

Meeting of the SWG SCAR AKIS Strategic Working Group on Agricultural Knowledge and Innovation Systems

Voucher system

Extra meeting - Member State: **Hungary**

SCAR
Standing Committee
on Agricultural Research

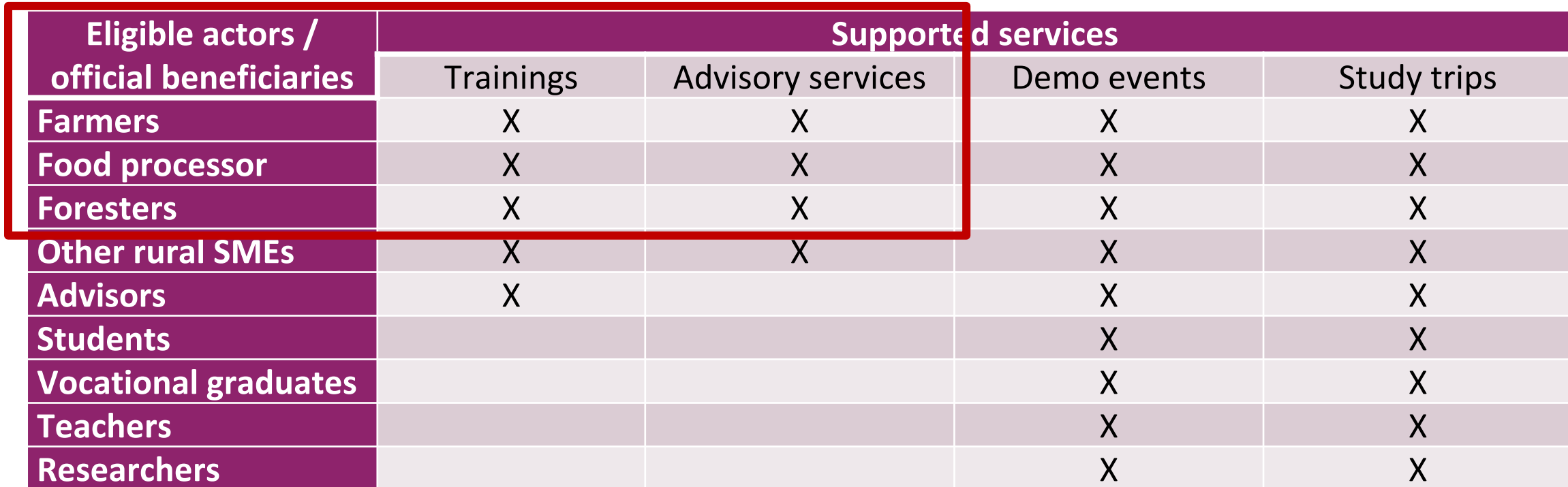


A) Aim of the voucher system

- **Motivating farmers to go for knowledge exchange services, by:**
 - a **simple and fast** electronic system, which function as a **‘one stop shop’** for all the available accredited services
 - **free choice** regarding what farmers can use their voucher for
 - **no prefinancing**
- **Ensuring quality by accrediting the content of the services**
- **Motivating service providers to join the system, by:**
 - the possibility to provide **‘supported’** services **according to the needs**, until the overall financial limits (for the given service type) are not reached
 - making available their services through the electronic system (**free marketing**)
 - making much **easier** to get the supported part of their service paid
- **Supporting PA with the relevant data and documentation needed for controls and payment decisions, having integrated them in the electronic system**

B) Scope of the voucher system

We would like to implement the voucher system **AT LEAST** with this scope



Eligible actors / official beneficiaries	Supported services			
	Trainings	Advisory services	Demo events	Study trips
Farmers	X	X	X	X
Food processor	X	X	X	X
Foresters	X	X	X	X
Other rural SMEs	X	X	X	X
Advisors	X		X	X
Students			X	X
Vocational graduates			X	X
Teachers			X	X
Researchers			X	X

To cover other type of services and other eligible actors is still under discussion. Each option needs to be checked technically and financially, if its involvement is feasible.

