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## **THE SIGNIFICANCE OF PUBLIC AGRICULTURAL ADVISORY IN THE FUNCTIONING OF THE NATIONAL RURAL NETWORK (NRN) IN THE FINANCIAL PERSPECTIVE 2014-2020**

Key words: National Rural Network, European Network for Rural Development, agricultural advisory units, agricultural advisory services, European Union funds

**ABSTRACT.** The aim of the article is to present the importance of public agricultural advisory services, which are an important link of the National Rural Network (NRN) in the process of its functioning in the 2014-2020 financial perspective. The indirect objective is to assess the degree of use of financial instruments supporting the NRN by agricultural advisory services, which are resources of Technical Assistance in the framework of the Rural Development Programme 2014-2020 (RDP). The NRN is part of the European Network for Rural Development (ENRD). The main stakeholders of the ENRD are agricultural advisory services. The regulations concerning the organization of the NRN in the financial perspective 2021-2027 were presented. The study was conducted using different research methods. The basic methods include an (comparative-descriptive) analysis of national and international legal acts and literature on the subject, and the method of synthesis and deduction. The importance of agricultural advisory units (AAU) in the functioning of the NRN system was assessed in six selected Polish voivodeships (Podkarpackie, Opolskie, Lubelskie, Zachodniopomorskie, Lubuskie and Śląskie) based on the results of a study of empirical material published by the Minister of Agriculture. It was shown that the resources of AAU ensured the efficient performance of statutory tasks in the scope of supporting the functioning of the NRN for the years 2014-2020. However, an unfavourable phenomenon was the significant proportion of funds that were not used for NRN and returned to the Ministry of Agriculture. A significant share of unused funds indicated ineffective operational planning of tasks under the NRN for individual voivodeships.

## INTRODUCTION

The National Rural Network (NRN) in Poland is an area of information exchange and cooperation between organizations and institutions working to improve the quality of life of the inhabitants of rural areas and small towns. The NRN promotes projects and initiatives that benefit rural residents, as well as innovative ideas and solutions in agriculture. The NRN is open – the partners of the network can be different institutions involved in rural development: Universities and research institutes, companies, local government agencies, foundations and associations, local social organizations (e.g. housewives associations). The main goal of the NRN is to support: (1) people and organizations in activities benefiting local communities and rural development, (2) partners in joint activities, (3) networking, (4) implementing the Rural Development Program (RDP). The NRN was established in 2009 in accordance with Regulation 1305/2013 of the European Parliament and Council, according to which Member States should reserve a part of the total amount for each rural development programme for technical assistance to finance the establishment and operation of national rural network linking organizations and administrative bodies involved in rural development. Therefore, the NRN operates in every country belonging to the European Union (EU). The Polish NRN is part of the European Network for Rural Development (ENRD). The ENRD is a structure of stakeholders interested in supporting the achievement of optimal rural development policy outcomes in the EU. The main stakeholders of the ENRD are: (1) National Rural Networks, (2) RDP Managing Authorities and Paying Agencies, (3) Local Action Groups (LAGs), (4) European Organizations, (5) Agricultural Advisory Services (6) Agricultural researchers and rural areas (7) other organizations and individuals interested in rural development.

Within the framework of ENRD, there is cooperation between national rural networks of EU Member States [Kutkowska, Pilawka 2014]. It is crucial to facilitate mutual learning among stakeholders. The European Network for Rural Development is a hub for sharing information on how rural development policies, programmes, projects and other initiatives work in practice and how they can be improved to achieve even better results. The main stakeholders of the ENRD include agricultural advisory services. The tasks of agricultural advisory units (AAUs) in the framework of NRN support are defined in Art. 55 section (1) (3) and (4) of the Law on Rural Development Support with the Participation of the European Agricultural Fund for Rural Development (EAFRD) [Journal of Laws, 2021, item 182], which defines the competence of the bodies and organizational units in the field of NRN support under the LEP 2014-2020. In accordance with the provisions of this Act, AAUs in individual voivodeships perform tasks related to the Network for Innovation in Agriculture and Rural Areas (NIARA) within the framework of the NRN.

