

Special Accession Programme for Agriculture and Rural Development

Polish experience with elaboration of

- the criteria for granting aid,**
- procedures concerning handling of applications for aid and applications for payment under Sapard.**

SAPARD Programme calendar

- ❑ 21st June 1999 – Council Regulation (EC) No. 1268/99
- ❑ 22nd December 1999 - Commission Regulation (EC) No. 2759/1999
- ❑ 7th June 2000 - Commission Regulation (EC) No. 2222/2000
- ❑ 18th October 2000 – SAPARD Operational Programme for Poland approved by Commission
- ❑ 25th January 2001– signing of Multiannual Financial Agreement
- ❑ 29th March 2001– signing of the first Annual Financial Agreement
- ❑ 20th September 2001 – National Act of accreditation ARMA as SAPARD Agency
- ❑ 2nd July 2002 – accreditation of ARMA as SAPARD Agency

Elaboration of the criteria for granting aid

SAPARD Operational Programme for Poland

- ❑ Prepared by the Ministry of Agriculture and Rural Development in line with Council Regulation 1268/99 for the period 2000-2006

- ❑ The Programme based on 2 axes:
 - ✓ Improvement of agri-food sector efficiency
 - ✓ Improvement of business conditions and job creation
 - ✓ and Complementary axis.

SAPARD Programme Measures implemented

- ☐ 1 *Improvement in processing and marketing of agricultural and fishery products*
- ☐ 2 *Investments in agricultural holdings*
- ☐ 3 *Development of rural infrastructure*
- ☐ 4 *Diversification of economic activities in rural areas*
- ☐ 6 *Vocational training*
- ☐ 7 *Technical assistance*

- ❑ **Main criteria based on EU legislation**

Commission Regulation (EC) No 2759/1999 of 22 December 1999 laying down rules for the application of Council Regulation (EC) No 1268/1999 on Community support for pre-accession measures for agriculture and rural development ref. to Council Regulation (EC) No 1257/1999

- ❑ **Specified and developed in the framework of:**

SAPARD Operational Programme for Poland

Regulation of the Council of Ministers of 14th May, 2002 on the specific scope and directions of activities and ways of implementation of the tasks of the Agency for Restructuring and Modernisation of Agriculture in the scope of managing the resources originating from the EU funds. (Dz.U. 02.102.928 of 9th of July with amend.)

Selected criteria in Measure 1

Scheme 1.1. - processing products of animal origin (dairy sector, meat and fish sectors)

- ❑ Scope of aid
- ❑ Definition of beneficiaries: businesses involved in milk, meat and fish processing* for at least one year
- ❑ Eligible costs
- ❑ Exclusions (construction of new buildings*, processing of raw materials not included in Annex I; processing of raw materials originated from third countries, investments at retail level; investment cannot be financed from other public sources)
- ❑ Amount of aid: max. 6 mil pln* + 1,1 mil if investment in favour of producers groups, min. 125 thous. per project
- ❑ Level of aid: 50%, 40%, 30%*

Selected criteria in Measure 2

Scheme 2.1. - restructuring of milk production

- ☐ Scope of aid
- ☐ Definition of Beneficiaries: Farmers – natural persons, insured in KRUS* (Farmers' social system) with adequate qualifications, age limit*
- ☐ Eligible costs
- ☐ Conditions for granting aid: initial milk production 20-350 litres per year*, planned production 80-350*l/y.; upon the completion of project: farm stocking rate 1,5LU/hectare and farm will comply with EU production hygiene, animal welfare ... requirements)
- ☐ Investment cannot be financed from other public sources
- ☐ Amount of aid: 85 000 pln*
- ☐ Level of aid: 50%

Experience with elaboration of procedures

Activities carried out to prepare ARMA for accreditation as a SAPARD Agency

- ❑ changes in the organisational structure,
- ❑ detailed books of procedures prepared,
- ❑ IT system built,
- ❑ appropriate staff employed (adequate skills - training, sufficient number – increased employment),
- ❑ management information system prepared.

