Standard Summary Project Fiche for the Transition Facility

1. Basic Information

1.1 CRIS Number: 2006/018-176.01.02

1.2 Title: Preparation of the county offices of agriculture of the Ministry of Agriculture and Rural Development for their tasks concerning the implementation of CAP and its current reforms in the field of IT

1.3 Sector: Agriculture

1.4 Location: Hungary, Ministry of Agriculture and Rural Development

2. Objectives

2.1 Overall Objective(s):
The overall objective of the project is to further develop the administrative capacity of the county offices of agriculture of the Ministry of Agriculture and Rural Development (MARD), to create the technical conditions in the county offices of agriculture for the direct (on-line) cooperation with the Agricultural and Rural Development Agency (ARDA) and for the access to IACS, so that citizens living on agriculture could more easily claim for the area based payments.

2.2 Project purpose:

2.2.1. Improvement and speeding up the flow of information supply for agricultural producers.

2.2.2. Further development of the administrative capacity of the county offices of agriculture ensuring that agricultural producers can get the necessary help in the filling out of direct payment application forms and through this to increase the efficiency of ARDA’s functioning as a Paying Agency in the field of Single Area Payment Scheme (SAPS) implementation.

2.2.3. Increasing the level of data security of the registration systems operated by the county offices of agriculture including registrations connected to IACS concerning the tasks carried out in cooperation with ARDA.

2.2.4. Development of the institution system through the further training of local agricultural officials in such a way, that it would be suitable for the effective use of the new IT tools including new software and data access possibilities, the GIS for land parcel identification, and the GPS location identification technology.

2.3 Justification

The 2003 Comprehensive Monitoring Report on Hungary’s preparations for membership in Part C) states, that the 2002. Regular Report on Hungary found that
“Hungary has continued to make progress in building up its administrative capacity to apply the acquis in most areas. However, further efforts will have to be made in particular in areas such as agriculture, transport, regional policy, environment and financial control. Further action is also still required in establishing the necessary administrative capacity to ensure the sound, efficient and controllable management of EC funds.”

Chapter 7 on Agriculture of the 2003 Comprehensive Monitoring Report on Hungary’s preparations for membership concludes that

“There are serious concerns about Hungary’s preparations for setting up its Paying Agency, for implementing the Integrated Administration and Control System (IACS), and in the areas of rural development and public health (as regards progress in upgrading agri-food establishments).”

The introductory part of Chapter 7 on agriculture states, that

“The agriculture chapter covers a large number of binding rules, many of which are directly applicable. The proper application of these rules and their effective enforcement by an efficient public administration are essential for the functioning of the common agricultural policy. This includes the setting up of management systems such as a paying Agency and the Integrated Administration and Control System, which are covered under “horizontal issues” below, and also the capacity to implement rural development actions.”

3. Description

3.1 Background and justification:

In connection with the single area payment scheme in the first year problems were caused – among others – by the fact that we had to change from the real estate registry based on cadastral registry number, to the land parcel identification system (LPIS), based on satellite survey and founded on the physical blocks. This change also resulted, that in the first year the farmers made a lot of mistakes during the filling in application forms. It became evident, that the involvement of the local agricultural officials - having local information and being in personal contact with the farmers - into the work, would mean a considerable support. Indeed, as result of the participation of the local agricultural officials, the number of the faulty filled in application forms decreased to their fragment. As the local officials had no informatics connection neither to ARDA nor to IACS, the collaboration (paper-based registering) caused unjustified surplus work and was not effective. As ARDA counts on the collaboration of the local agricultural officials in the future, such a completion of IACS (or an infrastructure that makes the access possible) is justified.

From this point of view the planned development of the IT system of the county offices of agriculture facilitates the implementation of 1798/2003. EC Regulation, and especially its Article 19th, but at the same time it fortunately it also serves other prioritised objectives of the EU.

The Dutch Presidency in 1997 approved a document on “European Administrative Space” (EAS) and set the main European requirements for the public administration systems of the member states. In order to fulfil the above mentioned requirements of European Administrative Space it is inevitable for the county offices to further develop their client service systems and the related IT systems.
Though the IT tools of the county offices and of the local agricultural official network are of older purchase, they are functionally proper for the fulfilment of the tasks of the institutions until now. The communication channel is available; its bandwidth is 64 kbps. Unfortunately there was no source at disposal for IT infrastructure development in the past 3 years.

In order to be able to cooperate in the single area payment schemes, to be connected to the database of ARDA, to download and process the maps needed in the parcel identification, to the electronic administration, to the increase of data security it is necessary to enlarge the available sources. There is a need to purchase high-powered devices in the following fields:

- expand the bandwidth of communication devices (routers, switches, network cards)
- processing speed, size of RAM memory (for graphical processing)
- quality improvement of monitors (resolution, size)
- data saving and safety equipment

The goal of the project is therefore not to replace the IACS developments going on at ARDA, but it focuses on the problems that directly influence the IACS, and that are arising from the real life. It aims a system that is connected to IACS, is completing it, and is therefore a priority of special importance.

