1. **Basic information:**
   1.1. **Desire Number:** PL01.04.09  
   **Twinning number:** PL/IB/2001/AG/08/TL
   1.2. **Title:** Implementation of FADN
   1.3. **Sector:** Agriculture.
   1.4. **Location:** Poland

2. **Objectives:**
   2.1. **Wider objective:**
   Preparation of tools for planning and monitoring of efficiency of CAP activities.

2.2. **Immediate objectives:**
Establishment of organizational structures necessary to implement the Polish FADN: methodological and technical preparation of Institute of Agricultural and Food Economy (IAFE) for Liaison Agency responsibilities; methodological and technical preparation of agricultural advisory centres (aac) for new tasks concerned with gathering, and transmitting data in agricultural information system; methodological and technical trainings of employees of Polish FADN.

2.3. **Accession Partnership and NPPA priority:**
NPPA: priority 7.7: preparation for the implementation of the common agricultural policy/task 3: organisation of united accountancy system of agricultural farms (uasaf). Adjustment to Community requirements of the data gathering and reporting system on accounting, income and business operation of a representative sample of farms, by the following: harmonization of legislation, creation of a network for the collection of accountancy data from farms and determination of rules and scope of transmitted data to the EC. The proposal for creating the above mentioned system should be the cheapest possible, e.g. accounting teams shall be formed to work with the existing guidance structures where appropriate. Intermediate objectives: adoption of the Law on FADN among others creating an Operational Centre for the UASAF – Liaison Agency and determining its tasks (the Farm Accountancy Department at the Institute of Agricultural and Food Economics plays the role of the Liaison Agency); amendments in the statute of the IAFE and in the rules of procedure of the Ministry of Agriculture and Rural Development as well as in the agricultural advisory centres; implementation of UASAF covering a representative sample of farms, e.g. 12-14 thousand farms.

2.4. **Contribution to National Development Program:** n.a.

2.5. **Cross border impact:** n.a.

3. **Description:**
   3.1. **Background and justification:**
The process of preparation of Poland for EU membership necessitates the adjustment of agricultural statistics to EU standards. It will be necessary to deliver certain number of farm’s returns to the FADN. Therefore, in 1995 the Ministry of Agriculture and Food Economy decided to elaborate a uniform and simple accountancy system to be massively implemented in those farms that are not obliged to keep the accountancy (other farms producing above certain level were obliged by law to keep accountancy). A basic reason for such an initiative was to concentrate both financial resources and efforts on unification of rural accountancy financed from public sources. Till 1995 farmers run accountancy for management and statistics in many different systems. Mainly because of methodological reasons it wasn’t possible to combine those data in one database. Activities related to implementation economic research of farms on FADN bases will improve agricultural statistics by introducing representative research methodology. The project will help to train IAFE employees and the agricultural advisory centre’s (aac) employees (who haven’t participated in any of Phare projects concerning FADN) to be able to work in this system. It will help to provide computer equipment together with special software to Liaison Agency and (aac).

3.2. **Linked activities:**
Phare PL9312-08-02/503 “Standard accountancy system of agricultural farms”. Within this project the following tasks were implemented: preparation for collection of source documents; preparation of reports needed for accountancy and statistics; preparation and testing of pilot software for FADN system. Conducting of training sessions for 105 persons from (aac) and elaboration of training materials regarding FADN by ARMA. Methodology of the survey (i.e. source documents) were used in Phare 1997 and will be used in Phare 2000 and 2001. Pilot software were used in Phare 1997 and will be used in
Phare 2000 and 2001. Software which is planned to be prepared in PHARE 2001 will be ready on the end of this project. Trained (aac) employee from Pomorskie, Kujawsko-Pomorskie and Mazowieckie voivodship participated in additional trainings and work in Phare 1997. Trained (aac) employee from zachodnio – pomorskie, dolnoslaskie and malopolskie voivodship will participate in additional trainings and work in Phare 2000. Trained (aac) employee from rest of the voivodships will participate in additional trainings and work in Phare 2001.

