

# Review of the implementation of EU-FAS policy in Member States of EU- Portugal

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## I- Executive summary

The main aim of the report is to describe the EU-FAS implementation process in Portugal. The report represents the limited progress in the implementation of EU-FAS in Portugal. The implementation process is ongoing and reflects a recent initiative by the Directorate of Agriculture and Rural Development (DGADR). Portuguese agriculture and rural areas are confronted by the reorganization of the agricultural sector at social and economic levels. The rural regions in Portuguese Inland areas are facing challenges related to low-density populations, decrease in the number of farms and an ageing farm population. The EU-FAS regulation has a potential role to play in the rejuvenation of the farm population. The rural farm population require greater competitiveness, entrepreneurial spirit and an understanding of the food chain marketing process, specifically to increase exports. In addition, the broadening of the scope of the programme to include improved forest management and forest fire prevention is innovative. The EU-FAS implementation can have an important contribution to the social and economic development in Portugal. The first steps in the implementation process are at the take-off mode with contradictory dynamics associated to the target groups and the risk of aggravating the duality in socio-technical regimes.

The management of the EU-FAS in Portugal is today under the authority of the Directorate of Agriculture and Rural Development (DGADR). The DGADR has already recognized and certified a large number of FBOs that will carry out the advisory service for agriculture and forestry (SAAF). The leader entities are nine, comprising the major agricultural national level unions and federations of farm-based organisations, such as the Confederation of Portuguese Farmers (CAP), the National Confederation of Agriculture Cooperatives and Farm Credit Cooperatives (CONFAGRI), and the National Confederation of Farmers (CNA), the later with a focus on family farms. It comprises also the Association of Young Farmers of Portugal (AJAP) and the National Association of Organic Farmers (AGROBIO). However, one of the novelties of the new Portuguese EU-FAS is the inclusion of the forest owners and forest holdings, represented by their national level associations, such as the Forestry Forum and the Portuguese Forestry Association (FORESTIS). These entities oversee a network of local farmer and forestry producer associations in Portugal, with around 300 organisations. The certification was completed through an evaluation of the FBO proposals presented to public call. This evaluation articulated to the FBOs competencies to carry out the SAAF. In addition, the evaluation considered the fiscal and social security financial conditions of the entity.

FBO presents a table of costs for the provision of advisory services based on thematic areas of advice. AG PDR 2020 -The entity responsible for financing the MO2 of RDP provides a financial package to the FBO's in accordance with the advisory package. The decision to certify the FBO also articulates to their qualification and training programme for the SAAF technicians who will be involved in the farm visits. The Portuguese legislation identifies the DGADR and the Advisory Commission as the entities responsible to monitor the FBOs performance and guarantee a quality service to the agricultural and forestry holdings. The aim of this document is to present the implementation of the EU-FAS in Portugal. The document is composed of four main parts: i) an executive summary (one page) where the authors provide their view of the implementation of EU-FAS in the country; ii) an extended description of the

implementation of EU-FAS, as part of the national advisory regime of the country; iii) a factsheet (one page) summarizing the main facts and figures the EU-FAS implementation; and iv) a bibliography.

## II- Extensive description of the implementation of the EU-FAS in Portugal

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

The management of the EU-FAS in Portugal is under the authority of the Directorate of Agriculture and Rural Development (DGADR). The DGADR recognizes and certifies the FBO or entities that are enabled to carry out the advisory service for agriculture and forestry (SAAF). This was completed through an evaluation of the FBO proposals articulated to their competencies to carry out the SAAF as well as considering their fiscal and social security financial conditions.

The FBO advisory system must also present an annual FAS budget, although that didn't had implemented so far. The decision to certify and recognize the FBO also articulates to their qualification and training programme for the SAAF technicians who will be involved in the farm visits.

The Portuguese legislation identifies the DGADR and the Advisory Commission as the entities responsible to evaluate the FBOs performance that provide a quality service for the agricultural and forestry holdings in the near future.