The county offices of agriculture of the Hungarian Ministry of Agriculture and Rural Development including the network of local agricultural officials closely cooperates with the Agricultural and Rural Development Agency (ARDA), which is the accredited Paying Agency of Hungary and which operates the IACS in the field of the implementation of CAP and its current reforms concerning direct payments. The Ministerial Decree of MARD No.57/2005. (VI. 27) and an officially signed Document on Cooperation Agreement set the legal base for the participation of the county offices of agriculture in the different “contributory” or “Intermediate Body” tasks in cooperation with ARDA.

The staff of the county offices of agriculture including the local agricultural officials provides an essential help for the farmers with filling out application forms for SAPS and in the use of the Land Parcel Identification System (LPIS), that is a geographical information system (GIS), and a functional part of IACS. In order to help ARDA and agricultural producers in operational use of IACS and LPIS at local level, the county offices of agriculture need a well structured and high quality IT and database management system that can be connected to the IT systems of IACS and LPIS of Agricultural and Rural Development Agency.

The Government Decree No 44/1991. (III. 14) defines the main tasks of the county offices of agriculture. In order to carry out their tasks the offices have to maintain registrations. These registrations always take the form of a database situated on the server of the county office. Unfortunately the currently used databases are localized at county level not being connected with each other, so it is not possible to compare data of the different counties or to discover contradictions and duplications. Data security level is rather low.

It is clear from the above described background that this project fiche does not contain any objectives concerning rural development, and therefore there is no overlap with the Technical Assistance measure of rural development programmes.

A study was prepared in 2002 by the Department for Public Administration of Agriculture with the title “Information Technology Strategy of the county offices of agriculture and the network of local agricultural officials”. The first part of this study covers the survey of
the IT infrastructure and the functional application framework of the county offices and the evaluation of the situation. Another part sets the objectives and strategy that are necessary to be carried out so that the tasks of the county offices prescribed by legal regulations can be carried out properly. The last part contains a short term development plan. During the past years the results were analysed and the strategy and the development plan were revised according to the current situation. This study forms the base for the objectives of this project fiche.

3.2 Linked activities:

3.2.1 Phare Twinning Project No. HU98/IB/AG-02-01: Development of institutional structure and human resources for the implementation of agricultural structural improvement and rural development programmes to be financed from EAGGF

This Hungarian-German twinning project was carried out between 15th November 1999 and 14th November 2000. The main objective of the project was the definition of the relevant additional functions and tasks of the existing institutions of the Hungarian agricultural administration system with special regard to the network of county offices of agriculture from the point of view of the implementation of agricultural structural improvement and rural development programmes to be financed from EAGGF and to make available administrative structures and management mechanisms.

The two main fields of activities within this project was a) to define the additional functions and tasks of the already existing institutions of MARD that are necessary to the implementation of EAGGF rural development support schemes as well as to provide technical advice on how to create these functions and introduce relevant manuals of procedures; and b) to train the staff of the involved institutions of MARD in the field of the implementation of the mentioned new functions.

As the very first step of the implementation of the project a study was prepared on the review of the situation, which stated, that there is a relevant system of agricultural state administration institutions in place in Hungary both centrally and at county level that can be made suitable for the implementation of rural development measures to be financed from EAGGF if the necessary supplementary functions are set up and the staff is trained.

According to these findings the long term expert of the project elaborated a proposal concerning the management rules of the Monitoring Committee that supervises the implementation of the rural development programmes and he also worked out a proposal for the organisational structure and rules of operation of the county offices of agriculture to be responsible for the management of rural development measures applications. In addition six detailed manuals were prepared concerning the management procedures of the following support measures of EAGGF: 1.) investments in farms; 2.) investments in processing and marketing; 3.) agri-environment; 4.)
compensatory allowances for less favoured areas; 5.) diversification and 6.) village- and micro-regional development.

Training, the other big area of activities of the project was carried out partly in the form of workshops organised in Hungary, and partly in the form of study trips to Bavaria. Altogether 6 one day long workshops were organised at 3 regional venues with the participation of 190 civil servants and in addition to this a 4 days long central workshop was organised for 174 civil servants. In the 4 study trips and trainings in Bavaria altogether 50 civil servants took part from MARD and its county offices of agriculture.

One of the main findings of this project was that the institutional system for the implementation of the EAGGF support schemes should include the network of county offices of agriculture. The final declaration of the project partners stated that the follow up of the project is highly desirable in the field of further training of the staff of the county offices and the development of their information technology system so that it could be connected to the Integrated Administration and Control System.

3.2.2 Phare Project No. HU9806-05-01: Information Technology Development at the Network of the agricultural county offices of the Ministry of Agriculture and Regional Development

This project carried out in 2000 was a part of the HU98.06.05 Project the title of which was the following: Development of planning capacity for Structural funds and agro-environmental policy.

