Further strengthening of institutions involved in implementation of rural development measures financed from EAGGF

2003/005-710.04.06 Implementation rural development measures financed from EAGGF

1. Basic information
1.1. Cris Number 2003/005-710.04.06 Twinning number: 2003/IB/AG/05
1.2. Title: Implementation of rural development measures financed from the EAGGF
1.3. Sector: Agriculture
1.4. Location: Poland

2. Objectives:
2.1. Overall objective:
Strengthening of ARMA and its surrounding in the field of implementation of rural development measures and improving system of funds absorption.

2.2. Project's purpose/immediate objective:
1. Strengthening ARMA in implementation of the Sectoral Operational Programme (SOP) and the Rural Development Plan (RDP)
2. Improving absorption of the EU support through continuation of supporting beneficiaries information system and carrying out of an information campaign under the: Sectoral Operational Programme and the Rural Development Plan.
3. Improvement of co-operation mechanism between ARMA and other institutions involved in implementation EAGGF measures.
4. Preparation of implementing institutions for the next programming period 2007-2014

2.3. Accession Partnership and priorities:
The project reflects the provision of Accession Partnership presented by the European Commission (COM (2001) 659): "Reinforcement of the administrative structures necessary for the design, implementation, management, monitoring, control and evaluation of EC funded rural development programmes."

On the basis of Accession Partnership stipulations, document titled "Coherent structural policy on the development of agriculture and rural areas" was adopted by the Council of Ministers in July 1999. Document describes "an important role in implementing a structural policy on the development of rural areas and agriculture, within the competence of the minister responsible for agriculture and rural development, shall be played by the Agency for Restructuring and Modernisation of Agriculture".

The National Programme for Adoption of the Acquis (NPAA, a document adopted by the Council of Ministers on the 12th of June 2001), in priority 7.1 - implementation of coherent structural policy on the development of rural areas and agriculture - specifies as the target status quo the reconstruction of the existing system of instruments of structural assistance and the development of institutions in order to adjust them for functioning within the system of Community's structural/Regional policy, in relation to the objectives of common agricultural policy and related policies.

2.4. Contribution to the National Development Plan
The objective and actions foreseen under the Project are in direct relation to the implementation of the National Development Plan (NDP).
For the programming period of 2004-2006, the NDP foresees implementation of:
- Five Sectoral Operational Programmes (SOPs),
- one Integrated Regional Operational Programme (IROP) with 16 components, specific for each Region of Poland,
- one Operational Programme for Technical Assistance.
The Ministry of Agriculture and Rural Development has been nominated as the Managing Authority for implementation of two Sectoral Operational Programmes: the first one - “Restructuring and modernisation of the food sector and the development of rural areas” co-financed by the EAGGF-Guidance Section, and the second one - “Fishing and fish-processing” co-financed by the FIFG. Apart from the above mentioned programmes, the Rural Development Plan co-financed by the EAGGF-Guarantee Section will be established.

Measures co-financed by the EAGGF-Guidance Section will be implemented through the “Restructuring and modernization of the food sector and development of rural areas” Sectoral Operational Programme.

The ARMA has been nominated by the Managing Authority to serve implementing functions for the majority of SOP measures co-financed by EAGGF-Guidance Section. Therefore further strengthening and developing, through this Project, of institutional capacity of ARMA and supporting its transition from SAPARD to EAGGF implementation is in direct relation to timely and effective implementation of the NDP activities.

It should be noted that the so-called "accompanying measures" are programmed separately from SF programming in the framework of the Rural Development Plan (RDP), financed from the EAGGF Guarantee Section funds. RDP can contain the following elements: agro-environmental programmes, afforestation of arable land, early retirement and support for less favoured areas (LFA). Moreover, the EU has proposed that candidate countries implement new instruments: support for semi-subsistence farms, establishment of producer groups and technical assistance, supports for farmers in meeting EU standards.

Apart from that, the Agency for Restructuring and Modernisation of Agriculture shall perform the function of a Paying Agency for measures implemented under the Rural Development Plan.

3. Description:
3.1. Background and justification:
According to the acquis communautaire currently in force, upon entering the European Union, the whole territory of Poland shall come within the scope of Objective 1. Programmes for the development of agriculture and rural areas shall be then, co-financed from the EAGGF Guidance Section.