PL9704-01-1-15/16: Purchase of computer equipment for 3 FADN regional centres located in 3 different voivodships (pomorskie, kujawsko – pomorskie, mazowieckie) and for IAFE. Contract covers the following activities: pilot implementation of Polish FADN on the territory of 3 out of 16 voivodships; training session for 360 farmers and 70 advisors from (aac); preparation of training materials for farmers participating in the pilot project; visits of 20 advisors to Finland to get familiar with functioning of FADN system in those countries; test of selection plan. FADN sampling methodology were tested on ARMA’s farms; elaboration of the farm returns based on pilot farm data; data validation in the farm returns with use of the tests gathered from EU Commission. This project has ended in October 2000. Experience in organization of collecting data for FADN purpose and training materials will be used in trainings in Phare 2000 and 2001. Prepared individual farm reports and training materials will help in farmers positive motivation for cooperation within Phare 2000 and 2001 as well as in whole Polish FADN. Elaborated and tested procedure of the creation of the plan selection for Polish FADN will be used for preparation of the selection plans for use in Phare 2000 and 2001 as well as in whole Polish FADN. Elaborated methodology of preparation of the farm return and validation tests will be used for good quality of the farm returns in next projects. The farm return errors analyses will be used for training of the advisors and farmers in Phare 2000 and 2001.

In Phare 2000 it is planned: training programmes for other group of farmers and advisors (next three voivodships: zachodnio – pomorskie, dolnoslaskie, malopolskie); calculation of Standard Gross Margin SGM ‘1996’ elaborated through co-operation with EU experts; elaborating of functioning principles of Liaison Agency based on national and EU legislation and findings of Phare 1997; purchase of computer equipment for other 3 regional centres. Prepared SGM coefficients will be used for Polish FADN farm sample. Elaborated manual for SGM calculation will be used for SGM coefficients calculation for next periods. Prepared Liaison Agency functioning rules will be used for establishing the cooperation with (aac) and Liaison Agency activities in Phare 2001 and in further Polish FADN.

Activities financed by Polish Government: creation by the Ministry of Agriculture and Food Economy of a working group for elaboration and implementation of Unified Accountancy System of Agricultural Farms; implementation of Unified Accountancy System of Agricultural Farms; co-operation with French and Danish FADN experts. Agreement signed between Ministry and Institute of Agriculture and Food Economics for continuation of the training programme started in 1997. Within this agreement all remaining regions have been covered by training process. Legislation activities of Polish Government: Poland has established Law on gathering and use of farm’s accountancy data. That Law implements European law to the Polish condition regarding to Commission Regulation (EEC) No 79/65/EEC of 15 June 1965 setting up a network for the collection of accountancy data on the incomes and business operation of agricultural holdings in the European Economic Community (OJ 109 23.06.65 p. 1859). That Law will ensure: data for farm return for FADN; voluntary participation of farmers in FADN; all data relating to individual farms are to be treated with utmost confidentiality; high degree of representativity. The project of the law assumes that: Minister of Agriculture will establish National Committee for FADN purpose; Liaison Agency will be located in IAFE. Farm data will be collected under special contract with (aac) according to selection plane.

1.3. Results:
It will be possible to gather and send data from representative sample of farms to European Commission in required format; personnel of Polish FADN trained; software for gathering, processing and transmitting data prepared; last 10 regional advisory centres and Liaison Agency equipped in computers.

1.4. Activities
Investments: preparation of specialist software; purchase of computer equipment, trainings for trainers.

Twinning Light:
First EU short-term expert: Tasks: participation in trainings for IAFE employees and (aac) employees as a tutor; help in preparing study tours to EU Member States; help in programming foreign trainings for IAFE employees. Requirements: knowledge of FADN country structures; knowledge of FADN EC structures; ability to provide trainings for trainers; good knowledge of English. Duration: approximately 3 man months.
Second EU short-term expert: Tasks: help in preparation of specification of specialist software for FADN purpose (for gathering, testing, transmitting and reporting); We are planning to prepare software for transmission data from: farmer’s PC to aac server and from aac server to IAFE server. For transmission data from IAFE to Commission we will use software prepared by Commissio; help in preparation of specification of computer equipment. Requirements: knowledge of FADN country structures; knowledge of FADN EC structures; commitment in data processing for FADN; experience in preparation of software for data processing for FADN; good knowledge of English. Duration: approximately 1 man month.

