



European Commission
Agriculture and Rural Development



IPARD- *Programming exercise*

Agnieszka Rutkowska, DG AGRI – G.4

Workshop on preparation of Western Balkan countries for IPARD
Montenegro, Bar, 4-5 September 2008

EU Pre-Accession assistance



European Commission
Agriculture and Rural Development

- **IPA** is an **integrated** Pre-Accession Instrument to assist candidate and potential candidate countries
- It **replaces 5 different programmes** and instruments: PHARE, ISPA, SAPARD, CARDS and Turkey pre-accession instruments
- It will ensure:
 - Higher level of coherence and co-ordination of EU Assistance and
 - better preparation for Structural, Cohesion and Rural development Funds through progressive emulation of EU funds rules
- Financial envelope allocated for the period 2007–2013: 10.2 billion € (at 2004 prices)

IPA – Components & Beneficiary Countries



1. Transition Assistance & Institution Building

2. Cross-Border Cooperation

3. Regional Development

4. Human Resources Development

5. Rural Development (IPARD)

Annex II: Albania, Bosnia and Herzegovina, Montenegro, Serbia and Kosovo (under UNSCR 1244)

Annex I: Croatia, Turkey FYR of Macedonia



IPA – Policy framework and Programming

Multi-annual Indicative Financial Framework (MIFF)

establishes the financial allocation between countries and components

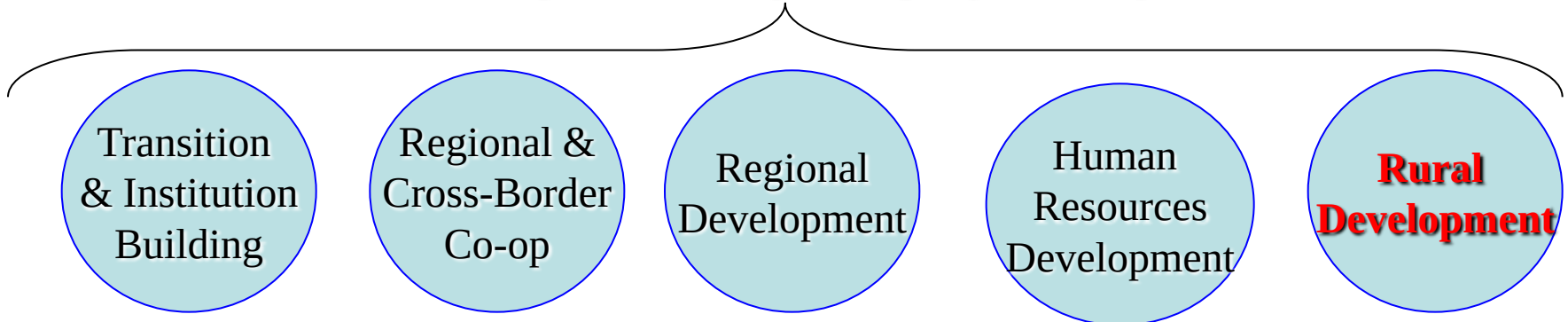


Multi-annual Indicative Planning Document (MIPD)

establishes strategies for each country for the IPA components, based on the priorities set in the Accession Partnership, NPAA and the Regular Reports



