

Review of the implementation of EU-FAS policy in Member States of EU- Belgium (Flanders)

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I- Executive summary

The EU-FAS implementation in Flanders has been done under the name “KRATOS”. Art. 12 - 15 of Regulation (EU) No 1306/2013 requires Member States to set up a farm advisory system that allows the farmer to seek advice on at least a number of EC-determined topics.

With this measure, selected advisory services can offer tailor-made business advice to farmers who wish to do so in Dutch. Public procurement rules apply to the selection of consultants. The public procurement procedures are compatible with all European and national law. The proposed measure is more flexible in nature than the PDPO-II measure in support of farm advice, since the farmer is no longer required to request advice on all modules. This ensures that advice, more tailored to the farmer, is possible. Furthermore, unlike the PDPO-II measure, subsidies are paid to the advisory service and no longer to the farmer. This means a simplification for the farmer. Flanders developed a measure that focuses primarily on supporting start-ups (type of concrete action "business advice for young start-ups"). The measure thus contributes to the strategic PDPO III-theme "betting on young farmers with a view to perpetuating the future of the Flemish agricultural sector". Even non-starters can still request eligible advice (type of operation "business advice for non-starters"). Support for this advice also falls within the strategic theme of "increasing the resilience and making the Flemish agricultural sector more sustainable". Advice to organic farmers for a business plan or business advice is not eligible as they have other support measures available for this

To guarantee quality advice, the business advisory services must work with business advisors who meet the competence requirements, as further specified in the selection and award criteria. The conditions for business advisers relate, among other things, to diplomas, experience in advising in the agricultural sector and continuing education. The evaluation of the previously given business advice will also help with the assessment. The selection of advisory service must ensure that a proper audit can take place and relates to administrative requirements and the presence of competencies in the form of qualified advisers. Through this advisory system, farmers and horticulturists can go to a advisory service to obtain advice on one or more advisory modules.

During the first year of KRATOS 2, more than 1,000 advice requests were submitted across the 14 advice modules, demonstrating that farmers are keen to use the KRATOS advice system. This number makes that KRATOS takes an important place in the Flemish advice landscape.

II- Extensive description of the implementation of the EU-FAS in Belgium (Flanders)

A) Introduction – General overview about the EU-FAS implementation

BAS: European Support to farmers in the PDPOII period from 2007-2013

The second Rural Development Programm (PDPO II), covering the period 2007-2013, provides European support to farmers who wish to use advice according to the so-called Business Advisory System or BAS. This advisory activity should at least relate to the mandatory management requirements and the obligations regarding good agricultural and environmental practices. The Flemish interpretation of BAS also includes business economic advice, based on accounting that meets specific requirements and on work safety.

At the end of March 2012, 12% of the Flemish farms had applied for BAS advice. After an energetic start from 2007, the number of applications from 2010 experienced a sharp decline. This was partly the result of a change in the conditions for follow-up advice, but it was probably also due to the fact that perhaps too little promotion was carried out around BAS and that the agricultural advisory services did not use BAS to win over new customers.

The European BAS evaluation has made it possible to inspire the new legislative proposals from the European Commission.

Kratos , an European Support to farmers in the PDPOII period from 2014-2020

Art. 12 - 15 of Regulation (EU) No 1306/2013 requires Member States to set up a farm advisory system that allows the farmer to seek advice on at least a number of EC-determined topics. For that reason in Flanders KRATOS was set up after BAS. KRATOS allows a farmer or horticulturist to request for free advice tailored to their company on multiple topics, divided into 13 advice modules.

Further in this document the boundaries, identity of the suppliers, attributes , quality control and financing of this advisory service (KRATOS) are further described.

- the sub-section “**boundaries**” : **what** is the scope of implementation of the EU-FAS (geographical zone, themes, target audience)?
- the section “**identity** of the suppliers”: **who** is entitled to deliver advice under the EU-FAS regulation?
- - the section “**attributes** of the service”: **how** are the services delivered (front- and back-office dimensions)?
- - the section “**control of the quality**”: by whom and how is the EU-FAS monitored?
- - the section “**financing of the services**”: how is the EU-FAS funded?

