280 farmers sent their questionnaire back. The survey was launched in a qualitative approach aiming at collecting farmers' opinions in regions covered by case studies. It is not quantitatively representative.

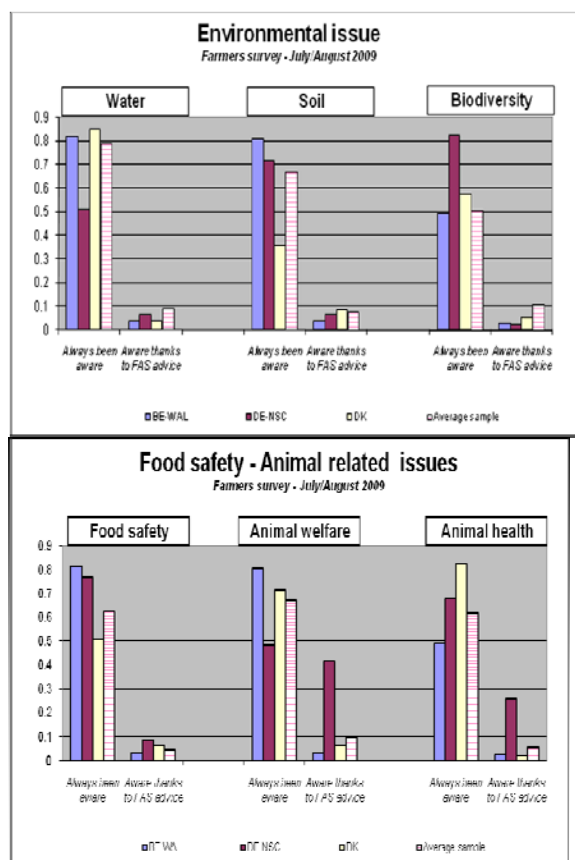
According to the farmers' survey conducted by post in BE-WAL, DE-NSC and DK in June-July 2009⁴⁸, farmers' awareness of the impact of their farming practices on the environment, food-safety and animal health and welfare has evolved and increased in recent years.

to producers according to Regulation (EC) N°1782/2003, financial year 2007. Source : http://ec.europa.eu/agriculture/funding/directaid/distribution_en.htm consulted on 26 November 2009.

⁴⁷ BE-WAL represents an exception, because only some 20% of respondents knew the FAS as such. However, most of the respondents were familiar with the main OB intervening through the FAS and already advising before the FAS implementation.

⁴⁸ The survey was conducted by post in BE-WAL, DE-NSC and DK. Questionnaires were distributed to farmers after focus groups in Italy and throughout advisory bodies in CZ.

Graph 8: Awareness of farmers surveyed in three case study areas



- In Be-WAL the registered improvement was due i.e. to: i) the activity of an NGO NITRAWAL in charge of Nitrogen Sustainable Management Programme; ii) the implementation of the RDP agri-environmental measures; iii) Belgium Federal Agency for Security of the Food Chain (FASFC) controls and by participation in Integrated Chain Quality Management (ICQM); iv) to actions organised by FWA and others such as Arsia etc.
- In DK the awareness, already relatively high, has not been substantially improved by FAS, since this role is already covered by agricultural unions and associations.
- In IT-VEN large farms seem to have better awareness of the environment, food safety and animal health/welfare. Biodiversity awareness seems to be weaker. FAS together with the media are seen as central to coping with this situation.
- In the Czech Republic farmers' awareness is considered to have significantly risen since the FAS implementation. There is however a substantial difference between small and large farms in their capacity to be informed on these issues.

Results indicate that farmers consider that they are aware of the impacts of their farming practices independently from FAS activities. This awareness is very strong for water and food safety in all three countries (BE-WAL, DK and DE-NSC). The proportion of farmers considering themselves to be aware on biodiversity issues and animal health issues is less significant, at around 50%. Existing awareness (without the FAS) of soil and animal welfare issues is very strong in BE-WAL and low in DK.

The farmers' assessment of FAS contribution to awareness, which is generally rated at 5 to 10% in DK and BE-WAL, is much higher in DE-NSC. This is likely to be linked to the manner in which the FAS has been set-up and implemented in the regions.

This issue has also been discussed during interviews in case studies with FAS advisors or managers⁴⁹. In BE (WAL and FLA) and DK, advisors tend to indicate that the FAS has marginally impacted on farmers' awareness. In BE-WAL advisors mention a change in awareness but not thanks to the FAS (see box below). In BE-FLA and DK advisors consider that no change of awareness has taken place as there was already a good level of awareness among farmers.

On the contrary, in DE-NSC and in Italy-Veneto, advisors consider that the FAS has been instrumental in improving the awareness of farmers that have mobilised the FAS. In DE-NSC this finding is bound to the way the FAS has been set up and implemented since

⁴⁹ In each case study region, between 5 and 15 FAS advisors and managers have been interviewed.

2005. Specific FAS cross-compliance advice has been developed with a specific tool, the KKL checklist folder system that has reached 20% of the farmers to date. In BE-WAL some of previously existing bodies in charge of extension services have been included in the FAS OB. However, they deliver the same type of thematic advice that they delivered before the establishment of the FAS.

According to the beneficiary farmers surveyed, 34%⁵⁰ of the farmers consider that their awareness has changed (improved) in recent years. The farmers' survey included a question to those farmers that considered their awareness had changed in recent years about the reason of this evolution (see table 7). Five answers were proposed to farmers including the possibility of "other". On average, the recent change of awareness of FAS beneficiaries results from: i) the society and the media; ii) the FAS; and iii) the CAP payment mechanism in similar proportions.

Table 7: Source of change of awareness about farming practices

Proposed answers of the questionnaire	Biodiversity, water and soil	Food safety	Animal health and welfare	Average case study areas	BE-WAL
The society/the media	39%	41%	33%	38%	38%
CAP payment mechanism	38%	29%	26%	31%	31%
Farm advice related to FAS	39%	30%	36%	35%	16%
Farm advice not related to FAS	20%	19%	20%	20%	17%
Other stakeholder in rural area	15%	13%	6%	11%	12%
Other	12%	16%	17%	15%	10%

Results from BE-WAL are separately presented because it is the only sample where a limited number of farmers (less than 20%) did know and use the FAS.

⁵⁰ This percentage varies by theme (water: 35%, soil: 32%, biodiversity: 28%, food safety: 34%, animal welfare: 37% and animal health: 34%) and mainly by case study area (BE-WAL: 15%, CZ: 91%, DE-NSC: 38%, DK: 17%, IT: 72%); In some MS the percentage is quite low because farmers claimed that they were already aware (BE-WAL and DE-NSC).

4.1.2 Evaluation question 1.2 : Support on implementation of cross-compliance

Question 1.2 To what extent did the Farm Advisory System support the implementation by Community farmers of cross-compliance requirements (Statutory Management Requirements- SMR – and Good Agriculture and Environment Conditions – GAEC)?

Distinguish between:

- **GAEC**
- **SMR referring to environment**
- **SMR referring to animal welfare**
- **SMR referring to public, animal and plant health**

Interpretation of the question

Following article 13 of Regulation (EC) N°1782/2003, the FAS advisory activity has to cover *at least* the SMR and GAEC included under the scope of cross compliance.

While the provision to farmers of general information concerning SMR and GAEC has to be ensured by the Member States independently from FAS activities (article 3 of Regulation (EC) N°1782/2003), the FAS is expected to provide more focused advice on land and farm management, in view of supporting farmers in correctly applying SMR and GAEC standards. Thus, this question aims at assessing the effectiveness of the FAS in this respect.

The actual implementation of cross-compliance requirements obviously entails other elements that are beyond the privileges of the FAS. Supporting the correct implementation by Community farmers of cross compliance requirements is expected to contribute to the overall objective of the FAS of supporting a sustainable EU agriculture (also see theme 3 and the intervention logic in chapter 1.2).

Approach and judgement criteria

In general terms, the methodological approach for answering this question will follow similar steps as for EQ 1.1. Being at an early stage of the FAS implementation, it is mainly the content and methods for the provision of specific information and advice that will be analysed, as well as the uptake of proposed advice by farmers. The particular focus of this question is the way FAS advisory activities and tools could support the implementation of SMR and GAEC. The analysis also rests on a review of the literature.

An initial approach to the EQ based on statistics at EU level of main cross-compliance penalties and their evolution since the implementation of the FAS could not be followed. Indeed, an internal discussion at DG Agri showed that on the one hand breaches are very common in relation to rather simple rules (e.g. animal registration "missing tags"), and on the other hand low levels of breaches could be the result of difficulties in carrying out

controls related to more complex rules (e.g. conservation of wild flora and fauna). Thus in common agreement, this approach was deemed to be irrelevant and could not be considered to appreciate the extent to which the FAS supports the implementation of cross-compliance.

The following four judgement criteria are considered in the analysis:

- Specific information on SMR and GAEC is provided by FAS (JC1); this criteria rests both on the actual presence of bodies (and advisors) and the core FAS approaches;
- Farmers are helped by the FAS to assess and improve the performance of their holdings in respect to SMR and GAEC (JC2)
- Farmers make use of advice delivered by the FAS on SMR and GAEC (JC3)
- Farmers are satisfied with the advice provided by FAS (JC 4)

Validity – limitations of the approach

The main limitation, as for the other EQs is the early stage of FAS implementation in the MS. The main data sources used are country reports (CR), case studies and the 2009 farmer survey. The lack of monitoring data and the very scarce information provided by MS for the CR regarding distinctly SMR related to the environment, animal welfare and public, animal and plant health and GAEC have made a detailed assessment according to the domains of SMR and GAEC impossible.

Answer Summary Box

Support by FAS to cross-compliance implementation

The question regarding the extent to which the FAS supports the implementation of cross-compliance requirements rests on four JCs addressing the effectiveness of how advice is provided to farmers. A first JC concerns the content of advice, namely specific information on SMR and GAEC provided through the FAS. A second JC concerns the method of delivering advice. It is based on analysing the way in which farmers are helped by the FAS to assess and improve the performance of their holdings through a discussion of the main tool, namely checklists. The first elements of the use of advisory services (third JC) and qualitative indications from the farmers' survey about the satisfaction of advice (fourth JC) are then discussed.

As for EQ 1.1, the main limitation is the early stage of FAS implementation. Furthermore, the low quality of monitoring data and information provided by MS regarding the various domains addressed or targeted by the FAS do not allow for a detailed assessment according to SMR and GAEC as asked for in the EQ wording.

First of all, the FAS was set-up and is (or will be) implemented in a way to support the implementation of all SMR and GAEC at Community level. Indeed, independently from the use of EAFRD, tools and advisory bodies are in place to cover all requirements in a comprehensive way. No robust data are available for the number of advisors per farm holding (some MS have provided data for all accredited advisors and some in terms of FAS full-time equivalent). Nevertheless, the specific information delivered is not

homogenous throughout the MS, since it also depends on the manner in which each MS has transposed the various SMR and GAEC requirements into Farmers' Obligations.

The main FAS approach is on-farm one-to-one advice and to a lesser extent on-farm small group advice. Being very individual, specific to the farmers and their holding they are considered as being very effective compared to off-farm approaches and to one-to-all approaches. The main farm advisory tools are the various checklist/folder systems. Checklists are not a very attractive advisory tool and require a period of adaptation both for the advisors and for the farmers. However, this tool enables supporting of the implementation of cross-compliance, provided that enough time is devoted to discussion about issues raising problems and that technically skilled advice is provided on elements of non-compliance, allowing to remediate to these shortfalls.

The overall uptake of the core FAS approach (one-to-one on-farm advice) in 2008 was around 5%. In countries (regions) where the FAS has been implemented before 2007, a higher outreach has been obtained, up to 20%. Several elements indicate that FAS advice is mainly used by larger farms already familiar with existing advisory services.

The qualitative farmers' survey (280 respondents from 5 regions/MS, mainly beneficiaries of FAS advice), has shown that the main motivation for farmers to request FAS advice is to get specific information about cross-compliance and improve the capacity of the farmer to respect those requirements. The survey also showed that most farmers are satisfied with the advice provided.

As an overall **conclusion, the core FAS approach**, on-farm one-to-one advice linked to the major tool (checklists) that is used in most MS (foreseen in 23 MS and currently operational in 18 MS), **supports current implementation of cross compliance requirements** through its comprehensive coverage of all regulatory aspects, their translation into understandable questions for the farmers, and the induced discussions with advisors on the rationale of the different requirements. Improving the capacity to respect cross-compliance requirements is also the main motivation from farmers of making use of this advice. The extent to which this happens is primarily driven by the content of the advice (technically skilled advice should be brought to elements which raise problems) and the ways through which the advice is delivered (devoting time to questions and answers raised by the farmer). Thus, variable impacts can be expected in the different MS. Other tools such as small groups usefully complete this approach in some MS with more focused advice on some themes often chosen by farmers. On-farm small group advice can be a cost-effective way to reach a significant number of farmers, and for illustrating real situations and issues on the farms. In spite of this effective approach, it must be underlined that farmers making use of the FAS seem to be among the larger farms (according to the MS) that are already used to make requests for advisory services. In addition, data from MS that largely limited the FAS to cross-compliance (with EAFRD support – meaning a systematic coverage of all cross-compliance requirements) and that have implemented it prior to 2007 tend to indicate a ceiling for that type of FAS request at around 20% of farm holdings.

Analysis

JC1 Specific information on SMR and GAEC is provided by the FAS

Major FAS approaches

According to CR (27MS) and in line with regulation requirements, all MS provide (1) specific information on SMR and GAEC and (2) technical advice to implement cross-compliance. The latter specific technical advice being understood as providing the background, as well as technical or operational elements that will enable the farmers to reach the decision as to how and what to do in relation to those elements of cross-compliance on which advice was needed. As mentioned in the descriptive part (sections 4 and 5), **one-to-one and small group advice – both on-farm** are considered as the specific approaches of FAS advice.

Both these approaches establish direct contact with individual farmers. This is essential as each holding operates in its own socio-economic, market and environmental conditions.

On-farm one-to-one advice

All farmer obligations in relation to cross-compliance⁵¹ are (or will be) covered systematically in 22 MS/regions (all MS except BE-WAL, DK, FR, IE and UK-Eng, some regions in IT and no information for BG, CY and MT); whereas five MS have opted for a more piecemeal approach⁵² whereby farmers can request advice on specific thematic cross-compliance issues (AT, BE-WAL, DK, FR and IE). This enables to focus more on certain SMR and GAEC standards that are of more concern to farmers.

We consider one-to-one on-farm advice as the most effective type of approach, taking into consideration the complexity of the subjects and the necessity to deliver specific and practical (usable) indications to farms. In implementing this approach as explained under EQ 1.1, checklists have been extensively used.

Small group on-farm advice

Only one region (UK-ENG) has used it as the sole FAS approach, a number of other MS (AT, BG, CZ, EE, ES (6 regions only), FR, IE, IT, LT, MT, NL, RO, SI, SK and the UK) have used it as a complementary approach to one-to-one advice. Small group advice is in general focused on specific themes. It enables the expansion of the outreach of farmers of FAS advice. It is focused on areas around elements of environmental sustainability or in response to specific issues where important cross-compliance breaches have been recorded in counties or areas of these countries.

⁵¹ Farmer obligations differ between MS and/or regions, as they are the expression of the way MS have transposed SMR and GAEC as defined in Regulation (EC)N°1782/2003. The evaluation conducted in 2005 by DG AGRI on cross-compliance has reviewed all these farmer obligations and detailed lists can be found in the various country reports of this evaluation.

⁵² According to some EU regions and MS, farmers already have a sound level of awareness (i.e. animal identification and food security in MS affected by major food crises at end of the 1990s and the beginning of the 2000s). For example in IE and BE-WAL nitrogen issues and animal health and welfare are the most sought themes.

Advice on cross-compliance requirements is not homogenous throughout MS as farmers' obligations are differentiated

Based on the literature review and case studies, it has to be noted that information is not homogenous throughout MS. The kind of specific information that has been provided to Community farmers is directly related to the manner in which each MS has transposed the various SMR and GAEC requirements into Farmers' Obligations (FO). Depending on MS legislation, geographical or environmental specificities and Types of Farming (TF) these farmers' obligations have been adapted.

BE-WAL: The FAS has operated exclusively on SMR/GAEC. The information and advice on cross-compliance is provided by private non-profit organisations, farmers' organisations or local representation of the Ministry of Agriculture

CZ: Expectations on FAS concern more than just information on cross-compliance requirement, thus also providing other specialised services.

DE-NSC: The FAS concerns information and advice on cross-compliance and, since 2009, on energy management. As the FAS is co-funded by federal funds, the scope is limited to cross-compliance and may not include other technical or economic advice.

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OB and advisors are operational in all MS

According to the CR and as detailed in the descriptive part (section 4 and 5), all MS have set-up and are implementing the FAS as covering as a way of supporting all cross-compliance requirements. In most MS the operating bodies (OB) are able to cover all SMR and GAEC, sometimes in establishing networks between OB (see section 3.2.2 major field of activities reported by OB in the descriptive part). The number of advisors per farm holding varies significantly among MS, however data does not seem to be fully reliable⁵³ (see section 3.4 of the descriptive part). The number of **farm holdings receiving direct** payments per advisor varies significantly: from 24 in Greece or 33 in Hungary up to approximately 2,300 in LT and 2,700 in LV. However the ratio remains under 300 in most MS. More information is available in section 3.4 of the descriptive part.

JC 2 Farmers are helped by the FAS to assess and improve the performance of their holdings in respect to SMR and GAEC

On-farm one-to-one advice with checklists

On-farm one-to-one advice with checklists is the major farm advisory tool supporting the implementation of cross-compliance requirements in most MS. Checklists compile the entire list of farmers' obligations in the respective country. Advisors are required to assess how the holding performs regarding each of these FOs through a number of questions or statements as shown previously under EQ 1.1; and to provide ad-hoc advice if eventual shortfalls are observed.

⁵³ The number of advisors from FAS OB was included in the questionnaire to MS, asking to precise in case of part-time advisors the number of full-time equivalents represented. However some MS included all advisors of OB (without indicating if they are accredited FAS advisors) others provided very precise data on FAS advisors in full-time equivalent.

There are various forms of checklists:

- i) The simple check verification list (most MS), including only cross-compliance elements (depending on MS also elements of occupational safety - see EQ 1.3). These lists can be thematic or not. It is implemented in all MS except DE and LU (no information for BG, CY and MT and it varies in the different regions in IT).
- ii) The integrated folder checklist (DE and LU) embracing **all regulatory aspects** including prevailing federal regulations, product certifications as well as cross-compliance;
- iii) the modular and integrated approach, combining checklists as guidance elements and other more economic or financial management issues as in BE-FLA (this approach is described in more detail under EQ 1.4).

Access to checklists is either strictly linked to advice of an accredited FAS advisor (DE, BE-FLA, etc.) or made available to all farmers on the internet as auto-check versions (BE-WAL⁵⁴ ...). The advice provided is either a simple ticking plus verbal (none written) advice or more detailed (and at times very formal) advice (sometimes supported by a report including outline of the advice provided to the farmer).

Timing and frequency of advice

A lot of MS have planned FAS as a single intervention that can be repeated, whereas BE-FLA has designed its FAS as a series of interventions over a two-year period. In DE-NSC one FAS advice session means going through the whole checklist (over 150 questions). One advice session may require between 8-18 hours, which is of course subdivided into several farm visits.

It must be underlined that a minimal duration of several hours is required to go through all the statutory aspects with appropriate discussions and advice.

Assessment of various types of checklists and their advice

Table 8 summarises some of the advantages and drawbacks of checklists used as support tool for advice.

Table 8: Some pros and cons of a checklist as a support advisory tool

STRENGTHS	WEAKNESSES
Preparedness of farmers – as some SMR require documentary evidence and a FAS intervention can prompt farmers to prepare themselves	Similarity to control because similar checklists are used for control purposes (which could trigger a feeling of a lack of confidence from the farmers)
Good comprehensive support for advisors (and farmers) on regulatory aspects, especially if they compile all regulatory aspects, not only cross compliance	If the advice is conducted quickly and without much tack, it strengthens the control perception by farmers
Translate legislative texts in understandable questions for the concerned, in particular the farmers	Very voluminous collection of detailed questions, which is tedious for farmers to go through; but in some cases also for advisors who in some regions for example refuse to operate using these folders

Source: ADE

⁵⁴ Wallonia has recently introduced an auto-check tool that helps the farmers decide whether or not advice is needed.

Among the advantages, checklists constitute a good comprehensive support for farmers (and advisors) about regulatory aspects, especially if they compile all regulatory aspects, not only cross compliance. They are also supposed to translate difficult legislative texts in understandable questions for the concerned, in particular the farmers.

It must be underlined, that further to the very numerous directives and regulations in place, checklists consists of important collections of several hundred questions in often more than 100 pages especially for mixed types of farming.

Among the disadvantages of such a tool, the similarity between checklists and control tools must be stated (checklists are sometimes identified as a control tool and thus create a reluctance among farmers to use it). In addition, checklists as such are considered as unusual advice tools by advisors; the tool as such is not very attractive and needs to be accepted firstly by the advisor and secondly by the farmer.

Checklists may be a good support method for both advisors and farmers, if they are considered as a 'point of entrance' to the discussion with farmers. Indeed, we do not consider a simple ticking of boxes as advice. To support advice, questions which raise problems or generate questioning must be discussed with the advisor. Time is needed for such a form of advice that can neither be delivered in 1 to 2 hours if all regulatory aspects are to be covered, nor in one single farm visit. Discussions between the farmer and the advisor help explain the rationale of cross-compliance and increase the acceptability for farmers.

On-farm one-to-one thematic advice

Thematic advice is provided as FAS advice in a few MS (BE-WAL, DK, FR and IE). It is often linked to a kind of pre-check (through auto-check paper lists or software packages on certain OB or MS portals) by the farmer himself. He can then define those areas that he thinks will be problematic and for which advice might be required.

In comparison with the provision of advice on *all* cross compliance obligations, we see the advantage of thematic advice of allowing a more detailed advisory approach, focussing on one or more specific themes. Indeed, this approach enables farmers to be provided with more technical and appropriate advice.

For thematic advice, advisors often use a number of additional tools, such as ad-hoc software or calculators developed on very specific topics (nitrogen, records of drugs and products, livestock movements and identification etc.). No MS seems to have developed these as a specific FAS activity. These additional tools are pre-existing and have been developed by other agricultural services. FAS advisors are encouraged to use them (BE-WAL, DK and FR). In fact, they provide their advice through the FAS in the same way as they provided it before implementation of the FAS with the existing tools.

During thematic on-farm visits the farmers may be provided with the necessary cross-referencing to other service providers or agricultural services which can provide more technical and cost related information the farmer would need if incremental investments are required.

On-farm small group advice

As shown in the descriptive part in section 5.1.2, **small group advice on the farm** has been an alternative approach to the on-farm one-to-one FAS advice. Individuals participating in on-farm group walks can see first-hand how other farmers meet cross-compliance requirements. The topics covered by the group walks depend on the geographical area and the concerned relevant sectors. Some MS (AT, CZ, IE, LT, NL and some regions of ES) have mobilised this approach more as a complementary approach to the on-farm one-to-one approach. This has been the sole approach used in UK-ENG to deliver FAS advice.

On-farm small group advice can be a cost-effective way to reach a significant number of farmers, and to illustrate real situations and issues on the farms. Another key benefit is the potential for interaction between farmers, as well as the influence of peers on farmers' attitudes. However, on such occasions, the advisor cannot directly discuss the possible specific problems pertaining to the farms of each of the participants. Furthermore, it must be recognised that some farmers will not attend these events due to a number of issues, including problems of accessibility or a reluctance to accept that they will benefit from such visits.

A few of the key strengths and weaknesses that group activity offers are shown in the box below.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Farmers enjoy meeting together • Farmers learn from each other during the event • Peer pressure can take effect • Can attract farmers due to an interesting site • Offers value for money if attendance is at target level. 	<ul style="list-style-type: none"> • Large groups can be difficult to manage • 1:1 specifics are difficult to deal with • Attracting sufficient numbers can be a problem • Must be arranged and planned in detail

Source: Evaluator, ADAS

Small group advice is seen by these MS as a rapid and effective means of addressing farmers' queries and needs in relation to cross-compliance, thereby expanding the outreach to farmers of FAS advice.

Farmers make use of advice delivered by the FAS on SMR and GAEC

Number of beneficiaries of on-farm one-to-one and small group FAS advice at Community level in 2008

Currently, the overall use of advisory services provided by the FAS at Community level is overall limited (see previous question). Indeed the overall outreach of one-to-one advice is 4.8% of beneficiary farmers receiving direct payments for the 20 MS concerned⁵⁵. On-farm small group advice was provided in 10 MS⁵⁶ during 2008, representing 5.5% of the corresponding direct payment beneficiaries.

Number of beneficiaries of on-farm one-to-one FAS advice in some regions and MS

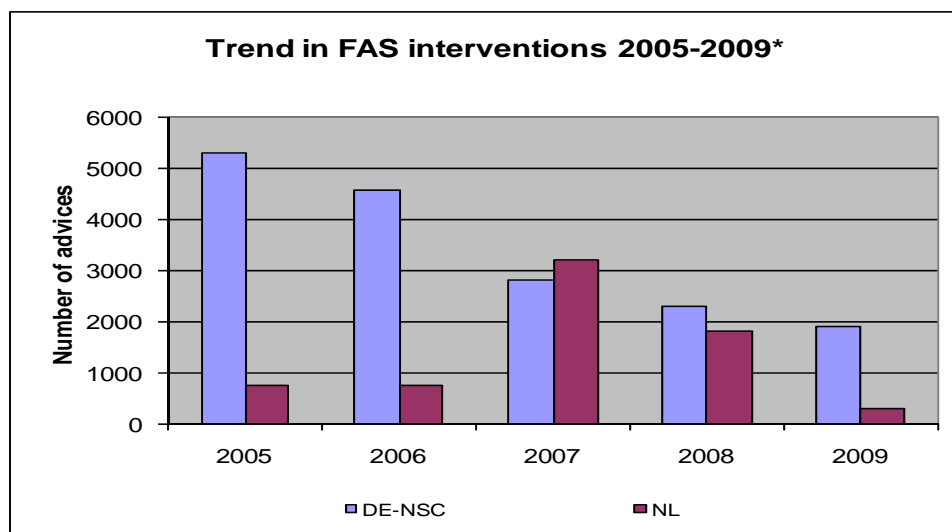
A more differentiated picture could be provided if one does not consider all the MS but some specific regions, especially those who have set up the system since 2005. As for example, the ratio for one-to-one advice is around 20% in DE-NSC (implemented since 2005), about 10% in IT-PIE (implemented since 2006) or around 8% in DE-BAY and SI (both implemented since 2007).

The highest uptake is in DE-NSC where the FAS has been implemented since 2005, with an uptake of around 20% of the farmers. In other MS or regions having implemented the FAS since 2005 the uptake ranges from 5% to 10% (see also section 5.2.1 of the descriptive part, tables 22 and 23). Indeed, the number of beneficiary farmers seems to reach a ceiling at around 20% of farms.

⁵⁵ The percentage concerns only 17 MS and some regions in DE, ES and IT (which correspond to 3.2 million beneficiaries of direct payments in 2006). Information on FAS has been collected through CR for the 27 MS however figures for France have been excluded as they show a major problem with double counting. In CY, EL, PL and PT there were no beneficiaries in 2008. In MT and SK information is not available. In some MS, information is available for a few regions only (DE: BAY, NSC, RHP, THU; ES: CAT, CLM, LRI, NAV; IT: EMR, PIE, TOS). 3.3 million beneficiaries of direct payments in 2006 correspond to 17 MS and only some regions in DE, ES and IT.

⁵⁶ AT, BG, CZ, ES (6 regions only), IE, LT, MT, NL, RO and the UK. Five other MS provided small group advice in 2008 however data are not available in 4 of them (EE, IT, SI and SK) and data from FR could not be used as there are double counts. More information on section 5.1.2 of the descriptive part.

Graph 9: Trend in FAS interventions 2005-2009 in DE-NSC and NL



*** Figures for 2009 are forecasts or situation as per June 2009**

in NL, the figures include one-to-one interventions (2005-2009) and small groups (2007-2009). The latter was introduced with the new RDP. Figures for small groups have dropped from 500 in 2007 to 7 for 2009)

In DE-NSC, the total number of beneficiary farmers is indicative (15,006 farmers have requested FAS advice over the 2005-2008 period) because farmers had the possibility to require supported “advice packages⁵⁷” for a maximum of 5 times. The Ministry estimates that the number of beneficiaries (without double counting) is around 10,000 farmers which means that farmers have on average requested 1.5 advice sessions.

As DE-NSC is mobilising the EAFRD for support for the use of advisory services (*measure 114*), each advice session needs to cover all cross-compliance requirements. Since 2009, energy management has been included in FAS advice but still with the obligation to cover all cross-compliance requirements even if this advice has already been provided in the past to the beneficiary. According to discussions with major stakeholders in DE-NSC (managing authorities and advisors), the declining figures are explained by the fact that if farmers have already been advised on cross-compliance (once or twice for some of them), there is no longer a need to pursue this advice covering all requirements. Perhaps there could be focused requests for one specific cross-compliance issue, but these are not eligible for FAS advice according to Regulation (EC) N°1698/2005 (art.24b).

In NL, in 2005-06 budgetary constraints limited available funds to 750 requests per year. In 2007 all requests were satisfied. According to FAS managers, the approach of a check-advice of **all** cross-compliance requirements does not correspond to farmers’ demands.

In UK-ENG, in 2008 there were 212 small groups organised allowing the gathering of almost 8,000 farmers. Since the FAS implementation (2005), a total of 1,114 small groups

⁵⁷ An “advice package” requires at least 8 hours (thus at least 2-3 farm visits) but can take up to 15 hours or more.

have been organised totalling 36,857 farmers reached. This represents an outreach of almost 35%.

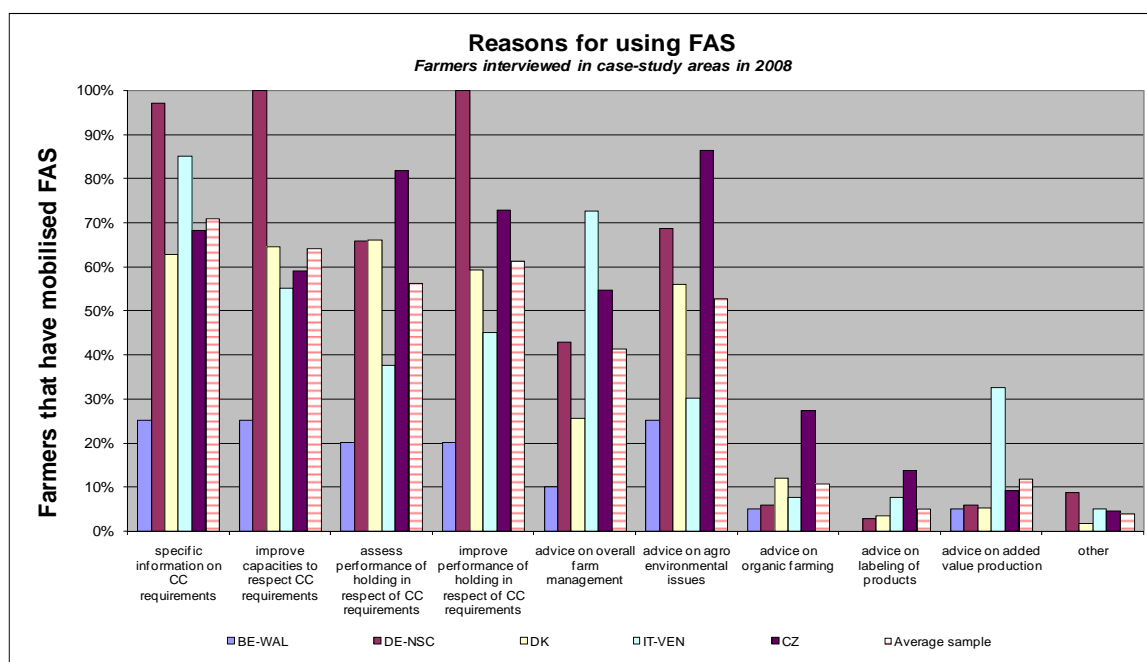
Priority groups of FAS advice

As it is developed under EQ 1.1, although no detailed monitoring data are available about the type of beneficiary farms, several elements tend to indicate that farmers using the FAS are mainly larger farms, beneficiaries of direct payments.

