

SAPARD : Special pre-accession assistance for agriculture and rural development

Current
policy
position

Single framework for accession

- Intensive technical and financial assistance for candidate countries
- Logical and transparent policy framework
 - Accession Partnership
 - National Programme for the Adoption of the Acquis

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Current
policy
position

Accession Partnership

Outlines key priorities and EU financial assistance required

- Alignment to the agricultural acquis
- Veterinary, phytosanitary and marketing requirements
- Upgrading food processing standards
- Increasing competitiveness in agri-food sector
- Coherent structural and rural development policies

National Programme for the Adoption of the Acquis

- Practical steps required
- Timetable and costs

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Pre-accession assistance

Constant 2000 prices

PHARE	ISPA	SAPARD
1587 million euro / year	1058 million euro / year	529 million euro / year
Development of institutions and administrative structures	Transport & environment infrastructures	Investment in agriculture and rural development
Investment support for institution building and economic & social cohesion		

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The SAPARD
programme

Annual allocations per country (in euro)

Beneficiary countries	1999 prices (as in decision) TOTAL	2000 prices		
		TOTAL	Available for Measures under the SAPARD plan	Article 7(4) (up to 2% - Commission assistance) *
Bulgaria	52 124 000	53 026 146	52 033 785	992 361
Czech Republic	22 063 000	22 444 860	22 024 814	420 046
Estonia	12 137 000	12 347 063	12 115 993	231 070
Hungary	38 054 000	38 712 627	37 988 137	724 490
Lithuania	29 829 000	30 345 271	29 777 373	567 898
Latvia	21 848 000	22 226 138	21 810 186	415 952
Poland	168 683 000	171 602 514	168 391 050	3 211 464
Romania	150 636 000	153 243 162	150 375 284	2 867 878
Slovenia	6 337 000	6 446 679	6 326 032	120 647
Slovakia	18 289 000	18 605 540	18 257 346	348 194
Total	520 000 000	529 000 000	519 100 000	9 900 000

* $9\,900\,000 / 519\,100\,000 = 0.018714556$

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The SAPARD programme

Objectives

- Assist in implementing the acquis communautaire in agriculture and rural development
- Solve priority and specific problems related to developing a sustainable agricultural sector and rural areas.

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The SAPARD programme

Principles

- Decentralised management of external aid
- Commission exercising ex-post clearance of accounts controls

Priorities

- Improve market efficiency, quality and health standards
- Maintain and create jobs
- Protect environment

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The SAPARD programme

Farm investments

Quality, veterinary and plant-health controls

Land registers

Farm management

Technical assistance

Developing rural infrastructure

Village development

**SAPARD
ELIGIBLE
MEASURES**

Diversification

Processing & marketing

Land improvement and reparation

Forestry

Vocational training

Water resources

Environmental measures

Producer groups

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The SAPARD programme

Co-financing rules

- Total Public Expenditure
 - Max 75% EU
 - Min 25% applicant country

- Revenue Generating Investments
 - Min 50% private resources
 - Max 50% public expenditure of which:
 - Max 75% EU
 - Min 25% applicant country

- Technical Assistance
 - Up to 100% EU contribution
 - Commission initiated – up to 2% of total budget

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The SAPARD programme

Implementation

- Adopt 7-year SAPARD programme
- Establish and accredit SAPARD agency in applicant country
- Conclude Bilateral Financing Agreement comprising:
 - Multiannual Financing Agreement – financial rules for the whole programming period
 - Annual Financing Agreement – financial commitment for each year

