

## **Conference on implementation of the SAPARD Programme, Brussels, June 6-7, 2000**

---

*Present at the SAPARD conference were the Ministers of Agriculture of Bulgaria, the Czech Republic, Estonia, Latvia, Lithuania, Poland, Romania, the Slovak Republic and Slovenia. Hungary was represented by its Administrative State Secretary. The CEEC representatives in a discussion June 6 put the questions below to Commissioner Franz Fischler.*

*SAPARD stands for The Special Accession Programme for Agriculture and Rural Development.*

### **Questions and answers:**

**1.** The SAPARD programme is somewhat behind. We need to focus on investing in agriculture, processing and in the infrastructure of rural environment. The resources for such investments have been put aside in the SAPARD funds. In order to begin implementing SAPARD, we would need to claim as early as possible the share of the funds that are available in the budget. We are afraid that further delays may lead to increased euroscepticism among farmers.

*Answer by Commissioner Fischler: I have made it clear which general conditions must be fulfilled before the funds can be used. The Commission cannot pay money before these conditions are met. First, we need a clear agreement, what we call an international agreement, between each of the candidate countries and the Commission on behalf of the Community. Second, we need the programmes approved. Third, we need the Commission approval of the accreditation of the SAPARD Agency. If, and only if, these conditions are met, can the flow of money start.*

*We are doing all we can to speed up the necessary processes but if funds cannot be transmitted this year because all the conditions are not met by the candidate countries, the resources will be safeguarded for you provided the programmes are approved and the agreements are ready for signature.*

**2.** Taking a long-term view of the pre-accession activities and the subsequent membership to the EU and taking into account the 7 years of a SAPARD cycle, we would like to know what will happen to countries after they accede to the Union before the end of a SAPARD cycle. What will happen with the structural funds? Will the measures in progress continue or will those programmes be terminated and the resources shifted towards the Member States? What is assumed in this respect?

*Answer: The consequence of an applicant country joining the Union before a full SAPARD cycle is over would be that the country in question would switch from the SAPARD programme directly to the normal programmes which are foreseen under the structural, agricultural and rural development regulations of the European Union. SAPARD monies made available as a consequence of a country joining the European Union will be allocated to SAPARD for other Applicant Countries.*

**3.** Is there a possibility during the existence of the SAPARD programme to extend the resources for candidate countries if there are clear and justified reasons for certain important measures directly related to the accession to the Union?

*Answer: There are no provisions to increase the country allocations but the circumstances may change. We have tried to distribute the money on an objective basis using various criteria, one of which was GDP.*

**4.** Is it possible for the resources to be disbursed subsequently or can the programmes be financed in advance?

*Answer: The draft regulation does not provide for any advance by the SAPARD Agency in anticipation of expenditures by the beneficiaries. Payments should be made on the basis of expenditure incurred. The regulation does, however, allow payment of an advance by the Community to the National Fund once the conditions have been fulfilled, namely programme approval, conclusion of the international agreements and confirmation by the Commission of the national accreditation.*

**5.** The EU has always insisted that the various aid programs like PHARE and ISPA should be coordinated by one organisation. In light of that fact, we propose an amendment in which we suggest that the relevant committees be headed by a one Ministry.

*Answer: As for the possibility of the SAPARD Agency to operate on a basis of one single administrative unit, we have suggested that certain functions should be subject to segregation of duties as referred to in the Draft Regulation. On the specific question, the regulation does not require the SAPARD Agency to depend on any specific Ministry. The regulation does provide that the National Authorising Officer bears the full financial responsibility and liability for the funds. With regard to committees, the Council regulation for SAPARD provides for the establishment of a Monitoring Committee. This committee should be chaired by a representative of the Applicant Country.*

**6.** SAPARD is a very important investment support considering the limited amount of resources we have. The National Investment Support scheme was not launched this year because we have reserved these resources for co-financing the SAPARD programme. Intensive work is done by our officials in the Ministries and by Parliament towards adopting a law enabling us to implement SAPARD measures as well as other Common Agricultural Policy measures. I therefore think that it is essential that the SAPARD scheme be launched at the latest in the autumn of this year.