Proposal of trainings for IAFE employees:

<table>
<thead>
<tr>
<th>No</th>
<th>Title</th>
<th>No of participants/time – days</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Principles and organization of FADN office in EC.</td>
<td>10/2</td>
</tr>
<tr>
<td>2.</td>
<td>Principles and organization of FADN Liaison Agency.</td>
<td>10/2</td>
</tr>
<tr>
<td>3.</td>
<td>Trainings in FADN office in EC.</td>
<td>2/31</td>
</tr>
<tr>
<td>4.</td>
<td>Trainings in FADN Liaison Agency.</td>
<td>4/31</td>
</tr>
</tbody>
</table>

Trainings No 1 and 2 will cover those IAFE employees, who haven’t participated in any of Phare projects. Trainings No 3 and 4 will be for those who were involved in establishment FADN in Poland with good English skills.

Proposal of trainings for (aac) employees:

<table>
<thead>
<tr>
<th>No</th>
<th>Title</th>
<th>No of participants/time – days</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Principles and organisation of FADN office in EC and Liaison Agency</td>
<td>10^4/1</td>
</tr>
<tr>
<td>2.</td>
<td>Principles and organisation of country offices.</td>
<td>10^4/2</td>
</tr>
<tr>
<td>3.</td>
<td>Principles in co-operation with farmers.</td>
<td>10^4/2</td>
</tr>
<tr>
<td>4.</td>
<td>FADN methodological principles.</td>
<td>10^4/4</td>
</tr>
<tr>
<td>5.</td>
<td>Usage of specialist software.</td>
<td>10^4/2</td>
</tr>
<tr>
<td>6.</td>
<td>Study tour.</td>
<td>2^*20/4 (including IAFE employees)</td>
</tr>
</tbody>
</table>

Trainings will cover those (aac) employees, who were participating in previous trainings. This will complete their education for trainers. In a result they will be able to prepare trainings for their colleges and farmers. Trainings materials prepared in project Phare 1997 will be used in those trainings. We are planning to co-operate with (aac) because there is no other organizations (for e.g. private accountancy offices), which could be involved in data gathering in Polish FADN. Polish law on gathering and use of farm’s accountancy data states that any organization or company could play role accountancy offices based on a contract with IAFE.

Proposal of trainings for farmers:

<table>
<thead>
<tr>
<th>No</th>
<th>Title</th>
<th>No of participants/time – days</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>FADN methodological principles.</td>
<td>10^120/2</td>
</tr>
</tbody>
</table>

Trainings will cover those farmers, who will agree to participate in FADN. Trainings materials prepared in project Phare 1997 will be used in these training. In previous Phare 1993 and projects financed by Polish Government (aac) employees and farmers from whole the country were trained in methodological principles of Unified System. In Phare 1997 (aac) employees and farmers from voivodships: pomorskie, kujawsko – pomorskie and mazowieckie were trained in methodological principles of FADN. In Phare 2000 it’s planned to train (aac) employees and farmers from next voivodships: zachodnio - pomorskie, dolnoslaskie and malopolskie in methodological principles of FADN. The project will finish trainings on whole territory of Poland. In Phare projects it is not possible to use representative sampling methodology to create representative sample for voivodships because farm register with needed information about type of farming and economy size is not available. Farm register will be ready to use in research in 2003. It means that the first edition of FADN in Poland will be done according to FADN sampling methodology in 2003. In Phare 1997, 2000 and 2001 representative sample is based on population of farms which are keeping records for ARMA. In all Phare projects Selection Plans (based on FADN rules) are being prepared and farmers attitude for co-operation in FADN is being tested. Sampling methodology will follow the latest FADN regulations.