❑ **Changes in the organisational structure:**

- changes in the headquarters,
- ARMA 16 Regional Offices,

taking into account :

- requirement of separation of the functions,
- segregation of duties in the process of checking the applications.

Books of procedures in SAPARD Agency

List of main books of procedures:

1. Books of implementation procedures and payment authorisation:
 - Measure 1 – *Improvement in processing and marketing of food and fishery products*
 - Measure 2 – *Investments in agricultural holdings*
 - Measure 3 – *Development of rural infrastructure*
 - Measure 4 – *Diversification of economic activities in rural areas*
 - Measure 6 – *Vocational training*
 - Measure 7 – *Technical assistance*

Books of procedures in SAPARD Agency

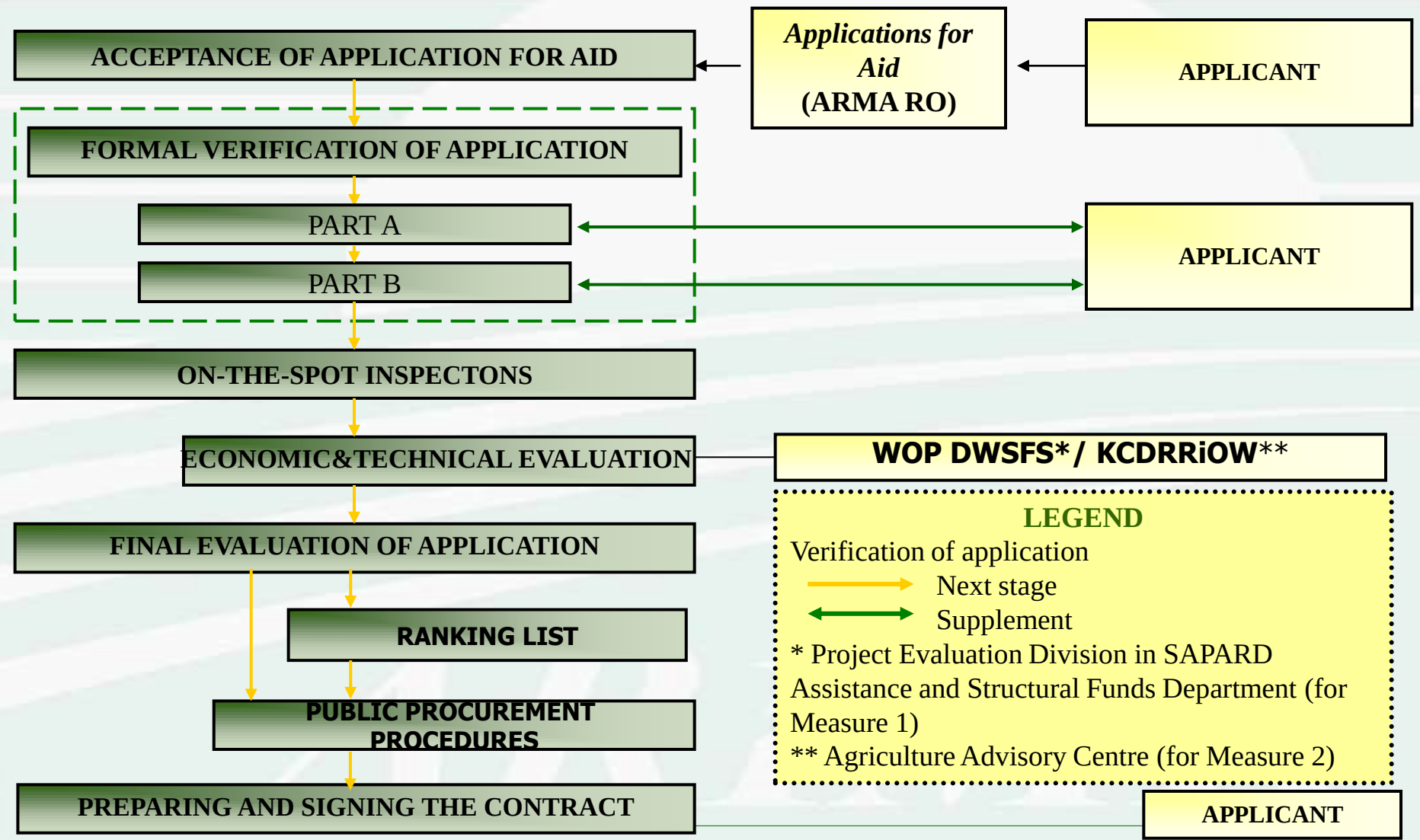
2. Book of accounting procedures
3. Book of payment effecting procedures
4. Book on-the-spot inspections procedures
5. Book of internal control procedures
6. Book of internal audit procedures
7. Book of reporting and technical monitoring
8. Book of document archiving for the SAPARD Programme
9. Management information system for the SAPARD Agency