## FUNCTIONING OF THE NATIONAL RURAL NETWORK IN THE STRUCTURES OF THE EUROPEAN NETWORK FOR RURAL DEVELOPMENT

The tasks and objectives of the NRN are described in legal acts of the European Commission and the Rural Development Programme (RDP) for 2014-2020. The NRN is primarily about networking – building relationships and supporting collaboration, which is done through the following:

- a working group for the NRN and two thematic groups: on the LEADER approach and on innovation in agriculture and rural areas, which are a place for representatives of different environments to meet and exchange information and knowledge, and a space for collaboration between representatives of public and social institutions, experts and practitioners;
- cooperation with other networks and organizations.

A particularly important partner of NRN is the Local Action Groups (LAGs), a type of territorial partnership established as a grassroots initiative that brings together representatives of local organizations from public, private and non-governmental sectors, as well as residents, acting for the benefit of the local community [Lubiatowska-Krysiak 2016]. NRN implements projects that support the development of rural areas at local, regional, national and European levels. Its contractors are network support units or partners whose projects have been selected through competitions. In the Financial Perspectives 2021-2027, the rules for organising and financing the NRN remain largely unchanged. According to the Announcement of 1 June 2018 on the EU budget in the area of the Common Agricultural Policy post-2020, the new financial perspective provides support to Polish farmers of approximately EUR 30.5 billion. Approximately EUR 21.2 billion will be allocated as direct payments, while EUR 9.2 billion will be allocated for the implementation of the Rural Development Programme 2021-2027. Comparing the above amounts with previous programmes, it is noticeable that the allocation for the next 7 years is lower by EUR 1.6 billion. The reduction of the amount by about EUR 11 billion concerns the funds for the Rural Development Programme, and thus for NRN activities [TPR 2018]. Within the framework of NRN projects, conferences, fairs and study tours are organized, training courses, seminars and workshop meetings are held, research and expert opinions are prepared, publications are published and films are made [Wawrzyniak 2020].

The NRN is an integral part of the ENRD, established under Article 52 of Regulation (EU) No 1305/2013 on support for → rural development by the → European Agricultural Fund for Rural Development (EAFRD) to comprise a network of national networks, organizations and administrative structures active in the field of rural development. Its aim is to reach out to all those interested and involved in rural development in Europe. The European Network for Rural Development supports the effective implementation of

Member States' rural development programmes by promoting the collection and exchange of knowledge and facilitating information sharing and cooperation in rural areas across Europe [Król 2010]. This network provides a wealth of information on the implementation of rural development programmes in the EU.

The mission of the ENRD is to:

- collect, analyse and disseminate information on activities and practices related to rural development;
- provide information on development processes in rural areas;
- organise meetings and seminars;
- create and maintain networks for knowledge exchange and assist in the implementation and evaluation of rural development policy;
- support national networks and international cooperation initiatives.

The structure of the ENRD is composed of:

1. The Coordination Committee, which assists the EC website in the preparation and implementation of ENRD activities and the annual work plan, ensures the coordination of ENRD activities, national rural networks and rural development organizations, and coordinates the thematic work of the ENRD;
2. The Leader Sub-Committee, which advises the European Commission on the annual ENRD work programme in relation to → Leader;
3. Thematic Working Groups, which deal with the preparation of specific analyses based on rural development programmes implemented in different countries and regions;
4. The European Evaluation Network for Rural Development, whose task is to share knowledge and develop best practices in the field of rural development policy evaluation;
5. The Expert Evaluation Committee, which coordinates the work of the ENRD;
6. A Contact Point (CP), which assists the Directorate-General for Agriculture and Rural Development of the European Commission in running the ENRD. The ENRD CP is based in Brussels and consists of a permanent team of staff supported by a group of experts. ENRD CP primarily supports networking, cooperation, analysis, information and promotion.