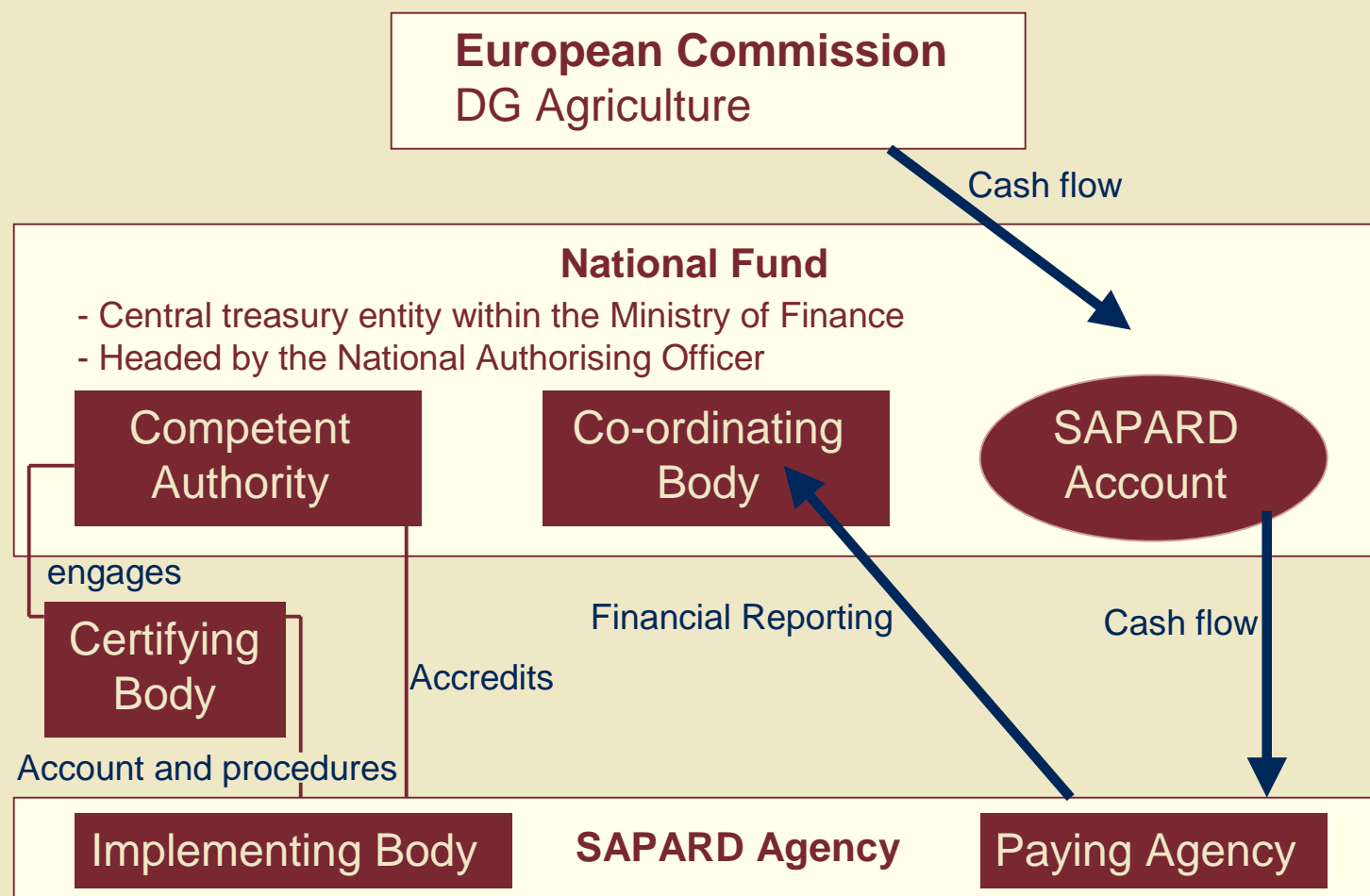
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The SAPARD programme