*Answer: I have noted the desire to see SAPARD applied as quickly as possible. It relates to getting an early start. I considered various possibilities being very conscious of the underlying need. The conclusion of the Commission was that no project or expenditure should be eligible until the decision accepting the accreditation of the SAPARD Agency has been taken by the Commission.*

**7.** Will funds not used in one budget year be transferred or carried forward to a subsequent year, and if yes, under what conditions?

*Answer: In principle yes, this is possible, but only if all the necessary conditions are met. The regulation provides that the funds could be paid up until two years after the year of commitment. As long as the programme has been approved and the Commissioner is authorised to sign the annual financing agreement, the appropriations can be committed in respect of the country concerned. Once that has been done these appropriations can be used to make payments for up to the end of the second year following the year of commitment.. Otherwise the funds will be de-committed.*

**8.** Can the accrediting body, who has the right to delegate its competence of certification, and the certifying body be the same?

*Answer: The National Fund is the competent authority that accredits the SAPARD Agency. The body that carries out the work for the pre-accreditation review for the competent authority can also be the certifying body. The regulation requires the certifying body to be independent of the SAPARD Agency.*

**9.** There are great public expectations concerning the pre-accession assistance in the field of agriculture. We are receiving hundreds of concept projects for investment in rural regions. The successful start of pre-accession programmes of the EU by the end of this year is a major priority. Finding all possible and acceptable compromises to speed up the effective realisation of SAPARD both on our part and on the part of the EU will play a crucial role not only in our pre-accession preparation but also for maintaining the level of public optimism in the European integration process.

*Answer: The intention is to implement the total amount of the money available. We must overcome the difficulties we have so that we can finalise the process as soon as possible so that the programmes can really start. This does not necessarily mean that money for 2000 will be paid in one year.*

**10.** According to the regulation, the interest accrued can be used for the programme but we are not clear on whether and how to use them. Will this interest increase the budget on some of the measures, can we use the interest for compensating differences in the exchange rates and banking charges, for instance, or is it for the monitoring committee to decide how to use the interest accrued?

*Answer: Interest earned on an account with SAPARD funds must be used exclusively for the purposes of the programme. The use of the resulting funds will be subject to an adjustment in the programme following a revised Commission decision based on a proposal from your authorities stating that an additional sum is available. The proposal can suggest that this sum be added to the measures in that specific programme or that it be used towards a new measure.*

*The only interest that can be taken into account is interest earned on a bank account. This is not to be subject to deductions of any kind and therefore not used to offset bank charges or exchange rate losses.*

**11.** One of the major problems in the successful building up of the SAPARD Agency is inadequate information systems. Most significantly, we lack software that meets the provisions of the financial regulations for the management and financing of SAPARD. We highly value the additional technical assistance we are receiving but written instructions on the part of the European Commission concerning the information systems would be highly useful.

*Answer: We recommend investing in IT systems early on in the programme as it will actually be a savings in the long run. Such systems must however be flexible to accommodate possible changes in the rules, the Programme as well as national and EU accounting standards.*

**12.** In view of the high demands from the EU Commission and in view of the high accounting standards does the Commission plan to draw up common requests for all candidate countries. We believe that this would put us on an equal footing as regards the programmes also in the technical sense.

*Answer: The Commission envisages setting out in the multiannual agreement standard expenditure declarations necessary to trigger payments by the Commission.*

**13.** The draft regulation of the Commission however does not deal with the transfers of funds between priorities and measures contained in the national programme. So the question is, if transfers among individual priorities are to be made, is it the European Commission that will make the decision or will it be the national committee?

*Answer: Whenever changes are needed going beyond the provisions of the Programme, a Commission decision would be necessary. However, the Commission envisages in each decision on the Programme, a system, which will allow a degree of flexibility between measures. In this way, any bureaucratic burden will be reduced. It is envisaged that the Monitoring Committee however must approve all proposed changes.*