## ACTIVITIES OF PUBLIC ADVISORY UNITS ON THE FUNCTIONING OF THE NRN IN THE 2014-2020 FINANCIAL PERSPECTIVE

Agricultural consultancy is related to issues of agricultural policy and rural development, mainly with obtaining financing under the Common Agricultural Policy of the EU. Its current role is related to the problems of food and food security, improving the quality of agricultural products with regard to the occurrence of diseases, as well as mitigating the impact of the COVID – 19 in agriculture [Miś 2016]. The activity of AAUs, through the

implementation of the NRN, contributes to the implementation of the assumptions of the Europe 2020 Strategy, which are smart specializations of regions, which should be perceived as an important but difficult tool to stimulate the development of agriculture [Ślusarz 2015].

William McLeod Rivera ( University of Maryland, USA) and FAO expert Kalim Qamar [Rivera, Qamar 2003] believe that: agricultural dissemination and extension/consultancy is multidisciplinary. It is a combination of education and communication methodology and group techniques to promote agriculture and rural development. The current conditions of AAU activity include the adaptation of advisory services to the needs of beneficiaries, thus creating a comprehensive system of public advisory services that effectively competes with private extension services [Walenia 2019].

Extension/Advisory is a system of services that transmits specific knowledge, influences attitudes and self-identification, solves problems, creates entrepreneurship and innovation [Wiatrak 2020]. The Polish agricultural advisory system is part of the Agricultural Knowledge and Innovation Systems (AKIS) system, which was established at the end of the 20<sup>th</sup> century. The Agricultural Knowledge and Innovation system comprises a network of research institutes, advisory centres, agricultural schools and other non-governmental organizations that help farmers increase the innovativeness of their farms and solve new economic problems. The AKIS system is based on three main pillars, namely research, education and information dissemination. The tasks of the NRN are part of the AKIS system and are carried out by AAU in individual voivodeships. In accordance with the provisions of national and EU legislation, agricultural advisory units play an important role within the NRN and perform tasks within the framework of NIARA. The scope of tasks of NIARA is in line with the activities carried out in the framework of the European Innovation Partnership (EIP) [Drygas 2010]. Agricultural advisory units received targeted grants to carry out tasks related to the support of the NRN for the years 2014-2020 with the participation of EAFRD funds under the Technical Assistance of the RDP 2014-2020, which concerns the preparation of NIARA. The analysis of data published by the Ministry of Agriculture (since 20 August 2016 supervisor of the activities of agricultural advisory units ) for the years 2016-2019 has shown that the resources of AAUs ensured the efficient performance of statutory tasks related to the support of the functioning of NRN for the years 2014-2020. The number of employed advisors per full-time employment in the six analysed voivodeship agricultural advisory services (VAAS) studied varied and in 2019 amounted to: 58 in Lubuskie, 73 in Opolskie, 120 in Śląskie, 129 in Zachodniopomorskie, 245 in Lubelskie and 265 in Podkarpackie VAAS. In the Agricultural Advisory Center (AAC), the tasks of the NRN were performed by 111 professional staff. In Poland, the number of employed consultants amounted to 3,921 full-time positions (Figure 1).

In the studied voivodeships, in the area where VAAS operates, the number and average area of farms varied. The greatest fragmentation of the structure of agricultural holdings was in the Lubelskie Voivodeship (166.4 thousand holdings, average area 4.49 ha), in

