



REPUBLIC OF SLOVENIA
MINISTRY OF AGRICULTURE, FORESTRY AND FOOD
SECTION FOR RURAL DEVELOPMENT AND STRUCTURAL POLICY

SAPARD PROGRAMME 2000-2006 in SLOVENIA

**A STORY OF LEARNING AND POSITIVE
EXPERIENCES**

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Let me introduce myself:

- **Name:** Janja Kokolj Prošek
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- **Function:** within the Ministry of Agriculture,
Forestry and Food:
 - » Head of the Section for Structural Policy and Rural development
 - » employed at MAFF since 1991



Let me introduce myself:

Main occupation:

- Coordinator for preparing RDP 2007-2013
- Head of Project group for Priority No. 3 SPD for Slovenia
- Member in project team for preparation of pre accession programme SAPARD
- Member of preparation group for Slovenian National Development Strategy
- Member in different working bodies in Slovenia (regional development and rural development)
- Member of MC for Social fund, Regional fund and Single programming document
- Member of International Working Group for EU Parliament – PREPARE



Content of the presentation

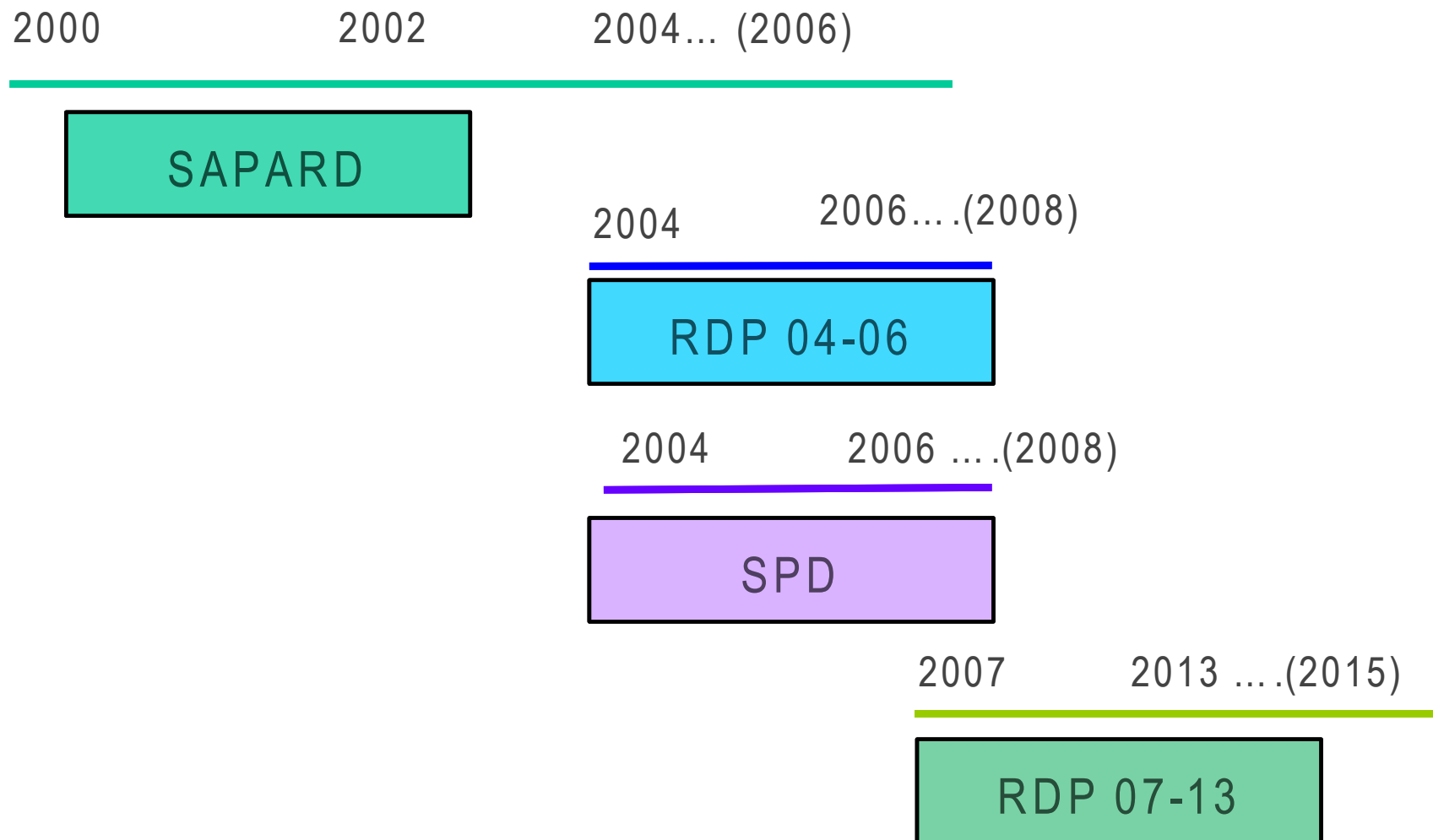
- PART I. General information on the operational implementation of SAPARD programme 2000-2006 in Slovenia
- PART II. Successfulness of the SAPARD programme in Slovenia – findings from the independent ex-post evaluation report
- PART III. Lessons learned