In the frames of the sub-project aimed at the development of rural development planning capacity of the county offices of agriculture including the district offices of local agricultural officials received workstations, single printers, LAN printers, scanners, CD writers and IT training. In addition to this procurement the county offices also received servers and routers from the co-financing source of the Hungarian state budget complementary to this project.

In the frames of the sub-project for agro-environment 7 of the regional Phytosanitary and Soil Conservation Centres of MARD received computers, supplementary equipment and software for the creation of a Geographical Information System, that is able to handle databases of maps, soil, economic and farming data in order to manage the agro-environment programmes.

3.3 Results:
3.3.1. Consistent, reliable databases and a universal application user interface are created. The central database will be installed on the central server of MARD. The application systems can be easily further developed. With the help of all these developments flow of information for agricultural producers will improve and speed up.
3.3.2. The possibility to build up a direct (on-line) connection between the IT network of the county offices - consisting of 19 county offices and 118 district offices of local agricultural officials - and the database systems of ARDA and IACS is created with the help of the development of the nationwide data-telecommunication system. Direct data input into the IACS database systems becomes possible from the workstations of the county offices of agriculture. It becomes possible for the county offices to have access to the ARDA registration systems of producers. All these developments facilitates, that farmers can get direct help with the filling in of direct payment forms.

3.3.3. The IT infrastructure of county offices of agriculture improved from the point of view of hardware equipment that creates the necessary technical conditions for the creation and use of the central database system and the nationwide data-telecommunication system.

3.3.4. The staff of the county offices and the local agricultural officials is prepared at a high level for the use of the new IT and GIS systems, including the field use of GPS and the satellite image processing for control purposes.

3.4 Activities:

Component 1.: Planning and development of a central registration system.
- Planning of a universal database structure on the base of the evaluation of the existing database.
- Development of the database system on the central server of MARD using the available central data base engine.
- The database system development is carried out with continuous quality assurance.
- Migration of the existing data to the new system.
- Testing of the migrated data.

Development of a modular database management frame application that can be further developed.
- Planning of the universal user interface on the base of the existing user interfaces.
- Planning of a frame system software that makes possible the simple creation of the new registrations and the quick modification of the existing ones.
- Creation of the application system.
- Development of the frame application is carried out with continuous quality assurance.
- Testing of the application system using the migrated data.

Component 1 will be carried out in the frames of one contract of database- and application development.

The central databases together with the unified, nationwide network access possibilities will mean a significant development of the institutional quality of the county offices of agriculture compared to the former isolated local registrations.
Component 2.:  
Creation of a standardized, safe nationwide data telecommunication system with high bandwidth, which will result in the creation of the direct connection referred to under 3.3.2. and creates the base for the electronic client service according to 3.3.1.

- Creation of an access network that connects the network of the 19 county offices and the 118 district offices of local agricultural officials to the Governmental Telecommunication Backbone (GTB) with the help of appropriate firewalls and routers.
- Provisions for minimum 512 kbps bandwidth at terminal points.
- Provisions for GTB services – email, Internet, VoIP, etc.
- Provisions for making data confidential – according to the needs, or the creation of VPN.

Component 2 will be carried out in the frames of one service contract. Within this contract the provider will give the access network to GTB that can be used without charge by all state administration organization including MARD. The hardware equipment necessary for communication is partly available, partly it will be procured within the frames of Component 3. of this project, and partly it will be provided in the frames of this service contract. It is rather probable, that a several years long faithfulness declaration will be needed for the provider. The provider fees for the coming years will be financed by the own budget of MARD. This project will only finance the single costs for the first year.

Component 3.:  
IT infrastructure development (equipment supply). We summarized in Chapter 3.1. (Background and justification) of this fiche, why it is necessary to make this equipment supply for the achievement of the results listed under 3.3.

- Communication equipment (routers, manageable switches,), supplementary modules necessary for the access to the nationwide network.

Justification: In the course of the communication with remote GIS systems map type information should be downloaded the size of which exceeds 50 Mbyte. In order to assure acceptable download time it is necessary to increase the throughput capacity of active equipment. In many cases it is possible only by the replacement of the existing devices for higher quality ones or by the installation of further high performance modules.
- Procurement of supplementary equipment and firewalls for data security.

Justification: As during the connection to IACS personal, confidential date are forwarded, which may have serious financial appeals as well, the data protection has to be ensured with adequate instruments (protection against data modification, burglary etc.)
- Procurement of supplementary equipment for data-saving (Ultrium DTL, etc.)

Justification: As the data being forwarded to the IACS system are temporarily stored at the servers of the county offices as well, the risk of data loss has to be minimized, the necessity of data saving equipments of good quality is reasonable.
- Procurement of necessary equipment for electronic document management and client service.
Justification: As until now there was no electronic file attendance in the county offices (only paper based file-handling was usual), the use of electronic file-attendance makes necessary to adjust proper appliances (scanners, file servers) into the system.