Why farmers make use of the FAS?⁵⁸

The farmers' survey conducted during June and July 2009 with farmers in the five case study areas (see graph below), indicates that at least half of the interviewees had mobilised FAS to improve their capacities to respect cross-compliance requirements, to assess and to improve their holding performance in regards to cross-compliance requirements. The lowest scores were found in BE-Wal, where the advice regarding cross-compliance is provided piecemeal (see hereafter) instead of a whole range. Specific advice on other issues going beyond cross-compliance does not seem to be directly associated with the FAS by farmers.

Graph 10: Reasons for using FAS



⁵⁸ In the farmers' survey conducted in June and July 2009, the question was the following "Are you using advice from the Farm Advisory System for the following reasons?" For each item (see graph) the farmer had the possibility to answer "yes", "No, I don't need it" or "No but I'm thinking about it". Also several reasons could be checked.

Farmers are satisfied with the advice provided by the FAS

a) farmers survey

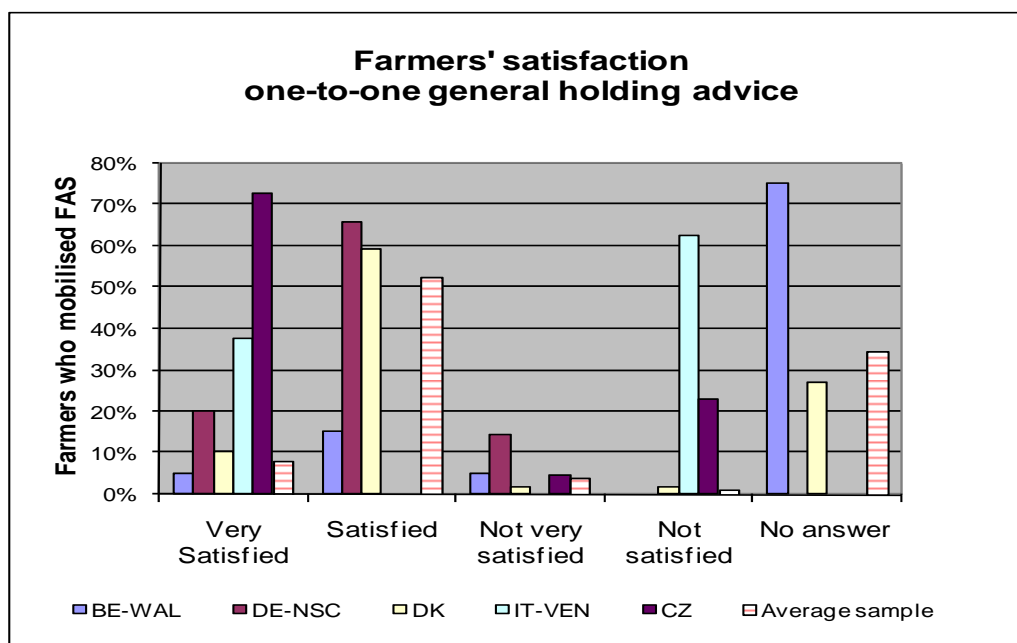
The 2009 farmers' survey conducted in the five case study areas indicates that a majority of farmers are satisfied with the services they have received (see graph 11). Interviews during these same case studies with major stakeholders tend to corroborate this assessment.

IT-VEN: The comparison between the number of applications received for 2000 – 2006 RDP and those received for measure 114 shows that applications are increasing, even if farmers complain about the increased administrative burden;

DE-NSC: On the whole the level of satisfaction seems to be good as farmers maintain contact with advisors for further advice (FAS or other) and there are fewer penalties through cross-compliance controls.

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Graph 11: Farmer's satisfaction with one-to-one advice



b) Small group advice in UK-ENG

In UK-ENG, feedback is collected from all farm walks; 90% of attendees have rated the event delivery, the content, the improved understanding as good or excellent. However, there remains a question over the element of self-selection in attendees, that is, those who wish to access information attend the events and value them, but the challenge is influencing those who do not attend. Some of the latter may be more receptive to one-to-one advice at their own farm.

4.1.3 Evaluation question 1.3 : Support on standards going beyond SMR and GAEC

Question 1.3 To what extent did the Farm Advisory System and Forestry Advisory Services support the implementation by Community farmers and forestry holdings of standards going beyond SMR and GAEC referred to in articles 4 and 5 and in Annexes III and IV of Regulation EC N° 1782/2003?

Refer to:

- Occupational safety standards based on Community legislation
- Minimum requirements on fertilisers and plant protection products
- Other standards based on Community legislation

Interpretation of the question

When co-funding of advice by EAFRD is requested by the farmer, article 24 of the Regulation (EC) N°1698/2005 regarding this eventual co-funding, stipulates that the advisory service shall cover as a minimum:

- the SMR and GAEC,
- occupational safety standards based on Community legislation.

Minimum requirements for fertiliser and plant protection products use are not included under this minimum scope. They are mentioned under article 39 of the same regulation relating to agri-environment payments, and become compulsory only for beneficiaries of these measures in addition to occupational safety standards, and to commitments going beyond relevant mandatory standards referred to in Regulation (EC) N°1782/2003 and other relevant mandatory requirements established by national legislation and identified in the RDP.

Similarly, article 40 of Regulation (EC) N°1698/2005 establishes that animal welfare payments can concern only commitments going beyond relevant mandatory standards referred to in Regulation (EC) N°1782/2003 and other relevant mandatory requirements established by national legislation and identified in the RDP.

Other standards based on Community legislation are not explicitly referred to in the two regulations and have been interpreted by the MS in various ways.

Approach and judgement criteria

This question covers all countries or regions, with a specific emphasis on those countries and regions that did make use of EAFRD. The approach further includes the following aspects:

- A literature review of occupational safety standards, minimum requirements on fertilisers and Plant Protection Product (PPP) use and other relevant Community standards (JC1);
- An assessment of the kind of advice that farmers receive through the FAS to assess and improve the performance of their holding in respect to occupational safety standards (JC2);
- An assessment of the kind of advice that farmers receive through the FAS to assess and improve the performance of their holding with respect to minimum requirements on fertilisers and PPP use (JC3);
- An assessment of the kind of advice that farmers can receive from FAS on other Community-based standards; the latter include animal welfare standards beyond cross-compliance ones, organic farming and other production based certification products (JC4);
- A rapid assessment of how forestry holders are being advised by FoAS as regards to occupational safety and minimum requirements on fertilisers and plant protection products use (JC5).

Validity – limitations of the approach

The main data sources used are CR and case studies. CR did not enable the collection of much information about other standards except the ones concerning occupational safety. Investigations on these issues have been deepened through case studies. A very strong limitation applies to FoAS. Although cross-compliance has been extended to forest holders benefiting from RPD payments under axis 2, forest holders are *stricto sensu* less concerned than farmers. Elements of support for forestry holders on occupational safety are only available from two case studies (CS) where *measure 114* included private forest holders.

Answer Summary Box

Support by FAS and FoAS goes beyond SMR and GAEC

The analysis concerning the extent to which the FAS supports the implementation of standards going beyond cross-compliance refers to a literature review on the various standards (JC1) and to subsequent assessment of the kind of advice proposed by the FAS about standards beyond cross-compliance (JC2-JC4). A final JC 5 is dedicated to the way forestry holders are advised by FoAS especially on occupational safety.

In those MS that make use of EAFRD in relation to farm advisory services the minimum scope of the advice includes occupational safety standards. Minimum requirements for fertiliser and Plant Protection Product (PPP) use are not included under this minimum scope. However, they are part of cross compliance requirements for farmers benefiting from agri-environment payments. Animal welfare payments are also referred to in art. 40 of the regulation (EC) N°1698/2005. Thus, farm advisory services have to refer, as a minimum, to occupational safety standards in addition to cross compliance requirements and can support the implementation by farmers of agri-environmental and animal welfare

commitments.

The literature review shows that:

- Occupational safety (which is intrinsically linked to health hazards – forming the concept of occupational safety and health (OSH)) contains elements of mandatory obligations when hired employment is mobilised and elements that have a more private or personal nature when addressing an independent labour force. Whereas, the regulatory obligations aiming at securing safety and prevention of professional health hazards can be enforced on the employer, those that concern him as an independent labour force (which is the case of most farm holdings) are only recommendations and not mandatory.
- Minimum requirements on fertilisers seem to be guided by a regulatory framework articulated around enlarging good practices concerning nitrogen outside vulnerable zones and nutrient balances, in particular with respect to phosphorus; minimum requirements on PPP rely on MS regulations pertaining to PPP use.
- For other Community standards, those that have mostly been addressed by MS are the ones related to quality assurance systems, including organic farming and energy management. In addition, the FAS has supported the application of agri-environmental commitments, in particular as regards the respect by the farmers concerned of the relevant mandatory requirements established at national/regional level and included in those commitments. This has occurred in 10 MS.

Regarding the extent to which the FAS has contributed to the implementation by Community farmers of standards going beyond cross-compliance, the analysis shows:

- **Occupational safety** standards have been integrated by most MS in their advice and checklists. It is however not clear how the advice concerning these standards is provided, other than through conformity checks. Only a few MS seem to have a specific programme operational within their MoA that addresses the specific issue of OSH. Other Institutional Social partners have basically taken care of OSH in DE and NL.
- Minimum requirements for fertilisers and PPP have been investigated through case studies as CR did not provide sufficient data. As these requirements are directly linked to the implementation of AEM⁵⁹, advice on these issues could be dealt with by advisory services supporting AEM. However, DE has included these elements in the integrated checklist and some of these requirements are already integrated in the national legislation; in BE some of the requirements are already covered by the regional legislations; in IT these elements may be included in FAServices.
- As for other Community based standards, neither the documentary review nor the CR or interviews have provided a clear view at Community level. Standards linked to agri-environmental commitments are referred to in 10 MS. Some MS have included quality assurance systems (such as organic farming, labelling or other production certification). Energy (audits, savings and renewable energies) have recently been included in some regions of DE and IT.
- Regarding the extent to which FoAS has contributed to the implementation by

⁵⁹ AEM as such do not represent other Community standards, since they are voluntary measures. We refer here to the minimum standards to be respected by farmers in the context of their respective agro-environmental commitments.

Community forest holders of standards going beyond cross-compliance, available data for the 2 regions that used EAFRD for FoAS do not provide consistent answers. Occupational safety is addressed in the 2 CS mobilising *measure 114* for private forest holders.

In conclusion, the FAS has, at least formally, contributed to the implementation of occupational safety by MS mobilising the EAFRD, less to other standards going beyond cross-compliance.

Occupational safety has been included in the FAS of MS mobilising the EAFRD for the use of advice, at least if regulatory elements are considered. The content and type of advice provided varies greatly between MS.

Minimum requirements on fertiliser and PPP have been addressed when required, but mostly through other advisory services and very little specific inputs from FAS have been identified. Other standards have been mobilised on an ad-hoc basis depending on regional and local priorities. Finally, there is no evidence that FoAS has specifically addressed the above-mentioned issues with Community Forest holders.

Analysis

JC 1 Literature review

14 MS (CY, CZ, EE, EL, ES, HU, LT, LU, MT, NL, PL, PT and SK) and 4 regions in MS (BE, DE, IT and the UK) make use of EAFRD for advisory services through *measure 114*. All these MS/regions have integrated occupational safety into their FAS (see section 5.4 of the descriptive part). Overall this corresponds to around half of the MS/regions.

a) Occupational safety

In the EU the agricultural sector is characterised by a predominance of family managed holdings (where labour is mainly limited to direct family members⁶⁰), as shown in the box hereafter. These family farm holdings are operated by independents and generally are not structured as formal SME; the reliance on hired outside labour is small (even if in some MS with intensive small UUA type farming, it can reach around 20-25% of the total work force (see section 1.4 in the descriptive part).

⁶⁰ With occasional wider family or migrant labour at harvests or other intensive labour periods in the year.

Table 9: Labour force in EU farm holdings⁽¹⁾

Family labour force			Non family labour force	
persons: 16 088 500				
of which, % women: 40.7				
AWUs: 7 351 690			AWUs: 2 272 750	
Holders	Spouses of the holders	Other Family members	Regular non family labour force	Non regular labour force
persons: 7 517 300	persons: 4 174 540	persons: 4 283 490	persons: 1 757 360	
of which, % women: 23.3	of which, % women: 80.2	of which, % women: 36.3	of which, % women: 28.1	
AWUs: 1 694 540	AWUs: 731 140	AWUs: 387 110	AWUs: 27 530	AWUs: 88 300

Source: Eurostat, Farm Structure Survey

(1) Labour force of holdings of less than 1 ESU not included.

Occupational safety according to the legal status of the farm

DE-NSC: According to national legislation, there is a major difference between occupational safety and safety at work.

- **Occupational safety** only concerns farms with “Permanent employment of non-family labour”. Family labour, even labour with a contract is not included. As such it only concerns a very small part of farms in NSC (about 12% of farms).
- **Safety at work** is related to farms with family labour and is directly related to the affiliation to the “Institution for Statutory Accident Insurance and Prevention in the Agricultural Sector” (*Berufsgenossenschaft*) (it has existed since 1880).

As observed in some case studies (BE and DE-NSC), this situation has direct implications on the perception and mandatory obligations that farm holdings need to address, in particular as regards the obligations that farmers have versus third parties (employees and people operating on the farm) and those that they should respect for their own personal security and health. As shown in the box on the left, in DE-NSC there is a clear distinction between occupational safety and safety at work (risks and occupational health), the latter being perceived as a personal issue. Both issues are addressed through the Institution for Statutory Accident Insurance and Prevention in the Agricultural sector but with different standards

to be respected⁶¹. NL has argued that occupational safety is the responsibility of all social partners in the sector and a clearer picture has to be set up concerning occupational safety for ‘independent’ family farm structures.

The concept of occupational safety⁶² is closely intertwined with health hazards and forms what is known as “Occupational Safety and Health” (OSH). The overall OSH frameworks are directly related to employment conditions governed by sector agreements and/or international agreements brokered through the ILO (International Labour Organisation). The “*acquis communautaire*” (as well as the national framework) is a complex series of legal obligations aiming at employers in order to insure and protect their employees.

⁶¹ The regulations prescribe binding technical, organisational and personal measures, aimed at securing the safety and health of **employees at work**, in the form of general protection objectives which are different from the standards for independent workers in the agricultural sector.

⁶² Occupational safety includes safety hazards at work, fire and other disaster or risk mitigation.

Community strategy plans, the first for 2002-2006⁶³ and the second for 2007-2012,⁶⁴ have been agreed and are implemented through a combination of MS national action programmes and a specific EC action plan. In the second Community strategy plan, attention is drawn to certain sectors which are still considered particularly problematic (construction/civil engineering, agriculture, fishing, transport, health care and social services). To support these programmes and national action plans, the EU has set up a specialised institute “the European Agency for Safety and Health at Work,”⁶⁵ which identifies the following priorities for the agricultural sector: i) Musculoskeletal disorders; ii) Workplace transport; iii) Overhead power lines; iv) Dangerous substances (excluding biological agents); v) Biological Agents; and vi) Noise (see <http://osha.europa.eu/en/sector/agriculture>). No specific multi-annual Community action plan targeted at improving OSH at farm and forestry levels seems to exist, apart from some punctual endeavours by MS to focus on these issues (see hereafter).

b) Minimum requirements for fertiliser and plant protection products

Minimum requirements for fertiliser and plant protection product use are mentioned under article 39 of Regulation (EC) n°1698/2005 related to agri-environment payments: “*agri-environment payments cover only those commitments going beyond the relevant mandatory standards of regulation (EC) N°1782/2003..., as well as minimum requirements for fertiliser and plant protection product use and other relevant mandatory requirements established by national legislation and identified in the programme*” (by “programme” meaning the respective Rural Development Programme).

Article 5.3.2.1 of Annex I of Regulation (EC) N° 1974/2006 mentions the detailed description of the national implementation. For the specific purposes of Article 39(3) the minimum requirements for **fertilisers** must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorus pollution.

Minimum requirements for **plant protection products** must include, inter alia, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application of machinery and rules on pesticide use close to water and other sensitive sites, as established in the national legislation.

c) Other standards based on Community legislation

Other Community standards are not explicitly defined in Regulation (EC) N° 1698/2005. However, various other measures or activities that can be supported through the RDP could be considered; e.g.

- animal welfare standards beyond cross-compliance standards (article 40),
- organic farming or other production based certification procedures,
- other measures such as Natura 2000, etc..

⁶³ One of the major aspects of the previous Community strategy 2002-2006 was that MS were requested to draw up strategies and national action programmes, which over the years have become more and more focussed. However, the new community strategy still states that occupational hazards are not being reduced in a uniform way.

⁶⁴ COM(2007) 62 final - Improving quality and productivity at work: Community strategy 2007-2012 on health and safety at work

⁶⁵ <http://osha.europa.eu/en>

JC 2. Farmers are supported by the FAS on occupational safety

The situation regarding the contribution of the FAS to improving occupational safety on Community farm holdings is the following:

- Occupational safety is part of the FAS in 16 MS and various regions (see table 10 below); 4 of these MS (BG, RO, SE and SL) have considered this issue although EAFRD funds have not yet been mobilised;
- Specific measures on occupational safety in agriculture are reported to be part of the National Action Plans of 7 MS (DE, DK, EE, ES, HU, PL, RO and SE).

Table 10: Occupational safety in FAT

MS	Specific measures in occupational safety	If occupational safety is an integral part of FAS, which FAT are utilised		Other wider extension tools used to provide ad-hoc information			
		One-to-one	Small groups	Websites	Telephone helpdesks	Publications	Other
BE-FLA	Yes	X					
BG	No	X	X	X	X	X	
CZ	No	X	X	X	X		
DE	Yes	X					
EE	Yes	X	X	X		X	
ES	Yes	X	X	X	X	X	
HU	Yes	X		X			
IT	no	X	X	X		X	
LT	no	X					Training for farmers
LU	no	X					
LV	no			Yes, but not specified in CR			
NL	no	X					
PL	yes					X	
PT		data not available					
RO	yes		X	X			
SE	yes	X	X	X			
SK	no	yes, but not specified in CR					
SL	no	X	X		X	X	
UK-WAL	no	X	X	X	X	X	

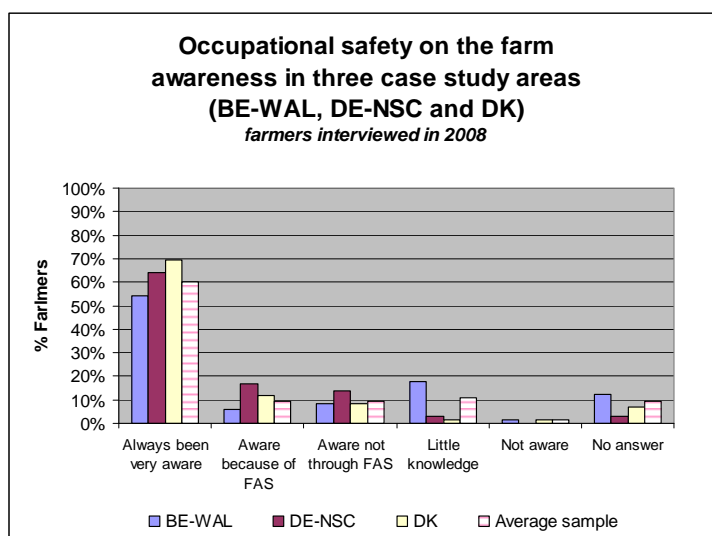
Source: Country reports

The majority of MS that have included occupational safety as a FAS activity have done so through the same tool as for other FAS activities, i.e. one-to-one on-farm advice and this has been done by incorporating a series of farmers' obligations in the checklists. In general the different elements of safety of employed labour and risk management have been systematically addressed, covering:

- Protective clothing
- Avoidable health hazards (biological and chemical hazards)
- Safety of children on-farm
- Heavy lifting
- Falling and stumbling
- Accidents with living animals
- Accidents with machines, tools and installations
- Third-party security.

However, from the CR and the interviews during the various case studies, it is not very clear what kind of advice is provided, other than a conformity check. Our general impression is that the issue is very sensitive, as most farmers declare they are very aware of safety issues, but remain rather unconcerned. Even so, the 2009 farmer survey also clearly indicates that FAS's contribution to occupational safety is minimal (and in the same order of magnitude as other sources of awareness outside the FAS), which might tend to confirm that farmers are aware of possible problems, but view it more as a inevitability and do not yet see the need or the possibility to engage in 'do-able' actions of prevention.

Graph 12: Occupational safety on the farm – awareness in three case studies



EE: Based on the national occupational safety strategy for 2009-2013 according to EU requirements. Not all of the centres currently offer this advice, but the number of advisors who have participated in training on occupational safety issues is growing.

LV: national guidelines for 2007–2013 of the Ministry of Welfare for Occupational Safety are not specific for each sector, but they cover all activities, including agriculture.

PL: In 2008 the Ministry of Agriculture and Rural Development in conjunction with the National Advisory Centre put in place guidelines on occupational safety for farmers and special methodological guidelines for advisors on managing training on issues related to occupational safety.

RO: The Ministry of Labour and Social Protection is in charge of the regulation, implementation and inspection of occupational safety in all the fields of activity (including agriculture)

SK: Based on the “Concept on safety and protection of health at work in the Slovak Republic for 2008 – 2012” (agriculture and forestry included). The responsibility is under the Ministry of Labour, Social Affairs and Family.

Occupational safety and some EU 10 MS – CR June 2009

BE-FLA & WAL: A federal non-profit organisation called Preventagri was in charge of training and informing farmers about their safety at work. It has now been taken over by both regions. It provides training and spreads information via letters, emails and brochures. These activities are not part of the FAS.

BE-FLA: All three interviewed OB are still organising their occupational module. Advisors have been certified and basic elements have been extracted from other sources and specialised operators, but there is a lack of overall streamlining and prioritising of these issues at regional level. Beyond the advice and regulatory frames, farmers still need to be convinced that it is something 'do-able' and that it can be implemented in a reasonable and realistic manner.

IT-VEN: Advisory bodies provided specific support from 2000–2006 concerning:

- elaboration of safety plans and preparation of a “risk assessment document”
- information to farmers on normative requirements on occupational safety
- application of procedures foreseen by safety plans in the farms

Short country case study notes - June/July 2009

Occupational safety is a major concern to farm holdings, whatever their employment status is, but a clear action plan framework seems to be missing in most MS, as the various elements summarised from the EU10 CR and case study notes in the previous two boxes seem to suggest.

Some MS, as DE and NL for example, have specific organisations in charge of safety at work : the "Institution for Statutory Accident Insurance and Prevention in the Agricultural Sector" in DE and the "Stigaz"⁶⁶ system in NL, jointly developed by eight social partners of the agricultural sector. These organisations have specially trained advisors who provide high quality advice on safety at work to farmers. Some other MS have set up a specific programme within their MoA that can range from a series of information brochures and campaigns to a comprehensive website including advice, recommendations, contact persons, emergency call centre numbers etc, but this is not a common feature.

Also striking is the difficulty encountered by some MS (BE, LU, FR etc.) in defining the training curriculum for accredited advisors, as in most cases agricultural and FAS accredited advisors have had to be specially trained; or a second more specialised advisor mobilised just on the issues of OSH to assist the accredited FAS advisor in completing his job.

JC 3 Farmers are supported by the FAS in respect to minimum requirements on fertilisers and plant protection products

As mentioned in the introduction to this EQ, CR did not provide detailed information about specific advice on these two topics. Data collected rests on case studies; for case studies at regional level (DE-NSC and IT-VEN) the findings can however be extended to the whole respective countries.

Germany

In DE-NSC, agri-environmental measures are not addressed by FAS advisors but by other advisors under the leadership of the Ministry of the Environment. Nevertheless, the overall checklist (as in other Länder) includes under crop production the following specific references for fertiliser:

- Establishment of nutrient composition of organic fertilisers, organic matters, amendments etc. for phosphorous (*see Düngemittelverordnung §4 (1)*)
- A yearly nutrient balance at farm level to be established for phosphorous no later than the end of March (*als Flächenbilanz oder aggregierte Schlagbilanz erstellt*)
- Other specific requirements on record keeping in addition to those applying in the context of cross-compliance have been identified in relation to the application of fertilisers, namely: i) date of application; ii) reason of application; and iii) crop development stage at time of application.

Regarding the use of PPPs, the German plant protection law (Pflanzenschutzgesetz §2a und 9) goes beyond cross compliance requirements as specified in Annex III of Regulation (EC) No 73/2009. Indeed, the user of plant protection products must be "adequately qualified". This adequate qualification or expert knowledge belongs to the "good agricultural practice" of a farmer and is checked during conventional farm audits. According to German national law, this specific requirement on the use of PPPs concerns all farmers.

⁶⁶ **Stigas** : Stichting Gezondheidszorg Agrarische Sectoren. Stigas is a prevention advisory service in the agricultural sector.

Italy

In Italy, the implementation of AEMs (*measure 214*) implies strict control on fertiliser and PPP utilisation. Different sub-measures/actions of *measure 214* (organic farming, integrated farming systems, conservation of semi-natural agro-systems with high natural values; improvement of soil quality) imply different requirements on the level/modalities of utilisation of these products (the integrated farming system requires reduced quantities of fertilisers and PPP, but not so strict as organic farming; as for the conservation of semi-natural agro-systems, no such products are allowed). In general, farmers nevertheless have to respect the following obligations:

- to carry out at least two complete soil analyses (during the 5 years of commitment for *measure 214* including N, P, K and organic matters)
- prepare, on the basis of these analyses, a “farm fertiliser plan”, indicating quality, quantity and timing for the utilisation of fertilisers;
- keep a “farm register” where all activities carried out on the farm are registered, including of course those related to quality, quantity and timing of fertilisers and PPPs used.

The PPP are classified in 5 groups, from the most toxic to the least toxic. A licence is requested for the utilisation of the first two categories and the farmers have to pass an exam (or have a specific scholar education, e.g. agronomist).

Support to *measure 214* (including all linked specific requirements on fertiliser and PPP use) is provided by specific technical advisors to this measure – and selected directly by the farmers, usually based on previous advice experience during RDP programming cycles 2000–2006 or even 1994–1999. In this respect, actions carried out by advisory services in the context of the application of *measure 114* are therefore limited.

Czech Republic

In the Czech Republic, requirements covered by the FAS go beyond cross-compliance. Indeed, agri-environmental measures are covered by FAS activities if EAFRD is used. Nonetheless, very often the farmers receive information on utilisation of these products from private fertiliser sellers or dealers. As an alternative, the farmers may receive general advice on those themes (usually free of charge) from some FAS advisory bodies, e.g. research institutes, the Crop Research Institute, or the Institute for Agricultural Economics and Information.

Belgium

In Belgium, some of the requirements on PPP use, such as requirements on safe storage, the checking of the application of machinery and rules on pesticide use close to water and other sensitive sites, are included in national good agricultural practices.

JC 4 Farmers are supported by the FAS on other standards

No clear definitions could be found about these and other standards based on Community legislation. MS have therefore considered, when they have planned to address additional Community standards in their FAS, that these elements are provided by their existing extension or agricultural advisory systems. It has therefore been very difficult to reach a clear perception of what FAS additional services are through the CR and even the case studies. A tentative list has been drawn up in table 11. These MS include advice on various

topics linked to agri-environmental measures (AEM), organic farming, other quality assurance systems, animal welfare, energy efficiency and the use of renewable resources.

Table 11: Type of advice on other standards provided by the FAS in MS

MS	Agro-environment	Organic farming	Other quality assurance systems	Animal welfare	Energy efficiency/Use of renewable resources
CZ	X	X			
EE	X				
DE (some Länder)		X	X		X
HU	X				
IT (some Regions)	X		X		X
LT	X	X			
LU			X		
SL	X				X

The table is based on the activities or tools planned by the MS. Information on advice delivered in 2008 and their breakdown according to activities and content of advice are not monitored by MS and therefore not available at this stage.

Advice on agri-environmental issues is included in the FAS by 6 MS, all of them having used EAFRD to support the use of farm advisory services. Advice includes elements related to Natura 2000 (CZ), water protection schemes (EE), agri-environmental protection plans (HU) and agri-environmental requirements (LT).

Organic farming is covered by the FAS in three MS. Specific advice is provided in CZ and LT, whereas a specific overall FAS checklist for organic farming has been developed in Germany and accredited by the certification system.

Other quality assurance systems are covered by the FAS in 3 MS (IT, DE and LU). In IT, this is the case in some regions, especially through a product traceability manual, support to marketing strategies and support to quality systems and certification. In DE and LU, specific requirements of quality assurance systems have been integrated into the integrated folder checklist.

Advice on energy efficiency is provided in some regions in DE (see box) and IT. Advice on the use of renewable energy sources is also provided in some regions.

DE-NSC: Energy management at farm level has been recently included in FAS advice (operational since 2009, pilot phase and training of advisors in 2008). It concerns a special diagnostic about energy consumption at farm level and specific advice in order to reduce energy consumption.

IT In many regions in Italy, farmers can choose between a “basic package” advice (including SMR/GAEC and the other compulsory issues), and a “advanced package,” with additional themes covered:

- innovation and ICT
- support for trade of products,
- participation in quality systems and certification,
- landscape conservation,
- energy saving and energy production from renewable sources

Short country case study notes - June/July 2009

JC 5 Forestry holders are being advised by Forestry Advisory Services as regards occupational safety and minimum requirements on fertilisers and plant protection products

It is unclear from the CR and the further investigations carried out during the case studies, how FoAS are organised in response to the FAS framework which is the subject of the present evaluation. An attempt has been made to assess the scope of these services (see EQ 1.4). In relation to occupational safety and minimum requirements for fertilisers and plant protection products, the former seems only to have been addressed in those two MS which have mobilised RDP *measure 114* for forestry services: i.e. CZ and IT-VEN.

CZ: Forestry holders are advised on occupational safety covering Czech and Community legislation requirements. The Institute for Agricultural Economics and Information (IAEI), the agency implementing the FAS, is responsible for advice on occupational safety standards in forestry by training and accrediting private advisors. Forestry holders are advised on minimum requirements on fertilisers and plant protection products by various advisory tools. Forest Management Institute (FMI) provides a set of methodological papers on a website. The main issues are water protection and nitrate vulnerable areas

DE-NSC: A large number of private forest holders or owners are individuals without any experience in forestry, with small areas that delegate the management of forests to foresters in the framework of associations of forest holders. Supporting associations of forest holders has been a major issue of forest politics for decades. The existing 100 forest associations cover around 73% of the forest area and 62% of private owners. Forest associations are supported with advice through the official forestry structure, namely foresters. Foresters provide two types of support:

- advice, free of charge, available to any forest association (or individual holder)
- support/management (charged). Management concerns the specific advice for plantation and its related management plan (usually for periods of 30 to 120 years).

These foresters are employees of the Chamber of agriculture (in other Länder of the department of forestry in the Ministry of Agriculture or the Environment).

EAFRD has thus not been mobilised in NSC, because the beneficiaries of forestry advisory services are not individual forestry holders but forestry associations. Forestry associations are not eligible for EAFRD supported forestry advisory services.

IT-VEN: There is no specific Forestry Advisory System, but only the advisory service provided by *Measure 114*, that cover both agriculture and forestry farms. At present there are 12 applications of forestry holders for *Measure 114* (out of a total of more than 1,300 applications). All applicants must receive information/advice at least on the compulsory topics, SMR/GAEC and occupational safety. Utilisation of fertilisers and of plant protection products are not considered as a priority by forestry farmers.