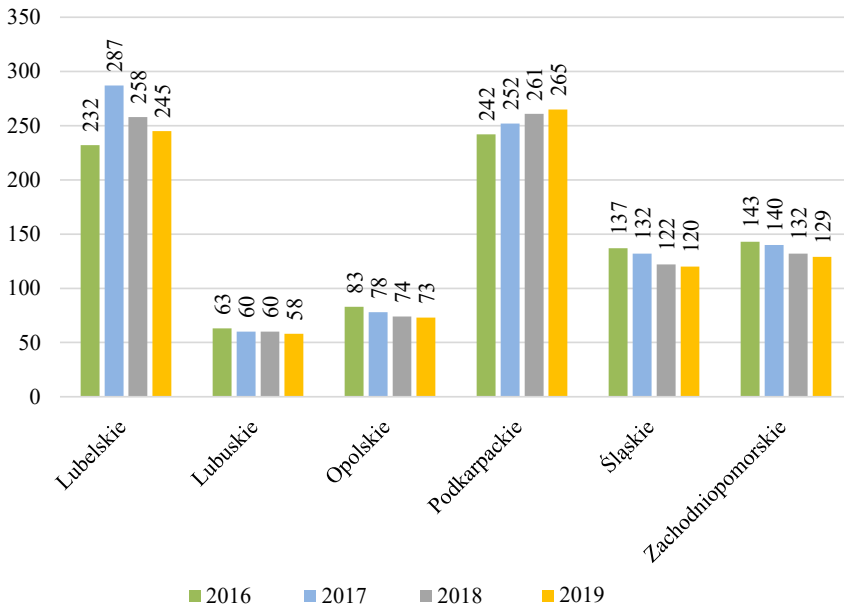


Figure 1. Average employment of professional staff in voivodeship agricultural advisory centres in full-time jobs in 2016-2019

Source: own study based on data from the Ministry of Agriculture and Rural Development

Podkarpackie (121.1 thousand holdings, average area 4.49 ha) and the least in Lubuskie Voivodeship (20.4 thousand holdings, average area 19.03 ha), in Zachodniopomorskie (29.4 thousand farms, average area 28.07 ha). In the analysed centres, the number of farms per 1 adviser varied, ranging from 261 in Podkarpackie Voivodeship to 727 in the Lublin VAAS. In the case of four centres this indicator increased (Opolskie, Zachodniopomorskie, Lubuskie, Lubelskie), in two (Podkarpackie and Śląskie) it decreased. The average number of farms per 1 advisor is very high in Poland, several times higher than corresponding indicators in EU countries and the World Bank recommended size of 80 farms per 1 advisor. These figures also vary greatly between voivodeships (Figure 2).

For the implementation of tasks in support of work of the NRN related to NIARA from the funds of the Development Programme for the period 2014-2020 [Journal of Laws 2018, item 627 with amendments], VAAS received grants from the state budget in the total amount of PLN 31,795 thousand in 2016-2019 (16 VAAS) on the basis of relevant agreements with the Minister of Agriculture. In individual years, subsidies received on the basis of concluded agreements amounted to: PLN 7,166 thousand, PLN 6,609 thousand, PLN 9,775 thousand PLN and PLN 8,245 thousand.

Of the NRN subsidies received in 2016-2019, the agricultural advisory units returned funds to the state budget in the total amount of PLN 7,497 thousand which represented

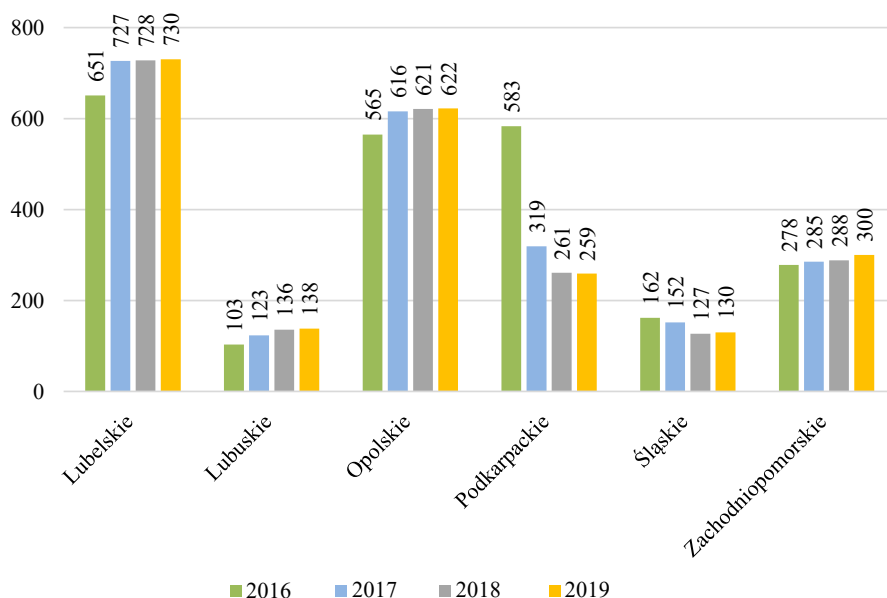


Figure 2. Number of farms per 1 employed advisor in voivodeship agricultural advisory centres in 2016-2019