NPR (National Development Plan) has been adopted by the Council of Ministers on January 14th, 2003 and forwarded to the European Commission for consultation. Works has been completed on Sectoral Operational Plan (SOP) which have been adopted by the Committee for European Integration and also submitted to the European Commission for technical consultation. At present works are being finalized on the first project to National Development Programme Complement.

In relations to measures under the SOP, the project shall draw upon results achieved under Phare 2000 and requirements of the Programme Complement which shall specify the tasks of the particular institutions involved in the process of implementation of the Structural Funds.

At the level of the SOP’s implementation the setting up of implementing institutions are stipulated. The Ministry of Agriculture and Rural Development shall play the role of Managing Authority; the Ministry of Finance shall perform the functions of Paying Authority. For majority of measures within the SOP titled “ Restructuring and modernisation of the food sector and the development of rural areas”, co-financed by EAGGF Guidance Section, the implementation of this Programme is delegated to the Agency for Restructuring and Modernisation of Agriculture (ARMA). Two measures will be implemented by the Foundation for Assistance Programmes to Agriculture (FAPA) and three - by the services of the regional (government authorities).

The tasks of these institutions in implementing the programme will cover:
- the receipt of applications for financial aid;
- formal verification of applications for financial aid, including checking against eligibility criteria;

Further strengthening of institutions involved in implementation of rural development measures financed from the EAGGF
Further strengthening of institutions involved in implementation of rural development measures financed from the EAGGF

- economic and technical evaluation of projects;
- preparation and conclusion of agreements with recipients;
- ongoing supervision of project implementation;
- the receipt of claims for payment;
- verification of claims for payment (correctness of the specification of costs incurred and checking against the conditions in the contract);
- on-the-spot inspections;
- authorisation of payments;
- issuing orders for payment.
- inform recipients of the SOP measures (additionally the recipients can receive help and information from the agricultural advisory institutions)

Implementing institutions will work on the basis of procedures to be used. The tasks of the implementing institutions will also cover responsibility for collecting data and preparing monitoring reports.

The function of the final beneficiary (in the meaning of Council Regulation 1260/1999 art. 9 (l)) will be fulfilled by the Agency for Restructuring and Modernisation of Agriculture and by FAPA with reference to the training and support of agriculture advisory service measures.

The Agency’s tasks in this field are:
- verification and approval of payment orders;
- execution of payments for aid recipients – public or private investors carrying out projects;
- accounting for payments;
- preparing financial reports.

Moreover Agency for Restructuring and Modernisation of Agriculture shall perform the function of a Paying Agency for measures implemented under the Rural Development Plan. Such institutions as the Agricultural Social Insurance Fund, Agricultural Extension Centres, forest services, environmental protection services shall be involved in implementation of the CAP instruments (see also point 4 – a table, which presents the institutions involved in the implementation of particular measures of the SOP and the RDP). Their role shall be specified in the RDP.

The main aim of the project will be facilitating the implementation by providing assistance in solving problems and overcoming obstacles, which can occur during the practical implementation. Therefore, in the first years of accession, experts from the present Member States should support ARMA and other implementing institutions in the process of identifying and solving problems. This constant support will allow to improve the implementing activities, prepared procedures and other mechanisms.

After Poland’s accession to the EU, the potential scale of the Community's financial support will increase considerably. In order to make it possible for this aid to be utilised, it is necessary to improve absorption of the EU support. This can be accomplished by strengthening the ARMA and other institutions involved in the implementation of the measures of the SOP and the RDP and taking into account the experience gained through the implementation on a decentralised basis of the SAPARD programme. In order to strengthen the implementing institutions, two types of training will be conducted within the project. The first type of training will improve the qualifications of implementing institutions’ employees (especially in the field of checking of applications, procedure of approval, control on the spot etc.). The second type of training will develop a group of trainers qualified in working out and choosing projects based on the objective estimation of their influence on obtaining targets in the framework of measures of the Sectoral Operational Programme and Rural Development Plan. These trainers will train the staff of advisory activities, and will not carry out duties nor tasks related to the selection of projects.
Another method of increasing absorption is an effective information campaign targeted at potential recipients. It is also necessary to strengthen the information process and elaboration of co-operation mechanisms between ARMA and other institutions involved in implementation of EAGGF measures.