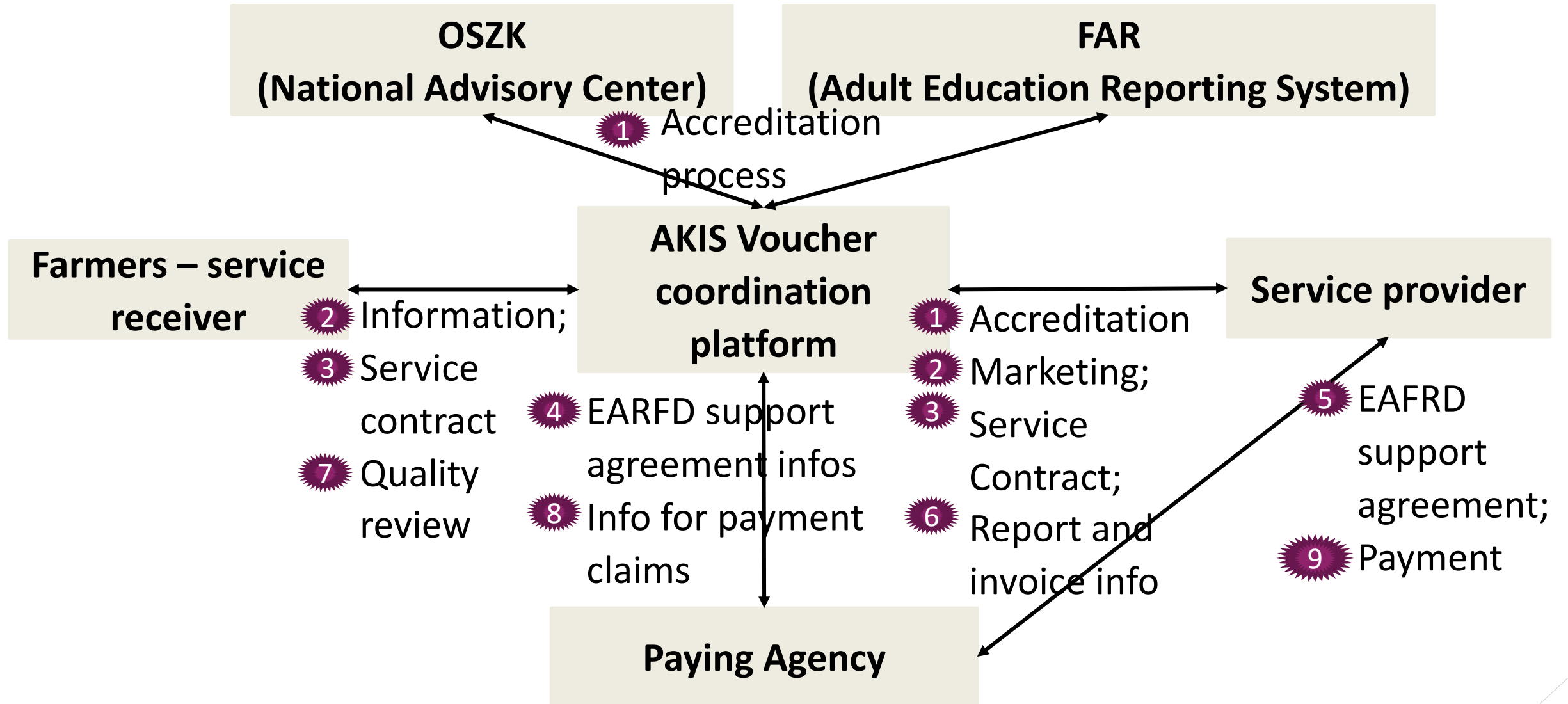
B) Thematic scope of the voucher system

- Rather a thematically **open system, BUT...**
- **...to ensure that services are provided for all the thematic priorities given by the 9 SOs,** we are thinking in the following options:
 - Setting relevant thematic requirements in the **accreditation process**
 - Setting as an **obligation for beneficiaries** to get knowledge exchange services in certain topics in case of having a winning proposal in the frame **of other relevant interventions** (e.g. in case of winning support in the frame of AEM) - that is how we would strengthen demand for certain topics, so the supply then as well
 - Supporting of the **setting up of** advisory services and demonstration farms or trainings for certain highly relevant topics, e.g. how to comply efficiently with GAEC, SMR or ecoscheme or agri-environmental requirements on soil, water, air, biodiversity, animal welfare.