- Other necessary supplementary IT equipment, resource enlargement and quality replacement necessary for the implementation of new tasks (e.g. electronic client service).

Justification: Tasks in connection with the new geographical informational technology and electronic file handling make the enlargement of the efficiency of the personnel equipments, as well as the introduction of new services necessary (e.g. DVD writing). Therefore – among others – the workstations have to be provided with supplementary peripheries (like DVD writer) and performance soaping expansions (e.g. memory enhancement, Winchester change).

Component 3. is carried out in the frames of one equipment supply contract, and it provides the hardware conditions for the achievement of all the result listed under Chapter 3.3. above.

**Component 4.:**
Training of the employees of the county offices of agriculture including local agricultural officials, in order to achieve results listed under 3.3.5.

- Training of 970 employees on the usage of the new registration and application systems
- Training on the new network possibilities.
- Basic training on data security issues.
- Field use of GPS.
- Basic training on Geographical Information Systems in order to facilitate the effective use of land parcel identification system.

Preparation of IT specialists of the county offices for the use of the new systems.

- Introduction to the new database structures.
- Training on new module creation technologies.
- Preparation for the use of the new data security and data saving tools.
- Training on firewall functions, virus defense, detection of unauthorized penetration into the IT systems
- Training on the programming of communication tools (routers, switches, etc.)
- Training on image processing and Geographical Information Systems

Component 4. is one service contract. For the proper training of the staff about 300 working hours of specialists (on GIS, image processing, data safety, field use of GPS in control of agricultural crops) is needed. The special trainers will be hired from professional expert companies.

Expert profile for the professional trainers:

- diploma in the field of Information Technology issued by a relevant higher education institution;
- professional qualification in the field of GIS and image processing;
• practical, field experience concerning the use of GPS;
• knowledge of the relevant hardware products gained at the professional training courses organized by the producer companies.

3.5 Lessons learned:
The HU98/IB/AG-02-01 rural development project did not have the direct objective to assess or develop the information technology infrastructure of county offices of agriculture, but the situation review study mentioned in Chapter 3.2.1 and also the experiences gained during the study trips to Bavaria made it clear, that the country offices will only be capable to carry out the supplementary functions concerning the implementation of EAGGF measures if they have a high level IT system, similar to that of the Bavarian agricultural district offices that is also able to get access to the central databases of IACS.

The organisation of the county offices of agriculture was re-structured with the help of the project aimed at development of the institutional background of rural development measures, and the situation review study and the management procedure manuals prepared in the frames of it.

The project finished in November 2000., but Hungary could only join the EU in 2004., therefore the proposals included in the expert documentation of the project could be utilised in real life only with significant delay, and they partly had to be adjusted to the governmental decisions which in the meantime created a new situation concerning the institution system responsible for the management of EU EAGGF support measures.

Among the governmental decisions on institutional system for EU measures one of the most significant was the creation of the Agricultural and Rural Development Agency (ARDA) and its designation as a Paying Agency, which also means that the Integrated Administration and Control System (IACS) was created in the headquarters of the agency. The basic functions of IACS are prescribed by No. 1782/2003. EC Regulation was built up to the level by the date of accession of 1st May 2004 that the Minister of MARD could provide a provisional accreditation for ARDA as Paying Agency. Final accreditation could not be given, because certain criteria on the safety of IACS could not be met fully at that time.

However the system was fully operational during the year 2005, which can be proved by the fact that ARDA managed the payment of more than 400 billion huF support, while the system was under continuous further development.

At present all systems of IACS are fully built up and the level of IT safety is also satisfactory, so the Minister could give final accreditation for ARDA on 8th December 2005.

The Phare project No. HU 98.06.05 for IT development was especially useful for the county offices of agriculture because it created the unified base of their information technology infrastructure. Unfortunately the limited financial source allowed the installation of modern routers of the same type only in 10 offices out of the 19 ones that naturally led to tension between them. In other fields the proportional distribution could be assured and the high level utilization of the equipment could be guaranteed through its dynamic re-distribution according to current needs.

The result of this HU 98.06.05 project was hardware infrastructure development. The equipment procured in the frames of it will provide very good running environment for
the new programmes to be developed according to this very project fiche. The new equipment to be procured according to this project fiche will supplement well those ones procured earlier, and so the old routers can be made suitable for the new network activities with the help of new supplementary modules. The more than 5 years old small servers, can be utilized in a new role, mainly as domain controllers.

4. **Institutional Framework**

   The leader of project administration: Department of EU Coordination of MARD.

   Leader of the project from technical point of view: Department for Public Administration of Agriculture of MARD with the involvement of specialists when needed.

   Supervision of the equipment and software installed in MARD: Department of Administration and Information Technology of MARD

   Organisations cooperating in the project from technical point of view: Agricultural and Rural Development Agency (ARDA) and Institute of Geodesy, Cartography and Remote Sensing.