4.1.4 Evaluation question 1.4 : Improvement of management skills

Question 1.4 To what extent did the implementation of the Farm Advisory System and Forestry Advisory Services improve the management skills of Community farmers and forestry holdings?

Interpretation of the question :

The concept of management skills of farm/forestry holders is quite broad and can cover a large variety of skills. Management skills cover ‘at least’ the organising, updating and holding of the documentation or paperwork that is needed to substantiate the holding's performance with regards to the various SMR and GAEC. But, as was shown in a recent study on entrepreneurship in agriculture, co-financed by the EC, farmers need to possess or develop a wider range of management skills in order to face recent trends and developments⁶⁷ in the agricultural sector. These include elements such as:

- Financial management and administration skills,
- Human resource management,
- Customer management skills,
- General planning skills.

Financial management includes cost price calculation and decision making based on economic factors. Administration skills include the capacity to manage the various current administrative requirements for farmers from the various legislation (from local to EU authorities). Customer management skills concern the link between agricultural production and demand (including all aspects, negotiation and contracts with agro-industries, promotion of farm products, direct sale, diversification, etc.). General planning skills cover the general farm management that can also be called overall farm management. The latter includes defining objectives for the farm development and capacity to plan various resources to achieve defined objectives.

Approach and judgement criteria

The approach first focuses on assessing whether the core FAS approaches (on-farm one-to-one and to a lesser extent, small group advice) have addressed and improved management skills linked to administration, namely documentary skills of farmers who used the FAS, before checking to what extent other wider management issues have been covered. The analysis proceeds according to the following four judgement criteria:

- Advice on administration skills is delivered by the FAS (JC1)
- Specific advice on wider management skills (financial management, human resource management, customers and general holding management skills) is delivered by the FAS (JC2)
- Farmers’ perception of FAS’s contribution to improving management skills (JC3)
- Advice on management skills is delivered by FoAS to forest holders (JC4)

⁶⁷ Recent trends and developments identified by the study are the following: globalisation of the market, changing EU and national policy (CAP reform 2003, accession of new countries, etc.), changing consumer demand, changing supply chain, changing environment, growing demand for functions and services, climate change and rising energy prices). Additional trends within the agricultural sector were mentioned, namely cost reduction, scale increase, product diversification and product packaging and processing (source: de Wolf, Pieter, Herman Schoorlemmer, (2007). Exploring the significance of Entrepreneurship in Agriculture).

Validity – limitations of the approach

The main data sources used are CR and case studies. A very strong limitation applies to FoAS.

Answer Summary Box

To what extent did the implementation of the Farm Advisory System and FoAS improve the management skills?

The concept of management skills of farm/forestry holders is quite broad and can cover a large variety of skills. Management skills cover 'at least' the organising, updating and collection of farm holding paperwork and required registers considered as administrative skills. However, a recent study has identified a series of wider management skills required from farmers to effectively run their holdings: i) financial management and administration skills; ii) human resource management; iii) customer management skills; and iv) general planning skills. This question aims to determine to what extent the FAS has contributed to developing these various skills.

Four JCs are considered, namely whether advice on administration skills is delivered by the FAS (JC1), provision of specific advice on wider management skills (JC2), farmers' perception of FAS's contribution to improve these skills (JC4) and the support of FoAS for management skills of forest holders (JC4).

Administration skills are mainly supported through one-to-one on-farm advice with checklists that support the coherent documentation of all on-farm processes. However there is no evidence that FAS advice supports the integration and use of this documentary work in a wider 'whole-farm' advice system (with the exception of BE-FLA).

Only 8 MS seem to have provided additional advice on wider management skills, mostly focusing on financial skills. Market oriented advice, linking agricultural production to the demand (including all aspects from contracts with agro-industries to promotion of farm products, direct sale, diversification etc.) is poorly addressed by the FAS (2 MS), while human resource management skills are generally not addressed. Support to developing and following-up business plans is provided in three MS, and two other MS support farm holdings for preparing applications to a number of RDP measures.

Overall, farmers perceive benefits from the FAS as regards the improvement of their farming practices, less so with respect to the improvement of their management skills.

The advice provided through FoAS to forest holders mostly covers elements of forestry plantations and production, the role of the forests-ecosystems and technical forestry management skills (felling, rotations, etc.). Support to forestry owner groups is clearly a priority in 10MS. However, investigations carried out in preparation of the various CR have not been conclusive on the way Forestry services are organised to provide these services.

As a general conclusion, the FAS provides an opportunity for Community farmers to improve their administrative skills, especially in relation to the documentary aspects that are required by cross-compliance. However, there is little evidence that the FAS contributes to integrating and linking this considerable data collection in overall (technical and economic) farm management and advice.

Support to wider management skills is very limited, and focuses mainly on financial management. BE-FLA shows that the FAS can be an opportunity to initiate a wider type of advice to farmers, linking modular checklists with economic advice.

Analysis

JC.1 Advice on administration skills is delivered by the FAS

The provision of advice on administration skills by the FAS has been identified through the country reports (27MS). Advice on administration skills is only mentioned to be provided in two MS through on-farm small group advice (EE and LT). In addition, it is rarely specifically indicated for one-to-one on-farm advice (3MS – CZ, SL and ES).

However, several SMR and GAEC require that farmers keep and organise documentary evidence (animal identification, various registers (medicines, phyto-sanitary products, manure movements, etc.). The checklist system requires that the advisor assesses if this documentary evidence is available and trustworthy. Advice can be provided to improve data collection and classification. Thus, comprehensive advice on all cross-compliance requirements through checklists leads to significantly improving the reporting system on all on-farm processes. The evaluator thus considers that management skills linked to organising and updating documentation on all on-farm processes are supported through the core FAS approach, one-to-one on-farm advice supported by checklists.

This coherent support of the documentation of all on-farm processes supports administrative skills. Little evidence is available on the extent to which this organised and updated documentation is further used for farm management and improves the latter (see also EQ 7.2).

Currently, FAS support to farmers' management skills depends on the way in which the advisor interacts with farmers, with more benefits when the FAS supports farmers to make a 'dynamic' use of the records requested under cross compliance with a view to improving their decision making process.

From the CR and case studies, there is little evidence that the manner in which check-lists are used effectively assists farmers in their day-to-day decision making process, except in BE-FLA, where the use of modular checklists is linked to economic advice.

The FAS in Flanders is closely linked to business advice or Analytical Accounting Services (AAS); advice is provided over a two-year period in a series of steps as shown in the following box. Beside financial management and administration skills, this type of approach supports the general planning skills of the farmer, by enabling him to discuss various production options and to compare his economic and environmental performances with those of other similar holdings.

FAS in BE-FLA provides wider 'systemic' support to farmers

FAS advice is provided over a two-year period and combines support to overall farm decision making processes by integrating economic-financial-environmental support (and benchmarking of farm holdings) and modular cross-compliance checklists into FAS. Advice is provided by most OB step-by-step over a two-year period:

- Collection of all relevant economic (accounting) and environmental parameters
- Centralised result calculation and holding benchmarking
- First visit and exchange on holding's overall economic performance
- Preparation of documentation for all other modules – or initial self-evaluation of the holding's situation in regards to 4 modules (3 relating to SMR an GAEC and one to occupational safety)
- Centralised assessment of the holding responses
- A second farm visit focused on cross-compliance modules (and eventual additional visit by an occupational safety (OS) advisor)
- Updating the holding's economic and environmental performance for the second year.

JC 2 Specific advice on wider management skills is delivered by the FAS

As mentioned in the interpretation of the question, wider management skills include the following areas:

- Financial management and administration skills,
- Human resource management,
- Customer management skills,
- General planning skills.

The situation concerning how these various fields of specific advice are covered by those MS that designed FAS as going beyond ‘at least SMR and GAEC’ is shown in table 12.

Table 12: Type of specific advice on management skills provided by the FAS in MS

MS	Financial management and administration skills	Human resource management	“Customer” management skills	General planning skills
BE-FLA	X			X
EE				<ul style="list-style-type: none"> • Business plan preparation • Assistance RDP applications
IT (some regions)	X			
LT	X			<ul style="list-style-type: none"> • Business plan preparation
LU				<ul style="list-style-type: none"> • Assistance for application to other RDP measures
SL	X			

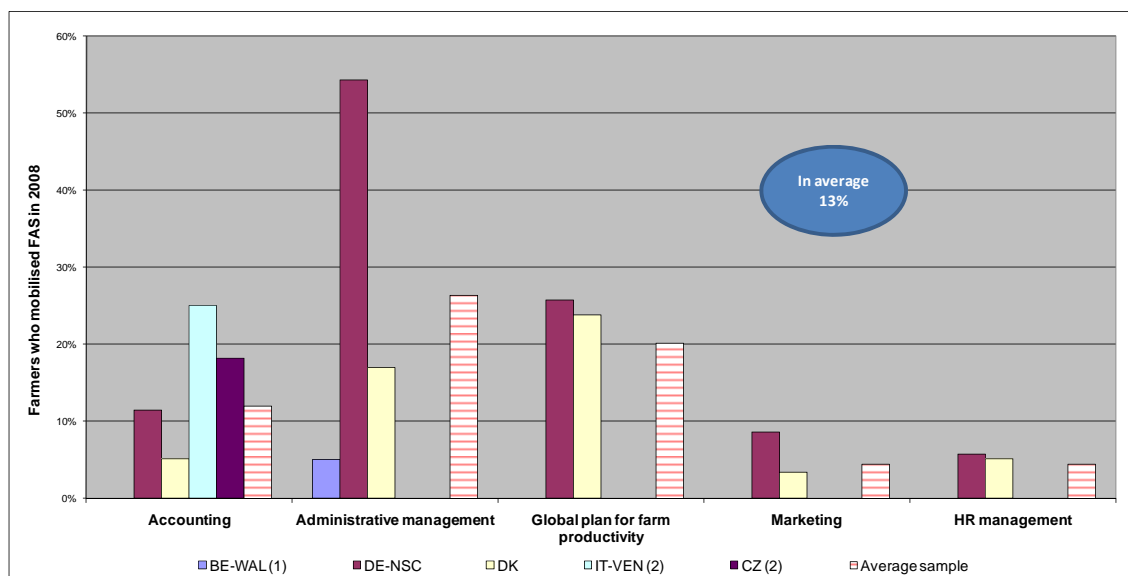
The table is based on the activities or tools planned by the MS. Information on advice delivered in 2008 and its breakdown according to activities and content of advice are not monitored by MS and therefore not available at this stage.

In 4 MS specific “support for financial management” is planned. There does not seem to be any evidence from the CR and case studies, that MS have envisaged specific actions relating to “human resources management” or “customer management skills”. General planning skills have hardly been addressed, other than through assistance to business plans and assistance for application of other RDP measures.

JC3 Qualitative farmers’ perception of FAS’s contribution to improving management skills

Farmers were asked in the survey conducted in June-July 2009 how they viewed the support or improved management skills after receiving FAS advice. The question was “Following advice you received, do you think [your farming practices and] your management skills improved regarding the following areas?” Results for the five case study areas are presented in the following graph. On average 13% of the respondents indicated that their management skills improved thanks to the FAS. 78% claimed that the FAS did not improve their management skills (9% did not answer the question).

Graph 13: Improvement of management skills



(1) In BE-WAL 55% of the respondent did not answer the question

(2) For CZ and IT-VEN, the questionnaire was slightly different than from the other case study areas. The question was asked for "Accounting and administrative management" together

JC 4. Advice on management skills is delivered by FoAS to forest holders

Possible advisory services that would be required to provide support to the implementation of the Forestry Action Plan and that could eventually be streamlined with the EAFRD funding are:⁶⁸

- Advice concerning plantations and production operations
- Advice concerning forest management plans
- Advice concerning ownership and associative management practices
- Advice concerning management skills
- Advice concerning the role of forests in the ecosystem
- Advice concerning sustainable forestry practices
- Advice concerning the recreational role of forests

⁶⁸ DG Agri H4 – March 2009 - Report on the implementation of forestry measures under the rural development regulation 1698/2005 for the period 2007-2013 – Annex III

They differ from the other kind of FAS advice considered so far for the farm holdings and they all focus on capacity building of forest owners' management skills. At present the MS seem to deliver advice in the following major fields:

Table 13: Advice provided to forest holders but not through the FAS

MS	Basic forestry advice	Advice for private forest owners	Assistance for production groups/assoc.	Other
BE-WA	X	X	X	
BE-FLA	X			
BG	X	X	X	
CY	X	X		
CZ	X	X	X	Natura 2000, water resources protection, occupational safety, funding (EU and national)
DE	X	X	XX	
EE	X	X	X	
EL	X			
ES	X	X	X	
HU	X	X		
IE	X	X	X	Assistance to forestry groups
IT				General information only
LV	X	X	X	
LT	X	X		Occupational safety, forestry environmental issues
LU	X	X		
NL	X			
PL	X	X		
RO	X	X	X	
SK	X	X		Advisory on RDP
UK-WAL, ENG, SCO	X	X	X	
UK-NIR	X	X		

Information not available for FI, MT and PT and issue not covered in AT, DK, FR, SL and SE

XX: in DE assistance to private forest owners is only provided through forest associations

Existing forestry services are most often organised to deliver or to implement basic forestry advice (this is the case in all MS in the previous table). They are also, depending on the MS, engaged in wider public relation activities such as nature/forestry promotional activities, natural park management and interaction with local communities.

The wider activities aimed at private owners are more recent and existing forestry associations and forest owner syndicates are used as eventual vehicles to do so. These private sector activities are directly confronted with the very small average size of holdings, which has prompted a number of MS to engage in promoting forestry associations or cooperative settings to reduce the number of actors and to be able to promote the recruitment of a forester-manager.

The advice provided to private owners is a mix of the following priorities: i) forestry plantations and production and ii) role of the forest ecosystems and iii) forestry management skills (felling, rotations, etc.). The support to forestry owner groups and associations is clearly a priority in 10 MS. The latter seems to be directly supported by the MS themselves and the EAFRD funding seems to be channelled exclusively to private individual forest owners (as suggested by the DE-NSC case study findings).

Investigations carried out in preparation of the various CR have not been conclusive on the way Forestry services are organised, their priorities and the eventual interaction with FAS as being evaluated at present.

4.2 Theme 2: Effects on farmers' income

4.2.1 Evaluation question 2.1 : Effects on farmers' income

Question 2.1: To what extent did the use of the Advisory System by Community farmers affect their incomes?

Develop the analysis with respect to:

- Costs incurred by farmers for benefiting from the system;
- Possible contribution by the EAFRD in offsetting those costs;
- Possible positive returns from the system (e.g. increased added-value of on farm productions, reduced income losses linked to animal health/welfare issues, improved management skills...)

Interpretation of the question

This question aims at appreciating the different costs and benefits related to the use of the FAS on farmers' income.

Most tangible cost elements emanate from the different costs incurred by farmers in making use of Farm Advisory Services and the potential support from EAFRD (*measure 114*) or national/regional public funding in offsetting these costs.

Possible positive returns of the FAS are rather indirect. Capacity-building and improved understanding of how to make use of sustainable practices in commercial farming will lead to improvements in income (for example through reduced income losses linked to animal health/welfare issues, better management of inputs on the farm, improved management of the farm, etc.). Nevertheless, advice given can also lead to costs for farmers, if new techniques have to be developed for example, but also time spent on advice. However, following the logic of the FAS, these can be considered as initial ("start-up") costs generating financial benefits in the long run.

Approach and judgement criteria

The approach starts with the identification of costs incurred by farmers in taking advantage of the system. Only the FAS core approach namely one-to-one on-farm advice has been considered. Indeed, it is the most common approach across MS and the only one for which specific cost elements are available for on-farm advice⁶⁹. Small group advice on the farm is generally free of charge, a few MS request a limited participation⁷⁰. The contributions by the EAFRD or by national/regional funds in offsetting those costs are identified. These

⁶⁹ As specified in the descriptive part, the one-to-one on-farm approach is used (or planned to be used) in all MS (except one region in the UK) and data about the approach to cost, namely free of charge, partial payment or full payment are available for all MS.

⁷⁰ With the only exception of IE, where farmers pay the full cost of small group advice. The average cost is not known. A few MS which request a limited participation express it as a percentage of costs of small group advice, without indicating the amount (see also section 5.3.2 of the descriptive part).

costs are compared to net farm income⁷¹ from FADN data of the region or MS. It is thus a rough estimation as it rests on all farm holdings represented by the FADN and not only on FAS beneficiaries.

Besides, a qualitative assessment of the positive (or negative) effects of the FAS on the income of farmers is carried out. Effects are classified as direct or indirect in respect to the environment, food safety and animal health and welfare and other. The surveys and interviews carried out in the context of the case studies also provide hints to this part of the analysis.

The following judgement criteria have been foreseen:

- Costs incurred by farmers from accessing FAS one-to-one on-farm advice (JC1)
- Contribution of public funds in offsetting the costs (EAFRD funds (*measure 114*) or other public (regional or national) without EAFRD (JC2)
- Comparison of average farm income (FADN) to cost of FAS advice (JC3)
- Positive (and negative) effects of the use of advisory system with potential financial returns (direct or indirect) (JC4)

Validity – limitations of the approach

Data mainly rests on CR and case studies. Not all CR provide sufficient data in order to make an adequate estimation of the costs incurred by Community farmers for the use of the FAS. The problem is that many countries do not monitor the costs to farmers (see section 5 of the descriptive report), and that several countries only very recently have launched the FAS (see section 1.2 of the descriptive report). The unit costs of the *one-to-one farm advisory service* are more or less comprehensively covered in the CR, while other tools are usually free (e.g. one-to-all – see section 4 in the descriptive part) or information too fragmented to be taken into account.

The assessment of possible positive returns from the FAS rest on a qualitative discussion based on data collected in case studies.

Answer Summary Box

To what extent did the use of the Advisory System by Community farmers affect their incomes?

The approach starts with the identification of the costs incurred by farmers in taking advantage of the system (JC1). Only the FAS core approach, namely one-to-one on-farm advice, has been considered. The contributions by EAFRD or by national/regional funds in offsetting those costs are identified (JC2). These costs are compared to net farm income from FADN data (JC3). A qualitative discussion about the positive returns closes the question (JC4).

The most common situation concerning one-to-one on-farm advice is a partial coverage by the farmers of the **costs** incurred for benefiting from FAS. Advice is for free in 5 MS and 4 regions. In all other MS/regions, where farmers have to pay the partial or total cost, the unit cost of an “advice package” (that may include several farm visits) varies between MS and regions (for the 9 MS and 11 regions from MS where data are available) from €275 (ES-CAN) to €2,400 (ES-NAV). The costs are determined by various factors, but the public subsidies through national and EAFRD funding offset to a large extent the unit costs of one-to-one advice. The typical support intensity varies between 70% and 80% of

⁷¹ Farm net income (SE 420) from FADN has been used.

the unit cost (16 MS), while only three MS do not subsidise the FAS at all. The cost remaining for the farmer after subsidies varies between a minimum of €55 (ES-CAN) to almost €1,000 (NL).

One could add the time spent on advice that ranges between 2-3 hours for thematic advice to up to 8-18 hours for the overall checklist in some MS. This opportunity cost, which differs significantly, especially between MS, regions and types of farming has not been estimated.

A rough estimation of the unit cost for an “advice package” per MS/region compared to the **average** net farm income of farmers from FADN (referring to all farmers covered by the FADN and not only to FAS beneficiaries) shows a share of around 1% (information for 14 MS and some regions only). This share has small variations, from more than 2% in a few countries without subsidy down to 0.3% in MS with public co-funding of the FAS.

Thus, overall, the costs that farmers have to face for benefiting from one-to-one advice are relatively low compared to their average net farm income. Nevertheless, the need to prefinance the advisory costs (with a maximum of €2,400) still might be a constraint for farmers.

A qualitative assessment of the effects of FAS advice provides the following findings:

The FAS contributes to building up farmers' understanding of SMR and GAEC requirements and thus increases their acceptability to farmers. It also provides a concrete interface with all obligations through the developed checklists.

Overall, the core FAS approach (one-to-one on-farm advice) contributes to improved farming practices that positively contribute (indirectly) to the income of farmers through a more rational use of input factors and nutrient management (reduction in loss and waste) and higher productivity. It also contributes to a better overall hygiene on the farm (both for production and storage). For farms with livestock, the improved application of animal health and welfare standards induced by the FAS leads to increased productivity or lower losses. Finally, the FAS also contributes to a reduced risk for penalties from the cross compliance controls. In particular this last benefit plays a big role in the perception of farmers of the benefits of FAS.

Overall, the use of the Advisory System does not significantly affect the **average farmer income** directly, neither through costs (largely off-set by public support) nor through immediate positive returns. The contributions of the FAS to improved farming practices lead to a more sustainable production in an environmental as well as an economic sense. This might also lead to an effect on the income of farmers, even though this has not been the driving force for those farmers using FAS.

Analysis

Costs incurred by farmers from accessing one-to-one on-farm advice and contributions by public co-funding (EAFRD) JC1 and 2

The most common situation at Community level (in number of MS/regions) is the one where the costs for using the FAS for one-to-one on-farm advice is partly incurred by farmers, and partly by the MS. 13 MS and 2 specific regions (BE-FLA and UK-Wal) rely on this model. In all these countries and regions the public co-financing is provided through

measure 114 of EAFRD, with the exception of FI, where the national budget alone provides the public co-financing⁷².

The one-to-one on-farm advice is free of charge in 6 MS and 2 regions (UK-ENG is only delivering small group advice on-farm which is free of charge⁷³).

Table 14: Cost of one-to-one on-farm advice for farmers

Distribution of MS according to payment model for farmers using the FAS		
Advice is free of charge	Advice is partly paid for by farmers	Advice is fully paid by farmers
AT BE-WAL BG LV RO SL UK-NIR DE-BV DE-SAC	BE-FLA CZ (*) EE ES (all regions) FI HU IT (all regions) LT LU MT NL PT SE UK-WAL	DK FR IE UK-SCO
5 MS & 4 regions	12 MS & 2 regions	3 MS and 1 region
Varies according to regions		
DE		

(*) when delivered by a private advisor

PL regards the SMR and GAEC advice as free for farmers, and any advice going beyond has to be charged to farmers.

Source: Country reports, FAS evaluation 2009. A number of countries are not accounted for due to incomplete CR

DK, FR, IE and UK-SCO are the only MS where farmers pay for the entire cost of the advice delivered (with however no cost indications for FR and IE). Mixed situations exist in DE depending on the various Länder.

The unit costs of one-to-one on-farm advice varies significantly (see table 14), making it difficult to use the calculated costs from countries with solid data as background for any regression analysis in order to circumvent a lack of data in other countries. The variation is from €275 (ES-PVA) to €285 (ES-CAN) to €300 (ES-LRI) in ES to around and even more than €2,000 in NL and LT. Some other regions in Spain have very high unit costs, with the region of Navarra as the most expensive (€2400). The pre-financing of these costs might be a constraint, even if these are later largely off-set by public subsidies.

⁷² This was also the case of NL during the two initial start up years of 2005 and 2006, where FAS was co-funded on a 50/50 basis between farmers and the government. NL opted for the use of *measure 114* in the new 2007-2013 EAFRD in order to expand the co-funding basis and target more farmers. Co-funding became 50% farmer, 25% EAFRD and 25% Government.

⁷³ Small groups are earmarked as being free in LT, SE, UK-ENG; co-funded in the NL and paid for by farmers in MT.

Table 15 hereafter presents the unit costs for one-to-one on-farm advice for 2008, as well as the actual cost for farmers after the contribution of public co-funding based on those CR that provide sufficient cost information.

Table 15: Estimation of unit costs of one-to-one on-farm advice delivered by FAS during 2008 in countries where FAS advice is partly of fully charged

MS	Total unit costs in 2008 One-to-one on- farm €/FAS advice	Cost for the farmer (calculated)	EAFRD funding %	Farm income in 2007 (FADN) (or 2006 if *)	Farmer's cost of advice/farm income
DK	400	400	No	19801	2.02%
UK-SCO	500	500	No	44589*	1.12%
BE-FLA	1,875	375	80%	58056	0.65%
CZ	1,350	432	68%	39184	1.10%
DE (NSC)	835	400	60%	41096*	0.81%
EE	500	125	75%	24681	0.51%
ES-CAN	285	57	80%	25334*	0.22%
ES-CLM	835	209	75%	20042*	1.04%
ES-CYL	1,165	233	80%	26024*	0.90%
ES-LRI	300	75	75%	24898*	0.30%
ES-NAV	2,400	480	80%	19484*	2.46%
ES-PVA	275	55	80%	17071*	0.32%
FI	381	80	No	28155	0.28%
HU	628	126	80%	11286	1.11%
IT-EMR	936	187	80%	21054	0.89%
IT-VEN	1,875	375	80%	47800	0.78%
LT	2,081	416	80%	19033	2.19%
LU	700	210	70%	50846	0.41%
NL	1,998	999	50%	44944	2.22%
SE	567	170	70%	29337	0.58%
UK-WAL	750	750	No	34762*	2.16%

* Farm income in 2006 (FADN)

Source: Country reports and case studies

The variation in unit costs can be explained by the following major factors: i) the overall purpose of the advice provided; ii) the content of the advice; iii) the manner in which the advice is delivered; and iv) the prevailing market unit costs in MS.

Purpose and content of advice: Some countries use FAS for targeting specific issues at the level of beneficiary farms. DK and FI are good examples of this approach, where it is the specific demand from the farmer regarding a specific issue, which triggers the request for advice. In other countries FAS operate following a broader approach, with all the issues concerning cross-compliance to be covered by each advice session. This is the case if EAFRD co-funding is used for *measure 114*. This situation tends to trigger higher costs for advice activities. For example, when DK implemented full FAS advice covering all GAEC and SMR requirements in 2006, the unit cost was around €1,200 per farm visit, while the unit costs of the targeted advice being implemented today is €400, i.e. one third of the cost of the full package.

Manner of delivery. The methods for delivering advice can vary from the simple ticking of a checklist to a more complex utilisation of this tool, whereby specific advice is shared, discussed and reported on. This can also include a specific phasing and complementary package, as is the case in BE-FLA. In this country the advice is spread out over two years, is provided in at least three steps and is closely combined and linked to a financial and economic assessment of the performance of beneficiary holdings. In DE-NSC advice needs at least 8 to 10, or sometimes up to 18 hours to go through the whole checklist and provide advice on relevant issues. Thus, advice is subdivided into at least 2-3 (or even more) on-farm visits.

Market unit costs. Cost structures (overheads) of the advice and the prevailing hourly costs of advisors (from €40-50 to over €100 per hour) and consultancies vary from MS to MS and according to the type of OB (profit making – association for its members – cooperative structures).

Non-tangible cost elements.

Another point to be mentioned that impacts on the cost incurred by farmers for benefiting from the FAS is the time spent with the advisors. Here again, the time is different depending of the type of advice and the way it is delivered. As for example in BE-WAL, where the advice is thematic, the farmer spends 3-4 hours with the advisor while in DE-NSC, the overall cross-compliance advice on the farm, lasts between 8 to 10 hours or up to 18 hours. The latter is of course organised in several visits. This opportunity cost, that differs according to types of farming, region and MS has not been estimated.

Comparison of average net farm income and cost of advice for farmers (JC3)

As shown in table 15, the average net farm income (based on FADN data (2007 - or 2006 data for the UK, DE and ES) is compared to the average tangible cost of one-to-one advice for farmers (which may include one single visit, as in NL, or several farm visits, as in DE-NCS), once public co-funding has partially off-set the unit cost of advice. According to MS, it represents between 0.3% (FI) and 2% of the average net farm income of the region or MS. In some other countries where no subsidies are provided to compensate for the costs (e.g. DK and UK Wales) the ratio costs/income is above 2%. However, this is also the case in LT, NL and ES-NAV, even though the costs are subsidised.

Of course, this represents a rough estimation, based on average farm income without taking into consideration differences according to type of farming, to the size of farm, etc. and **referring to all farmers represented by the FADN data and not only FAS beneficiaries.**

Although the cost of advice represents “only” 1% of the average farmer’s net income (when advice is not free), the amount and its pre-financing may be considered as an obstacle especially for smaller farmers.

Returns to farmers from using the system (JC4)

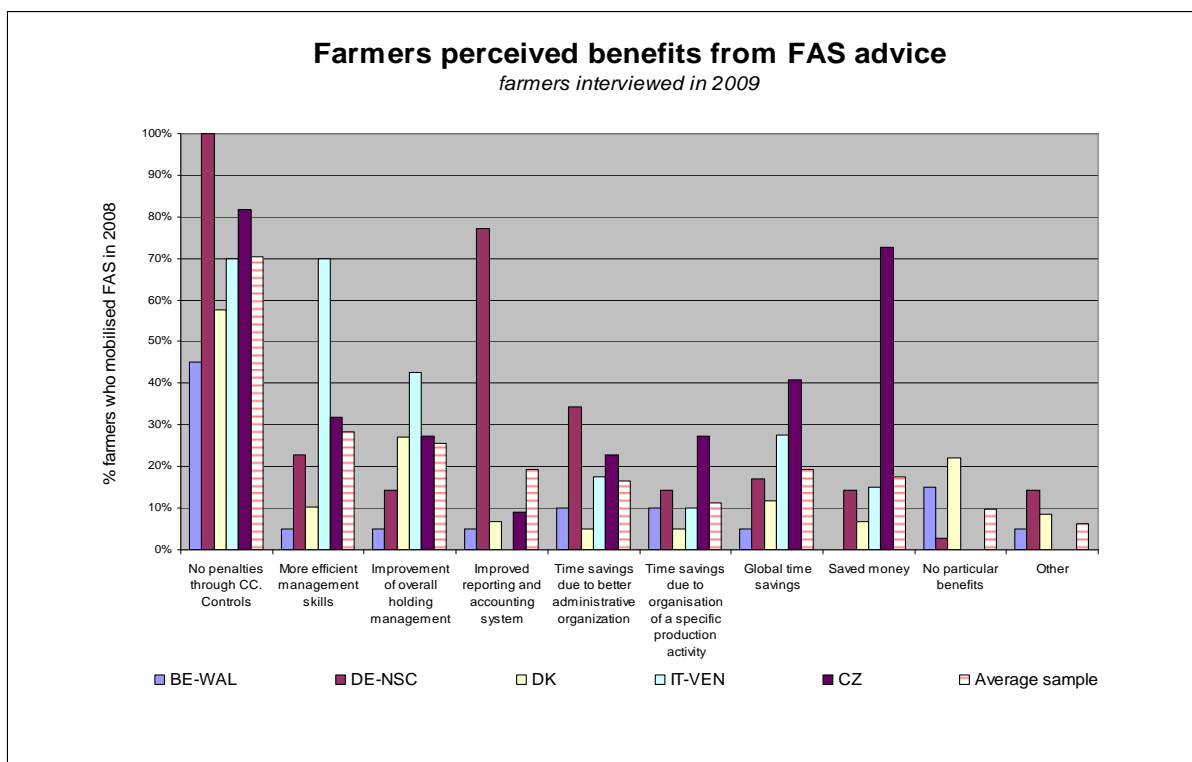
Findings from CR did not provide detailed elements of financial returns to farmers who have benefited from FAS advice, except the compliance with SMR and GAEC for controls. Consequently, this issue has been focused on in more detail during case studies, through in depth discussions with stakeholders, especially advisors. It has therefore been addressed through the various interviews conducted during the five case studies in June/July 2009 and the farmers' survey.

Farmers' survey

Graph 14 shows what the surveyed farmers perceive as benefits from FAS advice.