During preparation for elaborating assumptions for the next programming period 2007-2014 institutions newly involved in implementing functions (including advising) can appear. The scope of priorities and actions for the next programming period will be different. In this respect it is very important to elaborate the new frames of co-operation with these institutions and also share ARMA experience with them.

3.2. Linked activities:

Phare '97, project PL9704-01-14 - Support for governmental agencies in the process of adjustment to EU requirements imposed on organisations performing tasks related to the regional and structural policies in rural areas. The objective of the project was to elaborate the principles of, and to participate in the construction of the SAPARD module of the ARMA Integrated Information System, the training of the employees of the ARMA and institutions co-operating in the realisation of tasks at the particular posts in the SAPARD Agency, and efficient servicing of the information system.

SPP-SF PL98/IB/OT/02, project 2.5 - Development of a legal and administrative base for the SAPARD Programme management, and preparation of a future EAGGF unit within the Ministry of Agriculture. The project was realised in twinning co-operation with the French CNASEA agency. The objective of project 2.5 was the ARMA's preparation for performing the function of agency for the SAPARD programme.

Phare '99, project 4.4 - Preparation for the implementation of the Common Agricultural Policy. The general objective of this project is to prepare and initiate the creation of institutional capacities for the implementation of the Common Agricultural Policy. One of the specific objectives is to prepare the Agency for Restructuring and Modernisation of Agriculture (ARMA) for the management of Common Agricultural Policy mechanisms with respect to direct payments and to its structural part, integrated with the coherent structural policy and the policy of rural area development, realised in Poland.

The SAPARD Programme.
The accreditation of the Agency was granted by the Commission Decision 2002/539/EC of 2 July 2002, conferring management of aid on implementing agencies for pre-accession measures in agriculture and rural development in the Republic of Poland in the pre-accession period.

This decision covers five out of seven measures corresponding to 87% of the amount available. On 9 July 2002, the Regulation of the Council of Ministers of 14 May 2002 on a detailed scope, lines of action and methods for carrying out of the tasks of the Agency for Restructuring and Modernisation of Agriculture with respect to management of financial means coming from the EU funds was published (Dziennik Ustaw of 9 July 2002). On the same day, the President of the Agency invited all the persons interested in the SAPARD Programme to submit their applications for financial aid. The invitation for beneficiaries of Measures 1, 2, 3 was published simultaneously in the central press and in local newspapers appearing in all the voivodeships. It stated the scope of undertakings covered by financial aid from the SAPARD Programme and specified the deadlines for submitting of aid applications and claims for payment. At the same time, the Agency launched a publicity campaign via distribution of printed materials, participation in radio and TV programmes and continuation of training for the potential beneficiaries of Measures 1, 2 and 3.

On 17 July 2002, ARMA Regional Offices started distribution of aid application forms for Measures 1, 2 and 3. On 16 October, the stage of accepting of aid applications for Measure 1 was
completed, and on 16 September 2002, acceptance of aid applications for Measure 3 was completed. Applications for Measure 2 can still be submitted. Currently, the Regional Offices are processing the applications, carrying out on-the-spot inspections and concluding written agreements with the beneficiaries.

Phare 2000 (PL0006.01) – *Institution building for rural development*

The Project supports the establishing the institutional capacity for the implementation in Poland, in compliance with the provisions of NPAA and AP, of a coherent structural policy of the development of rural areas in the pre-accession period. Experience gained during realisation of this project shall help in elaborating the organisation, conception of measures and co-operation in the process of programming and monitoring of programmes co-financed from structural funds. During the realisation of the project, which started on 17 September 2001, expert assistance was stipulated for with respect to preparation of programming and monitoring structures and training thereupon for institutions involved in the process in relation of the future utilisation of resources from the European Guidance and Guarantee Fund.

Poland extended the duration of the Project until 28 of February 2004, in order to provide assistance in creating institutions for managing EAGGF funds within the MARD as well as to support its activities in programming. Adjusting and creating institutions responsible for managing of EAGGF funds shall base on elaboration on institution building, programming and monitoring produced during the first period of the Project. Extended project shall provide expert assistance in programming, drafting of programming documents, specialised training and preparing monitoring structures in order to facilitate MARD’s role as the Managing Authority for EAGGF funds in Poland.