Components for specific programming





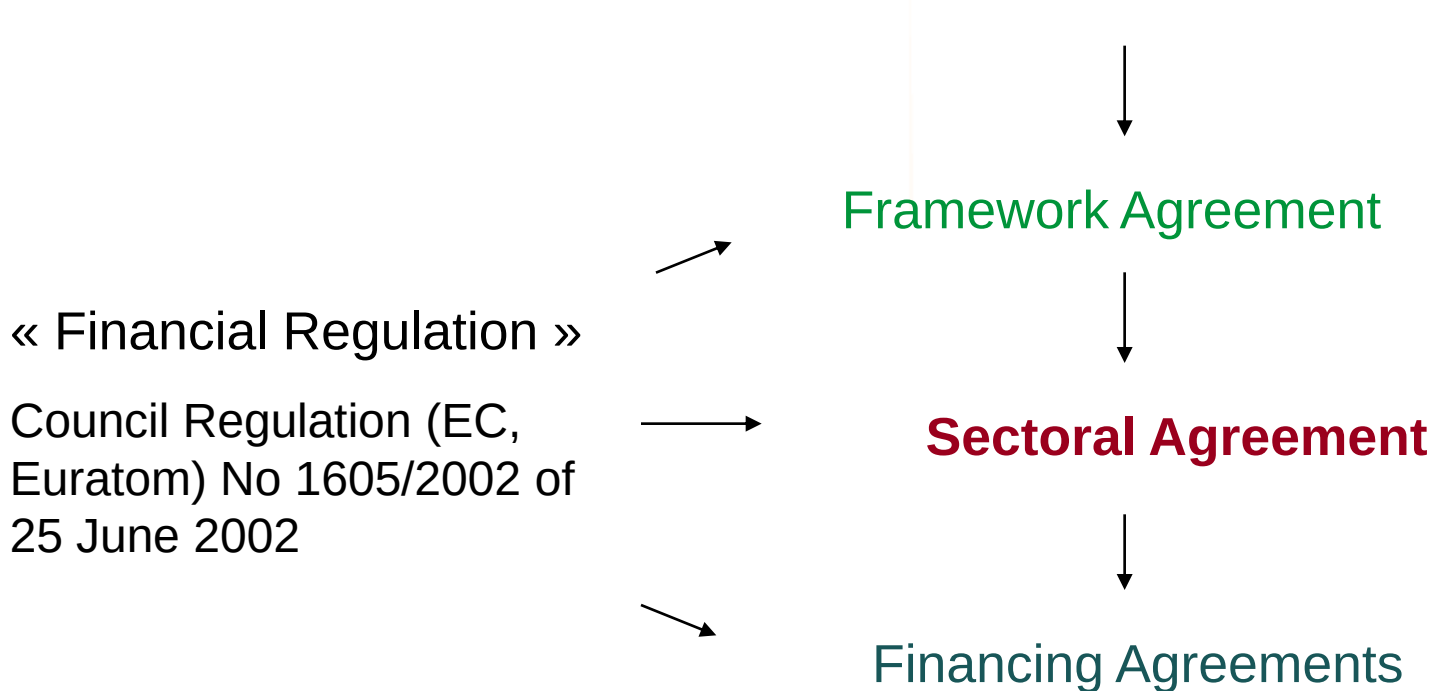
IPARD Legal background



European Commission
Agriculture and Rural Development

Council Regulation (EC) No 1085/2006 of 17 July 2006

Commission Regulation (EC) No 718/2007 of 12 June 2007





Basic conditions to implement IPARD

- IPARD Programme (multi-annual), approved by a Commission Decision;
- Agreement(s) concluded (Framework, Sectoral, Financial);
- Conferral of management decision adopted



Programme (Art. 184 of Reg. 718/2007)

- Drawn up at the national level
- Contains measures available under the rural development component
- Prepared by the authorities designated by the beneficiary country
- Submitted to the Commission after consulting the appropriate parties



Programme- content (Art. 184 of Reg. 718/2007)

- Current situation
- SWOT analysis
- National rural development strategy
- Translation of strategic approach and Sectoral strategies into the rural development component
- Financial table
- Measures chosen
- Operating structure
- Authorities and bodies responsible for carrying out the programme
- Results of the consultation of programme
- Ex ante evaluation

IPARD Objectives

- Contribution to the implementation of the *acquis communautaire* concerning the Common Agricultural Policy and related policy areas by the candidate countries
- Contribute to sustainable development of rural areas in the candidate country

To be met by implementation of 9 different measures under 3 priority axis



Priority Axes

- **Axis 1** Improving Market Efficiency and Implementation of Community Standards
- **Axis 2** Preparatory Actions for Implementation of the Agri-environmental Measures and Leader
- **Axis 3** Development of the Rural Economy



Axis 1 - Improving Market Efficiency and Implementing Community Standards Measures

1. Investments in agricultural holdings to restructure and upgrade to the EU standards
2. Support for the setting up of producer groups
3. Investments in processing and marketing of agriculture and fishery products to restructure and upgrade to the Community standards



Investment in agricultural holdings

(Art. 174 of Reg. 718/2007)

- Investment in agricultural holdings
 - to upgrade them to Community standards
 - and to improve their overall performance
- Assistance can be granted to holdings which
 - Can demonstrate economic viability at the end of the realisation of the investment
 - Comply with national minimum standards when the decision to grant support is taken
- Beneficiaries- farmers and other legal entities responsible for carrying- out and financing the investment in the holding
- Examples of the possible investments: *construction and reconstruction of operation buildings, storage facilities, production facilities, stables for animals, milking and cooling equipment etc.*