Implementation

- ❑ The *applications for aid* submitted in one of the 16 ARMA Regional Offices
- ❑ Periodic collection of applications for Measures 1, 3, 4 and continuous collection of applications for Measure 2
- ❑ Economic and technical evaluation delegated to NACARD in Measure 2

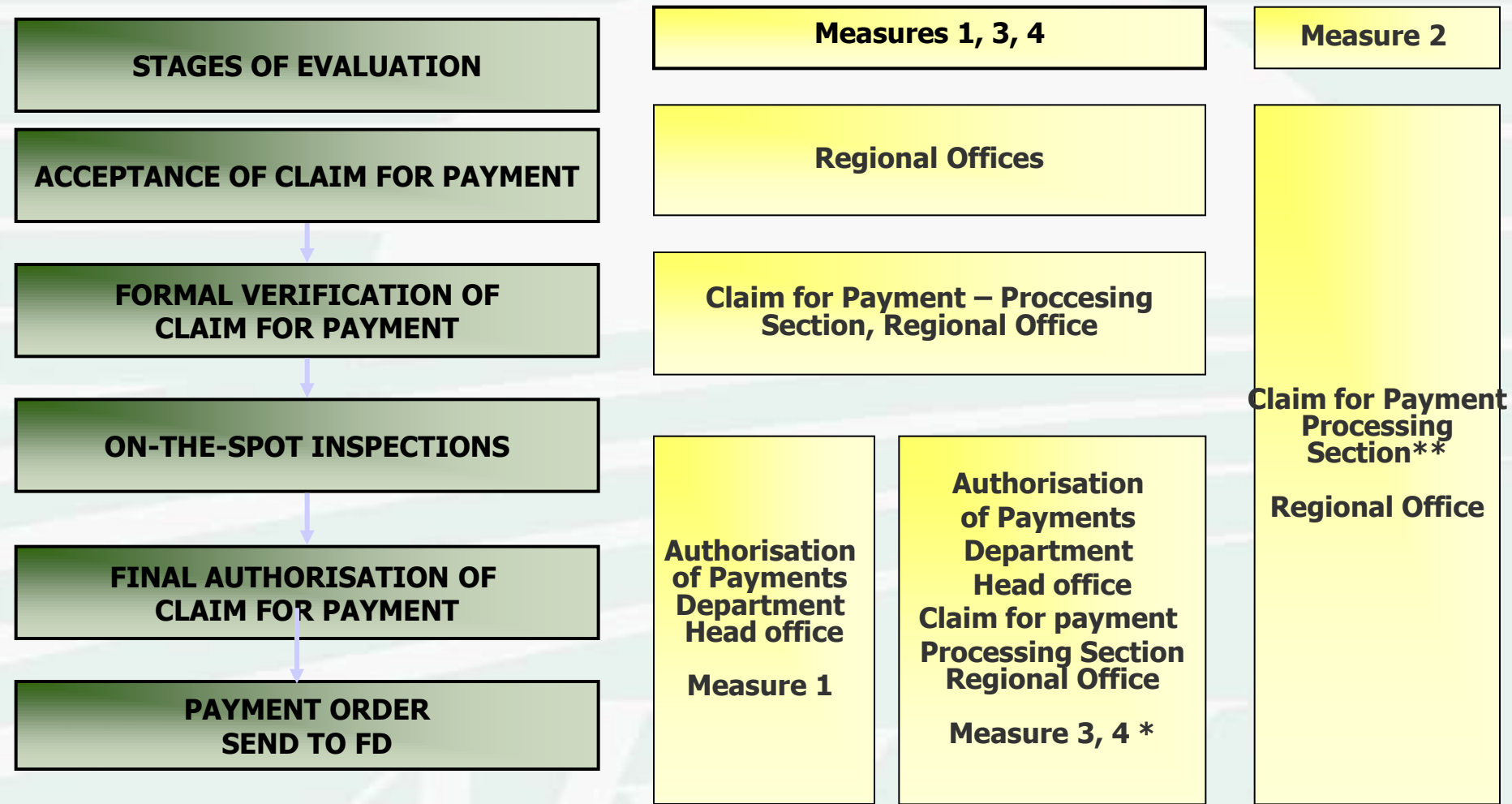


Handling of applications for aid





Handling of applications for payment



*DAPt Head office – for M.1 and M.4 scheme 4.2 where the financial aid specified in the contract carry out above 100 000 zł and scheme 4.3

**SOWoP OR – for M.4 scheme 4.1 and 4.2 where the finance aid specified in the contract carry out below 100 000 zł



Book of procedures for the application of aid checks for Measure 2 (contents) – KP-700-02-ARIMR/8/Z

- 1. Scope and rules of financial aid under Measure 2**
- 2. Procedures for Measure 2**
 - 2.1 collection and preliminary evaluation of application
 - 2.1.1. flow chart procedure
 - 2.1.2. description of documents flow
 - 2.2. evaluation of application for financial aid
 - 2.2.1 flow chart procedure
 - 2.2.2 description of documents flow
 - 2.3 conclusion of a contract
 - 2.4 annex to the contract
 - 2.5 submission and examination of claims for payment
 - 2.6. Post description
 - evaluation of application for financial aid