Software: Entering data application – functions (entering data; storage of data; data testing; reporting; transmitting to higher level); Application on voivodship level – functions (data testing; reporting on voivodship level; transmitting to higher level); Application on country level – functions (data testing; reporting on country level; transmitting to FADN office in EC). Software specification was prepared based on experience from usage pilot software (from Phare 1993).

Computer equipment with software: Liaison Agency: Data base server; Internet Server; PC for analysis (4); PC for office (6); Notebook (4). Voivodship level (10): Data base server; Internet server; PC for analysis (2); PC for office (2); Notebook (2); Network printer. Country offices (16*4): Notebook (408); Office printer.
Specification of computer equipment was prepared based on experience from project Phare 1997. We are planning to have two advisors (accountants) in each county. Each of them will be responsible for collecting the data from around 20-25 farms. We are planning that most of their job will be done in field (in county offices and on farms) that is why notebooks for each of them are requested. In previous Phare projects the budget was limited for that purpose. As this is the last Phare project in this field, it is also the last chance to obtain financing for this equipment.

4. Institutional Framework:
Ministry of Agriculture and Rural Development will be supervisor of this project. Institutions involved directly in the project: Liaison Agency, 16 regional centers, 308 county centers (and about 14000 farms). Purchased computer equipment will be delivered to Liaison Agency. After closing of the project computer equipment will be property of IAFE and (aac). It will be necessary to co-operate with: Central Statistical Office and Ministry of Finance.

5. Budget (in EUR):

<table>
<thead>
<tr>
<th></th>
<th>Investments</th>
<th>Institutional building</th>
<th>Total Phare</th>
<th>National co-financing</th>
<th>International co-financing</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training programmes</td>
<td>575 000</td>
<td>575 000</td>
<td>220 000</td>
<td></td>
<td></td>
<td>795 000</td>
</tr>
<tr>
<td>Software &amp; Computer</td>
<td>1 425 000</td>
<td>1 425 000</td>
<td>480 000</td>
<td></td>
<td></td>
<td>1 905 000</td>
</tr>
<tr>
<td>equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Twinning Light</td>
<td>100 000</td>
<td>100 000</td>
<td></td>
<td></td>
<td></td>
<td>100 000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1 425 000</td>
<td>675 000</td>
<td>2 100 000</td>
<td>700 000</td>
<td>0</td>
<td>2 800 000</td>
</tr>
</tbody>
</table>

The co-financing funds for the project implementation will be available.

6. Implementation arrangements:
6.1. Implementation Agency:
Central Financing and Contracting Unit (CFCU) will be responsible for tendering, contracting and payments in the name of Ministry of Agriculture and Rural Development, which is responsible for preparation, management and implementation of the project. CFCU: Cooperation Fund - Fundusz Wspolpracy, ul. Nowy Swiat 6/12, PL - 00-400 Warszawa, Telefon: +48 22 6617686, 6617633, Telefaks: +48 22 6617613, e-mail: cofund@cofund.org.pl
PAO: Pawel Samecki, UNDERSECRETARY OF STATE, Office of the Committee for European Integration, Al. Ujazdowskie 9, PL - 00-918 Warszawa, Telefon: +48 22 455 52 41

6.2 Twinning:
One twinning light
Contact: Institute of Agricultural and Food Economics; PL 00-950 Warszawa 1, ul. Swietokrzyska 20, P. O. Box 984; Telephone: (+48 22) 826 50 31, 826 22 61, Fax: (+48 22) 827 19 60; www.ierigz.waw.pl; ierigz@ierigz.waw.pl.