   Direct beneficiaries of the project, the places of installation of the equipment and the terminal points of the network: the 19 county offices of agriculture of MARD and the 118 district offices of local agricultural officials.

   A Project Steering Committee will be established. The chair of the committee will be the SPO of the project. The institutions represented in the committee will be the following:

   - Ministry of Agriculture and Rural Development (represented by the Department for Agricultural Public Administration);
   - Agricultural and Rural Development Agency;
   - Institute of Geodesy, Cartography and Remote Sensing;
   - National Aid Co-ordinator;
   - CFCU.

   Meetings of the committee will be held in every three months.
5. Detailed Budget

The national co-financing will be available in the national budget, in its chapter for MARD.

<table>
<thead>
<tr>
<th>Component</th>
<th>SW + DB Development</th>
<th>Communication network</th>
<th>Hardware supply</th>
<th>Training</th>
<th>Total TF(=I+IB)</th>
<th>National Co-financing**</th>
<th>IFI*</th>
<th>TOTAL</th>
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<tr>
<td>Investment Support</td>
<td>0,605</td>
<td>0,198</td>
<td>0,182</td>
<td>0,110</td>
<td>0,182</td>
<td>0,202</td>
<td>0,264</td>
<td>0,243</td>
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<tr>
<td>National Co-financing**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0,202</td>
<td></td>
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<td>IFI*</td>
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<td></td>
<td></td>
<td></td>
<td>0,264</td>
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<tr>
<td>TOTAL</td>
<td>0,807</td>
<td>0,264</td>
<td>0,243</td>
<td>0,147</td>
<td>1,095</td>
<td>0,366</td>
<td>1,461</td>
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</table>

Note: All the amounts indicated in the table above are indicated net of VAT and solely for the year 2006. The project is jointly co-financed by Transition Facility and Government resources. The ratio between the Transition Facility and national amount is binding and has to be applied to the final contract price.

(*) contributions from National, Regional, Local, Municipal authorities, FIs, loans to public entities, funds form public enterprises
(**) private funds, FIs loans to private entities

6. Implementation Arrangements

6.1 Implementing Agency

The Implementing Agency of the project is the CFCU. The CFCU will be the Contracting Authority and in that capacity will issue and evaluate tenders, conclude contracts and authorize the treasury to make contractually related payments. The Director of the CFCU will act as PAO of the project. His contacts are:

PAO: Mr. Gábor Rónaszéki Director of CFCU
Central Finance and Contracts Unit
Tel.: +36-1-327-2800,
Fax.: +36-1-327-2802
e-mail: ronaszki.gabor@cfcu.gov.hu
The Ministry of Agriculture and Rural Development will be responsible for the technical part of the project in terms of design, evaluation follow up and monitoring. The Director General of the Ministry will act as Senior Programme Officer. His contacts are:  
**SPO**: Dr. László Vajda, Head of Department for EU Coordination  
Ministry of Agriculture and Regional Development,  
H-1055 Budapest, Kossuth tér 11.  
Tel.: +36-1-301-4299  
Fax.: +36-1-301-4663  
e-mail: VajdaL@fvm.hu

### 6.2 Twinning
Not relevant.

### 6.3 Non-standard aspects
During the implementation of the project the National Public Procurement Rules will be strictly followed.

### 6.4 Contracts
According to the Detailed Budget table above: Expected contracts are 4. The value of the contracts: 1,461 M EUR

- **Component 1**: 1st contract for the database- and application system development (service contract) value 0,807 MEuro  
- **Component 2**: 2nd contract for the data-telecommunication service (service contract) value 0,264 M Euro  
- **Component 3**: 3rd contract for the supply of necessary supplementary hardware equipment (supply contract) – value 0,243 M Euro  
- **Component 4**: 4th contract for training of users and system managers concerning the usage of the new software and hardware tools (service contract) – value 0,147 M Euro

### 7. Implementation Schedule

<table>
<thead>
<tr>
<th>Components</th>
<th>Start of Tendering</th>
<th>Start of Project Activity</th>
<th>Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 SW + DB Development</td>
<td>July 2006</td>
<td>December 2006</td>
<td>December 2008</td>
</tr>
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</table>

### 8. Sustainability
County offices of agriculture provide for the physical place and necessary circumstances. The county offices assure readiness to cooperate in the critical phase of the project and later on during the operation of the system, professional staff is available at local level.
MARD provides the necessary server performance and data base engine.

Software follow up will be assured. In the procurement procedure it will be prescribed, that for the developed software and for the database system MARD will obtain exclusive right. In the development contract we will prescribe guarantees, so that in case of developer’s unavailability MARD should have access to the source code of the software.

The obtained equipment will be owned by MARD.

The relevant law and government decree guarantees, that the supplier of the nationwide network may only invoice a yearly fee that is the same as the current communication fee. These fees are at the time being and also in the future planned in the budget of MARD.