Institutional framework



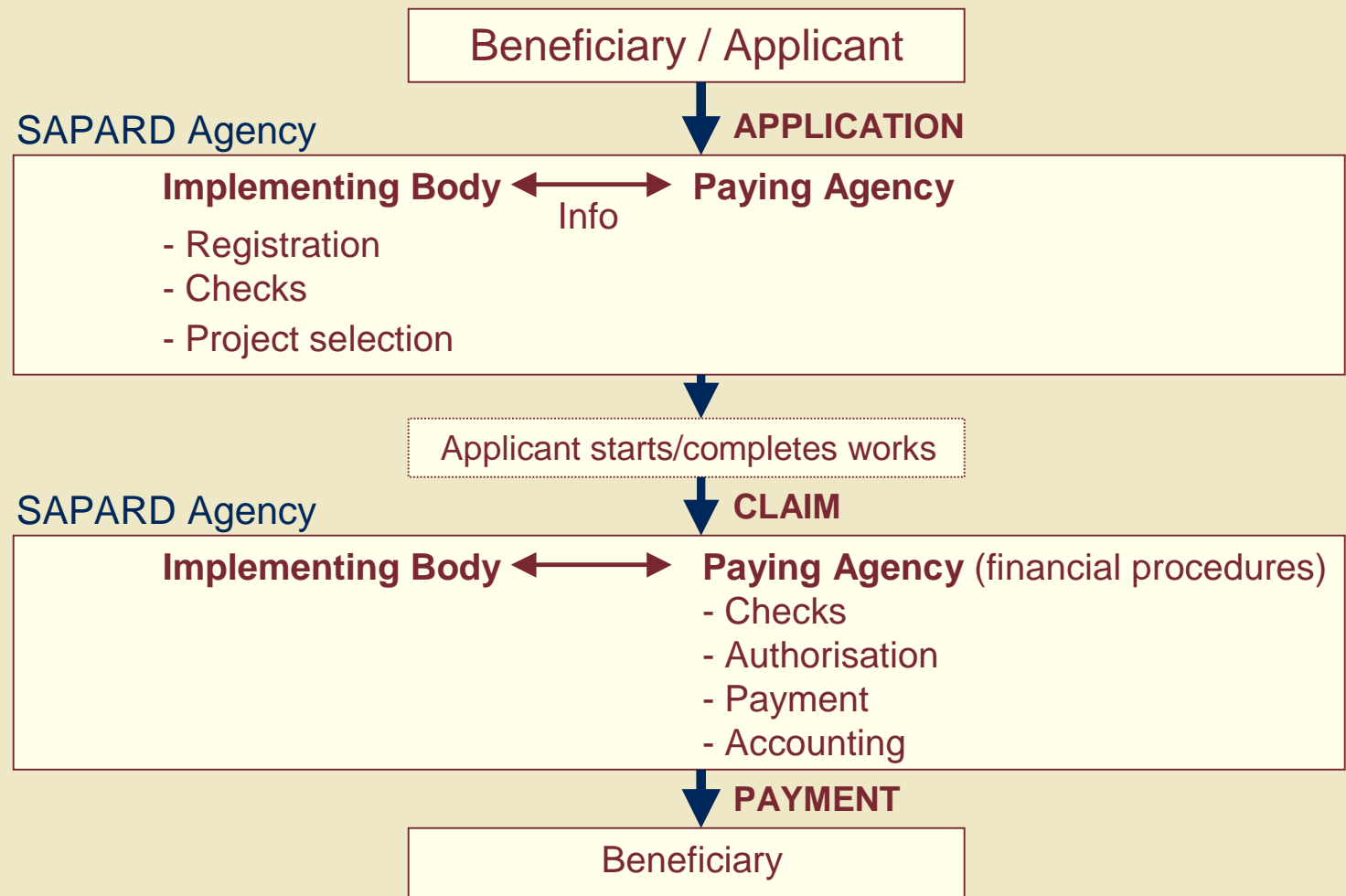
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The SAPARD programme

Programme Implementation



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Agricultural situation in CEECs

Farm structures

- Farm privatisation virtually concluded, but
- Ongoing issues relating to land markets and property rights
- Structural overcapacity in agricultural processing

Output

- Generally stable after the dramatic decline of the 1990's, but
- Most CEECs still below pre-transition levels