Phare PL 0006.02: *Institution building for agri-environment and afforestation*,

Phare PL0006.03: *Institution building for early retirement*.

In the framework of these projects trainers in the field of agri-environmental, afforestation and early retirement issues will be prepared. The Phare project 2003 will complete the following training regarding all the RDP and SOP measures.

PL 01.04.02: *Agricultural advisory system*.

This project relates especially to the creation of a more efficient national agricultural advisory system and development of human resources through training in the domain of European integration for representatives of Agricultural Advisory Centres and advisors from National Advisory Centre for Agriculture and Rural Development. In the framework of Phare project 2003 ARMA will strengthen the structure of cooperation with AASC and NACARD including detailed division of the tasks regarding to information and popularisation EAGGF measures.

**Phare 2002 Adjustment and strengthening institutions involved in operational programme co-financed by the EAGGF – Guidance Section.** This project will address a 2001 AP priority and will cofinance institution building to help Poland develop its institutional system for the management and implementation of EAGGF structural funds for the development of agriculture and rural areas. This will mainly concern the strengthening of the Agency for Restructuring and Modernisation of Agriculture (ARMA) both in the field of improvement of the institutional capacities for implementation and management of measures financed by the EAGGF Guidance Section and elaborate specific procedures. The Phare project 2003 will encompass to a larger extent the other institutions engaged in the implementation of SOP measures, the information process and updating procedures.

**3.3. Project's results**
1. The ARMA shall be reinforced for functioning within the system of Community’s structural policy by executing implementing functions for the SOP and for performing the role of a paying agency for the RDP.
2. Absorption of the EU support improved by training for institution involved in implementation activities and engaged in information and advising of EAGGF measures
3. The information system strengthened via carrying out of an information campaign aimed at potential recipients of EAGGF funds
4. Strengthened mechanisms of cooperation between the ARMA and institutions involved in implementation EAGGF measures and in advising the aid recipients.
5. Implementing institutions supported for the next programming period 2007-2014

3.4. Activities

Contract 1: Activities of twinning

Strengthening ARMA implementation of the Sectoral Operational Programme (SOP) and for performing the role of a paying agency for the Rural Development Plan (RDP)

Pre-accession adviser (PAA)

The pre-accession adviser will:
- constant support for ARMA in resolving the problems related to implementation of the SOP and payment of the RDP measures.
- the strengthening of organisation frames for the mechanism of cooperation between ARMA and other institutions involved in implementation EAGGF measures
- harmonising work of medium and long-term experts;
- providing proper exchange of information between the Polish authorities and the member states with respect to current consulting;
- assist activities concerning project;
- organisation of the Project Steering Committee

Recommendations on raising of efficiency of co-operation between the ARMA and institutions involved in advising the aid recipient. Recommendations on raising of efficiency of schemes relating to funds absorption from the EAGGF fund.

Actions of short- and medium-term experts (in collaboration with PAA)

- strengthening of the ARMA related to implementation of the SOP and payment of the Guarantee measures. On-going assessment of the implementation of EAGGF/ recommendations for removing obstacles in the implementation of EAGGF
- further verification/updating of manuals for implementation procedures
- Support in terms of implementing assumptions for the next programming period 2007-2014

The proper PAA profile should include long-term strategic and operational experience in work at administration involved in EU funding in a Member State, with a good understanding of relevant EAGGF – Guidance and Guarantee Section regulations. He/she should accordingly have a good knowledge of EU requirements with respect to the implementation of EAGGF funds with particular emphasis on procedural aspects. The PAA should demonstrate experience with co-ordination of implementation of projects financed by EAGGF funds. She/He should be fluent in English. The PAA secondment will be for 12 months.

The short- and medium-term experts as specialists in particular sectors: agriculture, rural development; and should be able to demonstrate a good background in implementing particular measures. The short- and medium-term experts should also possess specific knowledge and expertise in the field of project implementation, technical and economical assessment of projects, information and promotion strategies.
Further strengthening of institutions involved in implementation of rural development measures financed from the
EAGGF

Contract 2: Activities of Technical Assistance
It is envisaged that two types of training will be conducted
1. Training for the implementing institutions’ employees on the issues that will be identified after
analysis of the on-going assessment of the programme. Training in the area of checking of
applications, procedure of approval, control on the spot, public procurement procedures, financial
issues, monitoring and control, audit.