B) “Boundaries” of the implementation of the EU-FAS regulation

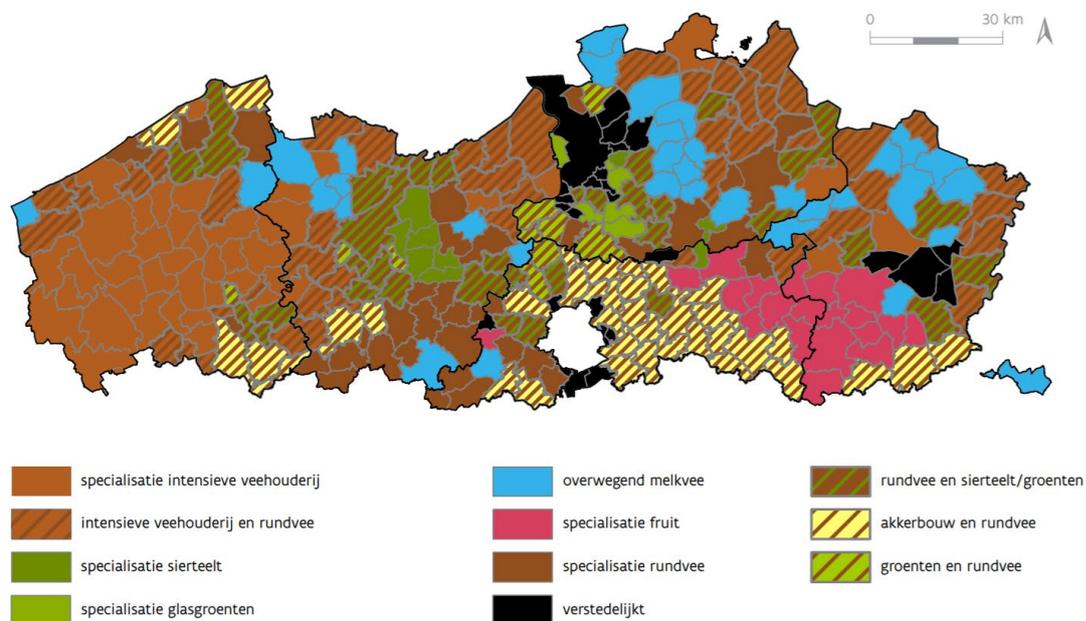
Administration in charge of EU-FAS

The administration which is in charge of the regulation of EU-FAS is The department of agriculture and fisheries of the Flemish government:

1. Departement 0316.380.841_16724 Ellipsgebouw – 1030 België Contactpersoon: E-mail: maxime.bolle@Lv.vlaanderen.Be NUTS-code: BE100	Landbouw	en	Visserij
	Koning Albert II-laan 35,		bus 40 Brussel
		Maxime	Bolle
2. Website: http://www.vlaanderen.be/landbouw/kratos			

Geographical boundaries of EU-FAS

The geographical boundaries of EU-FAS in Belgium are regional, not national. In this rapport we will describe the implementation of EU-FAS in Flanders. Flanders is the upper part of Belgium, and is characterized by a rather intensive agriculture. Flanders had 23,225 farms in 2017, 78% of which are of a professional nature. Since 2007 the number of farms decreased by more than a quarter, a decrease of 3.2% on average per year. As the current trend continues, Flanders will have fewer than 20,000 farms in 2022. Smaller companies in particular stop, which ensures a constant increase in scale. Compared to 2007, the average area of cultivated land per farm increased by a third to 26.3 hectare.