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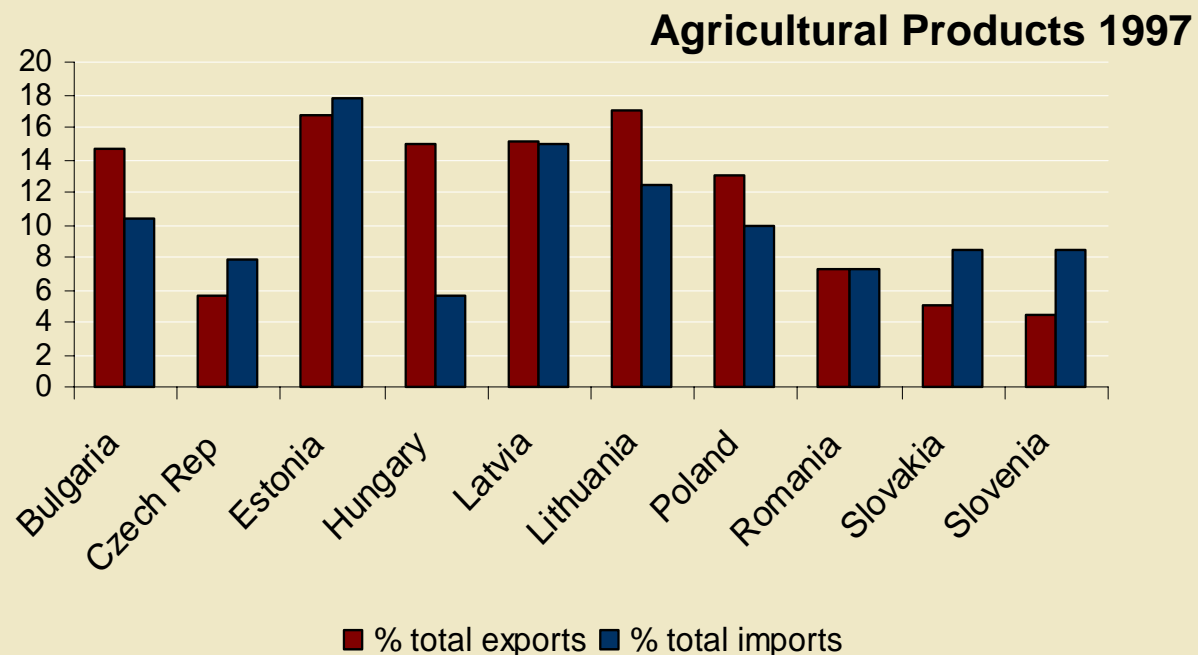


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Agricultural situation in CEECs

Trade

- EU = major trading partner of all candidate countries
- CEEC agri-food trade deficit = 760 million Euro (1999)
- Increased trade can bring important gains to both EU and CEECs



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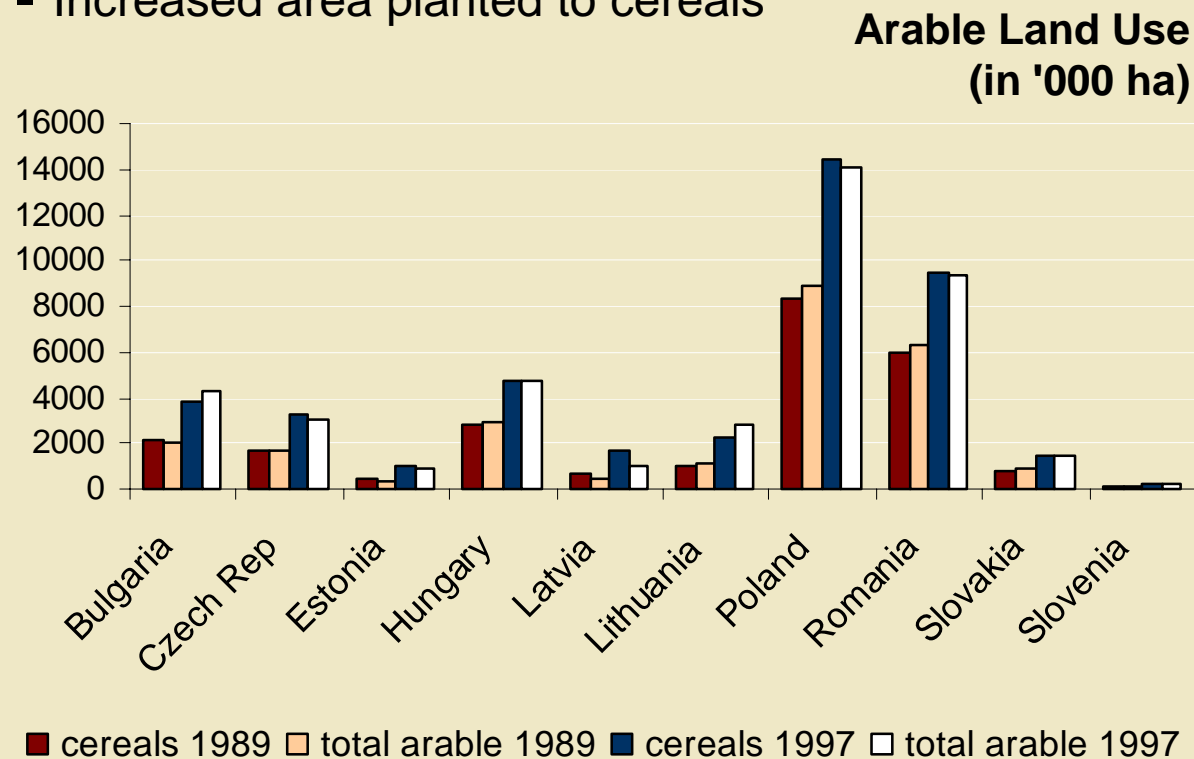