During the time of training we will guarantee with proper organizing, that the falling out of colleagues should not cause any stoppage in the activity of the county offices.

Maintenance will be assured.

In the procurement notice it will be prescribed, that after setting into operation, the Supplier, in the frames of a maintenance contract that will be renewed yearly, should secure maintenance continuously. The costs of this will be covered from the budget of MARD continuously.

The software and database to be developed in the frames of Component 1. will be installed on the central server of MARD.

The data-telecommunication network to be developed in the frames of Component 2. will connect the headquarters of MARD, the 19 county offices of agriculture and the 118 district offices of local agricultural officials and it will also have connection to the Governmental Telecommunication Backbone, through which it will also be possible to access the IT systems of ARDA and the Institute for Geodesy, Cartography and Remote Sensing.

The equipment to be purchased in the frames of Component 3. will be installed in the 19 county offices of agriculture and in the 118 district centres of local agricultural officials.

9. Conditionality and sequencing

- The cooperation between the county offices of agriculture and ARDA is well operating on the basis of the officially signed Declaration of Cooperation Agreement of 29th July 2005.
- The county offices of agriculture have the physical and financial conditions and resources to provide the physical place and appropriate circumstances.
- The county offices of agriculture and ARDA mutually allow that their IT systems and certain databases can be reached from the workstations of the partner institution with appropriate limitations and on condition of proving the authorization for access.
- Reports are prepared at designated milestones to certify appropriate implementation of the project.
- a needs analysis regarding the technical equipment will be carried out before the start of the project.
Annexes to project Fiche
1. Logical framework matrix in standard format (compulsory)
2. Detailed implementation chart (compulsory)
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period) (compulsory)
4. List of relevant Laws and Regulations (compulsory)
5. List of linked activities
6. Indicative list of equipment to be purchased
<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR Project</th>
<th>Programme name and number</th>
</tr>
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<tbody>
<tr>
<td>Preparation of the county offices of agriculture of MARD for their tasks concerning the implementation of CAP and its current reforms in the field of IT</td>
<td>Contracting period expires: November 2008</td>
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<tr>
<td>Overall objective</td>
<td>Objectively verifiable indicators</td>
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<tr>
<td>The overall objective of the project is to further develop the administrative capacity of the county offices of agriculture of the Ministry of Agriculture and Rural Development (MARD), to create the technical conditions in the county offices of agriculture for the direct (on-line) cooperation with the Agricultural and Rural Development Agency (ARDA) and for the access to IACS, so that citizens living on agriculture could more easily claim for the area based payments.</td>
<td>By the end of 2007 an appropriate registration systems will be ready to help to fulfil the tasks prescribed by relevant regulations IT infrastructure will be created by the end of 2006.</td>
</tr>
</tbody>
</table>
## Project purpose

- Improvement and speeding up the flow of information supply for agricultural producers. - Further development of the administrative capacity of the county offices of agriculture ensuring that agricultural producers can get the necessary help in the filling out of direct payment application forms and through this to increase the efficiency of ARDA’s functioning as a Paying Agency in the field of Single Area Payment Scheme (SAPS) implementation.

- Increasing the level of data security of the registration systems operated by the county offices of agriculture including registrations connected to IACS concerning the tasks carried out in cooperation with ARDA.

- Development of the institution system through the further training of local agricultural officials in such a way, that it would be suitable for the effective use of the new IT tools including new software and data access possibilities, the GIS for land parcel identification, and the GPS location identification technology (result 3.3.5.)

## Results

1. Consistent, reliable databases and a universal application user interface are created. The central database will be installed on the central server of MARD. The application systems can be easily further developed. With the help of all these developments flow of information for agricultural producers will improve and speed up.

2. The possibility to build up a direct (on-line) connection between the IT network of the county offices - consisting

## Objectively verifiable indicators

- By the end of 2007 the registration system and the managing application will be ready.
- The data communication network is operational by the end of 2006.
- It will be possible to create access from the county offices to the central database of ARDA by the end of 2006.
- The training courses finish by the end of 2006.

## Sources of verification

- Database structure specification
- Application software specification
- Cooperation agreement with ARDA
- Data communication service specification

## Assumptions

- It is possible to have access to GTB
- The cooperation with ARDA is continuous
- Appropriate server capacity is available in MARD
- Appropriate database engine is available in MARD.
of 19 county offices and 118 district offices of local agricultural officials - and the database systems of ARDA and IACS is created with the help of the development of the nationwide data-telecommunication system. Direct data input into the IACS database systems becomes possible from the workstations of the county offices of agriculture. It becomes possible for the county offices to have access to the ARDA registration systems of producers. All these developments facilitates, that farmers can get direct help with the filling in of direct payment forms.

3. The IT infrastructure of county offices of agriculture improves from the point of view of hardware equipment, that creates the necessary technical conditions for the creation and use of the central database system and the nationwide data-telecommunication system.