2. Training for trainers of the project promoters on EAGGF requirements and good quality projects
preparation;
   • improve knowledge of RDP measures and SOP measures (EAGGF rules)
   • preparation of the application forms
   • advising the recipients in filling in of applications and in consulting on selection of the measure
     that would be most appropriate for a given aid recipient
   • eligibility
   • preparation of project supporting documentation (business plan, etc.)
   • carrying out of the publicity campaign

Employees of following institutions will be beneficiaries of these training courses:
   • ARMA and other implementing institutions
   • ARMA staff involved in training activities. In no case, this staff will be involved in any way in
     the project selection process.

Training courses shall be done in co-operation with the PAA and short- and medium-term experts.

Carrying out of the information campaign on the whole territory of Poland, particular emphasis
having been given to the regions in which inhabitants showed low interests in particular measures

3.5 Lessons learned
Under the Annual Assessment Report No. R/PL/AGR/00064 recommendations were made which
are relevant to current project. The recommendations mentioned below have been taken into
consideration while designing current project:
1. Less then satisfactory performance of some twinning teams must be predicted and additional or
   corrective measures should be allowed for in the project or other supplementary projects for the
   same sector.
2. Delays experienced by the Government in passing relevant legislation through the parliament,
   which appears indicative of conflicting views on the nature of the future Polish agriculture,
   must be taken into account in the project timetables.
3. Financing the actions in line with the Commission recommendations out of the Polish national
   resources must be notified to the Commission Services so as to assure the adequate level of co-
   ordination for accession processes.
4. The role of regular monitoring based on Sectoral Monitoring Sub-Committees can easily be
   overestimated, so additional early warning systems must be ready to react to critical threats in
   contracting or disbursement of funds.

4. Institutional framework:
4.1. Institutions

Agency for Restructuring and Modernisation of Agriculture (the Head Office, regional offices,
and IACS poviat and gmina offices) The Agency for Restructuring and Modernisation of
Agriculture (ARMA) is a public institution, which from 1994 has been implementing a policy of
the development of agriculture and rural areas. As stipulated in the legal act establishing the
Agency for Restructuring and Modernisation of Agriculture, dated 29th December 1993 (Polish official journal Dziennik Ustaw from 1994 No. 1 (2), with subsequent amendments), the Agency for Restructuring and Modernisation of Agriculture grants financial support for the realisation of (art. 3 (1)):
- investments in agriculture, agro-food processing and services for agriculture,
- projects aiming at the creation of new workplaces in non-agricultural production, services and commerce in rural areas;
- development of technical and production infrastructure in rural areas;
- projects aiming at practical training, extending and change of professional qualifications, consulting and information in agriculture.

The ARMA, which has been accredited as SAPARD Agency, will be executing implementing functions for the SOP and for performing the role of a paying agency for the RDP under Guarantee

Other institutions as is it mentioned below in the Sectoral Operational Programme “Restructuring and Modernisation of the Food Sector and Rural Development” like FAPA (involved in training), Voivodships (involved in reparcelling and water management) and Rural Development Plan like KRUS (Association of Social Insurance for Farmers), which will be involved in implementation early pension. Agricultural advisory institutions which will support the recipients of aid in fulfilling application and choosing the most appropriate measures.

**Sectoral Operational Programme.**

<table>
<thead>
<tr>
<th>Measures</th>
<th>Implementing institution</th>
<th>Final beneficiary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in agricultural holdings</td>
<td>ARMA</td>
<td>ARMA</td>
</tr>
<tr>
<td>Setting up of young farmers</td>
<td>ARMA</td>
<td>ARMA</td>
</tr>
<tr>
<td>Training</td>
<td>FAPA</td>
<td>FAPA</td>
</tr>
<tr>
<td>Support of agriculture advisory service</td>
<td>FAPA</td>
<td>FAPA</td>
</tr>
<tr>
<td>Land reparcelling</td>
<td>Marshal Offices</td>
<td>ARMA</td>
</tr>
<tr>
<td>Agricultural water resources management</td>
<td>Marshal Offices</td>
<td>ARMA</td>
</tr>
<tr>
<td>Diversification of agricultural activities close to agriculture to provide multiple activities or alternative incomes</td>
<td>ARMA</td>
<td>ARMA</td>
</tr>
<tr>
<td>Improvement of the processing and marketing of agricultural products</td>
<td>ARMA</td>
<td>ARMA</td>
</tr>
<tr>
<td>Restoring forestry production potential damaged by natural disaster and fire and introducing appropriate prevention instruments</td>
<td>ARMA</td>
<td>ARMA</td>
</tr>
<tr>
<td>Development of rural infrastructure</td>
<td>ARMA</td>
<td>ARMA</td>
</tr>
<tr>
<td>Rural renovation and conservation of cultural heritage</td>
<td>Marshal Offices</td>
<td>ARMA</td>
</tr>
</tbody>
</table>