Source: own study based on data from the Ministry of Agriculture and Rural Development

28.8% of subsidies received. In individual years, subsidies repaid by agricultural extension services amounted to the following PLN 3,757.7 thousand (52.4%), PLN 1,422.9 thousand (21.8%), PLN 892.2 thousand (12.5%) and PLN 1,425 thousand (25%). The tasks covered by co-financing related to the creation of the Network for Innovation in Agriculture and Rural Areas resulted from NRN operational plans for individual voivodeships for 2016-2017 and 2018-2019. During this period, there was a noticeable increase in the use of granted funds, the main purpose of which was to support innovation in agriculture, food production, forestry and rural areas. The scope of tasks carried out in the framework of NIARA in the analysed VAAS was similar and included remuneration of staff performing tasks, costs of delegation of NIARA participants, organization of conferences, fairs, exhibitions, information meetings and study trips to other EU countries. An unfavourable phenomenon was the high percentage of funds that were not used and returned to the Ministry of Agriculture (Figure 3). The least amount of funding was used in the Zachodniopomorskie VAAS (57%), the most in the Śląskie VAAS in 2018 (96%).

The scope of tasks performed by the Voivodeship Centres in connection with the NRN resulted from contracts concluded with the Minister of Agriculture for the years 2016-2019 and was in line with the principles of cooperation with the network European Innovation Partnership (EIP).

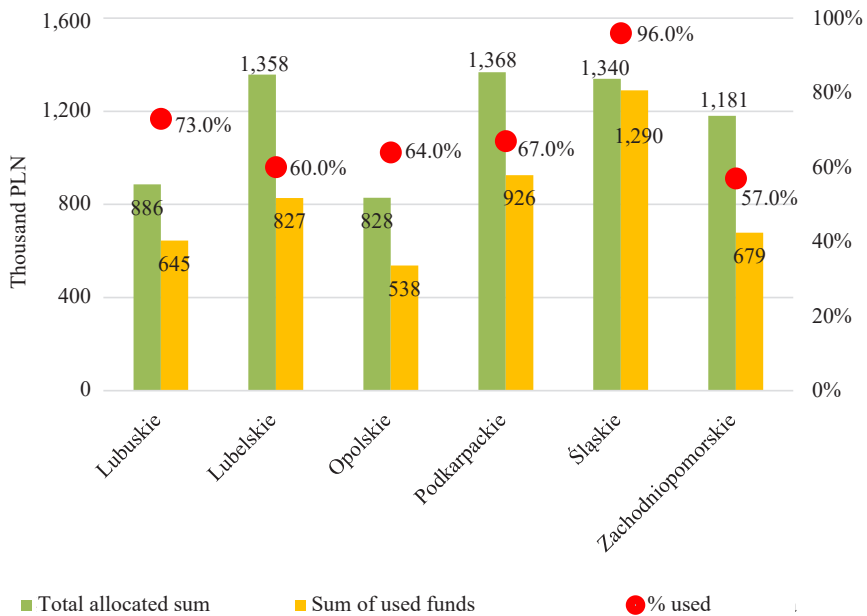


Figure 3. subsidies allocated for the implementation of NIARA tasks in rural areas and used by voivodeship agricultural advisory centres in 2016-2019

Source: own study based on data from the Ministry of Agriculture and Rural Development