4. The staff of the county offices and the local agricultural officials are prepared at a high level for the use of the new IT and GIS systems, including the field use of GPS and the satellite image processing for control purposes.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>and ARDA is tested.</td>
<td>The increase of the speed of client case management is checked.</td>
<td>The electronic client service is operational.</td>
</tr>
<tr>
<td>Component 1.: Planning and development of a central registration system. Development of a modular database management frame application that can be further developed.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Component 2.: Creation of a standardized, safe nationwide data telecommunication system with high band width, which will result in the creation of the direct connection with ARDAand creates the base for the electronic client service.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Component 3.: IT infrastructure development (equipment supply). We summarized in Chapter 2. (Justification) of this fiche, that why it is necessary to make this equipment supply for the achievement of the results listed under 3.3.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Component 4.: Training of the employees of the county offices of agriculture including local agricultural officials.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1 software development – service tender</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 provider service tender for data-telecommunication</td>
</tr>
<tr>
<td></td>
<td>1 hardware supply tenders</td>
</tr>
<tr>
<td></td>
<td>1 training service tender</td>
</tr>
<tr>
<td>Preconditions</td>
<td>Human resources are available.</td>
</tr>
<tr>
<td></td>
<td>Public procurement procedure is carried out in time.</td>
</tr>
<tr>
<td></td>
<td>Continuous cooperation is guaranteed with the operator of GTB.</td>
</tr>
</tbody>
</table>

- Stability of the legal framework.
- Availability of the sources for co-financing.
- Availability of human resources.
Annex 2. Detailed Implementation Chart

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3  4  5  6 7  8  9 10 11 12</td>
<td>1  2  3  4  5  6  7  8  9  10 11 12</td>
<td>1  2  3  4  5  6  7  8  9  10 11 12</td>
</tr>
<tr>
<td>Month</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract 1</td>
<td>D  D  D  T  T  T  T  I</td>
<td>I  I  I  I  I  I  I  I  L  L</td>
<td>I  I  I  I  I  I  I  I  L  L</td>
</tr>
<tr>
<td>Contract 2</td>
<td>D  D  D  T  T  T  T  I</td>
<td>I  I  I  I  I  I  I  I</td>
<td></td>
</tr>
<tr>
<td>Contract 3</td>
<td>D  D  D  D  T  T  T  T  T</td>
<td>I  I  I  I  I  I</td>
<td></td>
</tr>
<tr>
<td>Contract 4</td>
<td>D  D  D  D  D  T  T  T  T  T  T</td>
<td>I  I  I  I  I  I  I  I  I  I  I  I</td>
<td></td>
</tr>
</tbody>
</table>

D Design phase
T Tendering phase
I Implementation phase
### Annex 3.

**CONTRACTING AND DISBURSEMENT SCHEDULE**

(M EURO)

**HARDWARE AND SOFTWARE DEVELOPMENT IN THE COUNTY OFFICES OF AGRICULTURE OF THE MINISTRY OF AGRICULTURE AND REGIONAL DEVELOPMENT (MARD)**

<table>
<thead>
<tr>
<th>DATE</th>
<th>31/12/2006</th>
<th>31/03/2007</th>
<th>30/06/2007</th>
<th>30/09/2007</th>
<th>31/12/2007</th>
<th>31/03/2008</th>
<th>30/06/2008</th>
<th>30/09/2008</th>
<th>31/12/2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contracting</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract 1</td>
<td>0,605</td>
<td>0,605</td>
<td>0,605</td>
<td>0,605</td>
<td>0,605</td>
<td>0,605</td>
<td>0,605</td>
<td>0,605</td>
<td>0,605</td>
</tr>
<tr>
<td>Contract 2</td>
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<td>0,198</td>
<td>0,198</td>
<td>0,198</td>
<td>0,198</td>
<td>0,198</td>
<td>0,198</td>
<td>0,198</td>
<td>0,198</td>
</tr>
<tr>
<td>Contract 3</td>
<td>0,182</td>
<td>0,182</td>
<td>0,182</td>
<td>0,182</td>
<td>0,182</td>
<td>0,182</td>
<td>0,182</td>
<td>0,182</td>
<td>0,182</td>
</tr>
<tr>
<td>Contract 4</td>
<td>0,110</td>
<td>0,110</td>
<td>0,110</td>
<td>0,110</td>
<td>0,110</td>
<td>0,110</td>
<td>0,110</td>
<td>0,110</td>
<td>0,110</td>
</tr>
<tr>
<td><strong>Total</strong> (cumulative)</td>
<td>0,985</td>
<td>1,095</td>
<td>1,095</td>
<td>1,095</td>
<td>1,095</td>
<td>1,095</td>
<td>1,095</td>
<td>1,095</td>
<td>1,095</td>
</tr>
</tbody>
</table>

| **Disbursement** |            |            |            |            |            |            |            |            |            |
| Contract 1  |            |            |            |            |            |            |            |            | 0,605      |
| Contract 2  |            |            |            |            |            |            |            |            | 0,198      |
| Contract 3  |            |            |            |            |            |            |            |            | 0,182      |
| Contract 4  |            |            |            |            |            |            |            |            | 0,110      |
| **Total** (cumulative) | 0,00       | 0,00       | 0,182      | 0,380      | 0,782      | 0,782      | 0,782      | 0,782      | 1,095      |
Annex 4
List of relevant Laws and Regulations