 - examination of the claim for payment



Book of procedures for the application for aid checks for Measure 2 (contents) – cont.

3. Documents for Measure 2

3.1 Collection and preliminary evaluation of applications

3.1.1. D01/2 Instructions to fill in the application

3.1.2 D01/2 Application for financial aid

3.1.2.1 Business plan

3.1.3 D02/2 List of documents in the file

3.1.4. D03/2 Formal verification sheet

3.1.5. D04/2 Letter to applicant informing about incompleteness of the application

3.2 Evaluation of applications

3.3. Conclusion of the contract

3.4 Annex to the contract

3.5 Submission and examination of claims for payment

3.5.1 DW01/2 Instructions to fill in the claim for payment

3.5.2 DW01/2 Claim for payment

3.5.3 DW02/2 Formal verification sheet of the claim for payment

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3.5.11 DW14/2 Payment order



1. **D01/2** Application for Financial Aid
2. List of required attachments

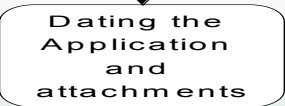
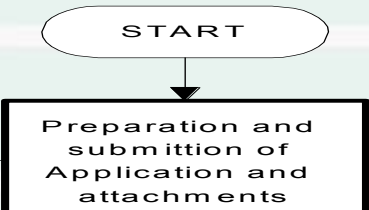
1. Application
2. Attachment

Procedure describes the process of collection and the preliminary evaluation of completeness and compliance of the Application for Financial Aid with the overall and SAPARD Programme requirements.
The procedure applies to Measure 2 and 3