The EU-FAS has been legally established in 2016 by the Portaria nº 151/2016 that implemented in the national law the EU Regulation nº 1305/2013 and is financially supported under M02 RDP according to the established by the Portaria nº 324-A/2016. However, only after the amendments introduced by the Omnibus Regulation in 2017, which has introduced some simplified procedures to access EU funds both in Pillar 1 and 2 of the Common Agriculture Policy (CAP), the EU-FAS has actually been launched. Hence, the implementation started actually only in late 2018. This fact explains the low execution rate of the Measure 2, which was in September 30<sup>th</sup> 2019 around 12% of the allocated amount concerning the supply of advisory services (PDR2020, 2019). The total amount (EU and Portugal co-funding) allocated to the M02 was 33 million euros, 75% of which devoted to the advisory services provision. The remaining 25% were allocated to the creation of new advisory services and to the training of advisors. Hence, the process of implementation can be considered a work in progress, and an assessment of the implementation process cannot address the EU-FAS results or functioning of the SAAF in Portugal.

### B) “Boundaries” of the Implementation of the EU-FAS Regulation

The geographical coverage area of the EU-FAS is the continental area of Portugal. The Islands of Azores and Madeira have their own EU-FAS, given they are autonomous regions and have their own government. Hence this report refers only to the continental part of Portugal. The FAS target groups are cross-compliance farmers (co-financed the costs of FAS), newly installed young farmers, forest owners, and farm and forestry holdings that received 2020 funding in the frame of the Rural Development Programme (RDP). The early participation in the cross-compliance FAS activities from 2008-2016 in Portugal involved only 2 to 3% of the farmers in Portugal. The marginalized farmers, family farms and farm workers in a rudimentary assessment will probably not benefit from this transformation of the EU-FAS in Portugal. Thematic areas comprised by the Portuguese EU-FAS, the SAAF, are organised in three major groups, and the beneficiaries have to apply to each of them and not to separate thematic areas.

The basic package for agriculture advisory services includes:

- Cross-compliance, which covers statutory management requirements and standards for good agricultural and environmental condition as provided for in Article 93 and Annex II of Regulation (EU) No 1306/2013 of the European Parliament and of the Council;
- Occupational Safety and Health that covers the standards defined in relevant community and national legislation;
- Greening, which covers the practices set out in Chapter 3 of Title III of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, defined at national level in Chapter IV of the Ordinance no. 57/2015, of February 27, amended and republished by Ordinance no. 24-B / 2016, of February 11;
- Maintenance of the agricultural area, as defined in Ordinance No. 57/2015 of February 27, pursuant to the provisions of Article 4 (1) (c) of Regulation (EU) No 1307 / 2013 of the European Parliament and of the Council of 17 December.

The enlarged agriculture advisory services package includes the previous ones plus:

- Measures to protect water quality, which include the requirements set out in the programs of measures contained in the river basin management plans regulated by Law no. 58/2005, of December 29 (Water Law), which transposes to the Directive 2000/60/ EC of the European Parliament and of the Council of 23 October (Water Framework Directive), as defined in Annex I to Administrative Rule no. 151/2016 of 25 May, of which it forms part integral;
- Sustainable use of plant protection products, covering the standards set out in Articles 16 to 18 and Annex II of Law No 26/2013 of 11 April;
- Measures at the level of the agricultural or forestry holding, which covers the matters set out in Annex II of Order No. 151/2016, of May 25, that aim to respond to needs identified by the recipient of the advice in the scope of the implementation of actions or operations of the Mainland Rural Development Program, hereinafter referred to as RDP 2020, identified in that Annex;
- First installation of young farmers, covering advisory matters relating in particular to the obligations inherent in complying with the provisions of Decree-Law no. 159/2014 of 27 October on general RDP rules and the business plan approved accordingly with Ordinance No. 31/2015, February 12;
- Minimum requirements for agri-environmental measures, covering the requirements set out in Annex III of Order No.151 / 2016 of 25 May, as referred to in Articles 28 (3) and 29 (2). of Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December;

There is a third advisor services package that targets forest owners and managers through their representative forest organisations. In this case advisory services comprise:

- Forest management plan, covering advice on the implementation of the forest management plan;
- Forest protection, covering advice on plant health and forest fire protection, as set out in the following plans: a) Specific forest intervention plans set out in the guiding principles of the forest health operational program, approved by Resolution of the Council of Ministers no. 28/2014 - of April 7; b) Municipal forest fire protection plans;
- Forest certification, which includes the requirements for maintaining forest certification, including group or regional certifications;
- Conservation of Nature, which covers obligations not applicable to agricultural areas under cross-compliance, established by Decree-Law no. 140/99 of 24 April, as amended by Decree-Laws no. 49/2005, of 24 February and 156-A / 2013 of 8 November, which transposes into national law Council Directive 92/43 / EEC of 21 May (Habitats Directive) and Directive 2009 147 / EC of the European Parliament and of the Council of 30 November, and in particular those laid down in: Article 9 (2) (a) to (g), applicable to holdings located in areas designated as Special Protection Areas

(SPAs) and Sites of Community Importance (SCI) under those Decisions; In paragraphs 1 and 2 of article 12 and in article 20, applicable in the national territory.

### C) “Identity of the providers” of the Implementation of the EU-FAS Regulation

There are two level of providers in the advisory supply in the SAAF (the Portuguese EU-FAS): a) the recognized and certified umbrella FBO that are habilitated to apply to the funding made available under the M02; b) and, the sectorial, regional, and local FBO which are members of the former and that actually provide the advisor services to the farmers.

The leader entities are nine, comprising the major agricultural national level unions and federations of farm-based organisations, such as the Confederation of Portuguese Farmers (CAP), the National Confederation of Agriculture Cooperatives and Farm Credit Cooperatives (CONFAGRI), and the National Confederation of Farmers (CNA), the later with a focus on family farms. It comprises also the Association of Young Farmers of Portugal (AJAP) and the National Association of Organic Farmers (AGROBIO). The inclusion of advisory to forest owners and forest holdings, in the Portuguese EU-FAS, SAAF, brought in to the first level of umbrella advisory organisations the respective national level associations, such as the Forestry Forum and the Portuguese Forestry Association (FORESTIS). The umbrella FBO (with at least 3,000 associates) are the ones that can apply to be acknowledged and accredited by the Directorate of Agriculture and Rural Development (DGADR). This public entity is part of the Agricultural Ministry, and is the authority in charge of the management of the SAAF and the one that certifies the umbrella FBO. The certification is completed through an evaluation of the FBO proposals presented to public call. This evaluation articulated to the FBOs competencies to carry out the SAAF. In addition, the evaluation considered the fiscal and social security financial conditions of the entity.

The sectorial, regional and local FBO associated to each of the umbrella organisations are entitled to provide the advisory services to local level farm holdings once they respect the demanded requirements regarding the availability and qualification of advisors to deliver the advice respectively for the basic and /or the enlarged package of farm advisory services in the case of agriculture related FBO. The forest advisory services are in general provided by forest focused FBO. In total the FBO entitled to supply agricultural and forest advisory services are currently around 300 organisations.

### D) “Control of the quality” of the Implementation of the EU-FAS Regulation

The major objectives in the implementation of the EU-FAS in Portugal are the following:

- 1) To increase the Portuguese agriculture competitiveness, along with strengthening eco-efficiency, by optimizing the use of natural resources;
- 2) To ensure the qualification of the advisors of SAAF (Portuguese EU-FAS) through regular training;
- 3) To broaden the scope of SAAF, by integrating the forest sector and by enlarging substantially the number of thematic areas in comparison to the former SAA (2008-2016);
- 4) To promote the sustainable management of forest areas, by supporting forest owners and their organisations, including forest management plans, fire prevention plans and forest certification.