Government Decree no. 44/1991 (III. 14.) on County Offices of Agriculture

57/2005. (VI. 27.) MARD Decree on the tasks delegated by ARDA and to be carried out with the contribution of other professional organisations concerning certain support measures financed by the Guarantee Section of EAGGF

Cooperation Agreement Document officially signed on 29th July 2005. by the representatives of ARDA and the network of county offices of agriculture concerning their cooperation in the field of the implementation of SAPS payments and certain other EU co-financed support measures.

EC Regulation No. 3508/92 on IACS

Act. No. LXIII. of 1992 on data security

Act No. CXVII. of 1995 on taxation

Government Decision No. 1214/2002 (XII. 28.) on the Strategy of Hungarian Information Society

Government Decree No. 50/1998 (III. 27.) on the Governmental Telecommunication Backbone (GTB)

Government Decision No. 1122/2001 (XI. 22.) on GTB

Government Decree No. 227/2001 (XI. 30.) on the Governmental Telecommunication Backbone

Government Decree No. 81/2003 (VI. 7.) on ARDA

Government Decree No. 141/2003 (IX. 9.) on farmer registration system

MARD Decree No. 115/2003 (XI. 13.) on land parcel identification

Government Decree No. 6/2004 (I. 22.) on agricultural support schemes

Further connected EU and national legal regulations including those that concern CAP reforms
Annex 5

Linked activities

1. **Phare Twinning Project No. HU98/IB/AG-02-01:**
   Development of institutional structure and human resources for the implementation of agricultural structural improvement and rural development programmes to be financed from EAGGF

   The Twinning Covenant of this project signed in October 1999. does not list purposes, just one objective and two results as follows:
   “Article 1. Objective:
   Definition of the relevant additional functions and tasks of those already existing institutions of the Hungarian agricultural administration system that will be responsible for the implementation of agricultural structural improvement and rural development measures to be financed from EAGGF from the year of the country’s accession to the European Union, and to make available administrative structures and management mechanisms (coordinating section within MARD, management of the whole system of subsidisation including preparation of calls, registration and evaluation of applications, paying agency procedures in relation with payments from the Guidance Section of EAGGF, financial controlling, etc.).
   “Article 3.2 Results:

   (i) The institutional structure for the implementation of the forthcoming agricultural structural improvement and rural development programmes of the EU has been developed in Hungary. In addition the necessary institutions and structures to effect the payments of EU-fundings and their control will be developed in a coordinated effort also supported by the CAP Implementation Twinning Project.

   (ii) Trained staff for managing of agricultural structural improvement and rural development programmes is available.”

2. **Phare Project No. HU9806-05-01:**
   Information Technology Development at the Network of the agricultural county offices of the Ministry of Agriculture and Regional Development

   The logframe matrix of the project fiche does not identify project purposes just one immediate objective as follows:
   “Immediate objective: to develop planning and managing capacity for rural development and agro-environmental programmes.”
   The result of this project was the creation of the unified base of the information technology infrastructure of county offices of agriculture that made them able to better communicate with agricultural producers and prepare them for the introduction of EU’s rural and agro-environmental measures.
Annex 6

Indicative list of equipments to be purchased

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Number of pieces</th>
<th>Unit price (euro)</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td>server</td>
<td>18</td>
<td>6 450</td>
<td>116 100</td>
</tr>
<tr>
<td>I-Xeon 3GHz, 1 Gbyte RAM, 300 GB HDD RAID, 10/100/1000 NIC, MS Win2003 Server</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>router</td>
<td>19</td>
<td>3 270</td>
<td>62 130</td>
</tr>
<tr>
<td>10/100/1000 Mbps, more than 75Mbps throughput, firewall capability, IPSEC, QoS, VoIP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>switch</td>
<td>6</td>
<td>340</td>
<td>2 040</td>
</tr>
<tr>
<td>10/100/1000 Mbps, 12-24 ports, managing ability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>data backup</td>
<td>19</td>
<td>1 320</td>
<td>25 080</td>
</tr>
<tr>
<td>SDLT, min. 300 GB</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>workstation</td>
<td>55</td>
<td>690</td>
<td>37 950</td>
</tr>
<tr>
<td>PIV 2.8GHz, 256 Mbyte RAM, 80 GB HDD RAID, 10/100/1000 NIC, MS WinXP Prof.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td></td>
<td><strong>243 300</strong></td>
</tr>
</tbody>
</table>