Bron: Departement Landbouw en Visserij op basis van Statbel (Algemene Directie Statistiek – Statistics Belgium)

Legal Basis for Kratos

On 13 February 2015, the European Commission approved the third Flemish Program for Rural Development 2014-2020 (PDPO III). Within PDPO III, M02 is setting up a business advisory service, two measures are provided:

- Business advice for young start-ups - code 2.1
- Business advice for non-starters - code 2.

basis:

- Art. 12-15 of Regulation (EU) No 1306/2013
- Art. 15 of Regulation (EU) No 1305/2013 - code 2.1

Art. 12 - 15 of Regulation (EU) No 1306/2013 requires Member States to set up a farm advisory system that allows the farmer to seek advice on at least a number of EC-determined topics. The farm advisory system should, among other things, ensure that farmers become more aware of the relationship between agricultural practices and the management of farms on the one hand and standards in the field of the environment, climate change, good agricultural condition of land, food safety, public health, animal and plant health, etc. and animal welfare on the other. Art. 15 of Regulation (EU) No 1305/2013 offers the Member States the possibility to set up this system as a PDPO-III measure and with EU co-financing¹

KRATOS I has started in 2016 and lasted for 1 year, KRATOS II lasted for 2 years until 2019, KRATOS III started in 2019 and will end in 2020, however a prolongation is possible until the next CAP is approved

Types of beneficiaries

KRATOS is characterized by two types of beneficiaries: (starters and non- starters):

Starters :

Beneficiaries are starters who meet the definition of active farmer from Pillar I according to Article 9 of Regulation (EU) No 1307/2013. Starters are farmers who have set up a farm in the last 5 years, are not older than 40 and have sufficient professional skills. Advice to organic farmers for a business plan or business advice is not eligible as they have other support measures for this

Non- starters

Beneficiaries must be active farmers, as defined in Pillar I (Article 9 of Regulation (EU) No 1307/2013). Farmers who are not start-ups (cf. sub-measure "farm advice for young farmers") are considered to be "non-starters" eligible, as they have other support measures for this

Themes of the advice given:

The regulation sets the scope of services:

- 5 mandatory domain: cross-compliance, payment for climate and environment practices, modernisation, pesticides directive, water directive
- 4 optional domains: diversification, risk management, conversion to organic, information on climate change & biodiversity

The different modules were farmers can choose from are listed in the table below, there are 14 Parcels and 10 module's.

¹ <https://lv.vlaanderen.be/sites/default/files/attachments/m02.pdf>

Parcel	Module	Scope
1.	1	Business plan
2.	2	Business advice
3.	3	Preconditions
4.	4	Greening
5.	5A	Biodiversity: agri-environmental actions related to biodiversity
6.	5B	Biodiversity: Conservation Objectives and Programmatic Approach to Nitrogen
7.	5C	Biodiversity: Link between biodiversity and agro-ecosystem resilience, link between monocultures and susceptibility to diseases and extreme climatic events, information on invasive species
8.	6A	Climate: Agri-environmental climate actions related to climate
9.	6B	Climate: Energy
10.	7A	Water: Integrated crop protection IPM (Integrated Pest Management)
11.	7B	Water (nitrogen directive)
12.	8	Bottom
13.	9	Occupational safety
14.	10	Technical advice for processing primary agricultural products (food)

Table 1: Different modules to choose from as farmer to get advice

KRATOS: major differences with the first period of EU-FAS implementation.

This summary below shows the most important differences between the former BAS advisory system and the new Kratos advisory system:

- In BAS farmers had to **prepay** for the advice. Advice was not free, 30% had to be paid by the farmer.
- In BAS it was the farmer that received the **refund**, not the advisory services as such
- In BAS advisory organisations received a recognition from the government. In KRATOS the advisory organisation were selected through a **public tender**.
- In BAS there was only **one type of advice**, with 5 submodules.
- In BAS a beneficiary could ask for advice every three years, now each advice **only once** (except for starters)

- In BAS there were **much less topics** than in Kartos

C) Identity” of the suppliers selected for the implementation of the EU-FAS regulation