### CONCLUSIONS

The functioning of the NRN is about creating structures that enable the acceleration of socio-economic change, especially structural and civilizational change. The NRN serves as a smooth flow of information between institutions and organizations involved in rural development. It is a forum for active exchange of knowledge on best practices and experiences in the implementation of sustainable rural development programmes and projects. The NRN also provides support to the government and self-governing authorities in the implementation of tasks related to agriculture and rural development. During 2014-2020, the NRN supported the implementation of the Rural Development Programme. In accordance with the applicable provisions of national and EU law, agricultural advisory bodies in individual voivodeships in the area of the NRN perform tasks within the framework of the Network for Innovation in Agriculture in Rural Areas (NIARA). The research results showed that agricultural advisory bodies were prepared to perform these tasks in terms of organization and content. In 2018-2019, there was a significant increase in the use of funds allocated to support activities under the NRN, the main purpose of which was to finance innovation in agriculture, food production, forestry and rural areas.



However, an unfavourable phenomenon was the significant proportion of funds that were not used for NRN activities and returned to the Ministry of Agriculture and Rural Development, ranging from 25 to 50% of the allocated funding amounts. In this context, agricultural extension services should increase their activities to attract grant recipients to NRN activities. Under the NRN, very useful projects, undertakings or groups of projects were carried out, initiated both by the government and local government administration and their subordinate or supervised units, and by NRN partners, i.e. rural development institutions. NIARA enabled them to share information, knowledge and experience in this area by implementing their own interventions. In addition, under the NRN, the institutions established cooperation and exchanged knowledge and experience with partners from other EU Member States. The NRN also contributed to the acquisition and dissemination of information on innovative solutions and best practices in the fields of agriculture, food production, forestry and rural areas.

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## ZNACZENIE PUBLICZNEGO DORADZTWA ROLNICZEGO W FUNKCJONOWANIU KRAJOWEJ SIECI OBSZARÓW WIEJSKICH (KSOW) W PERSPEKTYWIE FINANSOWEJ 2014-2020

Słowa kluczowe: Krajowa Sieć Obszarów Wiejskich, European Network for Rural Development, jednostki doradztwa rolniczego, doradztwo rolnicze, środki Unii Europejskiej

### ABSTRAKT

Celem artykułu jest prezentacja znaczenia jednostek publicznego doradztwa rolniczego będących istotnym ogniwem Krajowej Sieci Obszarów Wiejskich (KSOW) w procesie jej funkcjonowania w perspektywie finansowej 2014-2020. Celem pośrednim jest ocena stopnia wykorzystania przez jednostki doradztwa rolniczego instrumentów finansowych wspierających KSOW i stanowiących środki Pomocy Technicznej w ramach Programu Rozwoju Obszarów Wiejskich 2014-2020 (PROW). KSOW jest częścią Europejskiej Sieci na rzecz Rozwoju Obszarów Wiejskich (ESROW). Głównymi interesariuszami ESROW są rolnicze służby doradcze. Przedstawiono uregulowania dotyczące organizacji KSOW w perspektywie finansowej 2021-2027. Opracowanie zrealizowano przy wykorzystaniu kilku metod badawczych. Wśród podstawowych wymienić można analizę (porównawczo-opisową) krajowych i międzynarodowych aktów prawnych oraz literatury przedmiotu, a także metodę syntezy i dedukcji. Oceny znaczenia jednostek doradztwa rolniczego (JDR) w funkcjonowaniu systemu KSOW dokonano w wybranych sześciu województwach Polski (podkarpackie, opolskie, lubelskie, zachodniopomorskie, lubuskie, śląskie), na podstawie wyników badań materiału empirycznego publikowanego przez ministra rolnictwa. Wykazano, że zasoby kadrowe JDR zapewniały sprawne wykonywanie ustawowych zadań w zakresie wsparcia funkcjonowania KSOW na lata 2014-2020. Jednak niekorzystnym zjawiskiem był znaczny udział środków, które nie zostały wykorzystane na cele KSOW i zwrócone do ministerstwa rolnictwa. Znaczny udział niewykorzystanych środków wskazywał na mało skuteczne planowanie operacyjne zadań w ramach KSOW dla poszczególnych województw.

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