- Just over 70% of the surveyed farmers declare that avoidance of penalties due to non-compliance with SMR and GAEC is the most important benefit they have derived from the FAS.
- In IT-VEN, a majority (70%) indicate that they have developed more efficient management skills; and 42% also indicate that they have improved the overall management of their holdings.
- Time saving and the saving of money are not considered to be very important benefits, although with a variation in replies. (in CZ where 73% found that they saved money due to the FAS advice, and BE-WAL where this is clearly not the case).
- Reporting and accounting systems have not been perceived as improved as a consequence of the FAS advice, except in DE-NSC where this improvement is very significant. This is linked to the way the FAS advice is delivered and what topics it includes.

Graph 14: Farmers' perceived benefits from FAS advice



The most perceived common benefit is thus the avoidance of penalties for non-compliance with SMR and GAEC. If the benefits of FAS are compared to the costs incurred for farmers, it is clear that an average cost of advice of €400 to the individual farmer provides him with a higher degree of confidence that he will be able to operate his production at the farm in compliance with the cross-compliance requirement.

**Extracts of Regulation (EC) N°1782/2003
concerning penalties for non-compliance with
SMR and GAEC.**

"Where the SMR or GAEC are not complied with, as a result of an action or omission directly attributable to the individual farmer, the total amount of direct payments to be granted in the calendar year in which the non-compliance occurs, and after application of Articles 10 and 11, shall be reduced or cancelled in accordance with the detailed rules laid down in Article 7"

Article 6.1

"In case of negligence, the percentage of reduction shall not exceed 5% and, in case of repeated non-compliance, 15%"

Article 7.2

"In case of intentional non-compliance, the percentage of reduction shall not in principle be less than 20% and may go as far as total exclusion from one or several aid schemes and apply for one or more calendar years."

Article 7.3

This needs to be put into perspective. Penalties as outlined in Regulation (EC) N°1782/2003 can vary from a maximum of 5% to 20% or total exclusion in case of repetition (see art 6 and 7 in opposite box). If one considers the full range of FAS advice costs to be between €300 and €2400, break-even for farmers, would roughly be:

- In the case of a FAS cost of €300, a level of direct payments of €6,000 (in case of low penalties) or €1500 in case of repetition.
- In the case of a FAS cost of €2400, a level of direct payments of €48,000 (in case of low penalties) or €12,000 in case of repetition.

However, the calculations above only refer to the link between FAS activities and the avoidance of penalties from cross compliance, without considering other possible benefits for the farmers. Therefore, they only provide a rough indication, and have to be prudently considered.

For example, even though the replies from the farmer surveys do not indicate that the FAS contributed to saving time and money, evaluations of investment support schemes, for example under rural development programmes, demonstrate that a more rationale use of production input factors as well as applications of animal health and welfare principles lead to higher productivity and lower losses of input factors, and therefore also to higher income. So far it has not been possible in this evaluation to map these positive returns to farmers from the investments in FAS, but the Monitoring and Evaluation systems being built up for RDP 2007-2013 in MS will contribute to this in the years to come, and as early as 2010 the Midterm evaluations may be able to shed new light on this issue through the assessment of the implementation also of measures related to the FAS.

BE-WAL: Better management of nitrogen can have a positive impact on the cost of fertilisers. However in some vulnerable zones an intercrop system is needed. In order to generate a positive benefit in nitrogen management, the cost of managing the intercropped plants has to be lower than the gain in lower use of fertilisers.

BE-WAL: An interesting positive effect of existing publicly supported advisory services that have been mentioned by operating bodies is the **objectivity of advice** provided by these non-profit organisations versus that provided by commercial bodies or sales people.

BE-FLA: OB could not provide costs or financial elements of appreciation. They did however insist on:

- The positive mirror to the farmer of his 'achievements' in relation to his regulatory obligations
- The development of a relationship based on trust; positioning the advisors as a go-between (farmer versus regulations and authorities)
- That farmers mobilising FAS are already paying for other kinds of advice – so they anticipate positive and financial returns from advice and if BAS is mobilised it is generally to insure against eventual cross-compliance penalties

IT-VEN: Among the most important negative financial returns can be mentioned:

- direct costs of the advisory services;
- the investments necessary for the implementation of the improvements on the farms as indicated by advisors.

Short country case study notes - June/July 2009

From case studies and at Community level

Case study investigations have yielded various qualitative assessments of potential returns to farmers in DE-NSC, BE and IT-VEN. These are shown in the boxes hereafter. They include immediate benefits from being better prepared for controls, improvement in documentation concerning all on-farm processes as well as more sector specific benefits with respect to livestock, crop production and storage.

The following positive returns may be extended at Community level:

First of all, it is a general observation from the experts interviewed that the FAS contributes to build up farmers' understanding of SMR and GAEC requirements and thus increase their acceptability to farmers. The FAS provides a concrete interface with all obligations through the developed checklists.

Overall, the core FAS approach (one-to-one on-farm advice) contributes to a more rationale use of production inputs and nutrient management. It also contributes to better overall hygiene on the farm (both for production and storage).

DE – Lower Saxony

Many positive outcomes from the FAS advice, with direct or indirect positive returns, were mentioned by FAS advisors and managers during interviews. Advisors consider that farmers who make a request for advice to a total cost of around €840 with self-financing of around €340 certainly expect a positive financial return. The following specific elements were mentioned:

Direct benefits

- *The holdings are better prepared for controls, they are much less subject to penalties; none of the farms that had benefited from FAS advice had major penalties following cross-compliance control*
- *The holdings are also better prepared for specific quality standards and certification; the yearly auto-control through the KKL are sometimes accepted by auditors of specific quality systems*
- *Respecting regulations (cross-compliance) helps prevents refusal of products (for example respect for deadlines after administration of antibiotics)*

In-direct benefits

- *Significant improvement in documentation and therefore in data collection; this improves “knowledge-based management decisions”*
- *Routine action is questioned (what do I do, why do I do it, how do I work, ..)*

Other

- *Independence of advice (compared to very integrated agro-industries in the pig or especially poultry sector)*

Negative financial impact other than cost of advice

- *The time spent by the farmer on an FAS advisory service is around 8 to 10 hours. However, if several production areas are to be considered, the advice may need up to 18 hours (source: (Förderdaten BR Meppen).*

Sector specific

Livestock:

- *If animals feel better they produce more; in this respect the FAS support the correct application of respective cc – requirements. The following elements have been mentioned:*
 - *Fewer animals in a stable (cattle grow better)*
 - *More light and more air in stables: animals are less sick*
 - *More and cleaner water: animal produce more and are less sick*
 - *Cleaner food especially for cattle (less mould, less clay on fodder): animals are less sick and grow better*
 - *Better litter and more space to lie down: animals feel better and produce more*

Crop production:

- *Potential reduction in use of fertiliser and plant protection products*

Storage:

- *Cleaner storage improves the quality of the product and may attract better prices*

Short country case study notes - June/July 2009

For farms with livestock, application of animal health and welfare standards leads to increased productivity or lower losses.

Interviews in other case study areas confirm the focus on returns in the livestock sector. BE-WAL is the only region where the improved nitrogen management is quoted as a major contribution from the FAS. However, this is a consequence of wider advice provided through the existing extension set-up at the same time.

Surprisingly, based on the survey and the case studies, farmers rarely seem to perceive the benefits induced by the FAS concerning environmental issues (except fertiliser and pesticides).

4.3 Theme 3: Achievement of global objectives

4.3.1 Evaluation question 3.1 : Achievement of global objectives

Question 3.1: To what extent did the implementation of the Farm Advisory System (and Forestry Advisory Services, as far as the EAFRD contribution is concerned) help Community farmers (and forestry holdings, as far as the EAFRD contribution is concerned) to meet the standards of modern, high-quality agriculture (MHQA)?

Interpretation of the question

Following the intervention logic of the FAS (see chapter 2.1), this instrument aims at helping the Community farmers to improve the sustainable land management and the overall performance of their holdings through the provision of technical advice. In other terms, this is expected to contribute, together with other instruments of the CAP, to meet the standards of a *Modern, High-Quality Agriculture* (MHQA). The contribution of the FAS to a Community MHQA is thus considered as the global objective of the instrument, an issue which is targeted by the present evaluation question.

The concept of MHQA has been defined by the evaluator for the purpose of this evaluation in section 3.3. This concept is implicitly integrated within the different Council decisions related to the CAP reform and to the strategy for Rural Development. The MHQA promoted by the CAP lays on the concept of multifunctional agriculture, and mainly rests on three principles: environmental sustainability, competitiveness and adjustment to the needs and priorities of the EU society.

The concept of MHQA needs to be adapted if one considers the support provided by the FAS to forest holdings. In this case the objectives related to sustainable forestry and the ones of the EU Forest Action Plan have to be considered (see chapter 6).

Approach and judgment criteria

FAS implementation is still at an early stage and it is too early to measure any tangible impact in relation to the ultimate and overall objective. Thus, the approach is focused on preliminary observations on the extent to which the implementation of the instrument might contribute to meeting the standards of MHQA by the Community farmers.

The answer will be based on the following judgement criteria: i) Farm advisory tools include activities addressing the sustainable management of natural resources management (JC1); ii) Farm advisory tools include activities addressing competitiveness of agricultural holdings (JC2); iii) Farm advisory tools include activities addressing needs and priorities of EU society (JC3) and iv) Advisory tools for Forestry holders include activities addressing sustainable forestry activities in line with the EU Forest Action Plan (JC4).

Validity – limits of the approach

The analysis is based on information contained in CR and from case studies. RDP monitoring reports covering the year 2007 or 2008 were not available. As already stressed previously in EQ 1.3 and EQ 1.4, the FoAS remain problematic and it is not possible with the evidence from the case studies and the CR to further extrapolate and assess whether FoAS has contributed to help the Community forest holders to meet standards of MHQA for forestry.

Answer Summary Box

Did the FAS help Community farmers to meet MHQA (achievement of global objectives)

Answering the question about the achievement of the overall objective rests on the four JC covering advice activities delivered in each of the three major standards of MHQA: sustainable management of natural resources, competitiveness, and the needs and priorities of the EU society. Forestry advisory activities are covered in a last JC.

From our analysis it can be concluded that environmental issues are a significant element of FAS advice, especially those relating to cross compliance (soil/water). This is consistent with the balance of environmental focus in cross compliance. Delivering awareness and advice beyond this baseline is included into the FAS in some MS (especially those making use of EAFRD); these mainly concerns agri-environmental measures.

Despite the potential large scope of the FAS, only few MS have integrated in the scope of their FAS advisory activities directly addressing competitiveness, and when this has happened this has been generally in connection with the mobilisation of EAFRD funds. This is linked with the fact that the MS have tended, so far, to shape their FAS around the minimum objective of covering at least the SMR and GAEC included in the scope of the cross compliance, as requested by Regulation (EC) No 1782/2003. However, these kind of services are available to farmers outside the FAS, e.g. through other (existing) advisory /extension services, and sometimes through *measure 111*. Currently the FAS tends to address competitiveness indirectly, through improved documentation and the application

of specific cross-compliance requirements linked to the rational use of input factors and nutrient management, better overall hygiene on the farm and for farms with livestock, application of animal health and welfare standards (see theme 2).

In terms of societal concerns, food safety and animal health are well integrated into regulatory aspects of cross-compliance and thus covered by the FAS. Animal welfare is less covered.

Taking into account that the low stage of maturity in the implementation of the FAS in the EU has hindered a detailed assessment of the concrete effects of the FAS at the level of global objectives, the following very preliminary conclusions can be drawn. By its own nature (see the intervention logic of the instrument), the FAS is potentially a well suited instrument for enhancing a MHQA in the EU. When looking at the main components of the MHQA concept and at the ways through which the FAS has been implemented, we consider that the FAS could be expected to be more effective with respect to the enhancement of an environmental sustainable agriculture (including animal welfare/health issues), mainly through the support to the correct application of the respective cross compliance standards. Increased competitiveness of the agricultural sector could be expected to be supported by the FAS to a lesser extent, and mainly indirectly. However, the FAS is well complemented by other CAP instruments in this respect.

Another important element to be considered is the generalised low uptake of the FAS by the farmers, especially as regards small farms. This could actually limit the overall effectiveness of the instrument.

As regards forest holdings, no comprehensive answer can be provided to this question, as the information on what kind of services is provided and how this is done, is inadequate.

Analysis

Farm advisory tools include activities addressing the sustainable management of natural resources

As EU agricultural policy has developed over the last few decades, it has increasingly recognised the complex interactions between food production and the natural resources impacted in the process. Thus, on-farm material flows are linked to key environmental concerns such as water, air (carbon flow) and soils. In response to both positive and negative environmental impacts of farming practices, a variety of regulatory policy instruments have been developed to steer European farming towards a new paradigm of 'sustainable agriculture'. The FAS is only one component of a large and complex toolkit used by the EU to address the *sustainable management of natural resources*. This evaluation considers the extent to which the concept of sustainable farming has been embedded in the implementation of FAS, rather than trying to quantify its effectiveness in delivering sustainable practice; the latter being much more influenced by a number of other market and policy drivers.

From CR and case studies, there is a clear message that environmental issues are a significant element of FAS advice and that those relating to cross compliance under Pillar I (soil/water) are seen as more important than those relating to the instruments available under axis 2 of Pillar II for promoting biodiversity. This is consistent with the balance of environmental focus in cross compliance. Delivering awareness and advice beyond this baseline is the challenge for advisers. In this respect, as shown in theme 1, farm advisory activities going beyond cross-compliance have often concerned agri-environmental measures, Natura 2000 measures or water protection schemes (see EQ 1.1).

Farm advisory tools include activities addressing competitiveness of agricultural activities

According to Regulation (EC) N°1698/2005 on support for rural development by the EAFRD *‘To achieve the objective of improving the competitiveness of the agricultural and forestry sectors it is important to build clear development strategies aimed at enhancing and adapting human potential, physical potential and the quality of agricultural production’*. The specific activities relating to competitiveness are those funded under axis 1 of CAP Pillar II, notably⁷⁴:

- **Measure 111** - Vocational training and information for agricultural, food and forestry sectors: this measure focuses on improving the overall level of skills in the farming, food and forestry sectors as a means of improving competitiveness
- **Measure 114** - Use by farmers and foresters of advisory services: this addresses the need for farmers to become more responsive to new developments and techniques that increase efficiency and economic viability whilst adopting more sustainable practices; advisory services can cover many topics, they should however cover as a minimum SMR, GAEC and occupational safety.
- **Measure 115** - Setting-up of farm management, farm relief and farm advisory services, as well as of FoAS: this measure provides an incentive for farm advisory services to be set up, including support for investments to strengthen institutional capacity.

Potentially, competitiveness can be targeted also by the activities of the FAS, even if EAFRD contribution is not mobilised, provided that advisory activities going beyond the minimum objective of covering *at least* SMR and GAEC included in the scope of the cross compliance are foreseen and implemented by the MS.

⁷⁴ Source : Handbook on Common Monitoring and Evaluation Framework, Guidance document, Guidance note E, Measure fiches September 2006, Directorate General for Agriculture and Rural Development, European Commission

Despite the potential large scope of the FAS and, even more, of the advisory services supported by the EAFRD, only few MS have integrated advisory activities addressing competitiveness in the scope of their FAS (see EQ 1.1 and EQ 1.4). However, these type of services are available to farmers outside the FAS, mainly through other advisory /extension services.

So far, the FAS has addressed the issues of competitiveness rather indirectly, mainly through improved documentation systems in the context of the application of cross-compliance (see EQ 2).

Few MS include advisory activities addressing competitiveness into their FAS

According to EQ 1.1, two MS and some regions in three other MS (IE, SL, BE-FLA, UK-WAL, IT 17 out of 21 regions) have set-up the FAS as an overall advice system integrating economic farm advice to advice on cross-compliance as well as various other priorities from RDP. According to EQ 1.4, 8 MS seem to have provided additional advice on wider management skills, most of these are focused on financial and administrative skills. Market advice is poorly addressed by the FAS (2 MS) and none address human resources. Support to developing and following-up business plans is provided in 3 MS and two other mention support to application of other RDP measures.

Source: Evaluation questions 1.1 and 1.4

Farm advisory tools include activities addressing needs and priorities of EU society

During the last ten to twenty years, European citizens have expressed growing concerns about the way their food and environment are affected by European agriculture. Major incidents and developments such as the dioxin crisis, mad-cow disease, foot and mouth disease outbreaks, continued lobbying for more attention to animal welfare, and impacts of agro-chemicals on human health have strengthened and given more focus to these concerns.

Most of these societal priorities have been translated in the CAP through cross compliance.

- **Animal health** : the checklists, major support instrument of the core FAS approach, include topics on animal health and subsequent advice about SMR 10 & 12 to 15;
- **Animal welfare** : SMR 16 to 18 concern animal welfare. However, several other standards go beyond these regulatory requirements and concern other type of livestock.
- **Food safety** : SMR 6 to 8 cover animal identification and registration ; SMR 9 concerns plant protection products and their placing on the market ; SMR 10 addresses the prohibition of certain substances in stockfarming ; SMR 11 concerns food safety through the food law.

The FAS advice interacts with existing extension and food security agency activities, the latter being most often identified as the main channel of communication with farmers on these specific issues (follow-up of animal registers, herd-books, health declarations, etc).

Needs and priorities other than animal health, animal welfare and food safety do not seem to be currently addressed by the FAS.

4.4 Theme 4: Other impacts and unintended effects

4.4.1 Evaluation question 4.1 : Other impacts of the FAS

Question 4.1: What is the articulation and order of magnitude of other impacts of the Farm Advisory System (e.g. differences of the treatment of farmers within and among Member States, improved perception of the CAP, awareness raising of farmers on sustainable and environmental friendly systems, ...)?

Interpretation of the question

Through the provision of technical advice, the FAS aims at helping farmers to improve the sustainable management of material flows and on farm processes and the overall performance of agricultural holdings. Impacts on farm and land management, on farm income and on meeting standards of MHQA have been covered by previous evaluation questions. This question opens a debate to other possible impacts.

Differences in the implementation of the systems between Member States or within a Member State (for example free or charged advice, priority groups of farmers, etc.) can lead to unintended impacts; these possible unintended impacts are targeted by this evaluation question.

Approach and judgment criteria

The approach focuses on the three major issues suggested in the question namely differences of treatment of farmers, improved perception of CAP, overall environmental awareness. Some other impacts have been identified in the context of the case studies and are highlighted briefly in the answer. Four judgement criteria have been used: i) differences of treatment between Community farmers have been induced by the FAS (JC1); ii) farmers perception of the CAP has changed (JC2); iii) awareness of sustainable farming systems has increased; and iv) some collateral effects have appeared (JC4).

Validity – limits of the approach

The evidence for answering this evaluation question mainly comes from the case studies, where the more in-depth interviews and farmer surveys were conducted.

Answer Summary Box

What is the articulation and order of magnitude of other impacts of the Farm Advisory System

Assessing potential impacts of the FAS that have not been covered by previous EQ is organised around four JC, namely differences of the treatment of farmers (JC1), change in farmers perception of the CAP (JC2), awareness raising on sustainable farming practices (JC3) and other collateral effects (JC4).

Evidence from the descriptive part indicate, confirmed by stakeholder interviews in the case study countries, that the FAS provides Community farmers with differentiated access to advice, not only due to specific local conditions but also to differences existing between the MS as regards the approach, costs and content of the advice. Overall, however, the access to the FAS seems *de facto* to have been so far open to any farmer requesting advice, even if during the process of establishing their FAS specific target groups were considered by some MS.

In terms of other impacts of the FAS, the stakeholders' interviewed in the case study countries generally felt that the FAS has little impact on improving farmers' perception of the CAP; the association with cross compliance and respective regulation often led to a negative view despite the often positive views of the advice service provided through the FAS. The latter being more associated to regional/national organisations involved in agriculture than with the CAP. It was felt by the stakeholders that the FAS increased the awareness of environmental issues as well as sustainable farming by the farmers.

A series of interesting other effects were highlighted during case studies: a) the opportunity to establish and strengthen a trust relationship that can facilitate the interfacing between farmers and operating bodies; b) the continual search of extension services of how to ensure access to groups of farmers that are not used to ask for advisory services, in contrast to the current situation which seems to focus on farmers who are already very familiar with advisory services; c) the farmer's continued doubts about the disconnection between advice and cross-compliance controls; and d) a number of varied observations such as reluctance towards written advice and the insurance for advisers against the risk of farmers eventual penalties that could be referred back to a followed wrong advice. The last major side-effect of the introduction of the FAS is that some MS have taken this opportunity to rethink and review their wider advice and knowledge information systems in the agricultural sector.

Analysis

The way in which FAS has been set-up has incidentally induced differences of treatment between Community farmers

The regulatory framework of Regulation (EC) N°1782/2003 leaves latitude to MS to design and implement their own FAS. The descriptive part of the evaluation and further elements examined in the various answers to themes 1 and 2 (content, types of advice, duration, price), clearly indicate that there are as many FAS as MS. This is in a way

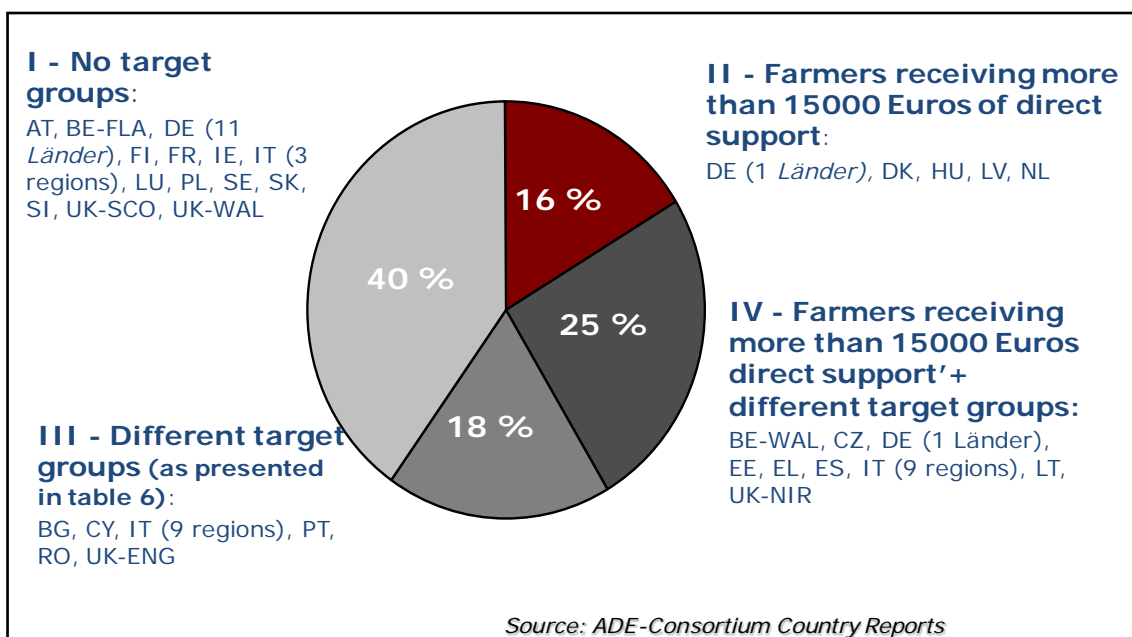
inevitable if one wants to adjust to each MS's specific conditions. Farmers thus receive different kinds and levels of advice, which induces a difference in treatment between farmers.

This can be illustrated by the conceptual difference between the FAS as provided in BE-FLA and DE-NSC, with both regions relying on the use of EAFRD co-funding for FAS. In the former case economic advice is provided as part of the FAS package and considered a topic that can be provided on a grant basis, while in the latter case such an approach is excluded, as it is considered that economic services (however essential they may be) can not be provided through a grant⁷⁵.

Furthermore as outlined in EQ 1.2, some MS operate on full range advice concept and others on a thematic (and on demand) concept. Similar observations can be made on the manner in which the advice has to be reported and recorded, with some MS imposing full reporting and archiving and others simply requesting prove of advice and payment. These kind of observations can be made also between regions within the same MS (BE, DE, ES, IT & UK).

If one looks at the intra MS (or intra-regional for those MS concerned) differences, intended priority groups differ widely between MS as shown in graph 15 (see also section 2.6 in the descriptive part).

Graph 15: Planned target groups for each Member State



Some 40% of the MS do not have priority groups; therefore, there is no differentiated access issue in these countries. For the countries with priority access to certain groups of farmers (16% of which targeted farmers receiving more that €15,000 direct payment, 18% targeted other priority groups and 25% targeted other priority groups plus those farmers

⁷⁵ Indeed, in Lower Saxony these services have been subsidized over decades and only very recently privatised.

receiving direct payment of more than €15,000), however, investigations during case studies and answers contained in the CR, seem to indicate that during implementation, reality so far has been quite different. The FAS has *de facto* been opened to all farmers that request its support. There is therefore consistent evidence that there has been no differentiated access to FAS for farmers.

Where the uptake is low (for example Walloon region in Belgium), it is often the case that no differentiation between farmers has been made at all. This means that effectively all farmers who have requested the service can get the advice regardless whether they are in the priority groups or not. There is also no evidence from the case studies that the differentiated access to advisory services has caused unexpected effects in those countries where the uptake of the service is high.

Farmers perception of the CAP has changed

The evidence available from the stakeholder interviews in the case study countries suggested that farmers perception of the CAP has not been changed by the engagement with FAS. The FAS and its services are delivered by existing operating bodies, under the supervision of regional/national authorities. The latter are more associated to the FAS than the CAP.

Awareness of sustainable farming systems has increased

There is some evidence from the stakeholder interviews in the case study countries that the implementation of FAS has increased the awareness of sustainable farming systems among FAS farmers; this impact is less certain or to a lesser degree than the contribution of FAS to increasing the awareness of environmental issues. This differentiation between sustainable farming and the environment is important but for farmers, sustainable practices relating to soil and water are key elements of 'sustainable farming systems'.

Some other effects have appeared

During case studies, a series of other effects have been indicated. They all relate to very specific and concrete concerns from farmers and advisers:

- a. The check-list file approach in DE and LU has had as side effect of addressing with farmers a wide range of other similar or complementary national or federal obligations and opening up a trust relation between the adviser and the farmers. The BE-FLA and BE-WAL even if they operate differently also strongly highlight the need for this trust-relationship. The farmers are often confronted with a variety of regulations and obligations, therefore FAS has served as a first attempt to create an interface, which farmers in these MS seem to value.
- b. In several case studies, the issue of "is FAS reaching the target group" was raised and discussed. The advisers and interviewees often stated that those farm holdings that had mobilised FAS were the same that were active on other fronts too and were already open to paying for getting advice (even when not subsidised). How to reach those holdings that are not already in the picture came up quite

often and poses the continual question of how to reach those groups of farmers that are not used to request advisory services (agricultural, but also innovation etc) beside the bestperforming farmers that are used to work with advisory services.

- c. The distinction between FAS and cross-compliance controls remains a sensitive issue. Farmers are not convinced of the disconnection between advice and control, even though the regulation foresees it. For example in NL, in 2008 there have been 25 to 30% of the accepted requests for on farm advice that have not been claimed by the farmers. Reasons for this, according to the responsible agency, are the farmers' "belief" that FAS and control might be interlinked and that if the advice contains evidence of possible compliance breaches, they will be inspected and fined. In many MS that operate FAS through a grant system, the authority managing the FAS requests and the RDP contribution is under the same umbrella department as the control services.
- d. During some interviews advisers reported the reluctance of farmers to receive written advice; explanations provided were that it could be the warning element that might be used by insurances and control to either reduce their intervention or to increase the fine.
- e. Discussion with advisors in DE-NSC showed that the uptake of the FAS is linked to acceptance of the FAT (KKL folder in DE-NSC) by advisors. Using a folder checklist system as support for advice is quite different from the more usual advice (technical or economic). It needs a certain time to become accustomed to it and accept the need to work with it, and not all advisors do so. Advisors play a major role in their constant contact with farmers to promote the FAS. If they are not convinced by the system and their support tool, they will not promote FAS advice.
- f. Evidence from the DK case study indicates that there might be a transfer of responsibility to advisors in case of wrong advice. Therefore advisers or their OB are supposed by the Ministry of Food to be covered by "a specific advice insurance" to cover the risk of a farmer being penalized in spite he followed the adviser's advice⁷⁶. Strictly speaking, the transfer of responsibility to advisors is not related with FAS provision *per se*. Whether there is a transfer of responsibility is more to do with whether the advice is provided at a private cost to the farmers or provided free of charge. If the advice/service is provided free to the farmers, there should be no 'transfer of responsibility' issue; when farmers are charged for advice the advisors could be held responsible for the quality of advice, but this applies equally to all chargeable advisory services including FAS.
- g. Last, the setting-up of FAS has generated in some case study areas a deeper process of assessing advice needs of farmers and the sector as a whole and of considering ways to respond more efficiently and developing appropriate knowledge information systems (BE-WAL discussions on the role and links between FAS and extension services; DE-NSC discussions as to the future advice needs of farmers and how to reach a wider public, BE-FLA..).

⁷⁶ This has so far never occurred.

4.4.2 Evaluation question 4.2 : Voluntary-based access

Question 4.2: To what extent did the voluntary-based access to the Farm Advisory System by Community farmers limit the effectiveness of the instrument?

Interpretation of the question

As specified in article 14 of Regulation (EC) N°1782/2003, farmers may participate in the FAS on a voluntary basis. Setting-up an instrument on a voluntary basis can lead to uneven use of the instrument and thus limit its effectiveness. In particular, certain groups of farmers who need advice may not use the FAS. On the other hand, forcing farmers to be advised could lead to negative results, as farmers may be reticent to apply the advices received, which would not result in the implementation of the actions that are most in need to be taken. According to the evaluator's understanding, the voluntary access is also a basic principle of advice activities; otherwise it would not be an advice anymore, but an instruction in line with a control-certification system.

Approach and judgment criteria

The concept itself of advice is intimately linked to a voluntary request and should provide advice that is tailored to the users' need. Should it be seen as compulsory, then it is more an instruction or an audit, conducted in order to ensure that an overall control system has been adhered to. As explained in the introduction to the descriptive part (section 1.1), the notion of FAS has evolved from an initial audit perception to an advice approach.

Nevertheless the answer to the present question tries to focus on whether there is a **causal link** between the voluntary nature of access to FAS by farmers and its effectiveness. In theory, an effective FAS system should achieve the following:

1. Satisfactory level of uptake
2. Intended changes made by farmers (in terms of awareness and/or farming practice)
3. Outcomes that would not have been achieved in absence of FAS.

This needs to be kept in mind when trying to answer this EQ, which is done step wise. The first will try to examine the link between uptake and cost of advice (JC1). The second step will then examine whether the voluntary base limited the participation of some categories of farmers (JC2). The last step concerns the effectiveness of FAS in achieving its objectives/results and has been discussed in EQ of theme 1.

Validity – limits of the approach

The concept of advice is based on voluntary access, a fact which limits the potential of answering this EQ (in terms of comparison with compulsory access). It is based on CR and interviews during case studies.

Answer Summary Box

To what extent did the voluntary-based access to the Farm Advisory System by Community farmers limit the effectiveness of the instrument

The relation between the voluntary access and a possible limitation of the effectiveness of the instrument is done stepwise through two JC, first considering a possible link between uptake and cost of advice (JC1) and second an analysis of the limited participation of some categories of farmers (JC2).

We see the voluntary access to the FAS as a prerequisite of advice. Should this by any way be changed, then the advice becomes an instruction delivered by a kind control-piloting system.

Nevertheless the answer to the present question tries to focus on whether there is a **causal link** between the voluntary nature of access to FAS by farmers and its effectiveness, i.e. on whether the voluntary nature of access to FAS could have hindered the participation of certain groups of farmers in need of advice.

Available evidence suggests that **there is no discernable relationship between the uptake of the FAS and the cost of the advice.**

The voluntary base access to FAS can not be assessed directly as there is no MS where the contrary exists. The uptake of one-to-one advice ranges around 5% of beneficiaries of direct payments in 2008. The only MS (IE, UK–3 regions, ES-LRI) having reported high figures of participation which contrast with all other MS have a FAS that is totally embedded in the existing extension services and one-to-one on farm visits have been aggregated with the 'standard' on-farm visits of the extension system.