KRATOS identifies the advisory suppliers through a public tender. In this tender there is no such thing as a definition for an advisory service. However an advisory service needs to be able to prove that he is an advisory service to apply for the tender. This is done by providing information for the following requirements:

- Five recommendations given that the advisory service has **at least three years of experience** in advising individual farms. If the business advisory service has given advice within the framework of the business advice system "BAS" from PDPO II or the business advice system "KRATOS" from PDPO III, the tenderer must refer to this in the tender. In that case, it is not necessary to add five recommendations to the quotation.
- Deliver proof that the tenderer can have **at least three advisors**.
- Deliver A statement on honour that the tenderer can deliver **a minimum of 35 advisory reports per month per parcel** on which he is registering.
- Provide the following information per advisor:
 - The **diploma** and/or certificate required for each module
 - For foreign diploma's, a certificate from the Flemish government must be submitted showing that the diploma has been declared fully equivalent to the required diploma.

A presentation of the advisory suppliers selected for the implementation of the EU-FAS, can be found in Appendix 1

The full document with the public tender is online available:

<https://ted.europa.eu/TED/notice/udl?uri=TED:NOTICE:269526-2019:TEXT:NL:HTML>

D) Control” of the quality of the services implemented under the EU-FAS regulation

The selection procedure is regulated through a public tender. The first call for tendering was in 2016, which lasted for 1 year, the next call was 2 years later. The last call for Kratos started in May 2019 and will last for 2 years until 2020. There is the possibility to extend this period until the next CAP is approved.

This means that the criteria for inclusion in KRATOS are regulated through a public tender. All advisory organisations can apply for this tender if they meet the criteria described in C) Identity of the suppliers. After the application the contracting authority will determine the most economically advantageous tender, taking into account the best price-quality ratio:

The evaluation criteria, together with the weight assigned to them, are:

- quality (50 points)
- prize (50 points)

The quality evaluation criteria is split into two sub-award criteria:

- qualification advisors (20 points)
- experience and expertise of advisors (30 points)

Assessment of the criteria

For each module a ranking will be made of the tenderers, whereby an amount of advice is assigned to the best ranked tenderers. Each lot will be awarded to a maximum of five tenderers.

Only those tenderers who based on the award criteria obtain a sufficient score can be included in the ranking:

- obtain a minimum score of 10 points on the sub-award criterion qualification of the advisors
and
- achieve a minimum score of 15 points on the sub-award criterion experience and expertise of advisors
and
- achieve a minimum score of 10 points on the price criteria
and
- for the advice on processing primary products, obtain a minimum score of 10 points on the technical equipment sub-award criterion.

Each parcel will be awarded to a maximum of five tenderers.

The total number of advice's in the parcel will be distributed on the basis of a degressive quota system among the tenderers to whom the parcel was awarded. The quota allocation key will look like this:

- If the lot is awarded to 5 tenderers:
 - Tenderer at position 1: 35%
 - Tenderer at position 2: 25%
 - Tenderer at position 3: 18%
 - Tenderer at position 4: 13%
 - Tenderer at position 5: 9%
- If the lot is awarded to 4 tenderers:
 - Tenderer at position 1: 45%
 - Tenderer at position 2: 27%
 - Tenderer at position 3: 17%
 - Tenderer at position 4: 11%
- If the lot is awarded to 3 tenderers:
 - Tenderer at position 1: 49%
 - Tenderer at position 2: 31%
 - Tenderer at position 3: 20%
- If the lot is awarded to 2 tenderers:
 - Tenderer at position 1: 60%
 - Tenderer at position 2: 40%
- If the lot is awarded to 1 tenderer:
 - Tenderer at position 1: 100%

Assessment in terms of Quality

1. *Qualification of the Advisors*

The advisory service must indicate which advisors (both in-house and subcontracting) will be effectively deployed for each parcel. The score for the sub-award criterion “advisors qualification” for each parcel is only based on the business advisers who have been specified for the parcel in question and who meet the diploma or study conditions that are specified in the selection conditions. In particular, the score is an average of all those business advisers. An individual score for one or more of these business advisers lower than 10 out of 20 does not mean that these business adviser (s) are not allowed to provide advice, but the tenderer must ensure that the average is higher than 10 points if he is to qualify for award.