**Rural Development Plan**

<table>
<thead>
<tr>
<th>Measures</th>
<th>Paying Agency</th>
<th>Delegated Institution</th>
<th>Supporting Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early retirement</td>
<td>ARMA</td>
<td>KRUS</td>
<td>AWRSP – Agricultural Property Agency of the State Treasury</td>
</tr>
<tr>
<td>Support for semi-subsistence farms</td>
<td>ARMA</td>
<td>-</td>
<td>Agricultural consulting institutions</td>
</tr>
<tr>
<td>LFA- Less favoured areas and areas exposed to</td>
<td>ARMA</td>
<td>-</td>
<td>Agricultural consulting institutions</td>
</tr>
</tbody>
</table>
Further strengthening of institutions involved in implementation of rural development measures financed from the EAGGF

<table>
<thead>
<tr>
<th>Environmental limitations</th>
<th>ARMA</th>
<th>-</th>
<th>Agricultural consulting institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Environmental protection services</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Research and development units of the ministries responsible for agriculture and the environment</td>
</tr>
<tr>
<td>Afforestation</td>
<td>ARMA</td>
<td>-</td>
<td>Agricultural consulting institutions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>State Forests</td>
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<td></td>
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<td></td>
<td>Poviat Starosty services</td>
</tr>
<tr>
<td>Support for reaching of standards</td>
<td>ARMA</td>
<td>-</td>
<td>Agricultural consulting institutions</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>-</td>
<td></td>
<td>MARD</td>
</tr>
</tbody>
</table>

5. Budget in EUR

<table>
<thead>
<tr>
<th></th>
<th>Investment (INV)</th>
<th>Institutional Building (IB)</th>
<th>Total Phare (INV+IB)</th>
<th>National Co-financing</th>
<th>IFIs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract 1:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Twinning agreement, Medium-term experts, short-term foreign experts, expert appraisals and elaboration</td>
<td>800,000</td>
<td>800,000</td>
<td>100,000</td>
<td></td>
<td>900,000</td>
<td></td>
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<tr>
<td>Contract 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training and information campaign, expert appraisals and surveys</td>
<td>1,200,000</td>
<td>1,200,000</td>
<td>200,000</td>
<td></td>
<td>1,400,000</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>300,000</td>
<td></td>
<td>2,300,000</td>
<td></td>
</tr>
</tbody>
</table>

Co-financing will be available

6. Implementation arrangements

6.1. Implementing Agency
PAO: Tadeusz Kozek, Undersecretary of State in the Office of the Committee for European Integration, Al. Ujazdowskie 9, 00-918 Warszawa; tel. 48 22 455 52 41.
CFCU: "Co-operation Fund", ul. Górnoslaska 4A, 00-444 Warszawa; tel. 48 22 622 84 64, fax 48 22 622 72 11.
The Central Financing and Contracting Unit shall be responsible for holding tenders, conclusion of contracts and effecting of contracted payments on behalf of the Agency for Restructuring and Modernisation of Agriculture, which is responsible for the preparation, management and implementation of the project.

6.2. Twinning
The project beneficiary shall be the Agency for Restructuring and Modernisation of Agriculture, its Head Office in Warsaw and regional offices in 16 voivodeships. The main workplace of the pre-accession adviser shall be the Head Office of ARMA in Warsaw. Contact Person: Bozena Lublinska-Kasprzak, Director of Analysis and Programming Division. Address: Agency for Restructuring and Modernisation of Agriculture, Al. Jana Pawła II 70 Warsaw 00-175.
Further strengthening of institutions involved in implementation of rural development measures financed from the EAGGF

Twinning exercise shall last from first quarter of 2004 to first quarter of 2006. PAA will stay for 12 months.