As discussed under EQ 1.2, even without detailed monitoring data about the type of beneficiary farmers at Community level, several elements tend to indicate that mainly larger farms that are already in contact with existing advisory services make use of the FAS. **The participation of smaller farms is currently limited.**

Evidence from the CR suggests that the majority of MS consider a voluntary basis as essential over a compulsory form of FAS and suggest that **rather than being a limiting factor, voluntary basis is essential for the FAS to work.**

The voluntary access to the system ensures that it remains an advice system. Should this by any way be changed, then the advice becomes an instruction delivered by a kind control-certification system. This would maybe ensure a greater uptake but jeopardize the advice and one of the major positive side effects indicated in the answer to EQ 4.1, i.e. the trust and interface element between the farmers and FAS advisors.

As a conclusion, no correlation between the voluntary access and the uptake has been identified. However, according to qualitative appreciation of FAS beneficiaries (EQ 1.1), the uptake of FAS advice seems to be lower for small farms. Other reasons evocated by farmers potentially influencing the uptake relate to their concerns vis-à-vis cross-compliance controls.

Analysis

After discussions with the EU Parliament and MS, the notion of FAS has evolved from an initial audit perception that would have ensured that farmers were in line with their various cross-compliance obligations to an advice approach. This basic option has been settled by the wording of Regulation 1782/2003 that has used the wording advice and foreseen its consequent voluntary use. At the same time, following article 13 of Regulation (EC) N° 1872/2003, the FAS has to provide advice to farmers on covering at least the SMR and GAEC included in the scope of cross compliance.

Some evidence from case studies and surveys carried out suggests that the FAS is still associated by the farmers with cross-compliance. Elements of advice are thus advocated in a framework which is seen by most MS and farmers as regulatory; and which foresee penalties. Most MS have used some form of checklist to provide FAS related advice, indirectly maybe strengthening a perception of audits by farmers, when simple and minimum checklist advice is provided.

This is a factor that has to be considered when considering the uptake of FAS advice by farmers.

How is the cost for advice (free or charged) correlated to the up-take of FAS by farmers

The evidence suggests that there is no discernable relationship between the uptake of the FAS and the cost of the advice (see table 16).

Table 16: Cost and uptake of advice

Country code	Total unit cost of advice	Cost for farmers	Uptake 2008 in %	Uptake since 2005 onwards in %
AT	free	Free or flat rate (10€-20€)	0.8	1.5
BE				
WAL	free	Free	0.3	
FLA	1,875	375	4.0	
BG	free	Free	13.4	
CY	free	Free	n.a.	
CZ	2,160	432	5.8	
DE				
BAY	free	free	4.1	8.2
NSC	835	400	4.6	20.0
RHP	n.a.	n.a.	0.9	3.6
THU	n.a.	n.a.	1.5	6.0
DK	400	400	0.8	7.2
EE	500	125	4.2	
EL	Not implemented			
ES				
CAT	n.a.	n.a.	6.7	
CLM	835	209	2.5	
NAV	2,400	480	8.5	
FI	381	80	1.5	2.8
FR	n.a.	n.a.	77.8	
HU	628	126	1.6	6.0
IE	n.a.	n.a.	19.3	
IT				
EMR	936	187	1.1	2.2
PIE	n.a.	n.a.	3.3	9.7
TOS	n.a.	n.a.	6.6	6.6
VEN	1875	375	n.a.	n.a.
LT	2,081	416	0.1	
LU	700	210	2.3	
LV	n.a.	Free	0.0	
MT	n.a.	n.a.	n.a.	
NL	1,998	999	0.5	3.2
PL	Not implemented			
PT	Not implemented			
RO	n.a.	Free	4.5	
SE	567	170	0.7	1.4
SK	1875	375	n.a.	
SI	n.a.	Free	7.6	8.5
UK				
ENG	Adv. Not used	Adv. Not used	Adv. Not used	
SCO	500	500	37.5	
WAL	750	750	0.3	
NIR	n.a.	n.a.	39.4	

Source: Country reports, table 21 of the Descriptive part and answer to EQ 2.1.

For countries with moderately high uptake of one-to-one on farm advice (say, uptake > 10%) such as BG, IE, and the United Kingdom, the FAS is not always free to farmers and sometimes even fully charged like in IE. Equally, for countries that have low uptake of FAS, farmers are not always charged for the one-to-one on farm advice. For example, uptake is only 1% in Austria while the service is free of charge or almost free (charged at 10€-20€). Therefore, there is no consistent evidence suggesting that the cost of advice has been a barrier to uptake the FAS advice.

The voluntary based access limits participation of some categories of farmer

Average outreach

The voluntary based access to FAS can not be assessed directly as there is no MS where the contrary exists. According to table 21 (descriptive part) concerning the outreach to farmers of on-farm one-to-one advice during 2008, it ranges between 1% to almost 40% with on average 4-6%. Two MS/regions (IE & UK—3 regions) have reported high figures of participation (in % of reached holdings) that represent striking differences with all other MS. What characterises these different countries or regions is that FAS is totally embedded in the existing extension services and one-to-one on farm visits have been aggregated with the 'standard' on-farm visits of the extension system.

Beneficiaries of FAS advice

As discussed under EQ 1.1 and 1.2, even without detailed monitoring data about the type of beneficiary farmers are available at Community level, several elements tend to indicate that mainly larger farms that are already in contact with existing advisory services make use of the FAS. The participation of smaller farms is currently limited.

Considerations from MS

Further from CR, several MS in their conclusions and recommendations for the future of FAS consider it essential to maintain voluntary access of FAS, regardless of the level of uptake of FAS. Some countries, for example FR, DK, IE and NL even suggest that there is no need for a separate FAS service. Only EE and SL prefer a compulsory basis for FAS.

One must also keep in mind the costs that would be associated (both for farmers and the MS) of organising a compulsory system (in addition or in parallel with the existing extension/advisory services). This is also a reason for MS to continue advocating the voluntary access. In all payments configurations, as the uptake of FAS remains limited in all MS, so the costs for FAS remain bearable for most MS.

4.5 Theme 5: Efficiency analysis

4.5.1 Evaluation question 5.1 : FAS efficiency

Question 5.1: To what extent are the costs deriving from the establishment and application of the Farm Advisory System proportionate to the secured benefits?

Detail the analysis with respect to:

- Costs incurred by the Member States for the establishment of the system (taking into account possible EAFRD co-funding)
- Costs incurred by the Member States for the running of the system
- Costs incurred by Community farmers for making use of the system (taking into account possible EAFRD co-funding – refer to theme 2)
- Secured benefits of the system as assessed under themes 1, 2, 3 and 4

Interpretation of the question

The question aims at analysing the efficiency of the FAS. It concerns the relationship between the various resources employed in pursuing the objectives of the FAS and the results obtained. The various costs incurred should be compared to the benefits secured.

Approach and judgement criteria

The answer to the question tends to compare and balance the various costs incurred by MS to the secured benefits. The EAFRD contribution is taken into account in the analysis.

The answer is built on the two following judgement criteria: i) assessment of factual costs incurred by the MS and the Community farmers in relation to FAS for 2008 (JC1); and ii) the identification and appreciation of expected benefits from the FAS (JC2).

Validity – limitations of the approach

The analysis is limited by the low quality and incompleteness of both primary data collected through the CR and the case studies, and secondary data available (DG AGRI questionnaires).

Answer Summary Box

To what extent are the costs deriving from the establishment and application of the Farm Advisory System proportionate to the secured benefits?

The question aims at analysing the efficiency of the FAS through the comparison between the resources employed in pursuing the objectives of the FAS and the results obtained. It entails a comparison between costs incurred and benefits secured. The answer is built on the two following judgement criteria: i) assessment of factual costs incurred by the MS and the Community farmers in relation to the FAS for 2008 (JC1); and ii) the identification and appreciation of expected benefits from the FAS (JC2).

With the available data, costs incurred by the MS could not be assessed with an adequate level of precision, and benefits expected from the FAS could only be appreciated in a qualitative way.

Cost incurred by the MS for the establishment of the system mainly cover setting-up costs (potentially including a needs assessment, a tendering process, development of specific farm advisory tools (FAT), training of advisors, etc.), public relations and advertisement of the FAS to farmers. Running costs incurred by the MS mainly concern their contribution to the costs for the advice delivered to the farmers and the costs linked with the overall coordination and monitoring of the system. Data collected are incomplete and do not provide an overall or clear picture of the costs for establishing the FAS, nor the costs for implementing it in 2008.

Costs incurred by the farmers for making use of the FAS (in 2008), and taking into account possible EAFRD contributions have already been assessed under theme 2.

Despite the scarcity of available information (only few MS have recorded the costs incurred in relation to the FAS), **the MS consider that the costs to setting-up the FAS have been modest overall.** This is explained by either considering that these costs have represented a very limited part of the overall ministerial budget, or by the fact that the FAS has been integrated into comprehensive advisory systems which have already been operating for a long time. This could also explain the limited uptake of *measure 115*.

Costs for the setting-up of the FAS have tended to be more significant (however remaining limited overall) **in those MS that have foreseen a detailed needs assessment at farmer level** (e.g. some €300,000 in SE), **or a tendering process for OB and accreditation for advisors** (e.g. some €100,000 in DK, €60,000 in FI, approximately the full-time employment of one person over a two-year period in FR). Additional costs for the MS have also to be considered if advisors have been trained by the public authorities⁷⁷ or specific FAT have been developed sometimes with associated ICT tools (e.g. overall check-folder in DE). However no data are available to quantify the costs in these cases.

Overall, the **costs incurred by the MS for the running of the FAS are mainly linked to the funding or co-funding of FAS advice.** No data are available for MS providing advice free of charge. In those MS co-funding advice, the national contribution to the costs incurred by the farmers for benefiting from the FAS can be considerable, especially

⁷⁷ Mainly in MS that have foreseen a formal accreditation process and particularly CY, CZ, DE, DK, EE, EL, HU, SE, SK, UK-Eng and UK-Nir (see section 3.4 of the descriptive part).

when the uptake by farmers is high (e.g. in HU, which shows the highest registered amount of some 2,7 million Euro in 2008⁷⁸).

In addition, there are the costs linked to the wages of public officials in charge of the monitoring and follow-up of the FAS. However, only fragmented information is available in the MS concerning this aspect. In general terms, the costs for the management of the FAS are higher in the countries that make use of EAFRD funds than in those with no co-funding.

The costs for farmers for benefiting from the FAS have been considered in theme 2. As already shown, they represent a very limited part of the **average** farmers' income. Nevertheless, the pre-financing before public co-funding of the total cost of advice (up to €2,400 in some regions of MS) might however be a constraint, especially for smaller farm holdings.

The effects of the FAS are generally positive, even though difficult to quantify. Overall, the main benefit of the core FAS approach (one-to-one on farm advice) is the contribution to beneficiary farmers' awareness raising on the effects of their farming practices related to the environment, food safety and animal health/welfare. Additionally the FAS contributes to:

- Build up farmers understanding of SMR and GAEC requirements and thus increase their acceptability to farmers. It provides a concrete interface with all obligations through the developed checklists.
- Improve farming practices that contribute indirectly to the income of farmers through a more rational use of input factors and nutrient management (reduction in loss and waste) and higher productivity. However, in some cases, the advice might have disclosed the need for making specific investments.
- A better overall hygiene on the farm. For farms with livestock, application of animal health and welfare standards leads to increased productivity or lower losses.
- A reduced risk for penalties from the cross compliance controls.
- A series of positive side-effects, the most interesting one being that some MS have taken the opportunity of the FAS to rethink their wider advice and knowledge information systems for farmers.

Comparing and balancing the various costs incurred by MS (inclusive of the eventual co-funding by EAFRD) and farmers and the secured benefits is not possible with the available data. The balance is under all circumstances country dependant and with big variations among MS and regions.

⁷⁸ Including EAFRD contribution.

Analysis

Cost incurred by MS for setting-up the FAS

Cost incurred by MS in relation to FAS cover setting-up costs, public relations and advertisement of FAS to farmers, the MS's own contribution to the advice cost to the farmers and the overall coordination and monitoring of the system. Data collected either through the DG Agri questionnaire, or the CR and in instances cross-examined in the five case study areas, are incomplete and do not provide an overall and clear picture of the cost of FAS in 2008 for the MS. With the available information, it is clear that no conclusions or detailed analysis can be made. This can only be achieved at a later stage, on condition that clear and univocal financial data can be released by and collected from MS and regions.

The following major elements of cost may be incurred by MS for establishing and running the FAS:

Indicative list of MS costs related to the FAS

1. Eventual costs linked to the setting-up, such as for example:
 - Conducting a needs assessment
 - Tendering and selection process of operating bodies/advisors
 - Developing main FAT (or specific ICT) tools
 - Training for advisors and other staff
2. Public relations and advertising on FAS to farmers
3. Cost of advice delivered (share of total cost incurred by the Government, including eventual EAFRD contributions)
 - for one-to-one on-farm advice
 - for small groups
 - for specific one-to-all tools mobilised
4. Coordination and monitoring costs
 - Costs of steering meetings and events
 - Coordination and follow-up of advisors
 - Quality and satisfaction monitoring
 - Workshops and accreditation (renewal or updating)
 - Others

Few MS have recorded their costs related to the FAS; furthermore, very few member states have specific accounts for their costs related to administrative issues such as coordination and monitoring of the implementation of the FAS. The major finding from the CR suggests that a) MS consider, or considered, the costs related to setting-up, advertising and coordinating FAS as insignificant and they have been covered as a part of the overall ministerial budget or b) comprehensive advisory services were established a long time ago and these services can cater for the incremental costs due to FAS.

The following problems complicate the interpretation of collected data: i) discrepancy in CR information, such as indication of cost/expenditures (e.g. CZ); ii) the use of aggregated figures, such as aggregating several years (e.g. AT) or FAS and other extension costs (e.g. SL, UK); iii) currency in local currencies (e.g. EE, UK) and thus fluctuations make it

difficult to convert exactly to the euro. With all these limitations in mind and based on the scarce information available and communicated by MS at the time of this evaluation, the following findings are presented.

Costs indications for setting-up the FAS have been reported in 6 MS (AT, DK, EL, FI, LU, MT, SE) as shown in the following table. No detailed breakdown of these costs was communicated by these MS. DE-NSC implemented a pilot FAS involving 600 farmers; the cost of this pilot phase was €350,000.

Table 17: Cost of setting-up of the FAS in some MS

MS	Costs (€)	Number of farmers (receiving direct payments in 2006)	Cost/farmer
			In €/farmer
AT	250,000	133,030	2
DK	100,000	70,600	1.50
EL	1,310,000	868,080	1.50
FI	60,000	65,020	1
LU	170,000	2,000	85
SE	300,000	82,990	4
<i>DE-NSC</i>	<i>350,000</i>	<i>50,000</i>	<i>7</i>

Source: Country reports

From the CR, in France, the setting-up of the FAS at the level of the Ministry represented about 1 full-time equivalent job in 2006 and 2007.

Essential components of the costs of setting-up the FAS are outlined below.

Needs assessment

Only one country, namely Sweden, that has reported with regards to the costs of the setting-up of the FAS has carried out a comprehensive needs assessment (including a survey, stakeholder consultations and the preparation of an action plan). The figure indicated for the costs for the setting-up of FAS in SE is €300,000. If this figure is compared to the indicated costs for setting-up of FAS in DK (€100,000) and FI (€60,000), where the cost structures and country sizes are comparable and where no need assessments were made, we find that the additional costs of carrying out the need assessment is around €200,000 in SE. Information is not available for SE regarding the number of farmers targeted by the surveys, the numbers and types of consultations of stakeholders etc, but the costs are not judged to be high.

However data are not available for a clear conclusion on this issue.

Tendering and selection process of OB

No data are available on specific costs for the tendering and selection process in any MS. These activities mainly include the time spent by managing authorities (possibly outsourced) for implementing the selection process. In that context, the designation of existing public service providers already operating with advisory services is less time

consuming than an accreditation process including tendering and further selection. Overall, **wages are the main component of the costs for the process of selecting the FAS OB.** Tendering is more “time consuming” in countries with a very large number of small service providers (DE, ES, IT) compared to DK, NL and others, where the advisory market is dominated by one privately driven major institution that emanates from former associative organisations (see also descriptive part section 2.2).

Additional costs for the MS have also to be considered if advisors have been trained by the public authorities.⁷⁹

Developing main FAT (checklist)

The development of checklists, in particular those check-folders that integrate all legislative aspects (national/regional) in addition to cross-compliance requires human resources. No specific data are available regarding this issue. Again wages represent the main component of the overall costs.

Who supports FAS setting-up costs?

Only three MS really used EAFRD support to set-up the FAS (ES, IT (7 regions) and PT)⁸⁰. In all other MS, the costs for setting-up the FAS have been totally integrated into the overall ministerial budget.

The conclusion from the case studies is that the costs for setting-up the FAS are modest overall. However, considerable human resources could have been devoted to this task as long as:

- detailed needs assessment has been conducted;
- a tendering process has been launched for selecting OB and advisors;
- advisors receive a special training; this has been implemented in several MS, but the costs related to the training are not reported;
- advice was foreseen to be co-funded (thus including reimbursement of some costs), but typically existing IT systems have been used, and no additional costs have been incurred due to the fact that FAS is a part of the subsidised programmes;
- an overall checklist folder system was developed including all regulatory aspects.

⁷⁹ Mainly in MS that have foreseen a formal accreditation process and particularly CY, CZ, DE, DK, EE, EL, HU, SE, SK, UK-Eng and UK-Nir.

⁸⁰ Three MS (ES, MT, PT) and some regions in DE, IT, UK, FR (Corsica, Guadeloupe and French Guyana) planned to use *measure 115* for the period 2007-2013 (DG Agri, EAFRD total allocation for *measure 115*). *Measure 115* includes farm relief services and farm management along with the setting-up of farm advisory services. Regions in DE, UK and Corsica & French Guyana have used the measure for other purposes than the FAS. MT planned to use the funds, however, the measure has not been implemented and as of May 2009, no funds had been used. On the other hand, three MS (ES, IT (7 regions, PT) and Guadeloupe did really use the measure for the setting-up of the FAS before May 2009.

Costs for public relations and advertising on FAS to farmers

Costs for public relations and advertising on FAS to farmers have not been reported by MS and regions. The primary reason seems to be that in most MS PR activities regarding FAS have been organised in the context of the general information policy, through websites, electronic newsletters etc. Consequently, no registration of FAS specific public relation and information activities has been recorded.

Costs incurred by MS to run the FAS

Costs of advice delivered in 2008⁸¹

Costs of advice delivered in 2008 have been reported by MS and regions (see EQ 2) but only for one-to-one on-farm advice. Small group advice on farm is in general free of charge, with the exception of IE and UK-WAL. Public subsidies through national and EAFRD funding have been considered in EQ 2. The financial implications for the various MS depends on the MS's approach (free/shared/full cost).

For MS funding all costs of advice (delivery free of charge), no cost elements are available. Indeed, none of the countries that provide the one-to-one on-farm advice free of charge to farmers (BE-WAL, BG, CY, EL, LV, RO, SL, UK-ENG and UK-NIR) have provided detailed figures on costs incurred by the National/Regional authorities for delivering advice for free.

In MS where farmers' bear the full cost of advice, there is no contribution from the MS (DK, UK-SCO).

Thus, data regarding costs incurred by MS/regions are only available for those MS/regions that co-fund the one-to-one on-farm advice. Data presented in table 18 show the amount in euros represented by public co-funding in 2008. **It must be underlined that figures are indicative** mainly based on CR. Some concern committed funds, some disbursed funds.

The overall public support has been considered, including national/regional and EU funds if EAFRD funds have been used.

⁸¹ For those MS that are delivering advice based on a fee – see also section 1. 1.2 of the descriptive part.

Table 18: Indicative public cost of the FAS for one-to-one on-farm advice delivered in 2008

MS	Type of MS contribution	Public cofunding (in €)
BE-FL	EAFRD	1,470,000
CZ	EAFRD	2,925,000
DE-NSC	EAFRD	1,190,000
DK	Full cost for farmers	
EE	EAFRD	349,300
ES-CAN	EAFRD	137,518
ES-CLM		360,000
ES-CYL		349,777
ES-LRI		121,695
ES-PVA		19,200
FI	Only national contribution	300,000
HU	EAFRD	2,694,811
IT-EMR	EAFRD	1,048,000
IT-VEN		1,500,000
LT	EAFRD	406,906
LU	EAFRD	21,000
NL	EAFRD	545,000
SE	EAFRD	840,000
UK-SCO	Full cost for farmers	
UK-WAL	Subsidy	240,029

Source: Public contribution (EAFRD + national contribution) in 2008; CR

From the figures in table 18, it appears that co-funding advice represents a considerable budget for some regions (BE-FL, DE-NSC, ES-CLM) and some MS (HU, LT).

Costs for coordination and monitoring in 2008

Indicatively, costs for coordination and monitoring in 2008 have been provided by AT, BE-WAL, DK, FI, SL, UK-ENG, UK-SCO & UK-NIR as shown in the following table (table 19). Except for BE-WAL, no detailed allocations of these financial figures have been provided. In Slovenia and UK-SCO, the data cover coordination and monitoring for all advisory services.

Table 19: Indicative costs for coordination and monitoring of the FAS

MS	Indicative costs (€)
AT	1,600,000
BE-WAL	450,000
DK	40,000
FI	300,000
SL	9,550,000 (*)
UK-ENG	550,000
UK-SCO	7,500,000 (*)& (**)
UK-NIR	4,750,000

(*) costs cover all advisory services and not only the FAS related advice.

(**) identical to the total cost of advice supported by the farmers

Source: Country reports

Costs incurred by farmers for one-to-one FAS advice

Costs incurred by farmers for one-to-one on-farm advice are available for 12 MS, 16 regions in ES and 2 regions in IT for advice in 2008. These costs have already included the public support. Indeed, the total unit cost for an advisory package before public co-financing ranges from €275 to €2,400 (see theme 2). A total of €16 million is invested in these countries and regions by MS farmers to have access to advice from the FAS, see table below. For several MS data are not available, because although the FAS was set-up in 2008, it was not yet operational and no advice had been delivered (PT, PL, EL and some regions in ES).

Table 20: Cost incurred by farmers for FAS on-farm one-to-one advice in 2008

MS	Cost for the farmer in Euro	Outreach of farmers in 2008 (one-to-one advice)	Total costs incurred by farmers (cost x outreach)
BE-FLA	375	1,084	406,500
CZ	432	1,172	506,304
DE (NSC)	400	2,314	925,600
DK	400	600	240,000
EE	125	803	100,375
ES-CLM	209	3,000	627,000
ES-LRI	75	1,159	86,925
ES-NAV	480	1,411	677,280
FI	80	1,000	80,000
HU	126	12,133	1,528,758
IT-EMR	187	400	74,800
LT	416	153	63,648
LU	210	45	9,450
NL	999	547	546,453
SE	170	598	101,660
UK-WAL	750	60	45,000

Source : CR

Expected benefits from the implementation of FAS

A qualitative assessment of the secured benefits is provided based on related elements under themes 1 to 4. These are summarised hereunder.

From theme 1: Effects on land management

Overall, the core FAS approach (one-to-one on-farm advice) contributes to awareness raising among beneficiary farmers along with other external elements. The core approach plays a role to build up farmers' understanding of SMR and GAEC requirements and thus increase their acceptability to farmers. In this way, it supports current implementation of cross compliance requirements through the comprehensive support of all regulatory aspects, the translation into understandable questions and linked discussions on the rationale of all requirements with advisors.

Through the FAS, and the checklist system developed by most MS as a support tool, farmers have a concrete interface (and potential advisory services that are independent from commercial firms) summarising the important number of requirements, at least from EU level. In the few MS using an overall check-folder system integrating all regulations (national, regional, quality insurance systems), the first steps of integration towards overall quality systems (integrated checklists that include all regulatory aspects) have taken place. The FAS provides an opportunity for Community farmers to improve their administrative skills related to record-keeping that is required by cross-compliance.

From theme 2: Effects on farmers' income

The FAS core approach contributes to improved farming practices that in turn indirectly influence the income of farmers through a more rational use of input factors and nutrient management (reduction in loss and waste) and higher productivity. It also contributes to better overall hygiene on the farm. For farms with livestock, application of animal health and welfare standards leads to increased productivity or lower losses.

The most direct benefit from the FAS is attributed to reduced risk for penalties from the cross compliance controls.

From theme 4: Other impacts

A series of other effects were highlighted during case studies: a) the opportunity to establish and strengthen a trust relationship that can facilitate the interfacing between farmers and advisors; b) the continual quest of extension services of how to ensure spin-offs to slower pace groups of farmers and the present situation which seems to focus on those farmers that are in the front-running group; c) the farmer's continued doubts about the water-tightness between advice and cross-compliance controls; and d) a number of sundry Observations such as reluctance towards written advice and the insurance for advisors against the risk of farmers' eventual penalties that could be referred back to. The last major effect could be that some MS have taken the opportunity of the FAS to rethink their wider advice and knowledge information systems for farmers.

4.5.2 Evaluation question 5.2 : Support from EAFRD

Question 5.2: To what extent is the financial EAFRD support to the Farm Advisory System and Forestry Advisory Services an efficient means of providing support?

Interpretation of the question

This question aims at analysing whether the EAFRD is an efficient means of providing support and has added value in comparison to not using this fund.

Approach and judgement criteria

In order to identify the potential value added of EAFRD support in achieving the FAS objectives, the following judgement criteria have been considered.

The use of EAFRD leads to:

- less expensive setting-up of the FAS (JC1)
- less expensive use for the farmers (JC2)
- additional outcomes (JC3)

The efficiency of the EAFRD support to forestry holders is examined separately (JC4).

Validity – limitations of the approach

The evidence for answering this evaluation question comes mainly from the CR and from the case studies, where more in depth interviews with FAS managers were conducted. The analysis is limited by the low quality and accuracy of the data provided through the CR and particularly the limited available information as regards *measure 115*.

Answer Summary Box

To what extent is the financial EAFRD support to the Farm Advisory System and FoAS an efficient means of providing support?

In order to analyse the efficiency of the EAFRD support, the costs for setting-up the FAS are discussed for both type of MS (with and without EAFRD) (JC1). The efficiency for the use of advisory services for farmers is discussed in JC2 and additional outcomes thanks to EAFRD are assessed in JC3. JC4 concerns support to private forest holders.

EAFRD contributions to support the setting-up of the FAS (*measure 115*) has been currently used by only three MS (ES, IT and PT). No meaningful data are available allowing to conclude about the efficiency of EAFRD for supporting the setting-up of the FAS, apart from the consideration above concerning the overall very limited use of measure.

Measure 114 concerning the support to the use of advisory services has a larger uptake, with over half of the MS (15 MS at national level, 4 MS in some regions) making use of it.

Measure 114 supporting the use of advice by the farmers has well eased the cost burden for beneficiary farmers (supporting between 60-80% of the total unit cost of advice). However, no meaningful elements are available, allowing to conclude that the use of EAFRD leads to a less expensive use of the FAS for farmers, since in some MS the advice is for free, and the unit cost of advice is sometimes lower in those MS where the costs for advice are fully charged to farmers.

Additional outcomes from EAFRD support for the use of FAS are the comprehensive coverage of all cross-compliance requirements. MS that are not using the funds have in general a thematic approach. However, notwithstanding the opportunity of discussing all cross-compliance requirements (and occupational safety), this type of advice might discourage farmers being already aware of SMR and GAEC. In addition, such an advice could not be sustainable over time, since farmers having benefited of advice activities once or twice may not be interested in further advice.

All MS that are using support from the EAFRD provide one-to-one on farm advice, which we see as an effective approach, although it might be rather expensive for the farmers.

Some MS make use of the fund for either enlarging the scope of the FAS to other regulatory requirements from national/regional legislation or from quality insurance systems, or for providing economic advice on the farm. Other MS add specific topics (energy, environment, quality insurance systems) to FAS services (which is not the case in those MS that do not use the EAFRD, with the exception of BG, IE, SI).

In sum, even though EAFRD support provides additional outcomes, the information available does not allow to provide a definitive conclusion on the efficiency of the EAFRD support.

Analysis

The use of EAFRD for the setting-up of the FAS by Member States

As described in section 3.6 of the descriptive part, overall *measure 115* supporting the setting-up of the FAS has not been widely mobilised by MS (three MS (ES, MT and PT). Total budgetary means foreseen by these 3 MS amount to around €129 million for the 2007-2013 EAFRD programming period, of which nothing had been disbursed until June 2008⁸². Mobilising *measure 115* does not necessarily mean that funds will go supporting FAS setting-up, as other services such as farm relief and management services can also be supported.

In volumes of mobilised funds, it is clearly Spain (all regions - €81million), followed by Portugal (€33.9million) and Italy (€13.3million in 7 regions only), which have mobilised this measure. Strikingly, none of the EU12 has drawn on this measure.

⁸² DG AGRI, EAFRD – total allocation 2007-2013 for measures 114 and 115 vs declarations of expenditure.

Regarding the use of these funds, limited information is available and only for IT and PT.

In PT, the intention of the three regional RDP was to provide support to operating bodies and service providers. However, the accreditation process has not yet been completed (in the Azores and Madeira, supportive legislation is still pending and on the mainland, legislation has only recently been published (Ordinance n° 481/2009 of the 6th May).

In IT, major cost elements that were foreseen are related to expenditures for registration of operating bodies; staff; purchasing, renting and maintenance of the technical equipment foreseen for the setting-up of the FAS; renting and maintenance of the offices; and specialised training for the staff. All these costs are degressive over the period. EAFRD funds that are engaged for the 2007-2013 period amount to €13.3 million. Support goes to a wide range of OB: in Centre-North Italy (professional organisations, producer associations, associated consulting organisations) and more public in the South (Agriculture Departments of the Region, public service agencies, Associations of Mountain areas “Comunità Montane”, etc).

Setting-up costs reported by MS that did not use the FAS (see EQ 5.1) appear smaller than costs reported for IT, ES and PT. However, data are not all meaningful (due to the aggregated way they are presented) and no conclusion can be drawn.

EAFRD for the use of the FAS by farmers

Measure 114 concerning the support to the use of advisory services has a large uptake with over half of the MS (15 MS at national level, 4 MS in some regions). Support through *measure 114* has eased the cost burden of advice for those Community farmers who have used FAS advice (see EQ 2.1; total unit cost of advice compared to cost supported by farmers). It is however not clear to what extent there is a more efficient delivery compared to those MS that apply the full cost principle. In addition, there are still 6 MS and regions in 3 MS providing advice for free.

The unit cost for one-to-one on-farm advice is calculated under theme 2, for those MS/regions where data are available (number of farmers using the service and the costs for them to use it).

The variation in unit costs of advice among MS and regions using the EAFRD is very significant: from €275 in some regions of ES to around (and even over) €2,000 in BE-FLA, CZ, IT, LT, NL (see EQ 2.1). With the EAFRD contribution this leads to a cost for farmers from 55 Euros (in ES-PVA) to 1000 Euros (in NL).

Thirteen MS (for some of them only some regions) have decided not to use *measure 114*. In that case, either advice is free for farmers, or it is subsidised with National funds or fully charged to farmers. When the advice is not free, the contribution for the farmer ranges from a few euros (in AT) up to 750 Euros (in UK-WAL).

Table 21 hereafter presents the cost for farmers in all MS depending whether they are using *measure 114* or not.