The DGADR has developed technical guidelines that were used in the recognition and accreditation of the FBOs. These guidelines (or conditions) have been used for the certification process. It also permits

the DGADR to suspend or revoke this accreditation process as a result of the annual assessment. The guidelines established by the DGADR are:

- Recognize SAAF entities, as well as suspend or revoke this recognition;
- Prepare and submit to the Advisory Committee's opinion for amendment proposals to the SAAF, namely integration of new thematic areas;
- Keep a record of the certification process involving the entities providing the agricultural and forestry advisory services and publicize them;
- Verify the completion of the obligations that the entities providing the agricultural and forestry advisory service;
- Evaluate the annual reports prepared by certified agronomic and forest advisory service providers;
- Issue additional recommendations to recognize agricultural and forestry advisory service providers;
- Compile and process all information relevant to SAAF and make it available in a timely manner;
- Write the annual report on the implementation of the SAAF, including its quantitative and qualitative evaluation, and submit it to the monitoring committee;
- Disseminate information on initiatives developed by operational groups within the European Innovation Partnership for Agricultural Productivity and Sustainability (EIP-AGRI);
- Issue guidelines regarding the annual or multi-year training plan for the advisors.

In addition, the DGADR has established a committee to monitor FBOs involved in SAAF. The SAAF Monitoring Committee (MC) will work with the SAAF national management authority (DGADR), in the task of monitoring and evaluating the SAAF. The Monitoring Committee is made up with the following agencies and chaired by the DGADR:

- Planning, Policy and General Administration Office (GPP);
- Portuguese Environmental Agency, I. P. (APA, I. P.);
- General Directorate of Food and Veterinary Services (DGAV);
- Institute for the Conservation of Nature and Forests, I. P. (ICNF, I. P.);
- Institute for Financing Agriculture and Fisheries, I. P. (IFAP, I.P.).

Although the Committee has been identified in the guidelines, there has been no monitoring of the advisors training or farmer contacts. The actual implementation of the services is still a work in progress in Portugal. For this reason, the report cannot substantiate the front-office and back-office dimensions. There is no annual report on the implementation of SAAF.

However, the MC can overcome a previous weakness in the system. The lack of quantitative data associated to the fragmented advisory services hinders the data collection. The establishment of a data center that permits access by policy makers, researchers, certified entities and agricultural and forestry producers would minimize the concerns of a fragmented SAAF. The data center should include information about the numbers of certified advisors, producers served, completed action plans, completed training programmes, fire prevention plans, cost covered per farmer, planned expenditures, business plans and other records.

The centralized collection of quantitative data, giving the highly fragmented nature of the advisory services in Portugal, strengthens transparency for policy development in the decision-making process.

#### E) “Attributes of the service” of the Implementation of the EU-FAS Regulation

The content of the advisory services has already been described in the previous sections, namely in section 2.1, by distinguishing the basic and enlarged package of agricultural advisory services and the package of forest-oriented advisory services.

Regarding the advisory methods, the SAAF establishes that the advisory suppliers are free to identify and describe the advisory methods in the funding applications, but they are required to include at least one visit to the farm holding.

The number of advisory services to each farmer or farm holding (or forest owners or forest holding) is limited to two in a period of 5 years.

The target public are farms and farm holdings and forest owners and forest holdings, comprising individual and collective entities. There is no data available to identify the beneficiaries. However, given the advisory services are supplied in bundles, as formerly described, it is expected that larger farmers and farm holdings are the ones most likely to benefit.

#### F) “Financing of the services” of the Implementation of the EU-FAS Regulation

The EU-FAS funding is linked to a call for financing from M02 of RDP. It comprises three sub-measures: the supply of advisory services, that received 75% of the total funding allocated to M02 in Portugal (continental area), along with support to the creation of new advisory services and the advisors training that got the remaining 25% of the funding allocated to M02. However, the later implementation of the SAAF in Portugal, with the first call to proposals for funding advisory services opening only in late 2018, explains the so far low execution rate of the measure, around 12%, as already mentioned. The support to training had no execution at the date data were available (30<sup>th</sup> September, 2019) and the creation of new services had a 5% execution rate, explained by FBO interviewed as result of the even later opening of the first call for this sub-measure.