2. *Experience and expertise of the advisors*

The experience and expertise of the advisors that will be deployed will be assessed on the basis of the following factors:

- The choice of 2 topics which, according to the advisory service, are important points of interest for the farmer and the agricultural sector within the advisory theme for which a tender is being submitted. The tenderer must state the 2 chosen topics clearly separate from each other on the quotation and argue why he chooses those topics and how he will take these topics into account when advising farmers.
- The experience that the advisers employed has for providing advice with regard to the advice theme of the parcel for which a tender is being submitted. For this purpose, the tenderer must describe the experience of the advisors who will be deployed based on facts. In addition, the tenderer must also add a list of references to show how many recommendations have already been given by the advisors to be deployed in the last 3 years about the advice theme.

Based on this information, the average number of advice given per consultant will be calculated. This average will be scored. If advice was provided under previous framework agreements for the KRATOS advisory system, it is sufficient to state in the list of references per adviser that KRATOS advice was provided without adding the details in the reference list. The contracting authority may request random advice during the award procedure.

There are no requirements of certification or training

3. *Technical requirements of the advice given*

The business advice needs to be specifically tailored to the farm and consists of more than just generalities. As this measure is part of the Flemish PDPO III program, the European rules concerning the communication obligations must be followed.

The advisor provides a written advisory report in Dutch for each module on the advice given in which the relevant advisory parts, sub-parts and advisory elements can be clearly distinguished from each other and delivers this report to the farmer or horticulturist, within the implementation period. If the tenderer considers that some advisory components are not relevant to the company, he must clearly state the name of these advisory components in the advisory report and state or argue why these advisory components are not relevant.

A written report is obligatory, it includes the following:

- The written administrative report clearly states the following administrative information:
- The date of the site visit or the site visits for the modules for which this is relevant;
- The date on which the written advice report is delivered to the farmer or horticulturist;
- The name and signature of the farmer or horticulturist (on paper or electronically via the eID of the farmer or horticulturist);
- The name and signature of the business advisor who has given the advice or of the business advisers who have given the advice;
- basic characteristics of the company (sector, number of hectares)

4. *Site visits*

- For modules 1, 2, 3, 5A, 5B, 5C, 6A, 6B, 7A, 7B, 8 and 9, the farm advice implies at least a thorough site visit by the farm advisor, the individual farm situation of the farmer or horticulturist is better understood by a tour of the company.
- For module 4, a site visit and tour of the company are not necessary.
- For module 10, depending on the necessity that follows from the specific question of the farmer or horticulturist, a place visit is made to the farm, possibly with a tour.

In addition to the site visit, advice may also be given at a location other than the company, for example if the availability of technical aids facilitates advice there.

If a company has several operations, it is sufficient if the advisory service visits at least one of the operations during the site visit. The advisory service must request the necessary information from the farmer in order to have an overview of all agricultural activities on the farm.

The advice must always be tailored to the entire company and take into account all agricultural activities carried out on the various farms.

The contracting authority can inquire for each file to follow the advice moment and site visit and can always request an overview of the planned site visits.

Requirements in terms of monitoring of services

The procedure for the farmer is as follows:

1. Farmer goes to E-loket (an online service from the government) and asks for an advice in a specific topic
2. The department of agriculture orders the advice from the advisory service
3. The advisory service accepts the order and the advice period of 90 days starts
4. Advice is given by the advisory service
5. The advisory service send the written rapport and his invoice to the department of agriculture.
6. Check (control of quality, timing and technical requirements)
7. IF OK -payment to advisory service

E) “Attributes” of the services implemented under the EU-FAS regulation

In Flanders there are almost no attributes implemented under the KRATOS – regulation. There are no formal or informal networks formed between advisory suppliers. Also in terms of front of back-office, no examples could be found given the resource of this review.