6.3. **Non-standard aspects:** not applicable

6.4. **Contracts**

Within the project, the following contracts shall be executed:

1. Contract 1 - Twinning agreement, medium-term experts, short-term foreign experts, expert appraisals and elaboration (EUR 800,000; polish national co-financing EUR 100,000).
2. Contract 2 - Training courses in Poland, training and informational materials, expert appraisals and surveys, design of information materials (EUR 1 200,000 IB + 200,000 joint polish national co-financing).

7. **Implementation schedule:**

7.1. Start of tendering/call for proposals: fourth quarter 2003
7.2. Start of project activity: first quarter 2004
7.3. Project completion: first quarter 2006

8. **Equal opportunities**

Equal opportunities shall be ensured in the employment structure of the institution, formed as a result of the project’s realisation. Requirements that have to be met by the personnel of ARMA - the project's beneficiary - are the same irrespective of sex.

9. **Environmental impact:** not applicable
10. **Rates of return:** not applicable
11. **Investment criteria:** not applicable
12. **Conditionalities and sequencing**

12.1. **Conditionalities**

The Agency for Restructuring and Modernisation of Agriculture shall ensure appropriate organisation of labour through delegating/employing of personnel necessary for activities connected with the project. Those people shall be responsible for the co-ordination of work within the Agency and for co-operation with other institutions, in particular with the Ministry of Agriculture and Rural Development and the Ministry of Finance.

Any other bodies involved must be identified and operational links between the different bodies defined before the starting of the project.

The Polish party shall approve the final variant of the system for servicing of structural funds for agriculture and rural areas.

The obligations of the Polish party are in particular:
- Delegating/employing of personnel necessary for activities connected with the project;
- Ensuring of co-ordination between institutions involved in the project;
- Juridical assistance;
- Providing legal framework for implementation of changes stipulated for in the project;
- Providing access to necessary information and documents;
- Project co-financing.

12.2. **Sequencing of activities**

- Signing of Twinning Agreement
- Setting up a Project Steering Committee
- Selection of experts from Poland and EU-
- Preparation of detailed training programmes and information materials
- Carrying out of informational campaign
- Training
- Recommendations following the review of improvement mechanisms of cooperation between the ARMA and other institutions involved in advising the aid recipients – implemented
- Recommendations regarding to implementation the EAGGF measures implemented
- Recommendations in reference to the support in terms of preparing implementing institutions for the next programming period 2007-2014 elaborated
## Annex 1

### LOGFRAME PLANNING MATRIX FOR PROJECT:

| Project: Further strengthening of institutions involved in implementation of rural development measures financed from the EAGGF |
|---|---|---|
| Programme name and number | Contracting period expires 30/11/2005 | Disbursement period expires 30/11/2006 |
| Total budget 2.3 MECU | Phare Budget 2.0 MECU |

### Overall Objectives

<table>
<thead>
<tr>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions and Preconditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Further increase in the capacity for implementation of projects realised from rural development programmes.</td>
<td>• Governmental documentation; • MARD’s reports; • Documentation of the ARMA and regional implementing institutions; • Reports of the Monitoring Committee; • ARMA’s reports; • Documents and reports from the European Commission and other European institutions.</td>
<td>A: • Specified institutional environment relating to Integrated Program of Regional Development • Involvement of the Polish authorities in preparations of the agricultural sector for the integration; • Investment of adequate resources by the Polish party; • Competent personnel handling the above mentioned problems; • Legal adjustments implemented;</td>
</tr>
<tr>
<td>• Improving absorption of the EU support</td>
<td></td>
<td>P: • Legislation prepared.</td>
</tr>
</tbody>
</table>