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Agricultural situation in CEECs

Commodity situation

- Total CEEC crop production near pre-transition levels
- Increased area planted to cereals



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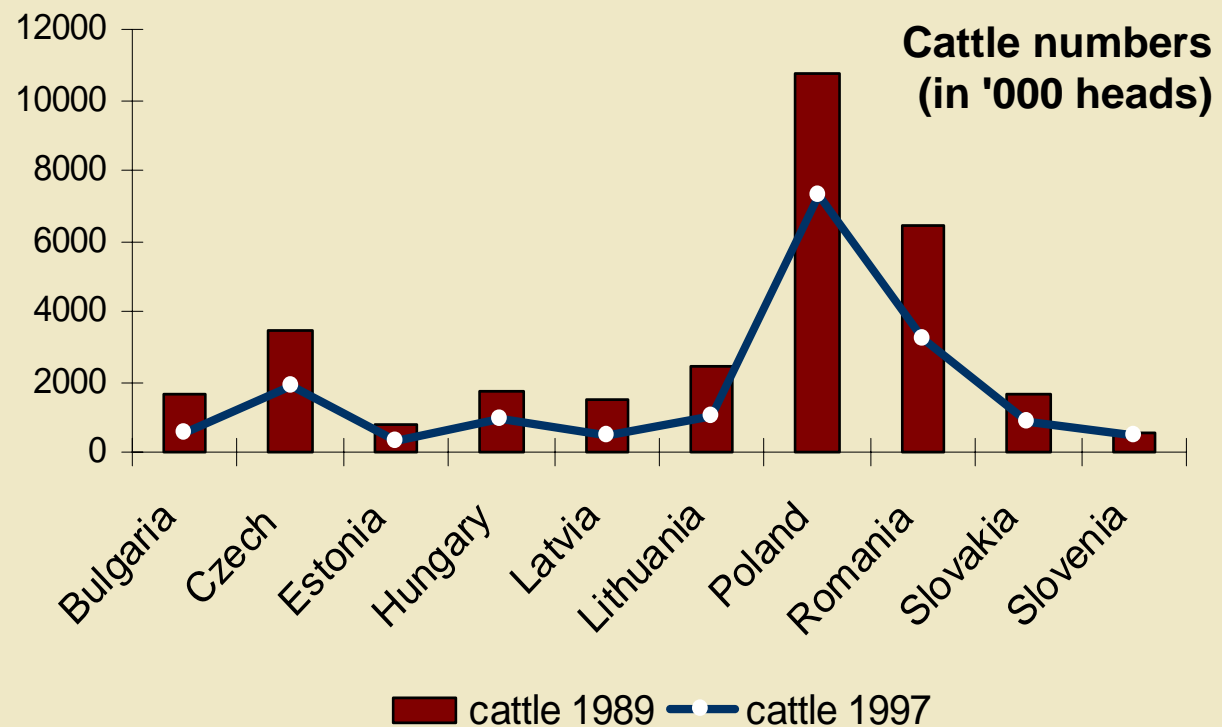


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Agricultural situation in CEECs

Animal sectors

- Livestock numbers still well below transition levels
 - Cattle and sheep c. 50% of pre-transition level
 - Cows, pigs and poultry c.70% of pre-transition level



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Agricultural
situation in
CEECs

Medium term commodity outlook for 2005

Crops

- Forecast CEC-10 crop surplus : 7-8 million tonnes
- Forecast EU-15 crop surplus : 30 million tonnes
- Exports at world market prices a key factor

Livestock

- Continued slow recovery in livestock sector
- Forecast beef and pig production :
close to self-sufficiency
- Modest dairy surplus around 2 million tonnes