F) “Financing” of the services implemented under the EU-FAS regulation

Through the ministry and a stakeholder approach an budget was allocated to the EU-FAS regulation. This budget was determined by the amount of farmers the ministry wants to reach with advice.

Some figures:²

Measure	#finished advice	Total government spending 2014-2018 (euros) (EAFRD + Flemish co-financing + top-up)	ELFPO-expenditures 2014-2018 (euro)	Planned ELFPO-expenditures 2014-2018 (euro)	% ELFPO Expenditures
M02 KRATOS advice (starters)	355	264.183	177.816	3.595.567	5

² Flanders Rural Development Program 2014-2020 - Annual Report 2018 16.07.2019

M02	KRATOS	1933	1.343.992	899.468	4.280.437	21
advice	(non-					
starters)						

In 2018, 156 advice for starters and 880 advice for non-starters were paid. In total, 682 farmers received almost 911,000 euros in support for advice. With the third government contract, published in the autumn of 2018, advisory services were again selected to be able to advise on 1 or more modules in the 2019-2020 period. At the end of May 2019, the third application period for business advice started. In 2014-2018, 355 advice for starters (focus area 2B) and 1,933 advice for non-starters (focus area 4B) were paid. A total of 1,169 unique farmers received advice.

III- Effectiveness of EU-FAS in Flanders

A) Facts and figures about EU-FAS implementation

On the 19th April 2019 a parliamentary question was asked to the Minister of Agriculture. The question was:

1. Can the minister provide an overview of the total number of requests for advice per module that were ultimately requested via KRATOS 2 in the first year, so up to 16 March 2018?
2. How does the minister evaluate the first year of KRATOS 2 on the basis of this numbers?

The answer was:

1. The next table gives the amount of advice request during the first year of KRATOS II:

Module	Scope	#Advice
1	Business plan	181
2	Business advice	95
3	Preconditions	70
4	Greening	95
5A	Biodiversity: agri-environmental actions related to biodiversity	15
5B	Biodiversity: Conservation Objectives and Programmatic Approach to Nitrogen	96
5C	Biodiversity: Link between biodiversity and agro-ecosystem resilience, link between monocultures and susceptibility to diseases and extreme climatic events, information on invasive species	22
6A	Climate: Agri-environmental climate actions related to climate	33
6B	Climate: Energy	210
7A	Water: Integrated crop protection IPM (Integrated Pest Management)	3
7B	Water (nitrogen directive)	60
8	Bottom	33
9	Occupational safety	131
10	Technical advice for processing primary agricultural products (food)	16

- There were more than 1,000 requests for advice during the first year of KRATOS II submitted across the 14 advisory modules, which shows that farmers like to use the KRATOS advisory system.

B) In-depth analysis of one domain

Due to time constraint, it was not possible to provide such an in-depth analysis.

IV- Discussion

The KRATOS advisory system has been around since 2016 and in the meantime a large number of farmers have already used it. The advisory services can only benefit if the system is well known. So they make the promotion for the system and lead their customers to this free advisory system.

Compared to the previous advice system in PDPO II, KRATOS is completely free for farmers and the invoice goes directly to the government that makes the payment. So the control by the government is quite straight forward. The system is also very accessible to the end user by using a "known" online login system.

There were more than 1,000 requests for advice during the first year of KRATOS II submitted across the 14 advisory modules, which shows that farmers like to use the KRATOS advisory system.

The biggest difference between BAS from the previous programming period and KRATOS is working with a public tender. Because there is no need to register a tender in the Flemish regulations, it can be adjusted during the programming period. Which makes it flexible and adjustable.

But working with a government contract also has a number of disadvantages, for example, quality control is more complex, there is more administration. It also leaves no room for new forms of advice and advice on Innovation is not included. It is also not possible for non-farmers who want to start with a farm, to participate in KRATOS.

