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WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Delegations
No. Cion doc.:	10592/22 + ADD1 + ADD2
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Council Regulation (EC) No 1217/2009 as regards conversion of the Farm Accountancy Data Network into a Farm Sustainability Data Network
	- Comments from the Portuguese delegation

Delegations will find in the annex the comments from the Portuguese delegation on the abovementioned proposal.

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PT Comments on the draft regulation amending Regulation (EC) No. 1217/2009, and aiming to "SET UP A DATA NETWORK ON THE SUSTAINABILITY OF AGRICULTURAL HOLDINGS IN THE EUROPEAN UNION"

Portugal welcomes the extension of the scope of the current FADN to cover more topics related to the other dimensions of sustainability, namely its environmental and social aspects. We believe that this will enhance the network, making it more useful and consequently more sustainable itself.

First of all, we would like to request a change in the terms translated into Portuguese of the future network nomenclature: the expression "Data Network", which has not been changed in English, instead of being translated into "Rede de Dados" as proposed, should remain with the current translation of "Rede de Informação", with the corresponding acronym RISA (Rede de Informação de Sustentabilidade Agrícola – Farm Sustainability Data Network). The rationale is: that part of the English designation has remained unchanged; the designation we are now proposing is more appropriate in Portuguese and it would allow for a friendlier acronym to be retained, with a closer association to the current network (RICA – RISA).

The draft proposals under consideration pose considerable challenges to the network management. At first sight they may seem to contribute to the resolution of some problems, but a further detailed analysis reveals considerable risks for its sustainability.

In Portugal, the main challenges in managing the network are:

- (a) Difficulty in attracting and retaining farmers who are willing to participate in the network, and who have an accounting system with the level of detail necessary to fulfil the requirements of the farm return.
- (b) The acknowledged lack of trust on the part of economic agents in making sensitive information and data available to state authorities.

Some of the proposed amendments may have strong impacts regarding these challenges and therefore require further consideration and some additional clarification.

- We request further clarification on the scope of the new proposal regarding the provision of a unique identifier that allows the establishment of data links between RISA and other databases. Portugal already uses administrative data from the payments base to help fill in the variables relating to subsidies. It took us many years of hard work to gain the trust of farmers so that they provide us with the identification that would allow such cross-checking. We therefore advocate that this data cross-checking should initially remain at Member State level, subject to the rules on statistical confidentiality, since we fear that if extended to the EU level, this could undermine the trust built.
- The possibility of making it mandatory for farmers to respond to the survey to fill in the farm return is challenging. We believe that this proposal, while it may be useful in some Member States, does not contribute either to improving the quality of information or to reducing the difficulty of attracting farmers to the network. It is hard for us to understand how someone can be forced to provide something they do not have. Many farmers do not have the information that is requested if there is no support from the collection structure near the accounting offices in order to extend the detail of the information that allows compliance with the regulations. On the other hand, it is common knowledge that the obligation to respond in statistical matters of this complexity, where, as already mentioned, most farmers do not have the necessary data to comply (the accounting details to which they are legally bound are far from what is required by the FADN regulation), such obligation compromises the quality of the data collected and does not contribute to solving the problem.

• The possibility of various incentives for farmers, including payments, requires clarification. It seems to us that opening up this possibility is a step in the right direction, but further clarification is needed. What are the sources of funding for these incentives? The standard fee covers only 30% of collection costs, and has been used for that purpose. The extension of the variables to be collected will increase these costs; does the regulatory proposal mean that this value will also be used to give incentives to farmers? Will the standard fee increase considerably in order to support the increased costs and such incentives? Or are we going to nationalise these costs and the relative contribution of the Union to this network will be significantly reduced? Could other incentives to be established be financed by other EU funds (EAFRD, EAGF)? We recall that the participation of farmers in the network has been so far voluntary and that these farmers provide the European Union with a large volume of information on their businesses without receiving any direct support for the effort of this participation, within a framework where there is support for almost anything.