Table 21: Cost of advice for farmers depending of the use of *measure 114*

MS using <i>measure 114</i>		Cost of advice for farmers	MS not using <i>measure 114</i>		Cost of advice for farmers
BE	FLA	20% ± 375 Euros	AT		Free or flat rate (10-20 euros)
CY		n.a.	BE	WAL	Free
CZ		20-32% ± 432 Euros	BG		Free
DE	NSC	40% ± 400 Euros	DE	some regions	Full cost or subsidised depending of the region
EE		25% ± 125 Euros	DK		Full cost ± 400 Euros
EL		25%	FI		21 % ± 80 euros
ES		20-25% ; from 55 to 480 Euros	FR		Free or partly subsidised by National funds
HU		20% ± 126 Euros	IE		Free or 100% paid by farmers. From 30 to 250 euros
IT	some regions	± 20% ± 187-375 Euros	IT	some regions	Full cost
LT		20% ± 416 EUR	RO		Free
LU		30% ± 210 Euros	SE		30% ± 170 Euros
LV		n.a.	SI		Free
MT		Co-funded with RDP	UK		Free or full cost ± 500-750 Euros
NL		50% ± 1000 Euros			
PL		n.a.			
PT		20%			
SK		20% ± 375 EUR			

Source: ADE Consortium : country reports - figures for 2008

One could argue that the farmers' share is more or less the same between the full cost option and the high costs registered in some of the MS using *measure 114*. Thus no meaningful elements are available, allowing to conclude that the use of EAFRD leads to a less expensive use of the FAS for farmers.

The use of EAFRD leads to additional outcomes

One needs to keep in mind aspects related to the content of advice (MS define it differently according to the specificities of their agricultural sector and according to the use of EAFRD) and the manner in which the one-to-one advice is delivered within MS. The advice supported by the EAFRD, even if more costly in terms of unit cost, might be more comprehensive.

Indeed, when *measure 114* is mobilised, the advice for farmers needs to cover all SMR, GAEC and occupational safety (see art. 24b of Regulation (EC) N°1698/2005). The current value added of using *measure 114* lies in the coverage of all cross compliance regulatory aspects. MS that are not using the funds have in general a thematic approach (see also section 5.1.1 of the descriptive part).

However, notwithstanding the opportunity of discussing all cross-compliance requirements (and occupational safety), this type of advice might discourage farmers that are already aware of some SMR and GAEC. Also, the system could not be sustainable over time, since farmers having participated once or twice may not be interested in further advice (see graph 9 EQ 1.2).

Using the EAFRD supports MS in providing one-to-one on-farm advice, which we see as an effective approach (see theme 1) although also a quite costly one (see theme 2 and 5) (see box from the case study in DE-NSC on this matter).

Finally, some of the MS using the EAFRD have provided further value added by:

- integrating cross-compliance in the overall regulatory scope of national/regional legislation and quality insurance systems requirements (DE, LU)
- integrating organic farming, specific quality insurance systems (DE, IT, SL and LU)
- integrating cross-compliance in economic farm advice (BE-FL)
- integrating other specific issues, such as energy savings or renewable energy, agri-environment, Natura 2000 (CZ, EE, DE, HU some regions in IT, LT, LU and SL).

*All stakeholders in **DE-NSC** clearly mentioned that the overall approach (all themes in the checklist folder system) and the important reach of farmers (20%) through one-to-one advice has only been possible thanks to co-funding of EAFRD. Without co-funding, it is not sure that an overall approach would have been adopted, the coverage would have been less important, and probably only little one-to-one advice would have been delivered.*

Another point to underline is the monitoring of advice delivered to be done and the control of EAFRD that follows if *measure 114* is used.

The use of EAFRD is efficient when used for Forestry Advisory Services

The CR (see EQ 1.3 & 1.4) and the complementary investigation carried out in those case study areas that have in principle mobilised EAFRD support for FoAS (CZ and IT) do not include sufficient data to provide an answer to this question at a general level.

IT-VEN reports that 13 requests for forestry related advice have been received (out of 1,300 FAS requests in total), but more detailed data on subject and cost are not available. In DE-NSC, EAFRD support for forestry has not been used, and information gathered from other German Länder suggest that this is due in part to that fact that support to forestry associations is not eligible to EAFRD funding under the 2007-2013 period. In CZ, no direct contacts were possible with relevant forestry services as FAS management did not distinguish any specific advice services in respect to forestry.

4.6 Theme 6: Relevance and coherence

4.6.1 Evaluation question 6.1 : Relevance

Question 6.1 To what extent are the objectives of the Farm Advisory System (as outlined in Regulation (EC) N°1782/2003) pertinent with respect to the needs and problems of the EU agricultural sector?

Interpretation of the question :

This question aims at assessing the relevance of the objectives of the FAS, as outlined in Regulation (EC) N°1782/2003 with respect to the needs and problems of the EU agricultural sector.

Approach and judgment criteria

Considering that the objectives of the FAS are defined at EU level, and that a large degree of flexibility is left to the MS in order to adapt the Community framework to the national specificities, two main levels of relevance are distinguished. Relevance will be firstly assessed at Community level, by examining the pertinence of the objectives of the FAS with respect to meso-type needs (including a series of new challenges facing the sector in the coming years) at Community level. In a second stage, relevance will also be assessed at the level of the MS, by examining the relevance of the specific objectives of the FAS defined at national level with respect to the specific needs and problems at national level (the latter varying, e.g., according to the predominant types of farming in the different MS).

The analysis will therefore follow a stepwise argumentation based on the following judgement criteria:

- Identification of the main needs and problems of the EU agricultural sector (JC 1).
- Comparison between the needs identified and the FAS objectives (JC 2).
- Relevance of the FAS objectives defined at the level of the Member States with respect to specific national needs (JC 3).

The approach to this question is of qualitative nature, and is based on the set of objectives of the FAS identified by the evaluator in the context of the definition of the intervention logic of the instrument (see chapter 2.1), and on the interpretation of the global objective of "meeting the standards of modern, high-quality agriculture", as given in chapter 3.3.

The analysis of the relevance of the objectives of FAS defined at MS level with respect to national needs complements the approach.

Validity – limits of the approach

A limitation concerning the analysis of the relevance of the FAS with respect to national specific needs has been the lack of explicit documents, at MS level, providing a comprehensive framework of the objectives established. Some elements of the focus of the FAS at MS level have been therefore obtained from the questionnaires sent to the MS in the context of this evaluation; other elements have been deducted by the evaluator based on the advisory activities that have been set up in the different MS.

<p style="text-align: center;">Answer Summary Box</p> <p style="text-align: center;">To what extent are the objectives of the FAS as outlined in Regulation (EC)N°1782/2003 pertinent with respect to the needs and problems of the EU agricultural sector?</p>
<p>In order to answer this question of relevance, two levels of analysis have been distinguished, the Community level and the MS level. The analysis rests on the following JC, namely an identification of the needs and problems of the EU agricultural sector (JC1) the extent to which the FAS objectives address these needs at Community level (JC2) and MS level (JC3).</p> <p>At Community level, the following aggregated needs and problems of the agricultural sector, have been considered⁸³: integration of environmental concerns into agricultural policy (sustainable environmental farming); more market orientation and stabilisation of agricultural incomes (increased competitiveness); food safety & quality, and developing the vitality of rural areas (answering EU citizens expectations). New challenges have been identified referring to the 2008 CAP health check that represent new needs for farmers in the near future. They include climate change and the role agriculture will have to play in the broader effort to reduce greenhouse gas emission, sustainable water management, production of bio-energy⁸⁴, and others such as more integration of innovation & knowledge development, efficient energy management and ensure long term prospects to attract future generations to farming⁸⁵.</p> <p>As mentioned in recital 8 of Regulation (EC) N°1782/2003, the FAS has been introduced to help farmers to meet the standards of modern, high-quality agriculture (MHQA). To achieve this, the regulation emphasizes raising farmer's awareness of material flows and on-farm processes relating to the environment, food safety and animal health and welfare. This has been completed by other specific objectives, also based on article 13 of Regulation (EC) N°1782/2003, and on a number of <i>considerata</i> from Regulation (EC) N°1698/2005, as the intervention logic presented in section 2.1 shows.</p> <p>When mirroring the needs of the EU agricultural sector and the objectives of the FAS as stated in Regulation (EC) N° 1782/2003, it can be concluded that the FAS is relevant. Those objectives are not only relevant regarding the current needs, but also as regards the emerging needs in the EU agricultural sector, in particular those linked to climate change</p>

⁸³ Explanatory Memorandum (COM (2003) 23 final from 21.1.2003

⁸⁴ Explanatory Memorandum (COM (2008) 306 final from 20.5.2008

⁸⁵ Visions for the future of the agricultural policy in Europe” – Congress of European farmer - September 2008 - COPA-COGECA

and prices volatility. In addition, the FAS is relevant with respect to the needs of farmers to be advised on cross compliance related issues.

Regulation (EC) N° 1782/2003 leaves a considerable level of discretion for MS to fine tune the Community framework of objectives in response to their own needs and priorities.

At MS level, during the first years of implementation of the FAS (and during the phasing-in period of cross-compliance), the Community framework defining the objectives of the FAS has been transposed in most MS by especially focusing on the support that FAS can provide to farmers for a correct application of the basic standards for the environment, food safety, animal health and welfare and good agricultural and environmental conditions included in the scope of cross compliance. We notice a limited attempt, so far, to adapt the Community framework to other specific national contexts and needs.

However, 12 MS have widened the scope of the FAS beyond the scope of cross-compliance. Two MS have done it by including other (national/regional) regulatory aspects and/or quality insurance systems (DE, LU), keeping thus the link with material flows and on-farm processes relating to the environment, food safety and animal health and welfare. Some MS included a few innovative themes compared to the usual advisory business or specifically integrated economic advice to the FAS (BE-FLA). Some MS/regions have set-up the FAS as an overall advice system integrating advice on various RDP priorities (EE, IE, LT, SL, IT (some regions), UK-WAL).

Currently, at MS level, for a large number of MS and regions, the FAS does not address comprehensively the various needs of farmers, except cross-compliance advice. However, these needs are often covered by the existing advisory and/or extension services.

Analysis

The needs and problems of the EU agricultural sector

The overall needs and problems of the EU agricultural sector have been defined based on a number of documents regarding the 2003 reformed CAP⁸⁶, as well as on more recent policy debates. The needs identified include more market orientation and increased competitiveness, food safety & quality, stabilisation of agricultural incomes, integration of environmental concerns into agricultural policy and developing the vitality of rural areas. They have been summed up in three major groups of needs:

- **Environmental sustainability** - A farm is perceived as a system in which material flows interact with the environment. This system needs to be adequately managed to ensure the long-term protection of the natural resources.
- **Competitiveness** – Farm holdings need to be competitive in the overall context of the global market of agricultural production integrating production of higher value added products and new demands from consumers, through e.g. innovative production

⁸⁶ Explanatory Memorandum (COM (2003) 23 final from 21.1.2003

systems, better integration within the agro-food chain or development of niche, shorter circuits and new outlets.

- **Expectations from European citizens**⁸⁷ - During the last ten to twenty years, European citizens have expressed growing concerns about food safety, animal welfare, impacts of agro-chemicals. Furthermore, the impact of the CAP on biodiversity and preservation of specific natural areas or biotopes - landscapes has also been a recurrent topic in recent policy debates.

Since 2003 these needs of the EU agricultural sector have evolved, as illustrated by the conclusions of the congress of European farmers held in September 2008 in Brussels, highlighted in the following box.

New trends in the needs of the EU agricultural sector

In addition to the on-going priorities of the reformed and updated CAP, to i.a :

- *Respond to rising food demand and face increasing price volatility.*
- *Help farmers both mitigate and adapt to the negative effects of climate change.*
- *Ensure EU agriculture's contribution to reducing CO₂ emissions and the EU's dependence on energy imports through the production of renewable non-food resources.*
- *Ensure a fair standard of living for agricultural producers*
- *Ensure long-term prospects which will attract future generations of both men and women farmers to a career in farming.*

*Extracts of "Visions for the future of the agricultural policy in Europe" –
Congress of European farmer - September 2008
COPA-COGECA*

⁸⁷ This "group of needs" is not explicitly referred to in the Explanatory Memorandum of the CAP reform. However, we consider it in this context, given the importance that this topic has in the current policy debate.

Some of these challenges have been incorporated in the explanatory note on the CAP health check of 2008⁸⁸, such as climate change, water management and bio-energy. Others are indirectly addressed by the CAP reform such as energy flows and the entire 'social' or long-term attractiveness of farming in the EU.

Innovation and ICT also pose a number of challenges and opportunities to the EU farmers, as they will either directly assist farmers in meeting MHQA or provide them with new production tools and product niches, and change the way business is conducted.

Furthermore, the needs of the EU agriculture can not be solely described or assessed without taking into consideration each MS's specific context. These needs and their respective weight vary of course in relation to elements such as : i) farms sizes, types of farming and productions; ii) specific MS socio-economic frameworks in which the various farm types operate; iii) the need in the EU12 to consolidate the farming system (with a basic trend to either intensive small holdings or to further consolidate farm units), trend which is less pronounced in the EU 15, where the focus seems to be more on strengthening the knowledge base and decision making capacities; etc.

FAS objectives address Community meso-level needs and problems of the EU agricultural sector

As mentioned in recital 8 of Regulation (EC) N°1782/2003, the FAS has been introduced to help farmers to meet the standards of modern, high-quality agriculture (MHQA) which is considered as the overall objective of the FAS instrument. MHQA for the purpose of this evaluation has been defined as responding to three major groups of needs (see a more detailed definition in section 3.3):

- Environmental sustainability
- Competitiveness
- Expectations from European citizens

The reconstructed intervention logic (see section 2.1) indicates that this should be achieved through the improvement of the “sustainable management” and “the overall performance” of farmers' and forest holdings.

Awareness raising on material flows and on-farm processes relating to the environment, food safety and animal health and welfare, **contributes to this** as an important element, and **has to be supported by other specific elements** as shown in the intervention logic, such as support to adapt and improve overall performance, decision to effectively implement sustainable land management and improved productivity and competitiveness of farmers' and forest holders.

According to the definition proposed by the evaluator of MHQA, the objectives of the FAS are pertinent with the needs of the EU Agricultural sector at a global level. Those objectives are also pertinent in regards of the emerging needs in the agricultural sector, in particular the needs linked to climate change and prices volatility.

⁸⁸ Explanatory Memorandum (COM (2008) 306 final from 20.5.2008

More particularly, the FAS is relevant with respect to the needs of farmers to be advised on cross compliance related issues. Indeed, these requirements are linked to environmental issues and to expectations from European citizens.

However, the needs of the agricultural sector and the related operational objectives have to take account of the specificity and the diversity of agriculture through Europe. The global objective has thus to be declined in each MS.

Objectives of the FAS at MS level

Regulation (EC) N° 1782/2003 leaves a considerable level of discretion for MS to fine tune the Community framework of objectives in response to their own needs and priorities. By doing so, the needs and problems of the ultimate direct beneficiaries can be addressed in more detail than at Community level.

The analysis of the available documents at MS level show that few MS (BE-FLA, EE, IT, LT, RO, SE) have done an overall needs assessment and published then a comprehensive framework for the FAS in their MS/region (see descriptive part section 2.1). Some MS have implemented a needs assessment, but without survey or action plan at MS level (BG, DE, EL, ES, HU, LV, PL, PT, UK-WAL).

Overall, we notice that during the first years of implementation of the FAS, the MS have mostly targeted the objective of supporting farmers in applying cross compliance requirements (in particular as regards environmental issues – see answer to EQ 1.1), without explicitly defining additional objectives to the ones mentioned in Regulation (EC) N° 1782/2003.

However, 12 MS have widened the scope. Two of them have done it by including other (national/regional) regulatory aspects and/or quality insurance systems (DE, LU), keeping thus the link with material flows and on-farm processes relating to the environment, food safety and animal health and welfare).

Other MS added specific (innovative) advisory aspects like energy management in an individual way. Seven MS/regions (EE, IE, LT, SL, BE-FLA, UK-WAL, IT) have set-up the FAS as an overall advice system integrating economic farm advice to advice on cross-compliance as well as various other priorities from RDP.

Currently, at MS level, for a large number of MS and regions, the FAS does not address comprehensively the various needs of farmers, except cross-compliance advice. However, other needs are usually covered by the existing advisory and/or extension services.

4.6.2 Evaluation question 6.2 : Coherence with the other measures

Question 6.2 To what extent is the instrument coherent with other Community interventions in achieving the objectives of the CAP and broader Community objectives?

Interpretation of the question

This question concerns the coherence between the FAS, as defined in Regulation (EC) N°1782/2003, and other Community interventions in achieving the objectives of the CAP and broader Community objectives. Coherence will be investigated in terms of synergies/complementarities between different instruments/interventions in achieving determined objectives.

The **overall objectives of the CAP** can be assimilated into three broad issues identified by the evaluator when dealing with the concept of MHQA (chapter 3.3): competitiveness and innovation, environmentally sustainable farming, and sensitiveness to EU citizens' expectations.

Other Community interventions linked to the objectives of the CAP are understood as the set of instruments available under the two pillars of the CAP, namely the first pillar (based on Regulation (EC) N°1782/2003) and the rural development measures as established in Regulation (EC) N° 1698/2005.

Broader Community objectives and interventions are expressed in the Renewed Lisbon Strategy (2005) and its Programme for 2008-2010⁸⁹; i.e. mainly:

- investing in people, *i.e. through lifelong learning (LLL)*;
- investing in research, development and innovation, *i.e. bio-technologies, ITC and eco-innovation*;
- creating a more dynamic business environment *by unlocking the business potential, particularly of small and medium-sized businesses*;
- moving towards a greener economy *addressing climate change, an efficient and integrated EU energy policy and environment friendly technologies*.

In addition, the sustainable use of natural resources is also considered as a broad Community objective, that has been integrated into the Renewed Lisbon Strategy.

Since the FAS obviously represents only one element among many others contributing to the overall objectives of the CAP and, all the more reason, to the achievement of broader Community objectives, the question investigates possible synergies and complementarities between the FAS and other Community instruments in supporting these objectives.

⁸⁹ Sources: COM(2007) 804 final. 11 December 2010. "Proposal for a Community Lisbon Programme 2008 – 2010"; COM (2006) 816 final 12 December 2006. "Implementing the renewed Lisbon Strategy for growth and jOB.

Approach and judgement criteria

Due to its qualitative nature, this question is mainly tackled by analysing available relevant documents (document review), complemented by information from case studies.

Based on the definitions and the identification of EC instruments/interventions linked to the CAP objectives on the one hand and those linked to broader Community objectives on the other hand, the approach is based on two judgement criteria:

- JC1. Complementarities and synergies with Community interventions/instruments leading towards CAP objectives;
- JC2. Complementarities and synergies with Community interventions leading towards the Lisbon Strategy objectives.

For both criteria, the assessment is developed at two levels. One level assesses the potential of complementarities and synergies, based on literature research; the second level examines the extent to which these potential synergies and complementarities have been concretely exploited by the MS in the organisation of their FAS activities.

Validity – limitations of the approach

By its own nature, EQ 6.2 is very broad and a detailed analysis is out of the scope of this evaluation. The approach and the analysis provided for this question remains general and focused on meaningful considerations to be taken into account (eventually through additional investigations to be carried out in the future) in the context of the policy-making process.

As the implementation of FAS has only just begun, the concrete synergies between the FAS and other instruments in the MS could only be analysed to a limited extent.

Answer Summary Box

To what extent is the instrument coherent with other Community interventions other in achieving the objectives of the CAP and broader Community objectives??

The EQ is covered by two JC relating to synergies/complementarities, the first among Community (CAP) interventions in achieving the CAP objectives, the second among broader Community interventions (outside the CAP) supporting the renewed Lisbon Strategy objectives.

From the two Regulations that form the legal architecture of the FAS, the links between the FAS and other interventions/instruments applied especially under Pillar one are clear. The FAS is defined under Regulation (EC) N° 1782/2003 which refers directly to the heart of interventions of Pillar one and the Regulation (EC) N° 1782/2003 made an explicit link by creating the FAS to advise at least on cross-compliance. The implementation of the FAS at the level of the MS confirms these strong synergies/complementarities, as all MS have set up FAS firstly to address cross-compliance requirements.

The FAS and rural development interventions referring to Pillar two are potentially complementary, although the synergies/complementarities are less explicit in Regulation (EC) N°1698/2005 than they are in Regulation (EC) N°1782/2003. They are however clearly underlined in the reconstructed intervention logic proposed by the evaluator. Potential synergies and complementarities between *measure 111* (vocational training) and *measure 114* (support for the use of advisory services) are high. The FAS is also complementary with axis 2 measures, aiming at improving the environment and the countryside by supporting land management. The FAS provides advice with an important focus on sustainable production methods (notably through the various cross-compliance standards linked to the environment) whereas some measures of axis 2 support environmentally friendly production methods going beyond compulsory standards.

At MS level, the exploitation of those potential synergies/complementarities varies from one MS to another. A number of MS have used the possibility to support the FAS through RDP interventions, but only some of them seem to have looked for synergies with other RDP interventions. According to the evaluators' findings, based on available documents, the concrete synergies between the FAS and other RDP interventions are currently limited, in particular as regards the links established with vocational training (*measure 111*).

The potential synergies and complementarities between the FAS and Community interventions regarding research in the agricultural sector are obvious. Nevertheless, with the exception of some MS, research activities have not been systematically involved as a contributor to the FAS, nor feedback from the advisors has been exploited for orienting ad hoc research activities targeting specific problems of the agricultural sector. Thus, the potential role of the advisors as interface between the agricultural and the research sectors remain mostly undeveloped.

The review of several Community interventions/instruments leading to the objectives of the **Renewed Lisbon Strategy** has revealed a high potential of synergies/complementarities with the FAS. Instruments/interventions identified by the evaluator are related to the following sectors: (i) employment and lifelong learning, (ii) the environment and sustainable development (iii) innovation and regional development (iv) climate change and (v) energy. Due to the recent implementation of the FAS, concrete synergies could be analysed to a limited extent. However, data available do not provide current evidence of synergies/complementarities exploited at the MS level with regards to those instruments/interventions.

The synergies/complementarities between the FAS and other interventions related to the CAP objectives, namely those included under pillar one and pillar two, are potentially very high. The FAS is also coherent with broader Community interventions leading towards the Lisbon Strategy. At MS level, there is currently little evidence of concrete synergies. This is partly explained by the recent implementation of the FAS.

Analysis

JC1 Synergies and complementarities of the FAS with other Community interventions leading to the objectives of the CAP

The **overall objectives of the CAP** were developed in chapter 3.3. The three main identified objectives relate to improving the competitiveness of the agricultural sector, enhancing environmentally sustainable farming, and matching EU citizens' expectations. These overall objectives are supported by two pillars.

- Pillar one refers in particular to the interventions foreseen in Regulation (EC) N° 1782/2003.
- Pillar two refers to the rural development measures foreseen in Regulation (EC) N° 1698/2005.

In addition to these two main sets of interventions, the evaluator has also considered specific Community interventions to support agricultural research, in light of their strong links with the overall objectives of the CAP.

Interventions/instruments foreseen in Regulation EC N° 1782/2003

Pillar one, historically linked to market support and farmer income support evolved with the 2003 reform especially (see section 1.1 background). Since the implementation of this reform, implemented through Regulation (EC) N°1782/2003, the Community support to farmers has been largely decoupled from production. Farmers have however to respect basic standards for the environment, food safety, animal health and welfare and good agricultural and environmental condition (recital 2 of Regulation (EC) N°1782/2003). If these standards are not respected, farmers may be subject to reduction of CAP payments. This link between payments to farmers and the respect of compulsory standards is cross-compliance.

The FAS is defined in Regulation (EC) N°1782/2003 (articles 13-15) and, as a minimum, aims at supporting farmers by giving comprehensive advice about the compulsory standards. It refers directly to the heart of interventions of Pillar one. The regulation presents in particular an explicit link between the FAS and cross-compliance (recital 8, article 13).

The implementation at MS level confirms the strong synergies/complementarities as all MS have set up FAS firstly to address cross-compliance requirements.

At MS level, the strong synergies/complementarities are in particular reflected in the core FAS approach, namely on-farm one-to-one advice supported by checklists, implemented (or foreseen) in 23 MS. As discussed under theme 1 (EQ 1.2) this core FAS approach supports current implementation of cross-compliance requirements through its comprehensive coverage of all regulatory aspects.

Interventions/instruments foreseen in Regulation (EC) N° 1698/2005

Regulation (EC) N°1698/2005 includes under axis 1 (aimed at improving the competitiveness of the agricultural and forestry sector by supporting restructuring, development and innovation) the support to the setting-up of farm advisory services, farm management and farm relief, as well as for FoAS (art.20, a)(v). Under (art.20, a) (iv) the use of advisory services by farmers and forest holders is supported.

The potential synergies/complementarities between the FAS and the RD measures, although less explicit than those existing between the FAS and first Pillar interventions, have however been clearly underlined in the intervention logic proposed by the evaluator (see chapter 2.1). In particular, the latter includes complementarities with *measure 111* concerning vocational training and information.

Potential synergies between *measure 111* (vocational training) and *measure 114* are high, if one considers that both are aiming at improving competitiveness through labour productivity⁹⁰. The approach of the two measures is different, but complementary: *measure 114* supports farmers directly in the use of advisory services, while *measure 111* supports operators carrying out training or information sessions. Currently, the core FAS approach is focused on one-to-one on-farm advice, whereas vocational training excludes one-to-one advice. It only covers group advice (small to large groups).

The FAS is also complementary with axis 2 measures, aiming at improving the environment and the countryside by supporting land management. The FAS provides advice with a significant focus on sustainable production methods (notably through the various cross-compliance standards linked to the environment) whereas the measures of axis 2 support environmentally friendly production methods going beyond the compulsory standards.

At MS level, among the 12 MS and regions in another 4 MS where the scope of the FAS is broader than the strict cross-compliance requirements, **there are 8 MS** (BG, CY, CZ, EE, LT, PL, SK and SL) and **regions in 2 MS** (ES and IT) for which the link to RDP priorities is explicitly recognised (source: CR). These MS make use of EAFRD funds to support the use of FAS, except BG and SL. Currently, based on the information collected in the CR, little indications are provided concerning the concrete synergies and complementarities that have been developed. However, the early stage of implementation, especially in these MS, needs to be underlined⁹¹.

One MS (SE) uses *measure 114* in combination with *measure 111* to provide farmers with relevant information and support about cross-compliance.

⁹⁰ Source : CE, Handbook on Common Monitoring and Evaluation Framework, 2006.

⁹¹ The FAS was not operational at the beginning of 2009 in BG and PL, and at different stages of setting-up according to regions in ES and IT.

Community interventions regarding research in the agricultural sector

Agricultural research and extension or advice services are *de facto* strictly interlinked, although the nature and the degree of this linkage are highly variable. In general terms, agricultural research can be considered as a potential provider of innovations to the advisors.

Community interventions supporting agricultural research are streamlined through the various instruments and tools implemented by the Community Research Framework and the support provided by the EC to a number of research networks between MS. Community research programmes support quite a number of agricultural research project-programmes⁹².

No direct links with research within the Walloon FAS, however...

Several operating bodies have particular links with research centres, organisations, or universities.

- *The board of NITRAWAL is composed of the Walloon federation of agriculture as well as of two Walloon universities. Their advice activities are thus linked to research.*
- *Conducting research on animal welfare is part of the activities of the CER.*
- *GIREA is composed of 10 persons employed by 5 Belgium Universities. Their advice activities are directly linked to the researches they are doing.*

Extract Case Study – Wallonia (BE) – OB interviews

Regarding synergies with agricultural research at MS level, according to data available from the CR, the linkages between the FAS and agricultural research have been limited (see section 2.4 of the descriptive part). Research activities have thus not played, so far, a significant role as a contributor to developing and strengthening FAS activities. Even so, as the example of BE-WAL in the following box shows, OB can maintain close ties to research centres (or operate as extension arms of research clusters).

⁹² More details are available on the European Commission portal AGRINET dedicated to EU-funded research in agriculture, fisheries, forestry and rural development: http://ec.europa.eu/research/agriculture/index_en.html

JC 2 Coherence of FAS with other Community interventions leading to the objectives of the renewed Lisbon Strategy

The renewed Lisbon Strategy⁹³ is articulated around three major axes: macro-economics; micro-economics and employment. It is mainly the latter two axes that present a series of potential links to the agricultural sector: i) innovation and research; ii) the environment and sustainable use of resources⁹⁴; iii) promotion and development of SME; iv) employment and flexicurity's⁹⁵ focus on comprehensive LLL; and v) quality and productivity at work. During the spring Council of 2007, a framework for a European led Energy Policy was adopted.⁹⁶ Focus on climate change has been growing in recent years, with the Commission highlighting its overall strategy to curb and mitigate the effects of climate change at EU level.

Based on the information gathered through the CR (which is rather limited on this perspective) and case studies, there is no current evidence of exploited synergies/complementarities between the FAS and other interventions not related to the CAP.

When considering the wide range of issues that the EU Lisbon Strategy embraces, a number of existing or potential synergies and complementarities (i.e. programmes or projects working in parallel with FAS addressing similar needs) have been identified through literature and CR.

A number of potential synergies or project-programmes pursuing similar objectives and needs have been identified by the evaluator⁹⁷. The purpose of providing this rapid overview on the following pages is not to provide a long list of synergies but to highlight some potential opportunities which have not been exploited.

⁹³ Communication from the Commission to the Spring EU Council – Implementing the renewed Lisbon Strategy for growth and jOB – a year of delivery – COM(2006) 816

⁹⁴ Reference to the Sustainable Development Plans (SDPs).

⁹⁵ Flexicurity rests on the concept that rather than protecting job, the aim is to protect the worker by helping him to deal with rapid change in the labour market and to ensure secure employment. Source: (COM)2006 816.

⁹⁶ Communication from the Commission “ An Energy Policy for Europe” – COM(2007) 1 & Presidency conclusions Spring 2007 Council – 7224/1/07

⁹⁷ It is possible that more such synergies exist and the present is far from being exhaustive.

Employment

- The community occupational safety action programme (2007-2013), the European Agency for safety and Health at work (Bilbao) and the various MS National OS action plans (see EQ 13)
- LLL and the Leonardo da Vinci programme have been tapped by CZ in collaboration with AT and DE, in order to assist the FAS coordinating unit in developing e-learning materials, exchange of experience and specific training curricula for advisors.

Professional competencies and certifications of agriculture advisors in the world of competitive market of service business - Agriculture Advisor Competencies (AAC) (Czech Republic)

This platform was set up by LAFI in Prague and involves six MS (AT, CZ, DE, HU, PL and SK). The project's objective is to spread and to share experiences and assess how to develop agriculture advisory services and to provide background information, tools and methods in order to constantly upgrade advisors' capacities. It has developed a series of e-learning and distant learning tools. The focus is to support the advisory services to adapt to the new EU frameworks and regulations (CAP and Lisbon – LLL; and to facilitate their understanding and use by partners.

*Co-funded by the Leonardo da Vinci programme
<http://www.agroextension.net/default.asp>*

Environmental & sustainable development

- The European Eco-Management and Audit System (EMAS) coordinated by DG Environment – which support various eco-certification systems in the EU which if compared to the DE KKK files seem to be pursuing similar objectives. EMAS farm assessments aim at working out detailed multi-annual operational plans to reach a common agreed eco-performance plan.
- The Life + programme that supports a series of on the ground projects with farmers in relation to sustainable development through the promotion of life cycle assessments of productions or holdings.(also based and in connection with EMAS, for example in ES and IT)

The European Eco-Management and Audit System (EMAS)

Quality assurance schemes are now commonplace in European industries and a number of these schemes are also available to the agricultural sector. One of these is the Eco-Management and Audit Scheme (EMAS), which promotes quality approaches to environmental performance. EMAS represents a new era in farm management whereby environmental standards are established and managed and eco-performances are improved on a continuous basis. EMAS farmers commit to the voluntary process. An important part of EMAS's sustainability tool-kit is the life cycle assessment (LCA), which involves the evaluation of a product system's "environmental footprint" throughout all stages of its life cycle.

http://ec.europa.eu/environment/emas/index_en.htm

LIFE on the farm: demonstrating good environmental practice

A key challenge currently facing the industry is to identify sustainable solutions to macro issues, including: climate change; environmental impacts and pressures on natural resources; globalisation and increasing competition, demographic changes; and advances in science and technology regarding crop and livestock production. Innovation remains central to the sector's ability to move forward within a framework of sustainable development. DG Environment's LIFE programme plays an important role in promoting environmental priorities by financing projects that demonstrate holistic solutions for complex and interlinked farming problems. Since 1992, more than 162 agriculture related LIFE-environment projects have been conducted.