### III- Effectiveness of EU-FAS

At this time, there is no data available to analyse the effectiveness of the EU-FAS. The DGADR has constructed a site with access to documents as well as identifying the entities certified to carry out the EU-FAS programme. The execution rate for measures 1 and 2 were available in October respecting the date of 30<sup>th</sup> September. M01 has a much higher execution rate, around 40%, in comparison with M02 with only 5.6%.

Regarding the ability of the competent entities in monitoring the SAAF there is no information available at the moment, however the wide broadening of thematic areas scope in the case of the EU-FAS in Portugal anticipate a more complicated picture in comparison to previous EU-FAS that had a very much limited thematic scope and a better target public.

## IV- Discussion

Given the limited execution rate of the M02 in Portugal (continental area) one cannot say much about effectiveness of the Portuguese EU-FAS, namely regarding its option of adopting a broad scope by including the advisory to forest in face of limited funding and large number of organisations involved in the system.

However, in spite of the large number of FBO involved in the provision, the SAAF appears to be able to favour coordination, given the articulation between the umbrella organisations and its members.

However, one can anticipate considerable monitoring and data collection challenges, considering the number of providers involved. The services bundling might help to cope with these challenges. In relation to the beneficiaries, the advisory services bundling anticipates a concentration in medium to large farmers in some sectors, and a limited capacity of the system to be able to deliver advisory services to the numerous small-scale familiar farms in the Northern and Centre regions of the country.

Factsheet about FAS assessment in Portugal

**Some Key facts about CAP implementation in France**

- Number of farmers in the country.....	<b>258,983 farmers</b>
- Share of 2 <sup>nd</sup> pillar in CAP expenditure.....	<b>%</b> <b>1.73% (of PDR2020)</b>
- Share of Knowledge measures (M01&M02) in the 2nd pillar of CAP.....	<b>500 / farmer</b>
- Planned expenditure per farmer (M01&M02).	

**Some Key facts about the implementation of the EU-FAS in Portugal**

**Pillar two (Regulation n°1305/2013)**

***Level of application***

X Regional (Islands of Azores and Madeira) X National (Portugal continental)

***Domain selected for the EU-FAS regulation***

<b><i>Farming basic advisory pack</i></b>	<b><i>Farming broaden advisory pack</i></b>	<b><i>Forest advisory pack</i></b>
x Cross-compliance	x Cross-compliance	
x Occupational Safety and Health	x Occupational Safety and Health	
x Greening	x Greening	
x Maintenance of the agricultural area	x Maintenance of the agricultural area	
	x Pesticides directive	
	x Water directive	
	x Modernisation	
	x Young farmers	
	x Agri-environmental measures	

***Types of suppliers accredited***

<i>Indicate the type of suppliers accredited</i>	<input type="checkbox"/> Chambers of agriculture
<input type="checkbox"/> Private independent consultant/firms	x Farmers' rings or associations
<input type="checkbox"/> SME or start-ups	x Farmers' cooperatives

<input type="checkbox"/> Public extension organisation x NGO <input type="checkbox"/> Charities	<input type="checkbox"/> Private firms or retailers (inputs/outputs) <input type="checkbox"/> Bookkeepers <input type="checkbox"/> Other (specify).....
<b>Method required for advisory services</b>	
x One to one on the farm <input 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"/> Telephone helpdesk <input type="checkbox"/> General information via Internet <input type="checkbox"/> Publication (paper copies) <input type="checkbox"/> No requirement
<b>Conditions required to be accredited for advisory organisation</b>	
x Competences of advisors x Training of advisors x Data base	x Networks x Monitoring of advice activities <input type="checkbox"/> Knowledge platforms
<b>Target public (categories of farmers or farm workers)</b>	
Target group specified..... <input type="checkbox"/> Yes x 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 type="checkbox"/> Other criteria.....
<b>Pillar Two</b>	
Use of measure M02.....x Yes <input type="checkbox"/> No	
Number of beneficiaries.....n. a.	
Average expenditure per farmer.....	
Domain selected	
<input type="checkbox"/> Cross-compliance <input type="checkbox"/> Paiement for environment & climate	

- Modernisation
- Pesticides directive
- Water directive
- occupational Health
- Farms setting up for the first time

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