Support for setting up of producer groups

(Art. 175 of Reg. 718/2007)

- Assistance to facilitate the setting up and administrative operation of producer groups which were established for the purpose of:
 - Adapting the production to market requirements
 - Jointly placing goods on the market
 - Establishing common rules on production information
- Support
 - a flat-rate aid
 - granted in annual instalments for the first five years following the date on which the producer group was recognised
 - Support calculated on the basis of the group's annual market production
 - First, second, third, fourth and fifth years to 5%, 5%, 4%, 3% and 2% respectively of the value of market production up to 1mio €
 - First, second, third, fourth and fifth years to 2.5%, 2.5%, 2%, 1.5% and 1.5% respectively of the value of market production > 1mio €



Investment in processing and marketing of agriculture and fishery products

(Art. 176 of Reg. 718/2007)

- Assistance in enterprises
 - to upgrade them to Community standards
 - and to improve their overall performance in the processing and marketing of primary agricultural and fishery products
- Support can be granted for investments in enterprises which
 - Can demonstrate economic viability at the end of the realisation of the investment
 - Comply with national minimum standards when the decision to grant support is taken
- Beneficiaries- enterprises (national law of the beneficiary country)
- Examples of the possible investments: *the purchase or lease-purchase of new machinery and equipment*



Axis 2- Preparatory actions for implementation of the agri-environmental measures and local rural development strategies

Measures

4. Preparation for implementation of actions relating to environment and the countryside
5. Preparation and implementation of local rural development strategies



Preparation for implementation of actions relating to environment and countryside

(Art. 177 of Reg. 718/2007)

- Development of the practical experience with **agri- environmental** payments implementation at both administrative and farm level
- **Pilot actions** on limited number of areas with identified environmental objectives
- Beneficiaries- farmers who make on a voluntary basis a commitment going beyond the mandatory standards
- Payments
 - shall be granted annually
 - cover additional costs, income forgone and where necessary also transaction cost
 - Based on the calculation
- Examples of commitments: *organic farming, reduction, better management of fertilisers, diversification of crop-rotations etc.*



Preparation and implementation of local rural development strategies (1)

(Art. 178 of Reg. 718/2007)

- **Pilot-** simplified *Community LEADER* approach under IPARD
- Development of practical experience with *the Community LEADER approach* at local and administrative level
- Local public private partnership (Local Action Group- **LAG**)
- Bottom-up approach with a decisions making power for local action groups concerning the elaboration and implementation of the local development strategies
- Acquisition of skills, animation and supporting the development of local development strategies
- Implementation of local development strategies
- Running costs of LAGs
- Implementing cooperation projects



Axis 3 - Development of the Rural Economy Measures

- 6. Improvement and development of rural infrastructure
- 7. Diversification and development of rural economic activities
- 8. Improvement of training

.....

- 9. Technical assistance



Improvement and development of rural infrastructure

(Art. 179 of Reg. 718/2007)

- Assistance for investments aimed at improving and developing rural infrastructure
- Priorities for investments
 - water and energy supply,
 - waste management,
 - local access to information and communication technologies,
 - local access to roads
 - fire protection infrastructure



Diversification and development of rural economic activities

(Art. 180 of Reg. 718/2007)

- Assistance to investments aimed at diversification and development of rural economic activity by:
 - Raising of the economic activity
 - Creation of the employment opportunities
 - Diversification into non- agricultural activities
- Priority shall be given to investments for the creation and development
 - micro and small enterprises,
 - crafts and rural tourism, with a view to promoting entrepreneurship
- Beneficiary- farmers and any other private legal entities established in rural areas undertaking the activity
- Examples of investments: *alternative productions like medical and spice herbs, mushrooms, providing services to farmers*



Improvement of training (Art. 181 of Reg. 718/2007)

- Assistance to improve occupational skills and competence of persons engaged in the agricultural, food and forestry sectors
- Support shall not be granted to courses of instruction or training which form part of normal programmes or systems of education at secondary or higher level