### Immediate Objectives

<table>
<thead>
<tr>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions and Preconditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Strengthening ARMA in implementation of the Sectoral Operational Programme and Rural Development Plan payments</td>
<td>• Governmental documentation; • MARD’s reports; • Documentation of the SF Monitoring Committee; • reports submitted to the Monitoring Committee; • Documents and reports from the European Commission and other European institutions; • Newly enforced legal acts regulating the new</td>
<td>A: • Selection of an experienced partner within the twinning co-operation; • ARMA’s employees appropriately trained and quantitatively enabling management of EAGGF programmes;</td>
</tr>
<tr>
<td>• Improving absorption of the EU support through continuation of supporting beneficiaries information system and carrying out of an information campaign under the Sectoral Operational Programme and the Rural Development Plan.</td>
<td></td>
<td>P: • Elaboration in the ARMA of procedures for ARMA’s functioning as implementing and the CAP paying institution, within the competence of the MARD, taking into account the experience gained</td>
</tr>
<tr>
<td>• Improvement of co-operation mechanism between ARMA and other institutions involved in implementation EAGGF</td>
<td></td>
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</tr>
</tbody>
</table>

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Further strengthening of institutions involved in implementation of rural development measures financed from the EAGGF
Further strengthening of institutions involved in implementation of rural development measures financed from the EAGGF

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions and Preconditions</th>
</tr>
</thead>
</table>
| 6. The ARMA shall be reinforced for functioning within the system of Community’s structural policy by executing implementing functions for the SOP and for performing the role of a paying agency for the RDP. | • Systems and schemes more efficient  
• Provision of training to institutions involved in implementation and advising activities  
• Implementing/Final beneficiary functions for the next programming period prepared and the institutions surround identified;  
• Information and promotion campaign conducted  
• Mechanisms of co-operation between ARMA and other institutions involved in implementation of EAGGF measures more efficient  
• Prepared on-going and progress reports. | • MARD’s reports;  
• Informational materials  
• ARMA’s and implementing institutions’ reports;  
• Evaluation of training courses;  
• Documents and reports from the European Commission and other European institutions;  
• Reports on the implementation of projects. | A:  
• Principles of SOP’s and RDP’s functioning elaborated;  
• No co-operation conception and methodology papers elaborated;  
• Acquainting the personnel of the ARMA with EU regulations and procedures, taking into account the experience gained through SAPARD |
| 7. Absorption of the EU support improved by training for institution involved in implementation activities and engaged in information and advising of EAGGF measures |                                                                                                   |                                                                                         |                                                                                                |
| 8. The information system strengthened via carrying out of an information campaign aimed at potential recipients of EAGGF funds |                                                                                                   |                                                                                         |                                                                                                |
| 9. Strengthened mechanisms of cooperation between the ARMA and other institutions involved in implementation EAGGF measures and advising the aid recipients. |                                                                                                   |                                                                                         |                                                                                                |
| 1. Implementing institutions supported for the next programming period 2007-2014 |                                                                                                   |                                                                                         |                                                                                                |

<table>
<thead>
<tr>
<th>Activities</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions and Preconditions</th>
</tr>
</thead>
</table>
| Contract 1  
Assistance within the twinning contract.  
Assistance will be provided in the form of know-how transfer, providing advice and recommendations, analysis. | Contract 1  
Long-term PAA (16 months EU expert) supported by EU medium – term experts and short-term experts | Contract 1  
Reports on project’s implementation. | A:  
• Appropriate choice of a twinning partner;  
• Competent experts and consultants;  
• Availability of national funds. |
| Contract 2  
Training and information campaign | Contract 2 will be implemented by the Technical Assistance (general TA framework contract) |                                                                                         |                                                                                                |
### Annex 2-3: Implementation, contracting, and disbursement schedules

<table>
<thead>
<tr>
<th>Date of Drafting</th>
<th>Planning Period</th>
<th>Budget Allocation Cost Estimate in MEUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 2002</td>
<td>April 2003 – September 2004</td>
<td></td>
</tr>
</tbody>
</table>

**Implementation schedule**

<table>
<thead>
<tr>
<th></th>
<th>III '03</th>
<th>I '04</th>
<th>II '04</th>
<th>III '04</th>
<th>II '05</th>
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<tbody>
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</tr>
</tbody>
</table>

**Contracting schedule**

|        | D | D | CI | I | I | \| | \| |
|        | 2,00 |

**Disbursement schedule**

|        | 0,45 | 0,90 | 1,35 | 1,80 | 2,00 | 2,00MEUR |

Legend: D = design of sub-projects / C = tendering and contracting / I = contract implementation and payment