*<http://ec.europa.eu/environment/life/themes/soil/index.htm>
http://ec.europa.eu/environment/emas/index_en.htm*

Innovation and regional development

- Innovation programmes and measures implemented either through DG Regio and the 2007-2013 structural funds or through DG Enterprise that aim at disseminating new technologies at regional level and more specifically with SME. The Ypaithros programme in EL provides an interface ICT platform to provide tailor made advice to farmers and has been supported through Objective 2. In Cantabria, RFID systems were adapted to the monitoring of traceability of a local goat cheese through and Interreg IIIC programme (involving DE, ES and IE); design of the system involved participation of farmers and specific technical advice once the system was operational.

YPAITHROS – Information and technology transfer to enterprises in rural areas of Crete (Greece)

This platform aims to bridge the digital divide in rural areas of Crete, by providing tailor made information to people living and working in rural and remote areas: business opportunities, important news (e.g. weather warnings), instructions for efficient plant treatment, national and EU funded programmes and subsidies (funding opportunities as well as other events). The target groups are farmers (40% of users) and rural SME (25% of users), persons working in the public sector as well as other professionals active in remote rural areas.

*Funded by the CRINNO initiative
ERDF 2000-2006 programme*

All of these examples (with the exception of the CZ-AT-DE Leonardo da Vinci programme) have in common that they are being implemented in parallel and that there is no cross-breeding with FAS endeavours in the specific MS.

Other areas where synergies are possible, as they involve or will involve activities and concerns that can overlap with EU farmers' needs for specific advice, could be, for example;

Climate change

- European Climate Change Programme II⁹⁸, which raises a number of questions and issues that in time, will directly impact on farmers' holdings and the CAP.
- The various National Sustainable Development Plans

Energy

- The EU's 20/20/20⁹⁹ commitment and the issues pertaining to bio-fuels and renewable energies
- The directive on Energy savings in buildings¹⁰⁰ and its transposition at MS levels
- The Intelligent Energy programme
- The MS Energy action plans

The FAS is coherent with broader Community interventions leading towards the Lisbon Strategy. At MS level, there is currently little evidence of concrete synergies. This is partly explained by the recent implementation of the FAS.

⁹⁸ <http://ec.europa.eu/environment/climat/eccp.htm>

⁹⁹ Communication from the Commission to the European Parliament, the EESC and COR - 20 20 by 2020, Europe's climate change opportunity - COM(2008) 30

¹⁰⁰ Energy performance of buildings - DIRECTIVE 2002/91/EC of Dec 16-2002

4.7 Theme 7: Administrative requirements

4.7.1 Evaluation question 7.1 : MS administrative requirements

Question 7.1 To what extent does the organisation and implementation of the Farm Advisory System affect the Member States in terms of administrative requirements?

Interpretation of the question

Administrative requirements for the MS relate to the specific administrative actions that have to be taken for the organisation and implementation of the FAS. This covers increased staffing (in or out-sourced), new procedures or standards to be implemented, monitoring, evaluation and auditing.

The assessment is made in terms of the human resources involved (leading to costs for the MS, see theme 5) during the different aspects of the setting-up and functioning.

The possible use of the EAFRD is taken into account throughout the different phases.

Approach and judgement criteria

The approach to this question takes into consideration how the MS have established the FAS with respect to existing similar activities (e.g. advisory systems).

Distinctions between the setting-up and running of the FAS (coordination and monitoring arrangements) are made. More particularly, the organisation of FAS is analysed (e.g. changes to the existing organisation of advisory services; delegation of administrative roles to different public/private bodies, etc.) in respect to different aspects of setting-up and functioning (coordination, monitoring, reviewing). The approach rests on:

- Analysis of the preparatory work and setting-up of the system (designing, accreditation) in the different Member States. Assessment (estimation) of the human resources in terms of number of persons involved and/or costs occurred (including the possible contribution of EAFRD).
- Analysis of the organisation of the system, including coordination and monitoring. Specific administrative requirements will be identified. Assessment (estimation) of the human resources (time needed for the persons involved).

Two judgement criteria have been used, namely the administrative requirements induced by: the setting-up of the FAS (JC1) and the running of the FAS (JC2).

Validity – limitations of the approach

Administrative requirements have been assessed on the basis of information collected in CR and especially in case studies. It must be underlined that the information collected is rather limited in particular due to the fact that in a number of MS the FAS has been integrated into existing administration services without necessarily adding new staff or specific costs.

EQ 7.1 on the administrative requirements for Member States Answer Summary Box

Administrative requirements are related to the organisation and implementation of the FAS by the MS. They are considered with respect to the establishment of the FAS (JC1) and their implementation (JC2).

The administrative requirements that the setting-up of the FAS has induced vary significantly according to the type of selection process of operational bodies and advisors. If the latter have been designated among existing public or private organisations, administrative requirements for the MS have been marginal. Administrative requirements (and related costs) have been higher in those MS where the accreditation process through a call for proposals has been chosen. In those cases, the EAFRD was generally used to establish the FAS.

The same diversity of administrative requirements is also noted concerning the implementation of the FAS. In case EAFRD is mobilised, additional administrative requirements and human resources are induced, due to yearly publication of applications, reaccreditation of advisors, monitoring, reporting and control of the funds used.

Analysis

Administrative requirements for the setting-up of the FAS

The administrative requirements for designing the system vary depending on the preparatory work implemented by the MS and the type of selection process for the operating bodies. FAS services have been entrusted to private or public bodies either by accreditation or by designation. As defined in the descriptive part, the accreditation process is linked to a published call for services and the designation process covers other cases in which OB have been chosen without call for candidates¹⁰¹.

In those MS that have chosen to go through a designation process, few additional administrative requirements were needed compared to those who organised an open tender with accreditation and selection of operating bodies. As mentioned in section 3.3 of the descriptive part (“Selection process of operating bodies”), 14 MS (DK, EE, EL, ES, FI, FR, IE, IT, HU, LT, LV, NL, PL, PT, RO) and regions in three MS (one in BE, several in

¹⁰¹ See also section 3.3 of the descriptive part.

DE and two in the UK) have accredited operating bodies through an open call for services or through short lists. A majority of these MS (EE, EL, IT, HU, LT, LV, NL, PL, PT and some regions (BE-WAL, some in DE and the UK) used EAFRD for the use of advisory services.

Indeed, when EAFRD is used (or was planned to be used), the setting-up process has involved more administrative requirements than without EAFRD, in particular with respect to the accreditation of both OB and advisers.

The accreditation based on a call for proposals requires the setting-up of a formal process and an explicit identification of the criteria to select OB. These criteria include the qualification of their staff, their financial, material and administrative resources, as well as potential additional criteria defined by the MS. The following box presents an example of how these criteria are applied for the selection of public/private bodies in a concrete case.

In Spain, where EAFRD is used, in order to be accredited the advisory bodies must:

- have a legal status, be a non-profit organisation or cooperative (or, in both cases, their unions or federations), and include in the definition of their social aim the provision of assistance and advice to farmers.
- have offices that must open with a timetable suited to agricultural activity; must have material resources, including information processing ones; and must have equipment for the analysis of soil, water, waste and other agricultural activity factors.
- have a workforce with, at least, one graduate holding an official degree in each one of these areas: agronomy, veterinary science; and biological or environmental sciences or forest engineering; the staff must prove that they have received specific training or education in Farm Advisory (staff accreditation process); and the required administrative staff. The advisory bodies must demonstrate experience and reliability concerning Technical Advisory.

Country report Spain 2009

Depending on the MS, the selection could be a long process involving a significant number of staff in the managing authority. The example of the accreditation process in Lower Saxony is given in the following box.

In **Lower Saxony**, where EARFD is used, administrative requirements for the setting-up process include the publication of the tender process, the whole accreditation process of operating bodies, and advisors. Administrative requirements during setting-up of the FAS were mainly the development of application procedures of the calls for proposals (terms of reference, selection process) and checking of applications. Over one hundred operating bodies and over 300 advisors have been approved over the period. Advisory bodies had to satisfy the criteria established in tendering documents (technical, logistic and human resources, experience of the operating body and of its advisors, etc.) The setting-up process took place in 2004-2005.

Case study investigations 2009

In MS where OB have been designated, administrative requirements are considered as modest.

In conclusion, administrative requirements induced by the setting-up of the FAS show a large diversity according to the type of selection process of the operational bodies and advisors. If the latter are designated, administrative requirements for the MS are marginal. They are however more important if an accreditation process has been chosen and if a large number of participating operating bodies and advisors were involved.

Administrative requirements for the functioning of the FAS

Neither the CR nor the case studies or surveys have given evidence on the weight of the administrative requirements for the implementation of the FAS (see 3.5 descriptive part)

In some MS (for example, BG, CZ, DE and HU) both the operating bodies and the administration consider that the process of application and management of requests requires considerable work.

In MS where *measure 114* is used, specific administrative requirements are triggered mainly by:

- the yearly management of applications for FAS advice;
- the potential re-accreditation process for advisors;
- the monitoring and reporting of data required by EARFD.

The process in Lower Saxony is given as an example in the following box. In that specific case, the time linked to the administrative management of requests is estimated at 1.5 hours per application by the Chamber of agriculture (managing authority) and at around 1 hour per application by the advisory body.

In some EU-12 (BG, CZ and HU), interviewed people highlighted an overall insufficient administrative capacity. In these countries, the administrative burden linked with the use of *measure 114* is considered as not being proportionate to the relatively limited amounts of subsidies¹⁰².

¹⁰² Source Observation from Member States – Country report

In **Lower Saxony**, the process for the application and the management of requests can be summarised as follows:

- yearly, the administration publishes the eligibility criteria and rules for applying to EAFRD supported advice through the FAS;
- farmers, requesting support for receiving advice have to fill in a specific application form indicating the advisory body they have chosen and transfer it to for the Chamber of agriculture;
- the chamber of agriculture examines the application and informs the farmer about its acceptance;
- after providing FAS advice, the advisor fills out a short preformatted report.;
- the advisor collects all necessary documentation (report of advice provided, copy of invoice to the farmer, copy of bank statement of payment, etc.) in order to establish the document for the farmer's reimbursement to be sent to the Chamber of agriculture.

Overall, the time linked to the administrative management of requests is estimated at 1.5 hours per application by the Chamber of agriculture and at around 1 hour per application by the advisory body.

Monitoring the EAFRD's requirements

The recording of activities is mandatory for MS which are using the EAFRD. However, most of the other MS do record activities as well.

MS using the EAFRD are supposed to record, at least the number of farmers (and forest holders) supported (output indicator); this indicator should be subdivided according to the type of advice given to the farmers, namely: by SMR, GAEC or other issues (by identifying them, i.e. advice on AEM, on occupational safety standards, etc.). The indicator should also be subdivided according to the amount of direct payments beneficiaries receive per year, with two categories (\leq €15,000 and $>$ €15,000).

Further elements in terms of good practice of data collection are provided by the EC Handbook and summarised in the following box.

Good practice regarding data collection from the CMEF Handbook

Assemble the number of supported farmers registered in a special database, created and managed by the responsible measure manager. This database contains all relevant information that is collected by means of registration forms. These forms are established by the measure manager and need to be filled in by the project manager for each farmer. This template should include minimally: a unique identification number of the holding, the type of service provided, the amount of support, information on the amount of direct payments received per year and a field indicating whether or not the application is approved.

EC, Handbook on Common Monitoring and Evaluation Framework, Guidance note H, September 2006

It is too early to know if such good practices were applied by the managers of the measure. Nevertheless, these practices illustrate the administrative needs connected to their application.

In MS where EAFRD is used, regular inspections also have to be carried out at OB' level, through direct visits and checks on a selected sample of the OB (from 5% to 20%). These inspections aim at verifying: i) if terms and conditions regarding the accreditation still hold¹⁰³; and ii) if the advice provided through FAS is adequate (reliable advice and correctness of invoices and substantiating documentation). This control can be done by the organisation in charge of the FAS or can be outsourced.

When the FAS has been integrated into the existing advisory system (FR, IE, UK-WAL), the costs of running the FAS can be considered modest. FAS activities are marginal compared to the overall advisory services provided to farmers.

4.7.2 Evaluation question 7.2 : Administrative costs for farmers

Question 7.2 To what extent does the Farm Advisory System create synergies in terms of reducing administrative costs for farmers (e.g. through improved management skills, improved reporting/accounting systems...)?

Interpretation of the question

The FAS could help farmers to adapt, improve and facilitate the management of their holdings. This might include skills that improve the overall management of their holdings such as accounting, reporting or filing systems. The improvement in the overall holding management might lead to a reduction in administrative costs for farmers.

The FAS might also help farmers to improve the administration of their holdings through a different approach: general information on holding management via one-to-one or small group advice, or by providing them with tools (e.g. folders, handbooks) to facilitate better administration of holdings and thus reducing costs.

Approach and judgement criteria

The approach entails an analysis of support to reducing administrative costs through the main FAS approach, followed by considerations about specific elements supporting the administration of the holding. Two aspects will be particularly considered: (i) the provision of specific advice providing information on the management of the holdings via one-to-one or small group approach and (ii) use of specific tools for farm management (folders, handbooks, etc.).

¹⁰³ For example: the compliance with the certification and registration requirements, the OB or advisor's technical and administrative facilities and the OB's advisor's participation in further education.

The three following judgement criteria are used:

- The FAS supports administration of farm holdings (JC1);
- The FAS provides specific tools for the administration of farm holdings (JC2);
- Examples of reduced administrative costs of farmers making use of the system from case studies (JC3).

Validity – limitations of the approach

The chosen JC do not cover all aspects allowing to fully answering the question in full. Investigations into the third JC are mainly based on the outcomes of the case studies and farmers' surveys.

Reduction of administrative costs for farmers

Answer Summary Box

The extent to which the FAS creates synergies in terms of reducing administrative costs for farmers is approached through three JC: the support provided through the main FAS approach (JC1), potential specific tools related to the administration of the farm holdings provided by the FAS (JC2) and qualitative information concerning administrative cost reduction for farmers from case studies (JC3).

Supporting and promoting coherent documentation of all on-farm processes are at the heart of the FAS approaches and tools in relation with the documentary aspects that are required by cross-compliance, as already stated in EQ1.4. The improvement of administrative skills (especially reporting and filing) is supported through on-farm one-to-one advice with checklists.

The first elements of synergies with the national/regional regulatory provisions and other quality systems are present in DE and LU using the integrated check-folders that include all legal and regulatory provisions. According to the information from case studies, currently, these synergies are not sufficiently recognised (between certification organisms) and have not yet reduced administrative costs for farmers.

Only few MS include further aspects directly related to the administration of the holdings in their FAS in terms of management. According to investigations in case study areas, support to improved accounting systems and financial management is currently provided by OB but usually not through the FAS. These services were already needed by the farmers and in place before the FAS.

Analysis

Main FAS approach in respect to the administration of the holdings

As seen under EQ 1.4, the FAS significantly supports improved reporting and coherent documentation of all on-farm processes in relation to the documentary aspects of cross-compliance. The improvement of administrative skills (especially reporting and filing) is

supported through on-farm one-to-one advice with checklists. All types of checklists (simple checklists, thematic checklists, integrated check-folders (see section 5 of the descriptive part) include the documentary aspects that are required by cross-compliance.

In DE and LU check-folder systems are used to summarise all legal and regulatory provisions in understandable questions or statements, to indicate interfaces or linkages with other legal provisions and quality systems and to avoid duplication of workload through multiple documentation.

However, these are only the first elements of synergy. According to the information available from case studies, the farmers continue to receive the individual visits of every certification body of quality assurance schemes to which they adhere and each body verifies the documentary aspects, including cross-compliance controls, without recognising the documentation work implemented thanks to FAS (and verified) by one commonly recognised body.

Aspects of the FAS related to the administration of the holdings

Only a few MS include further aspects directly related to the administration of the holdings in their FAS in terms of management. As presented in the answer to EQ 1.4, in 4 MS specific “support for financial management” is planned, and 3 MS provide assistance to business plans and/or application of other RDP measures.

However, in most cases, in particular in former EU-15 support for accounting and financial management of the farm holding is provided by the OB, but not in the framework of the FAS. This is due to the fact that this kind of support for accounting and financial management of the farm holding was required before the FAS (and before the 2003 CAP reform). These services are largely provided by the same OB involved in the implementation of overall advisory or extension services.

Some examples from case studies are provided in the two boxes hereafter.

In **CZ**, the FAS does not provide any specific tools for administration of holdings. There are private advisors who, on request, assist farmers on administration processes and farm management and accountancy. Individual private farmers do not usually take an interest in FAS. The larger agricultural holdings (legal persons) usually use their own experts in management, accounting and other issues.

Case study investigations 2009

In the **Veneto region**, advice on farm management skills (accountability and administrative organisation) are delivered via one-to-one and small group approaches outside the farms.

During the investigation many stakeholders and farmers that participated in focus groups stated that one of the fields in which the advice received under the previous rural development programme (2000-2006 period) was more successful was the one concerning the advice on farm management skills.

Case study investigations 2009

Reduced administrative costs of farmers making use of the system from case studies

Case studies and farmers' surveys, although of a qualitative nature, tend to confirm the previous findings. Although the core FAS approaches and tools support a coherent documentation of all on-farm processes, synergies with other quality systems leading to reducing administrative costs do not yet seem to be present.

The result of the survey suggest that the FAS did not significantly contribute to the improvement of the situation of farmers as regards the administration, except in Lower Saxony. For all the other case studies, less than 25% of the interviewed farmers state that they have a better administrative organisation or that they have improved their accountability or administrative management skills. Specific results are presented below. In Lower Saxony, 77% of respondents (27 out of 35 respondents) specified that one of the benefits of the FAS is that their reporting and accounting system has improved. Furthermore, 54% (19 out of 35 respondents) indicated that their administrative management skills have improved as a result of the FAS.

Table 22: Survey results about advice on holding administration

	MS/ region (number of responses)	BE (20)	CZ (25)	DK (59)	Lower Saxony (35)	Veneto Region (40)
Benefits from FAS advice	The reporting and accounting system has improved	5%	9%	7%	77%	0%
	I saved time because of better administrative organisation	10%	23%	5%	33%	17%
Improvement in farming practices and management skills	Accountability or administrative management has improved	5%	18%	17%	54%	25%
	Global plan for the farm productivity has improved	0%	Na	24%	25%	na
	Product and sales management (contracts, clients etc.) has improved	0%		3%	8%	
	Human resources management has improved	0%		5%	5%	
	I don't have better management skills	10%	9%	10%	17%	17%

Source: ADE survey about FAS, July 2009

5. Closing Chapter : Conclusions and Recommendations

This closing chapter reviews the conclusions derived from the various evaluation questions and includes some major findings of the descriptive part when deemed necessary.

The order in which conclusions are presented differs from the order of the evaluation questions. It is the evaluator's perception of the graduation of the conclusions that has led to proceeding from the relevance and coherence, to the effectiveness of the implementation of FAS (including the cost effect on farmers' income and unintended effects) before rapidly reviewing a number of EQ considered by the evaluator to be premature at this stage of implementation.

5.1 Relevance and Coherence

5.1.1 Intervention Logic for the FAS

The intervention logic for the FAS, distinguishes an overall objective which is to help farmers to meet the standards of Modern and High-Quality Agriculture (MHQA) and the following four specific impact-objectives¹⁰⁴:

- Farmers are more aware of material flows and on-farm processes relating to the environment, food safety, animal health and welfare (Pillar one)
- Farmers and forest holders are supported to adapt, improve and facilitate management and improve the overall performance of their holdings (Pillar two)
- Farmers implement more sustainable land and management practices (Pillar two)
- Labour productivity and competitiveness of trained farmers and forest holders are improved (Pillar two).

Regulations (EC) N°1782/2003 (Pillar one) and (EC) N°1698/2005 (Pillar two) form the legal architecture of this intervention logic. Both regulations, complemented by Commission Regulation (EC) N°1974/2006¹⁰⁵ form the legal architecture of the instrument. The relevant amendments to Regulation (EC) N°1782/2003 concerning the FAS, as introduced by Regulation (EC) 73/2009¹⁰⁶, have also been considered.

¹⁰⁴ Following the formulation of relevant *considerata* of Regulation (EC) No 1782/2003 ("Pillar one") and Regulation (EC) No 1698/2005 ("Pillar two")

¹⁰⁵ Commission Regulation (EC) N°1974/2006 of 15 December 2006 laying down detailed rules for the application of Council Regulation (EC) N°1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

¹⁰⁶ Council Regulation (EC) No 73/2009 of 19 January 2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers, amending Regulations (EC) No 1290/2005, (EC) No 247/2006, (EC) No 378/2007 and repealing Regulation (EC) No 1782/2003

5.1.1 Relevance of the FAS

At Community level, the following aggregated needs and problems of the agricultural sector have been considered¹⁰⁷: integration of environmental concerns into agricultural policy (sustainable environmental farming); more market orientation and stabilisation of agricultural incomes (increased competitiveness); food safety & quality, and developing the vitality of rural areas (answering EU citizens' expectations). New challenges have been identified referring to the 2008 CAP health check that represent new needs for farmers in the near future. They include climate change and the role agriculture will have to play in the broader effort to reduce greenhouse gas emission, sustainable water management, production of bio-energy¹⁰⁸, and others such as more integration of innovation & knowledge development, efficient energy management and ensuring long-term prospects to attract future generations to farming¹⁰⁹.

When mirroring these needs of the EU agricultural sector and the objectives of the FAS as stated in Regulation (EC) N° 1782/2003, it can be concluded that the FAS is relevant. Those objectives are not only relevant regarding the current needs in the agricultural sector but also as regards the emerging needs in the agricultural sector, in particular those linked to climate change and prices volatility. More particularly, the FAS is relevant with respect to the needs of farmers to be advised on cross compliance related issues.

Regulation (EC) N° 1782/2003 leaves a considerable level of discretion for MS to fine tune the Community framework of objectives in response to their own needs and priorities.

At MS level, during the first years of implementation of the FAS (and during the phasing-in period of cross compliance), the Community framework defining the objectives of the FAS has been transposed in most MS by especially focusing on the support that FAS can provide to farmers for a correct application of the compulsory standards for the environment, food safety, animal health and welfare and good agricultural and environmental conditions included in the scope of cross compliance. We notice a limited attempt, so far, to adapt the Community framework to other specific national contexts and needs.

However, 12 MS have widened the scope of the FAS beyond the scope of cross-compliance. Two MS have done it by including other (national/regional) regulatory aspects and/or quality insurance systems (DE, LU), keeping thus the link with material flows and on-farm processes relating to the environment, food safety and animal health and welfare. Some MS included a few innovative themes compared to the standard advisory business, or specifically integrated economic advice into the FAS (BE-FLA). Some MS/regions have set-up the FAS as an overall advice system integrating advice on various RDP priorities (EE, IE, LT, SL, IT (some regions), UK-WAL).

Currently, at MS level, for a large number of MS and regions, the FAS does not address comprehensively the various needs of farmers, except cross-compliance advice. However, these needs are often covered by the existing advisory and/or extension services.

¹⁰⁷ Explanatory Memorandum (COM (2003) 23 final from 21.1.2003

¹⁰⁸ Explanatory Memorandum (COM (2008) 306 final from 20.5.2008

¹⁰⁹ Visions for the future of the agricultural policy in Europe” – Congress of European farmer - September 2008 - COPA-COGECA

5.1.2 Coherence

In the framework of this evaluation, coherence has been investigated in terms of synergies/complementarities between different instruments/interventions in achieving determined objectives.

The links between the FAS and other interventions/instruments conducted especially under Pillar one are clear. The FAS is defined under Regulation (EC) N° 1782/2003 which refers directly to the heart of interventions of Pillar one and the Regulation (EC) No 1782/2003 made an explicit link by creating the FAS to advise on cross compliance requirements at least. The implementation at the MS level confirms the strong synergies/complementarities as all MS have set up FAS firstly to address cross compliance requirements.

The FAS and rural development interventions referring to Pillar two are potentially complementary although the synergies/complementarities are less explicit in Regulation (EC) N°1698/2005 than they are in Regulation (EC) N°1782/2003. They are however clearly underlined in the reconstructed intervention logic proposed by the evaluator. Potential synergies and complementarities between *measure 111* (vocational training) and *measure 114* (support for the use of advisory services) are high. The FAS is also complementary with axis 2 measures, aiming at improving the environment and the countryside by supporting land management. The FAS provides advice with an important focus on sustainable production methods (notably through the various cross-compliance standards linked to the environment) whereas the measures of axis 2 support environmentally friendly production methods going beyond the compulsory standards.

At MS level, the exploitation of those potential synergies/complementarities varies from one MS to another. A number of MS have used the possibility to support the FAS through RDP interventions, but only some of them seem to have looked for synergies with other RDP interventions. According to the evaluators' findings, based on available documents, the concrete synergies between the FAS and other RDP interventions are currently limited, in particular as regards the links established with vocational training (measure 111).

The potential synergies and complementarities between the FAS and Community interventions regarding research in the agricultural sector are obvious. Nevertheless, with the exception of some MS, research activities have not been systematically involved as a contributor to the FAS, nor has feedback from the advisors been exploited for orienting ad hoc research activities targeting specific problems of the agricultural sector. Thus, the potential role of the advisors as interface between the agricultural and the research sectors remain mostly undeveloped.

The review of several Community interventions/instruments leading to the objectives of the Renewed Lisbon strategy has revealed a high potential of synergies/complementarities with the FAS. Instruments/interventions identified by the evaluator are related to the following sectors: (i) employment and long life learning, (ii) environment and sustainable development (iii) innovation and regional development (iv) climate change and (v) energy. Due to the recent implementation of the FAS, concrete synergies could be analysed only to a limited extend. However, data available do currently not provide evidence of synergies/complementarities exploited at the MS level with regards to those instruments/interventions.

5.2 Effectiveness of the implementation of FAS

FAS contribution to overall awareness of environmental, food safety and animal health/welfare issues.

The core FAS approach that is on-farm mainly one-to-one advice supported by checklists and, to a lesser extent, small group advice, currently contributes to awareness raising at the level of beneficiary Community farmers about environmental, food safety and animal health/welfare issues in a comprehensive way, due to its very close and individualised way of implementation. Awareness rising is often facilitated via structuring the advice by means of checklists, which translate regulatory provisions into handy information for the farmers. This contribution is likely to increase in the near future, once the FAS are fully operational in all MS.

On farm thematic - and small group advice contribute to awareness raising in a more thematic way, especially on the environment and animal health and welfare.

In the MS that implemented FAS going beyond the strict cross-compliance requirements, the additional advice mainly targets environmental awareness raising and RDP priorities. In these MS particularly, the FAS is an opportunity to increase awareness of material flows and on-farm processes related to issues linked to the environment, animal health and welfare going beyond cross compliance requirements.

For the single year 2008, the overall outreach of one-to-one advice is around 5% of the farmers receiving direct payments in the 20 MS for which information were available¹¹⁰. In MS/regions where the FAS is implemented since 2005 onwards, the outreach is stabilized around a maximum rate of 20%. On farm small group advices were provided in 10 MS¹¹¹ during 2008 with also an outreach of around 5% of beneficiaries of direct payments in these 10 MS.

Qualitative information from the case studies and the survey show differentiated results about the contribution of the FAS to farmers awareness raising, according to regions/MS and to the specific way the FAS was implemented. According to the beneficiary farmers surveyed, 34% of the farmers consider that their awareness changed (improved) over the recent years. This change in awareness is attributed in similar proportions to the society/media, to the FAS and to the CAP payment mechanism.

As a conclusion, the FAS contributes to awareness raising of material flows and on-farm processes related to environment, food safety and animal health/welfare among Community farmers. The extent to which this happens is primarily driven by the content of the advice and the ways through which the advice is delivered. Thus we can expect variable impacts in the different MS. One-to-one advice supported by checklists (foreseen in 23 MS and operational in 18 MS) has the advantage of comprehensiveness, while small group advice (10 MS) and thematic advice (4 MS) allows expanding the number of farmers supported by advice. Thematic advice could be effective in addressing specific

¹¹⁰ Data not available for MT and SK; Data not correct (double count) for FR; FAS not implemented in 2008 in CY, EL, PL and PT.

¹¹¹ AT, BG, CZ, ES (6 regions only), IE, LT, MT, NL, RO and UK. Five other MS provided small group advice in 2008 however data is not available in 4 of them (EE, IT, SI and SK) and data from FR could not be used as there are double counts. More information on section 5.1.2 of the descriptive part.

needs/demands from the farmers, while small group advice may show limits in addressing the specific concerns of each of the participants, as well as in terms of accessibility and possible reluctance by some farmers to participate in such events. As stand alone instrument small groups advice may prove limited capacity of dealing with individual problems at farm level, however, this approach may improve cost-effectiveness when it is integrated with the one-to-one approach to advice. In 2008 the outreach of both one-to-one FAS advice and small group advice is estimated at around 5% of beneficiaries of direct payments in MS where the FAS is operational.

The established FAS (20 MS out of 27) contribute to awareness raising through its core approach (one-to-one advice supported by checklists), along with other external elements and instruments including existing extension/advisory services in place. These contribute to awareness raising partly through other approaches.

However, drawing firm conclusions at EU level is made difficult by the short period of implementation of the instrument (e.g. it is impossible to investigate at this stage on the concrete changes in farming practices that the FAS has induced). We consider that there is potential for an increase in the uptake of FAS in the longer run. This is supported by the Observation that MS/regions having implemented the FAS from 2005 onwards have reached a higher outreach (up to 20% of beneficiaries of direct payments).

The evaluator considers that the establishment of the instrument by the Regulation (EC) N° 1782/2003 and the approaches taken by the MS, (mainly one-to-one advice based on checklists, or integration of the FAS into pre-existing extension systems), establish a general frame favourable to the awareness raising of Community farmers on environmental, food safety and animal welfare/health issues.

Contribution of the FAS to implementing cross-compliance

Overall, the different requirements related to SMR and GAEC are comprehensively covered by the different approaches and tools that the MS have established and that they are currently implementing.

The FAS is mainly implemented through "one-to-one" and, to a lesser extent, "small groups" approaches, which are in both cases "on-farm" approaches.

Approaches that foresee a specific advice to the farmers, tailored around their specific needs, can be seen as the most effective in supporting the implementation of cross compliance. In this respect, the one-to-one on-farm advice shows a clear advantage with respect to other approaches, such as small groups' approach and, even more, off-farm approaches and one to all approaches.

- ⇒ **One-to-one approach:** can be very effective, although time consuming. It can provide a 'wider package' and promote a trust relation between farmers and advisors, as well as a long-term coaching.
- ⇒ **Small groups approach:** foresees a more thematic approach, operates with a 'positive' mirror effect to farmers, and may reach a wide outreach, however without necessarily targeting specific individual needs. It can be considered a cost-effective approach when it is followed by one-to-one advice addressing individual farm issues.
- ⇒ **Auto-check approach:** may be a good start-up option, but the check-lists proposed are often complex, not always focused on farm holding realities, and could allow for a more flexible delivery of the advice.

Different checklist/folder systems have been developed throughout the EU as main farm advisory tools. The use of checklists as tool of advice is not very attractive, both for the advisers and for the farmers. Adequately used, this tool allows however for a structured delivery of the advice through a systematic check of all cross compliance requirements. Checklists can represent an effective tool, provided that enough time is devoted to their consideration, and that the questions which raise problems are accompanied with technically skilled advice. We consider that if the coverage of the checklists is broadened to other existing national requirements, in addition to the cross compliance ones, this could particularly benefit the farmers, who would dispose of a comprehensive tool for facing their different requirements.