1. Application
2. Attachments

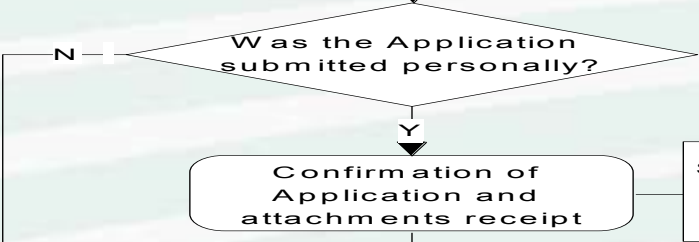
Applicant

ACEB Office Work Specialist



1. Application entered into the Correspondence Register indicating number of attachments
2. Correspondence Reg. No entered on the Application

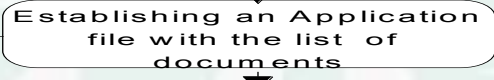
Application and attachments dated



Stamp of receipt with date and Corr. Reg. No



D02/2 List of documents in the Application File



1. Application file established
2. List of documents



Experience resulting from implementation

- ❑ **Little interest of potential Beneficiaries in the initial stage of SAPARD Programme implementation:**
 - ⇒ actions taken to increase absorption of funds, including:
 - introducing changes in criteria and procedures of granting the aid,
 - securing funds for agricultural advisory services centres to assist farmers in preparation of applications,
 - reallocating funds between Measures and voivodships,
 - setting new deadlines for submitting *applications for aid* (Measures: 1 and 4).

Experience resulting from implementation

Programme / criteria amendments:

- ❑ increase of maximum co-financing limit per beneficiary or agricultural holding;
- ❑ broadening of the group of beneficiaries;
- ❑ broadening the scope of aid (lists of eligible costs);

Important! The procedures and documents must follow exactly the amendments.

Experience resulting from implementation

Simplifications for applicants and in procedures:

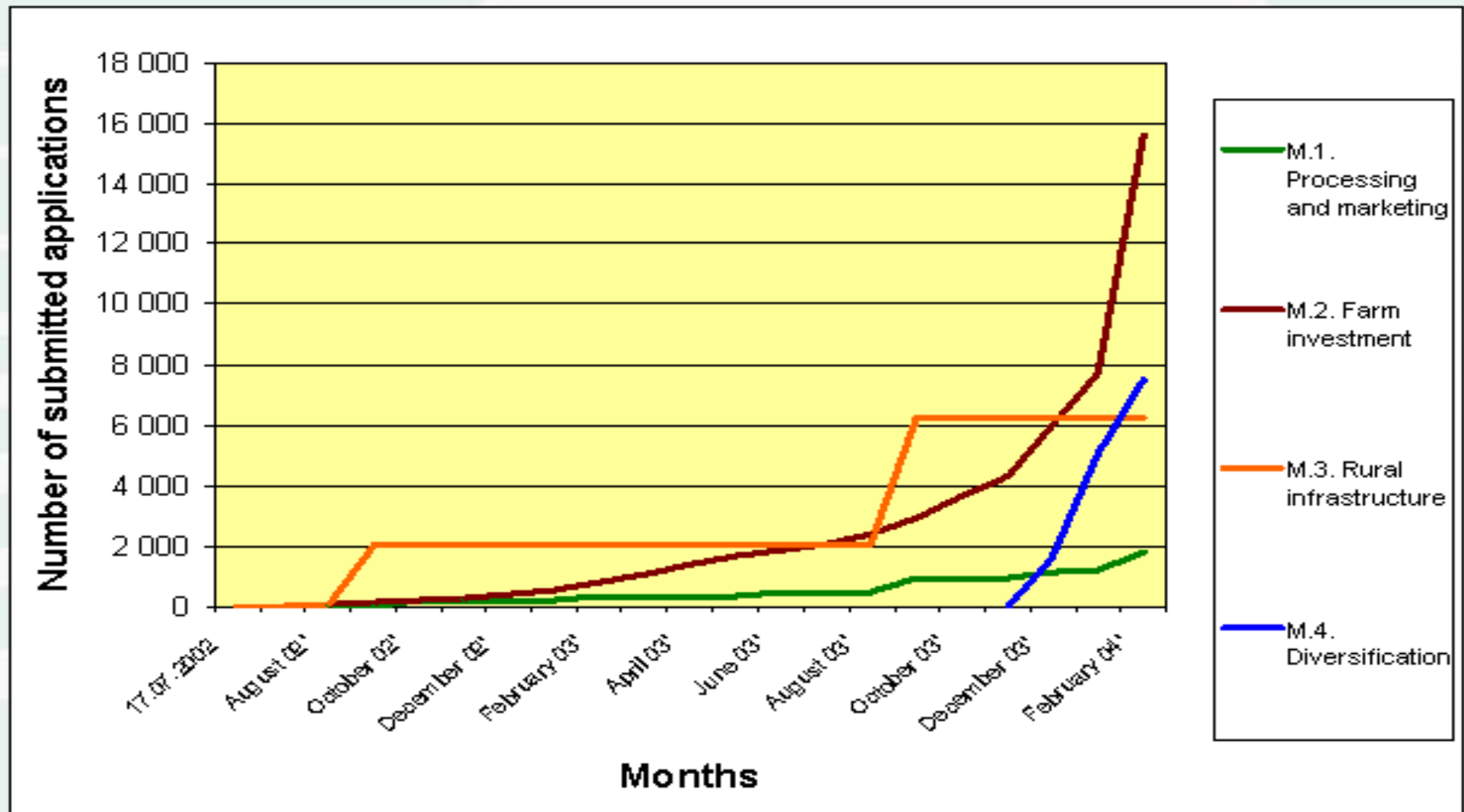
- ❑ Simplification and unification of application documents
 - Limitation of the number of attachments to documents confirming the fulfilment of criteria
 - Improving the quality of formats – clarification of the content of documents
 - Abandonment of the necessity to provide information not affecting the evaluation of the project or already provided in other documents (ie. Business plan)
- ❑ Simplification and unification of verification sheets for application for aid and claim for payment