6.3 Non-standard aspects: n.a. DIS manual will be followed.

6.4 Number of contracts:
It is planned to prepare 3 contracts for the total of 2.8 MEUR:
1. training programmes 0.795M€ (Phare 0.575M€; National co-financing 0.22M€)
2. software and computer equipment 1.905M€ (Phare 1.425M€; National co-financing 0.48M€
3. Twinning Light 0.1M€ (Phare)

7. Implementation schedule:
7.2. Commencement of project activities: 02.2002.

8. Equal opportunities:
Women participation results from employment structure of the institutions involved in FADN implementation, where women constitute approximately 50% of staff. Participation of women in the project will be measured by percentage ratio of women participating in the training programmes and seminars.
9. Environment:
10. Rates of return:
11. Investment criteria:

12. **Conditionality and sequencing:**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Description</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>I session of trainings for (aac) and IAFE</td>
<td>preparation of software;</td>
<td>purchase of computers.</td>
</tr>
<tr>
<td>employees;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I session of trainings for farmers;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>trainings of Polish experts, study tour;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>II session of trainings for (aac) and IAFE</td>
<td>software testing;</td>
<td></td>
</tr>
<tr>
<td>employees;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>II session of trainings for farmers;</td>
<td>software installing.</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Implementation of FADN

- **Date of drafting:** 08.2000
- **Planning period:** 01.2001 – 12.2001
- **End Contracting:** 15/12/2003  
  **End Disbursement:** 15/12/2004
- **Total budget of the project:** Total EUR: 2 800 000  
  **Phare EUR:** 2 100 000

<table>
<thead>
<tr>
<th>Wider objective</th>
<th>Indicators of Achievement</th>
<th>Source of information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
</table>
| Preparation of tools for planning and monitoring of efficiency of CAP activities. | FADN ready to use for CAP. | Documentation of the Ministry, Central Statistical Office, IAFE and (aac). | - Liquidity of the project.  
- Punctuality in payments.  
- Efficiency and competency of the Implementation Agency |

**Immediate Objectives**

- **Indicators of Achievement**
  - Data base on farms ready to use.
  - Computers installed and ready to use in Liaison Agency and (aac).
  - Liaison Agency and (aac) employees trained.

- **Source of information**
  - Documentation of the Ministry, IAFE and (aac).

- **Assumptions and Risks**
  - Liquidity of the project.
  - Punctuality in payments.
  - Efficiency and competency of the Implementation Agency.

**Results/Outputs**

- **Indicators of Achievement**
  - Data base on farms ready to use.
  - Computers installed and ready to use in Liaison Agency and (aac).
  - Liaison Agency and (aac) employees trained.
  - Farm’s reports prepared in required format.

- **Source of information**
  - Documentation of the Ministry, IAFE and (aac).

- **Assumptions and Risks**
  - Liquidity of the project.
  - Punctuality in payments.
  - Efficiency and competency of the Implementation Agency.

**Activities**

- **Inputs**
  - trainings programmes.
  - Twinning light.
  - purchase of computers.

- **Source of information**
  - Documentation of the Ministry, IAFE and (aac).

- **Assumptions and Risks**
  - Liquidity of the project.
  - Punctuality in payments.
  - Efficiency and competency of the Implementation Agency.
### Implementation, Contracting and Disbursement Schedules

**Date of drafting:** 08.2000  
**Planning period:** 01.2002 – 12.2002  
**Budget Allocation Cost Estimate.**

<table>
<thead>
<tr>
<th></th>
<th>I'02</th>
<th>II'02</th>
<th>III'02</th>
<th>IV'02</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Implementation schedule:</strong></td>
<td>DC</td>
<td>I</td>
<td>CI</td>
<td>I</td>
</tr>
<tr>
<td><strong>Contracting schedule:</strong></td>
<td>0.675</td>
<td>2.1</td>
<td>2.1</td>
<td>2.1</td>
</tr>
<tr>
<td><strong>Disbursement schedule:</strong></td>
<td>0.2</td>
<td>0.4</td>
<td>0.65</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Legend: D = design of sub-project; C = tendering and contracting; I = contract implementation and payment. Quotas in mln EUR in cumulative way.