C) The voucher system in numbers

- ***We have not finalised the calculation yet of*** the needed budget, or the relevant indicators
- However, we will probably **set the indicators and the average unit amount(s) based on SCO calculations** to the lowest level needed (e.g. not only the level of trainings, but the level of the type of the training) **and using weighted average** to have estimation also to the level of the intervention – *but first, we still need to understand the framework!*
- Note: at present **we haven't decided to use SCO or the payment would be given based on an invoice**. Thus the SCO (unit cost) calculation would be needed only to be able to give an estimation to 'average unit amount' and to be able to set a 'maximum limit for support' in relation with a given type of service provision (details on another slide)
- **To meet the estimations, we would pay attention** to the following:
 - 'average unit amount' and 'maximum limit for support' would be (almost) the same
 - **check real-time how the planned budgets are spent** and close the option to redeem any more voucher on the given type of service if the related limits are reached (indicator x average unit amount)

D) Operation of the voucher system



E) Technical details of the voucher system

- **Beneficiaries' involvement:**

- **through Direct Payment platform, automatically for everyone or through application?**
- possible **every year**, but only **once**, at the period of DP applications
- the **voucher** would represent a specific amount of money (,credits'), **we are not sure yet wether to differentiate according to the size or type of beneficiaries**
- the beneficiary **has to redeem the voucher** (all of the represented credits) **in two years**, if it does not happen the sanction may be that he/she/it cannot apply for the voucher next year (*still to be discussed*)

- **Service providers' involvement, certification and accreditation process:**

- regarding **advisors** there is **already a well-operating system** in place (checking experience, level of education etc) at the NAK (National Chamber of Agriculture) called **OSZK** (National Advisory Center)
- we also have an operational system for **vocational and adult education** at the NSZFH (National Office for Vocational and Adult Education) called **FAR** (Adult Education Reporting System).
- We would like to develop a cooperation between the two systems both on institutional and technical level.
- we must **look at the outputs** (improved skills / professional results) what are potentially coming from the service and that would be assessed somehow.

E) Technical details of the voucher system

- **Redeeming the AKIS voucher credit. How does the voucher become a payment claim?**
 - the beneficiary can redeem the voucher **on any service what is listed in the electronic system**
 - **the intensity rate may be 80%, or 100%. 100% intensity rate make the whole process much simpler as far as we can see. Any good ideas?**
 - with 80% intensity rate, when the preferred service is chosen **the system calculates** the following:

Element	1. version	2. version
Service fee (set by service provider)	80 euro	120 euro
Unit value (= calculated unit cost for this type of service)	100 euro	100 euro
Related support / How much credit of the voucher would be used -> 1. version: 80x80% (service fee & intensity rate) -> 2. version: 100x80% (unit value is lower, unit value & intensity rate)	64 euro	80 euro
Payable (by the farmer; service fee minus support)	16 euro	40 euro

- If the beneficiary **accepts the conditions (financially + contract with the service provider)**, the order would go active and the related **voucher credit is blocked.**

E) Technical details of the voucher system

- **Redeeming the AKIS voucher credit. How does the voucher become a payment claim?**
 - **AKIS voucher credits are only virtual** as knowledge exchange measure are not eligible for advanced payment
 - Thus we need an act in the process where the virtual AKIS voucher credits become payment claims.
 - If we aske farmers to prefinance the measures than we will not have farmers, or at least not in the number we would like to have.
 - After (?) the service is provided **the invoice of the service provider** turns the **blocked voucher credit into a payment claim?**
 - What guarantees the service providers to get their payment, will there be enough service providers willing to prefinance the service?
 - Could we solve this situation with **contract templates** with guarantees for both sides?

E) Technical details of the voucher system

- **Coordination and IT platform to keep the record of:**

- the beneficiaries and their AKIS voucher account balances
- the service providers and their services
- AKIS contracts between beneficiaries and service providers
- the all relevant data and documentation for controls and payment decisions

Plus: Do the relevant calculations of the AKIS voucher accounts real-time

- **System operation:** by an **independent body** (chosen through tendering)
- **Financial source:** **Technical Assistance** budget, is it possible to finance it from the current CAP's TA? Or it would be better to finance from an RDP call?

Discussion:

All comments, questions and suggestions very welcome!



SCAR

AKIS

Agricultural Knowledge
and Innovation Systems

**Thank you for your
attention!
and for your active participation
and commitment!**

Report available at:

https://ec.europa.eu/info/news/knowledge-and-innovation-unlocking-potential-food-and-farming-2019-sep-26_en (more paper copies can be asked to Inge.Van-Oost@ec.europa.eu)