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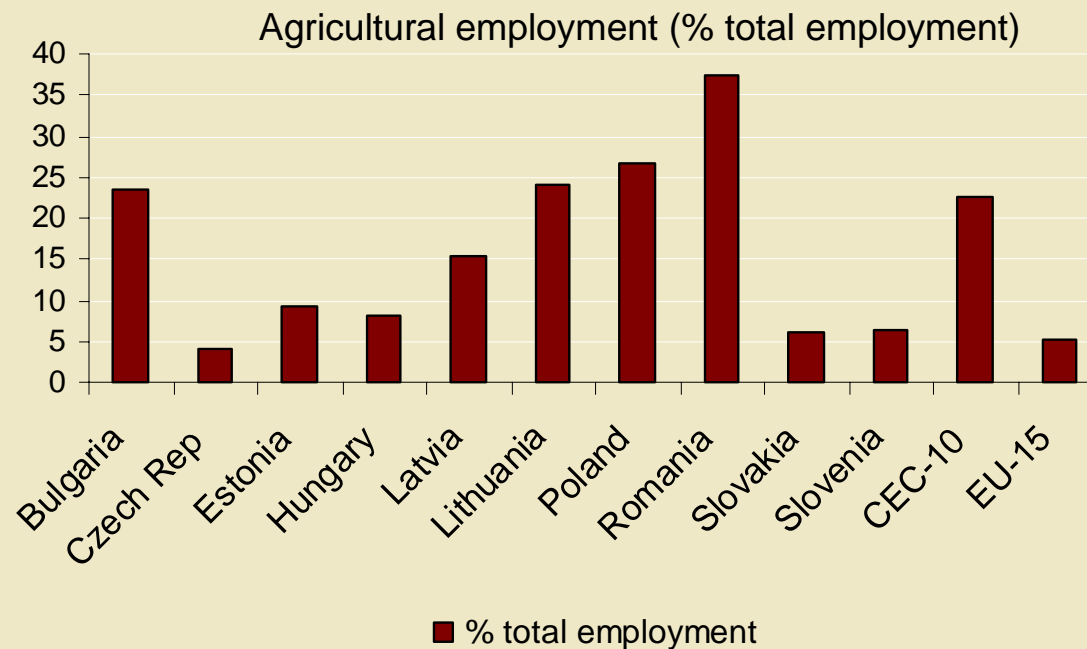


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Agricultural situation in CEECs

Agricultural employment

- EU agricultural employment set to double post-enlargement
- CEEC productivity gains essential
- Economic diversification in rural areas also a top priority



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Key facts on agriculture in four CEECs

Poland

Agriculture in the economy

- 6% of total GDP
- Crops: cereals (wheat & rye)
- Animals : pigs
poultry

Employment

- 19.1% agricultural share of total employment (1998)

Trade

- Live animals, meat & meat products
- Milk products
- Processed fruit & vegetables

Structures

- Large private sector, pre-transition period
- Small, fragmented holdings

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Key facts on agriculture in four CEECs

Hungary

Agriculture in the economy

- 6.6% of total GDP
- Crops: cereals (wheat & maize)
- Livestock: pigmeat

Employment

- 8% agricultural share of total employment (1996)

Trade

- Meat
- Processed fruit and vegetables
- Cereals
- Wine
- EU still the main trading partner, but CEFTA & other CEEC markets developing

Structures

- Medium-sized commercial farms emerging
- Part-time farming common

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Key facts on agriculture in four CEECs

Romania

Agriculture in the economy

- 20.1% of total GDP
- Crops: cereals (wheat & maize)
- Livestock: pigs

Employment

- 40% agricultural share of total employment (1997)

Trade

Biggest exports

- Cereals
- Live animals
- Edible oils
- Fresh and canned fruit
- 55% of exports to EU
- 50% of imports from EU

Structures

- Fragmented land ownership (average holding 3ha)
- But more organised farm management (family associations, commercial farming companies)

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Key facts on agriculture in four CEECs

Estonia

Agriculture in the economy

- 5.5% total GDP
- Crops: fodder crops & cereals
- Livestock: milk

Employment

- 8.1% agricultural share of total employment (1996)

Trade

- Fish
- Milk
- Deteriorating agricultural trade deficit since 1995
- EU, Russia and other Baltic States are main trading partners

Structures

- 75% agricultural land still in state hands
- Up to 20% of arable land unused

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