Experience resulting from implementation

- ❑ **Limited to 2 years contracting period** of financial means provided by 4 Annual Financial Agreements
 - 17 July 2002 – start of collecting applications for aid
 - 30 September 2004 -deadline for contracts signing
 - 10 August 2006 – concluded collection of payment claims

- ❑ **Accumulation of applications in the final stage of submitting *applications for aid***

Submission of applications (July 2002 – February 2004)



Financial results of the SAPARD Programme

Measure	Number of projects concluded	Amount of aid (mil zł)
1. <i>Improvement in processing and marketing of food and fishery products</i>	1 268	1 525,0
2. <i>Investments in agriculture holdings</i>	12 927	588,5
3. <i>Development of rural infrastructure</i>	4 483	2 014,5
4. <i>Diversification of economic activities in rural areas</i>	4 071	342,3
6. <i>Vocational training</i>	14	37,5
7. <i>Technical assistance</i>	23	4,8
Total	22 786	4 512,6*

**Equals to ca. 113% of initial funding allocated under Annual Financial Agreements (AFA 2000-2003)*

SAPARD Programme budget:

- ❑ Initially, EUR 944,0 mil including:
 - European Union funds: EUR 708,2 mil
 - state funds: EUR 235,8 mil

- ❑ Additionally,
EUR 140 mil reallocated from RDP (2004-2006) budget,
119,4 mil finally spent.

Selected material results of the SAPARD Programme

- implementation of HACCP system in 581 food processing plants,
- procurement of ca. 30 thousands pieces of machinery, equipment for agricultural production,
- establishment of 12 500 permanent and 10 500 seasonal labourer,
- construction of 6,2 thous. km of water supply network,
- construction of 6, 2 thous. km of waste water disposal,
- construction and modernisation of 3,7 thous. km of gmina and powiat roads.

Experience for:

- ❑ beneficiaries
- ❑ institutions active in Programme

ARiMR

Thank you for your attention

Katarzyna.Romanowska@arimr.gov.pl