Factsheet about FAS assessment in Flanders

Some Key facts about CAP implementation in France

- Number of farmers in the country..... 23225 farmers
- Share of 2nd pillar in CAP expenditure..... n.a.
- Share of Knowledge measures (M01&M02) in the 2nd pillar of CAP..... 2%
- Planned expenditure (ELFPO) per farmer (M01&M02..... 340€ per farmer

Some Key facts about the implementation of the EU-FAS in Flanders

Pillar one (Regulation n°#)

Level of application

- Regional National

Domain selected for the EU-FAS regulation

Mandatory

- Cross-compliance
- Paiement for environment & climate
- Modernisation
- Pesticides directive
- Water directive

Optionnal

- Diversification
- Risk management
- Organic
- Information on climate

Types of suppliers accredited

Indicate the type of suppliers accredited

- | | |
|---|---|
| <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Private independent consultant/firms <input type="checkbox"/> SME or start-ups <input type="checkbox"/> Public extension organisation <input type="checkbox"/> NGO <input type="checkbox"/> Charities | <ul style="list-style-type: none"> <input type="checkbox"/> Chambers of agriculture <input type="checkbox"/> Farmers' rings or associations <input type="checkbox"/> Farmers' cooperatives <input type="checkbox"/> Private firms or retailers (inputs/outputs) <input checked="" type="checkbox"/> Bookkeepers <input checked="" type="checkbox"/> Other (specify) Farmers Association |
|---|---|

Method required for advisory services

- | | |
|--|---|
| <input checked="" type="checkbox"/> One to one on the farm | <input type="checkbox"/> Telephone helpdesk |
|--|---|

<input checked="" type="checkbox"/> One to one outside the farm <input type="checkbox"/> Small group advice on the farm <input type="checkbox"/> Small group outside the farm	<input type="checkbox"/> General information via Internet <input type="checkbox"/> Publication (paper copies) <input type="checkbox"/> No requirement
Conditions required to be accredited for advisory organisation	
<input checked="" type="checkbox"/> Competences of advisors <input type="checkbox"/> Training of advisors <input type="checkbox"/> Data base	<input type="checkbox"/> Networks <input checked="" type="checkbox"/> Monitoring of advice activities <input type="checkbox"/> Knowledge platforms
Target public (categories of farmers or farm workers)	
Target group specified..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Farms with more than 15000 € direct support <input type="checkbox"/> Smaller farms..... <input type="checkbox"/> Other farms' criteria	<input type="checkbox"/> Zoning criteria..... <input checked="" type="checkbox"/> Other criteria: Starter/ Non-Starter
Pillar Two	
Use of measure M02..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Number of beneficiaries.....23225€.....	
Average expenditure per farmer.....340€.....	
Domain selected	
<input checked="" type="checkbox"/> Cross-compliance <input checked="" type="checkbox"/> Paiement for environment & climate <input checked="" type="checkbox"/> Modernisation <input checked="" type="checkbox"/> Pesticides directive <input checked="" type="checkbox"/> Water directive <input checked="" type="checkbox"/> occupational Health <input checked="" type="checkbox"/> Farms setting up for the first time	

List of references and material use for the review

- Interview with Maxim Bolle, Departement landbouw & Visserij
- PROGRAM FOR RURAL DEVELOPMENT FLANDERS 2014-2020 (PDPO III) Annual Report 2018-
https://lv.vlaanderen.be/sites/default/files/attachments/jaarverslag_pdpo_2018_website_0.pdf
- Tender nr 2018 / AOO / 01 - framework agreement “farm advisory system KRATOS - Advice for farmers and horticulturists
- FINANCING PLAN - Rural Development Programme (Regional) - Flanders
- Belgium - Rural Development Programme (Regional) – Flanders -
https://lv.vlaanderen.be/sites/default/files/attachments/integraal_programma_na_wijziging_2018-red.pdf