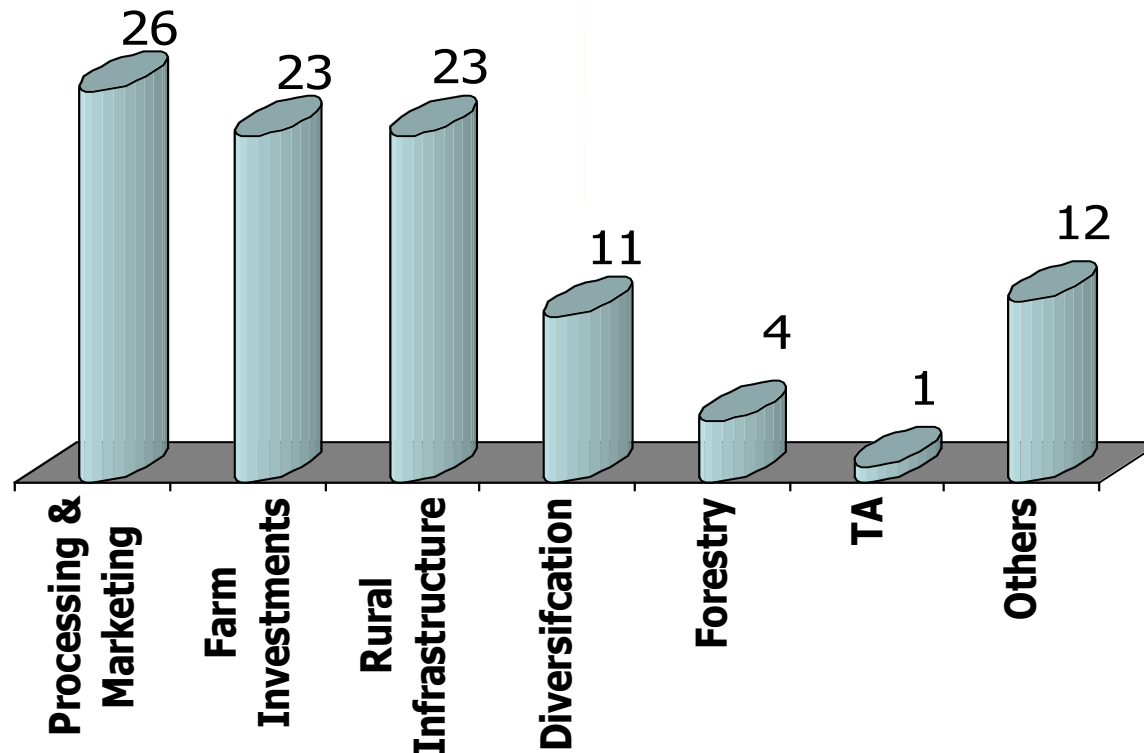
Technical assistance (Art. 182 of Reg. 718/2007)

- Assistance for activities related to the preparation, monitoring, evaluation, information and control activities which are necessary for the implementation of the programme such as:
 - Monitoring Committee Meetings
 - Information and publicity campaigns
 - Translation and interpretation
 - Visits and seminars
 - Activities related to the preparation of measures whose implementation is foreseen at a later stage
 - The ongoing evaluation of the programme
 - The establishment and operation of a national network

SAPARD EXPERIENCE

CHOICE OF MEASURES IN SAPARD COUNTRIES

(% of EU contribution as in the programmes 2000-2006)



SAPARD lessons for IPARD (I)



European Commission
Agriculture and Rural Development

- Need to better focus IPARD measures to the specific objectives of this component by:
 - Stronger focus on the EU *acquis* related issues e.g. environmental, quality and health standards as well as
 - Concentrating the number of IPARD measures to the main priorities (from 16 measures under SAPARD to 9 under IPARD).
- Need to *improve the programming* exercise:
 - Improve knowledge about the Agricultural and Rural situation of the country concerned, (*sector analyses* of main sectors to be supported under IPARD, requirement of the regulation, independent expertise/EU funds).
 - Better targeting of investment measures
 - identifying the “right beneficiaries”
 - and the weakest links of the production, processing and marketing chains
 - Focus on standards
 - Companies that already meet Community standards are not eligible to be supported by IPARD.
- Addressing the advisory services issues in advance.
- Addressing the rural credit issues from the beginning of the exercise.



Thank you for your attention!

Agnieszka.Rutkowska@ec.europa.eu