However, the resort to checklist systems may generate mistrust by the farmers, who could perceive them as being associated to the control systems linked to cross compliance, in case they are not appropriately approached and advised. Furthermore, when implemented as a comprehensive full package (to cover all requirements), the time available for the advice may be not sufficient to provide an effective support, and the checklists could be particularly complex for the farmers.

⇒ **FAS so far remains focused on the front-runners**

In the absence of solid data from the monitoring systems at MS level, the data collected by country correspondents does not allow to draw any conclusions on the focus of the advice provided. When asked to differentiate between areas of advices and geographical coverage, the majority of the MS have indicated that all SMR and GAEC were addressed, and that this was ensured by nation wide OB. However, several elements (regulatory scope, case studies, suggestions from MS collected in the CR, etc.) tend to indicate that larger farms that are already in contact with existing advisory services are mainly making use of the FAS.

As an overall conclusion, the core FAS approach, on-farm one-to-one advice linked to the major tool (checklists) that is used in most MS (foreseen in 23 MS and currently operational in 18 MS), supports current implementation of cross compliance requirements through its comprehensive coverage of all regulatory aspects, their translation into understandable questions for the farmers, and the induced discussions with advisors on the rationale of the different requirements. Improving the capacity to respect cross-compliance

requirements is also the main motivation from farmers of making use of this advice. The extent to which this happens is primarily driven by the content of the advice (technically skilled advice should be brought to elements which raise problems) and the ways through which the advice is delivered (devoting time to questions and answers raised by the farmer). Thus, variable impacts can be expected in the different MS.

Contribution of the FAS to implementing additional standards

Overall, regulatory provisions concerning occupational safety issues have been considered by most MS, and occupational safety standards have been integrated in the FAS advice and checklists. However, the content and type of advice provided in this context varies greatly: in most cases the advice concerning these standards is provided through conformity checks, while only few MS seem to have established specific operational programmes to address the issue at the level of the agricultural sector. Furthermore, health and safety hazards are intertwined, which makes it difficult tackling them in the agricultural sector through specific action plans. Minimum requirements on the use of fertiliser and plant protection products have been addressed when required, but mostly through other advisory services and very little specific inputs from the FAS have been identified.

If for minimum requirements on fertilisers and PPP, a regulatory framework can be easily found and interpreted by MS, this is not the case with occupational safety standards, for which the MS face a twofold problem: one relating to the content (and selection within a complex set of regulations, recommendations and constantly evolving framework); the other linked with the very nature and enforcement of the occupational safety framework (binding employee rights versus 'non binding' recommendations to independent workers).

For other Community standards, those that have mostly been addressed by MS are quality insurance systems including organic farming and energy management. In 10 MS the FAS has also addressed agri-environmental commitments taken by the farmers in the context of the implementation of RDP. Finally there is no evidence that FoAS has specifically addressed the above-mentioned issues with Community forest holders.

Overall, the FAS has, at least formally, contributed to the implementation of occupational safety standards by farmers in those MS that have made use of the EAFRD, less so with respect to other standards going beyond the scope of cross-compliance.

Contribution of FAS to improving Community farmers' management skills

The FAS provides an opportunity for the Community farmers to improve their administrative skills, especially in relation to the documentary aspects that are required by cross-compliance. However, there is little evidence that the FAS contributes to integrate and link these considerable data collection in an overall advice on (technical and economic) farm management.

Administration skills are mainly supported through one-to-one on farm advice with checklists that support the coherent documentation of all on-farm processes. However there is no evidence that FAS advice supports the integration and use of this documentary work in a wider 'whole-farm' advice system (with the exception of BE-FLA).

The FAS seem to have provided additional advice on wider management skills in eight MS, mostly focusing on financial skills. Market oriented advice, linking agricultural production to the demand (including all aspects from contracts with agro-industries to promotion of farm products, direct sale, diversification etc.) is poorly addressed by the FAS (2 MS), while human resource management skills are generally not addressed. Support to developing and following-up business plans is provided in three MS, and two other MS support farm holdings for preparing applications to a number of RDP measures.

BE-FLA shows that the FAS can be an opportunity to initiate a wider type of advice to farmers, linking modular checklists with economic advice.

Overall, farmers perceive benefits from the FAS as regards the improvement of their farming practices, less so with respect to the improvement of their management skills.

5.3 Effect of FAS on Farmers Income

Overall, the use of the core FAS approach, namely one-to-one on farm advice does not seem to affect significantly the average farmers' income, with an estimated effect in terms of direct costs of around 1% of their average income.

The most common situation about one-to-one on farm advice is a partial coverage by the farmers of the **costs** incurred for benefiting from FAServices. Advice is for free in 6 MS and 2 regions. In all other MS/regions, where farmers have to pay partially or totally the cost of the advice, the unit cost of an "advice package" (that may include several farm visits) varies between MS and regions (for the 9 MS and 11 regions from MS were data are available) from a minimum of € 275 (ES-CAN) to a maximum of € 2,400 (ES-NAV). The costs are determined by various factors, but the public subsidies offset to a large extent the unit costs of one-to one advice. On average, the public support covers between 70 % and 80 % of the unit cost (16 MS), while only three MS do not subsidize the FAS at all. The cost remaining for the farmer after subsidies varies between a minimum of € 55 (ES-CAN) to almost € 1,000 (NL).

The time spent by farmers on advice ranges between 2-3 hours for thematic advice to up to 8-18 hours where an overall checklist approach is foreseen. This opportunity cost for the farmers, which largely differs between MS, regions, and types of farming, has not been estimated.

A rough estimation of the unit cost for an "advice package" per MS/region compared to the **average** net farm income of farmers from FADN (referring to all farmers covered by the FADN and not only to FAS beneficiaries) shows a share of around 1 % (based on information available for 14 MS and some regions only). This share shows little variations, from more than 2 % in a few countries without subsidy down to 0.3 % in MS with public co-funding of the FAS.

Thus, overall, the costs that farmers have to face for benefiting from one-to-one advice are relatively low compared to their average net farm income. Nevertheless, the need to prefinance an average advisory cost of around € 1,000 (with a maximum of € 2,400) might still be a constraint for some farmers.

A qualitative assessment of the effects of FAS advice provides the following findings:

The FAS contributes to build up farmers understanding of SMR and GAEC requirements and thus increase their acceptability to farmers. It also provides a concrete interface with all obligations through the developed checklists.

Overall, the core FAS approach (one-to-one on farm advice) contributes to improving farming practices that positively contribute (indirectly) to the income of farmers through a more rational use of input factors and nutrient management (reduction in loss and waste) and higher productivity. It also contributes to a better overall hygiene on the farm (both for production and storage). For farms with livestock, the improved application of animal health and welfare standards induced by the FAS leads to increased productivity or lower losses. Finally, the FAS also contributes to a reduced risk for penalties from the cross compliance controls, a fact which plays a major role in the perception by the farmers of the benefits of the FAS.

Overall, the use of the Advisory System does not significantly affect the average farmers' income directly, neither through costs (largely off-set by public support) nor through immediate positive returns. The contribution of the FAS to improved farming practices leads to a more sustainable production in environmental as well as in economic sense. This might also lead to an effect on the income of farmers, even though this has not been the driving force for the farmers for using FAS.

5.4 Achievement of Global Objectives

Taking into account that the low stage of maturity in the implementation of the FAS in the EU has hindered a detailed assessment of the concrete effects of the FAS at the level of global objectives, the following very preliminary conclusions can be drawn. By its own nature (see the intervention logic of the instrument), the FAS is potentially a well suited instrument for enhancing a MHQA in the EU. When looking at the main components of the MHQA concept and at the ways through which the FAS has been implemented, we consider that the FAS could be expected to be more effective with respect to the enhancement of an environmental sustainable agriculture (including animal welfare/health issues), mainly through the support to the correct application of the respective cross compliance standards. Increased competitiveness of the agricultural sector could be expected to be supported by the FAS to a lesser extent, and mainly indirectly. However, the FAS is well complemented by other CAP instruments in this respect.

5.5 Unintended effects of the FAS

The FAS provides Community farmers with differentiated access to advice, not only due to specific local conditions but also to differences existing between the MS as regards the approach, costs and content of the advice. Overall, however, the access to the FAS seems *de facto* to have been so far open to any farmer requesting advice, even if during the process of establishing their FAS specific target groups were considered by some MS.

One major side-effect of the introduction of the FAS is that some MS have taken this opportunity to rethink and review their wider advice and knowledge information systems in

the agricultural sector. We see the voluntary access to the FAS as a prerequisite of advice. Should this by any way be changed, then the advice becomes an instruction delivered by a kind control-piloting system.

5.6 Efficiency analysis

The efficiency analysis is built on the assessment of factual costs incurred by the MS and the Community farmers in relation to the FAS and assessment of expected benefits from the FAS.

With the available data, costs incurred by the MS could not be assessed with an adequate level of precision, and benefits expected from the FAS could only be appreciated in a qualitative way.

Despite the scarce information available (only few MS have recorded the costs incurred in relation to the FAS), **the MS consider that the costs for the setting-up the FAS have been overall modest.** This is explained by either considering that these costs have represented a very limited part of the overall ministerial budget, or by the fact that the FAS has been integrated into comprehensive advisory systems already operating since a long time. This could also explain the limited uptake of *measure 115*.

Costs for the setting-up of the FAS have tended to be more important (however remaining overall limited) **in those MS that have foreseen a detailed needs assessment at farmers level** (e.g. some €300,000 in SE), **or a tendering process for OB and accreditation for advisors** (e.g. some €100,000 in DK, €60,000 in FI, about a full time employment for 2 years in FR). Additional costs for the MS have also to be considered if advisors have been trained by the public authorities¹¹² or specific FAT have been developed sometimes with associated ICT tools (e.g. overall check-folder in DE). However no data are available to quantify the costs in these cases.

Overall, the **costs incurred by the MS for the running of the FAS are mainly linked to the funding or co-funding of FAS advice.** No data are available for MS providing advice for free. In those MS co-funding advice, the national contribution to the costs incurred by the farmers for benefiting from the FAS can be considerable, especially when the uptake by farmers is high (e.g. in HU, which shows the highest registered amount of some 2.7 million Euro in 2008¹¹³).

In addition, there are the costs linked to the wages of public officials in charge of the monitoring and follow-up of the FAS. However, only fragmented information is available in the MS concerning this aspect. In general terms, the costs for the management of the FAS are higher in the countries that make use of EAFRD funds than in those with no co-funding.

¹¹² Mainly in MS that have foreseen a formal accreditation process and particularly CY, CZ, DE, DK, EE, EL, HU, SE, SK, UK-Eng and UK-NIR (see section 3.4 of the descriptive part).

¹¹³ Including EAFRD contribution.

The costs for farmers for benefiting from the FAS have been considered in theme 2. As already shown, they represent a very limited part of the **average** farmers' income. Nevertheless, the pre-financing before public co-funding of the total cost of advice (up to, or even over 2,000 € in some regions of MS) might however be a constraint, especially for small farm holdings.

The effects of the FAS are generally positive, even though it is difficult to quantify. Overall, the main benefit of the core FAS approach (one-to-one on farm advice) is the contribution to beneficiary farmers' awareness raising on the effects of their farming practices related to the environment, food safety and animal health/welfare. Additionally the FAS contributes to:

- Build up farmers understanding of SMR and GAEC requirements and thus increase their acceptability to farmers. It provides a concrete interface with all obligations through the developed checklists.
- Improve farming practices that contribute indirectly to the income of farmers through a more rational use of input factors and nutrient management (reduction in loss and waste) and higher productivity. However, in some cases, the advice might have disclosed the need for making specific investments.
- A better overall hygiene on the farm. For farms with livestock, application of animal health and welfare standards leads to increased productivity or lower losses.
- A reduced risk for penalties from the cross compliance controls.
- A series of positive side-effects, the most interesting one being that some MS have taken the opportunity of the FAS to rethink their wider advice and knowledge information systems for farmers.

Even though the quantitative data on the costs incurred and the benefits of FAS are limited, qualitative information lead us to conclude that the benefits secured by the FAS are proportionate to the costs incurred for its implementation and use by the farmers.

5.7 Efficiency of EAFRD support

The analysis of the efficiency of the EAFRD support has been based on the assessment of the possible additional outcomes of the FAS when the EAFRD support is mobilised.

EAFRD contribution to support the setting-up of the FAS (*measure 115*) has been currently used by only three MS (ES, IT, PT). No meaningful data are available allowing to conclude about the efficiency of EAFRD for supporting the setting-up of the FAS, apart from the consideration above concerning the overall very limited use of this measure.

Measure 114 concerning the support to the use of advisory services has a larger uptake, with over half of the MS (15 MS at national level, 4 MS in some regions) making use of it.

Measure 114 supporting the use of advice by the farmers has well eased the cost burden for beneficiary farmers (supporting between 60-80% of the total unit cost of advice). However, no meaningful elements are available, allowing to conclude that the use of EAFRD leads to a less expensive use of the FAS for farmers, since in some MS the advice is for free, and the unit cost of advice is sometimes lower in those MS where the costs for advice are fully charged to farmers.

Additional outcomes from EAFRD support for the use of FAS are the comprehensive coverage of all cross-compliance requirements. MS that are not using the funds have in general a thematic approach. However, notwithstanding the opportunity of discussing all cross-compliance requirements (and occupational safety), this type of advice might discourage farmers being already aware of SMR and GAEC. In addition, such an advice could not be sustainable over time, since farmers having benefited of advice activities once or twice may not be interested in further advice.

All MS that are using support from the EAFRD provide one-to-one on farm advice, which we see as an effective approach, although it might be rather expensive for the farmers.

Some MS make use of the fund for either enlarging the scope of the FAS to other regulatory requirements from national/regional legislation or from quality assurance schemes, or for providing economic advice on the farm. Other MS add specific topics (energy, environment, quality assurance schemes) to FAS services (which is generally not the case in those MS that do not use the EAFRD).

In sum, even though EAFRD support provides additional outcomes, the information available does not allow to provide a definitive conclusion on the efficiency of the EAFRD support.

5.8 Administrative requirements

5.8.1 Administrative requirements for the Member States

Administrative requirements considered in this context are those related to the organisation and implementation of the FAS by the MS.

The administrative requirements that the setting-up of the FAS has induced vary significantly according to the type of selection process of operational bodies and advisors. If the latter have been designated among existing public or private organisations, administrative requirements for the MS have been marginal. Administrative requirements (and related costs) have been higher in those MS where the accreditation process through a call for proposals has been chosen. In those cases, the EAFRD was generally used to establish the FAS.

The same diversity of administrative requirements is also noted about the implementation of the FAS. In case EAFRD is mobilised, additional administrative requirements and human resources are induced, due to yearly publication of applications, reaccreditation of advisors, monitoring, reporting and control of the funds used.

5.8.2 Synergies reducing administrative costs for farmers

The extent to which the FAS creates synergies in terms of reducing administrative costs for farmers is approached through the analysis of the activities regarding administrative costs and their potential synergies with other administrative requirements.

Supporting and promoting a coherent documentation of all on-farm processes are at the heart of the FAS approaches and tools in relation with the documentary aspects that are required by cross-compliance, as already noticed. The improvement of administrative skills (especially reporting and filing) is supported through on-farm one-to-one advice with checklists.

First elements of synergies with the national/regional regulatory provisions and other quality systems **are present in DE and LU using the integrated check-folders** that include all legal and regulatory provisions. **However, according to the information from case studies, currently, these synergies do not reduce administrative costs for farmers.**

Currently, there is no evidence of synergies created by the Farm Advisory System in terms of reducing administrative costs for farmers.

5.9 Recommendations

R1. The concept of “Farm Advisory System” should be maintained. Efforts may be developed for going beyond beyond cross-compliance requirements, where appropriate

During the first years of application of cross compliance, the activities of the FAS have been especially focused around cross-compliance standards. As the phasing-in of cross compliance follows a different timing for the different MS, the Community framework could evolve over time (e.g. “Health Check” of the CAP reform) and new farmers may enter the sector, this basic support activity may need to be maintained.

However, as the concept of the FAS allows to go beyond a pure “cross-compliance approach”, **we see an opportunity for doing so in those MS where this basic support is less needed.** Depending on the respective needs of farmers in the different MS to correctly understand and apply the requirements of cross-compliance, **FAS activities could be further targeted: a) towards an integration of cross-compliance advice with economic advice increasing the usefulness of documentary aspects that are required by cross-compliance b) towards other needs and domains of advice (climate change, market oriented advice, ..).** This would further support the contribution of the FAS to the global objective of supporting a MHQA, and might enhance the overall confidence of the farmers towards the system. The latter being still considered by most farmers as strictly linked to cross-compliance requirements and controls.

Overall, the large margin of discretion to the MS in the establishment of their own FAS should be maintained.

R2. Recommendations towards MS for improving the effectiveness and efficiency of the FAS

MHQA is a broad concept, implicitly embedded in the rationale and principles governing the whole CAP. Given the extreme variation of the agricultural systems and conditions throughout the EU, we see room for improving the relevance of the instrument at MS level.

The MS should better target the FAS to the specific needs of the potential beneficiaries and to the basic standards that each farmer has to comply with, in order to move towards sustainable agriculture. We suggest enhancing further development of needs assessment activities for doing so.

R.2.2 Further develop synergies with other instruments in particular with research activities in agriculture and other extension services.

The FAS operates together with other instruments supporting the enhancement of knowledge and the evolution and specialisation of agriculture and forestry technical skills. Synergies between different instruments could be further improved, in particular by better integrating those available instruments. **The creation of formal or informal networks between the FAS, research activities in agriculture and other extension services could be promoted.** Systematic feedback from advisors to researchers would enhance research focused on practical issues at farm level and, vice versa, more frequent contacts between both would ensure that practical solutions developed by researchers find their way to the farming sector. In this respect, we see the advisor as an appropriate interface between the research sector and the farming community. The integration of the FAS into the broader extension systems operating in parallel on regional/national level represents an option to be considered in this respect. The MS should also better **assess the potentialities and suitability of the different policy instruments in terms of addressing particular needs and/or categories of beneficiaries**, in view of improving a targeted delivery of the advice.

R.2.3 Develop a comprehensive monitoring system

In order to follow the progress made, we suggest to further develop the monitoring systems in the MS. This monitoring should not be limited to follow the level of uptake of the FAS, but should also provide a feedback on the issues where more advice is needed and/or on the most suitable tools for providing advice (e.g. in terms of specific targeted tools to be developed such as farm walks around a theme).

R.2.4. Enhance the access to the FAS with respect to small farms

We consider that the access to the FAS by the farmers should be further enhanced, especially as regards small farms. This could be obtained by developing specific FAS tools targeted to this population and by **increasing the knowledge of the FAS and of its potential benefits among the farmers** (e.g. through information campaigns).

R3 Recommendations towards the EC to support the MS in the implementation of the FAS

R.3.1 Promoting the sharing of good practices

This evaluation has shown that a variety of different practices are currently developed in the MS for approaching and implementing the FAS. We believe that some innovative practices would deserve to be promoted at EC level. The Commission could facilitate the sharing among the Managing Authorities and the Operational Bodies in the MS of experiences and good practices on the approaches and tools for delivering the advice.

R.3.2 Clarifying the rules concerning the occupational safety standards

We have noticed that the implementation of occupational safety standards when the EAFRD is mobilised causes problems in the MS, due to the complexity of the respective legal framework. In this respect, two possible options could be envisaged:

- a) The EC could better clarify the precise rules to be respected by the farmers in terms of occupational safety standards;
- b) These standards should not be included in the mandatory scope of FAS services when *measure 114* is mobilised by farmers.

R.3.3 Revising the scope of *measure 114*

The current functioning of *measure 114* is potentially limiting the participation of some farmers. In this respect, **we suggest to revise the scope of *measure 114* in the sense of removing the obligation for each individual service to cover all cross-compliance standards when this measure is mobilised.**

6. Closing Chapter: Forestry Advisory Services (FoAS)

“Modern, high quality forestry” needs to be understood in the light of the various national forestry plans and of the European Forestry Action Plan (FAP) (2007-2011)¹¹⁴ which is guided by the following overall approaches: sustainable forest management¹¹⁵ and multifunctional forestry. Regulation (EC) N° 1698/2005 is the main instrument at Community level for the implementation of the FAP. It foresees i.a. the possibility to fund the use of advisory services for forestry (private forest holders) under *measures 114* and the setting-up of FoAS under *measure 115*¹¹⁶.

According to the rationale of *measure 114*¹¹⁷ “*advisory services should allow farmers and **forest holders** to **improve the sustainable management of their holding** by assessing the performance of their **agricultural holding** and identifying necessary improvements with regard to SMR and Community standards relating to occupational safety.*”

This rationale already includes an ambiguity considering forest holders and their holdings as similar to other in particular agricultural holding. This is not necessarily the case. **The notion of private forest holding should therefore be clarified.**

The importance of private forest ownership varies significantly between MS, from Malta (MT) where all forestry is public owned to Portugal (PT) where 93% of forestry is private owned. **Forest ownership structures are complex and changing.** There are many small sized (in ha) ownerships. This fragmented ownership pattern often results in **owners not being directly involved in the day-to-day forestry management, and most of the time this outsourced to hired casual labour eventually supervised by a professional forester.** Major consequence is that “absentee owners” abound in this sector and in several MS legal frameworks are being designed and extended whereby small owners are encouraged to group themselves into ‘forest ownership associations’. One important reason for this stems from inheritances which have over years broken up the forest ownership pattern. This fact is underlined in the EU Action Forest plan mentioning that “*increasingly, EU’s forests are owned by urban dwellers, ..*”.

In front of this reality, supporting forest associations or forest owners’ groups has been a major issue and priority of forestry politics over decades in several MS. These forest associations are not eligible to FoAS.

¹¹⁴ Communication from the Commission COM(2006) 302 final on an EU Forest Action Plan

¹¹⁵ Which the Ministerial Conference in Helsinki defined in 1993 as: “the stewardship and use of forests lands in a way that maintains their biodiversity, productivity, regeneration capacity, vitality and their potential to fulfil, now and in the future, relevant ecological, economic and social functions, at local, national and global levels, without causing damage to other ecosystems.

¹¹⁶ DG Agri H4 – March 2009 - Report on the implementation of forestry measures under the rural development regulation 1698/2005 for the period 2007-2013 – Annex III

¹¹⁷ Source : Handbook on Common Monitoring and Evaluation Framework, Guidance document, Guidance note E, Measure fiches September 2006, Directorate General for Agriculture and Rural Development, European Commission

However, advisory services under *measure 114* have to target **private** forest holders and are not eligible to forest owner groups.

The specific frame for FoAS is the following: advisory services can cover many topics such as - production processes compatible with the enhancement of landscape or the wider protection of the environment, - advice on ensuring quality standards, - sustainable forestry practices, etc. They must however at least cover SMR, GAEC and occupational safety.

However, although cross-compliance has been extended to farmers and forest holder benefiting from payments of RDP measures under axis 2, forest holders are *stricto sensu*, less concerned than farmers as only some SMR (environmental and plant health) and some GAEC contain elements that could impact on forestry activities as well as work safety.

As a first conclusion, private forest holdings are quite different in nature from farm holdings. It is thus debatable whether or not the “Farm Advisory System” includes these FoAS.

In respect to the various EQ pertaining to FoAS, the investigations made by the evaluator on the four issues of occupational safety, management skills, achievement of global objectives and support from EAFRD have been inconclusive even during case study investigations. Access to OB implementing these services and coordinating services has been limited to IT-VEN and some contacts with the forestry department in CZ and DE-NSC. The latter is not making use of advisory services to private forest holders. Conclusions of all relevant EQ are related only to investigations on case studies.

Indeed, it can be concluded that, in CZ and IT-VEN, advice on occupational safety is part of FoAS. However, investigations carried out in preparation of the various CR have not been conclusive on the way forestry services are organised to provide these services. EQ 1.4 on the contribution on FoAS on forest holders’ management skills could thus not been answered, and even less EQ 3.1 on the contribution of these activities to meeting standards of MHQA. 43 RDP integrated forest holders in their plans. However the specific contribution of these regarding advisory services is not known, except in IT-VEN, DE NSC and CZ. EQ 5.2 on the contribution of EAFRD could not be answered due to the lack of information.

The evaluator's overall conclusion regarding FoAS is that private forest holdings are quite different in nature from farm holdings. Besides, there is no specific framework that provides a clear guidance of advisory services especially for private forest holdings and their connection with the forestry departments and forest action plan. The FAS intervention logic remains entirely geared at farm holdings and forestry holding appear only when they are mentioned in the Regulations (EC) N°1698/2005.

It is the evaluator's view that however important such services are to achieving sustainable and modern high quality forestry, this would have merited a specific analysis and consultation with relevant forestry actors in order to come to a more streamlined perception and definition of FoAS.

The various EQ are therefore considered inappropriate at the present time, at least premature and unanswerable in view of the present situation.

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Appendix 2: Member State abbreviations

Abbreviation	Member state's name
AT	Austria
BE (FLA)	Belgium (Flanders)
BE (WAL)	Belgium (Wallonia)
BG	Bulgaria
CY	Cyprus
CZ	Czech Republic
DE	Germany
DK	Denmark
EE	Estonia
EL	Greece
ES	Spain
FI	Finland
FR	France
HU	Hungary
IE	Ireland
IT	Italy
LT	Lithuania
LU	Luxembourg
LV	Latvia
MT	Malta
NL	Netherlands
PL	Poland
PT	Portugal
RO	Romania
SE	Sweden
SK	Slovakia
SL	Slovenia
UK (ENG)	United Kingdom (England)
UK (SCO)	United Kingdom (Scotland)
UK (NIR)	United Kingdom (Northern Ireland)
UK (WAL)	United Kingdom (Wales)

Appendix 3: Abbreviations of regions in DE, ES and IT

Abbreviation	Region's name
Italy	
Abruzzo	ABR
Basilicata	BAS
Bolzano	BOL
Calabria	CAL
Campania	CAM
Emilia Romagna	EMR
Friuli Venezia Giulia	FVG
Lazio	LAZ
Liguria	LIG
Lombardia	LOM
Marche	MAR
Molise	MOL
Piemonte	PIE
Puglia	PUG
Sardegna	SAR
Sicilia	SIC
Toscana	TOS
Trento	TRE
Umbria	UMB
Valle d'Aosta	VDA
Veneto	VEN
Germany	
Baden-Württemberg	BDW
Bayern	BAY
Brandenburg + Berlin	BDB
Hamburg	HAM
Hessen	HES

Mecklenburg-Vorpommern	MEV
Lower Saxony + Bremen	NSC
Nordrhein-Westfalen	NRW
Rheinland-Pfalz	RHP
Saarland	SAA
Sachsen	SAC
Sachsen-Anhalt	SAN
Schleswig-Holstein	SWH
Thüringen	THU
Spain	
Andalucía	AND
Aragón	ARA
Asturias	AST
Baleares	BAL
Canarias	CAR
Cantabria	CAN
Castilla La Mancha	CLM
Castilla y León	CYL
Cataluna	CAT
Extremadura	EXT
Galicia	GAL
La Rioja	LRI
Madrid	MAD
Murcia	MUR
Navarra	NAV
País Vasco	PVA
Valencia	VAL

Appendix 4: List of Statutory Management Requirements (SMR)

(According to Annex III of Regulation (EC) N°1782/2003)

"Area" of protection of environment:

- SMR 1 Conservation of wild birds (Council Directive 79/409/EEC): Art. 3, 4(1), (2), (4), 5, 7 and 8
- SMR 2 Protection of groundwater (Council Directive 80/68/EEC): Art. 4 and 5
- SMR 3 Use of sewage sludge (Council Directive 86/278/EEC): Art. 3
- SMR 4 Protection of waters against nitrates (Council Directive 91/676/EEC): Art. 4 and 5
- SMR 5 Conservation of natural habitats and of wild flora and fauna (Council Directive 92/43/EEC): Art. 6, 13, 15, and 22(b)

"Area" of public, animal and plant health:

- SMR 6 Identification and Registration of animals (Council Directive 2008/71/EC): Art. 3, 4 and 5
- SMR 7 Identification and Registration of bovines (ear tags, holding registers and passports) (Commission Regulation (EC) No 2629/97): Art. 6 and 8 118
- SMR 8 Identification and Registration of bovines and labelling of beef and beef products (Council and European Parliament Regulation (EC) No 1760/2000): Art. 4 and 7
- SMR 8a Identification and Registration of ovines/caprines (Council Regulation (EC) No 21/2004): Art. 3, 4 and 5
- SMR 9 Placing of plant protection products on the market (Council Directive (91/414/EC): Art. 3
- SMR 10 Prohibition of certain substances in stockfarming (Council Directive (96/22/EC): Art. 3, 4, 5 and 7
- SMR 11 Food law (Council and European Parliament Regulation (EC) No 178/2002): Art. 14, 15, 17(1), 18, 19 and 20
- SMR 12 Prevention, control and eradication of spongiform encephalopathies (Regulation (EC) No 999/2001): Art. 7, 11, 12, 13 and 15
- SMR 13 Control of foot-and-mouth disease (Council Directive 85/511/EEC): Art. 3119
- SMR 14 Control of certain animal diseases and specific measures against swine vesicular disease (Council Directive 92/119/EEC): Art. 3
- SMR 15 Control of bluetongue (Council Directive 2000/75/EC): Art. 3

"Area" of animal welfare:

- SMR 16 Minimum standards for the protection of calves (Council Directive 91/629/EEC): Art. 3 and 4
- SMR 17 Minimum standards for the protection of pigs (Council Directive 91/630/EEC): Art. 3 and 4(1)
- SMR 18 Protection of animals kept for farming purposes (Council Directive 98/58/EC): Art. 4

¹¹⁸ Art. 6 and 8 of Commission Regulation (EC) No 2629/97 were repealed and replaced by Art. 6, 8 and 9 of Commission Regulation (EC) No 911/2004 of 29 April 2004 implementing Regulation (EC) No 1760/2000 of the European Parliament and of the Council as regards eartags, passports and holding registers, Art. 6, 8 and 9.

¹¹⁹ Art. 3 of Council Directive 85/511/EEC was repealed and replaced by Art. 3 (1) (a) of Council Directive 2003/85/EC of 29 September 2003 on Community measures for the control of foot-and-mouth disease repealing Directive 85/511/EEC and Decisions 89/531/EEC and 91/665/EEC and amending Directive 92/46/EEC.

Appendix 5: List of Good Agricultural & Environmental Conditions (GAEC)

(According to Annex IV of Regulation (EC) N°1782/2003)

Issue	Standards
(a) Soil erosion: <i>Protect soil through appropriate measures</i>	(GAEC 1) <i>Minimum soil cover</i>
	(GAEC 2) <i>Minimum land management reflecting site-specific conditions</i>
	(GAEC 3) <i>Retain terraces</i>
(b) Soil organic matter: <i>Maintain soil organic matter levels through appropriate practices</i>	(GAEC 4) <i>Standards for crop rotations where applicable</i>
	(GAEC 5) <i>Arable stubble management</i>
(c) Soil structure: <i>Maintain soil structure through appropriate measures</i>	(GAEC 6) <i>Appropriate machinery use</i>
(d) Minimum level of maintenance: <i>Ensure a minimum level of maintenance and avoid the deterioration of habitats</i>	(GAEC 7) <i>Minimum livestock stocking rates or/and appropriate regimes</i>
	(GAEC 8) <i>Protection of permanent pasture</i>
	(GAEC 9) <i>Retention of landscape features, including, where appropriate, the prohibition of the grubbing up of olive trees</i>
	(GAEC 10) <i>Avoiding the encroachment of unwanted vegetation on agricultural land</i>
	(11) <i>Maintenance of olive groves in good vegetative condition</i>