PART I. General information on the operational implementation of SAPARD programme 2000-2006 in Slovenia



Sequence of rural development programmes in Slovenia





Background information on SAPARD 2000-06

- Rural Development Plan 2000-2006 (= SAPARD Programme) was a strategic document that established a framework for the absorption of pre-accession assistance of the EU **S**pecial **A**ccession **P**rogramme for **A**griculture and **R**ural **D**evelopment (SAPARD).
- Slovenia fulfilled the conditions for using Community funds following:
 - ✓ the confirmation of the SAPARD programme by the European Commission (27/10/2000);
 - ✓ signing and ratification of the Multi-annual Financing Agreement between the Republic of Slovenia and the European Commission;
 - ✓ accreditation of the SAPARD Agency (Agency for Agricultural Markets and Rural Development) for the management of funds for all basic SAPARD measures (with the exemption of measure 5 – Technical Assistance for which the Commission decision was adopted in 2/4/2004).

Slovenia was the only country besides Estonia that already in 2001 introduced legal order and established the SAPARD Agency.



Background information on SAPARD 2000-06

- The programming period for the SAPARD in Slovenia extended over 4 years, **beginning in 2000 and lasting until 2003.**
- The actual implementation of the SAPARD programme began **at the end of 2001** with the publication of appropriate national legal acts:
 - ✓ **Decree on the agricultural structural policy measures of the Rural Development Programme 2000-2006. Decree defined measures, goals, beneficiaries and general requirements for obtaining SAPARD funds;**
 - ✓ **Ordinance on the amount of funds allocated for agricultural structural policy measures with regard to the Rural Development Programme 2000-2006 (SAPARD);**
 - ✓ **Public tender for submission of applications and obtainment of non refundable funds from SAPARD programme); - in the course of the programme: 3 public tenders per measure.**

that precisely defined the conditions for the absorption of SAPARD funds.



Goals and measures of the programme

- With reference to the stated goals Slovenia identified **two priorities** for its SAPARD programme **subdivided into 4 measures** listed within the SAPARD Council Regulation (EC) No 1268/1999.

PRIORITY 1: Improving production and marketing systems in agriculture and the agri-food industry

—————→ Investment support for agricultural holdings

—————→ Investment support for dairy- and meat-processing sectors

PRIORITY 2: Economic diversification and improvement of rural infrastructure

—————→ Economic diversification on farms

—————→ Development and improvement of rural infrastructure

As EU Common Agricultural Policy Slovenian agricultural policy - reflected to a large extent in SAPARD programme - emphasised the principle of **multifunctional farming** as a business activity in line with environmental (biodiversity, natural features, landscape diversity...), spatial and social tasks.



PART II. Successfulness of the SAPARD programme in Slovenia – findings from the independent ex-post evaluation report



Overview of received applications on public calls by measures and the state of contracts on 31 December 2006

Most of the contracts were signed for the Measure 1 – Investment support for agricultural holdings.

Measure	Total applications received	Decisions issued/Contracts signed (30 April 2004)	Contracts signed	Contract withdrawals
1. Investment in agricultural holdings	732	410	406	4
2. Investment in processing and marketing of agricultural and fisheries products	54	33	32	1
3. Economic diversification on farms	118	93	85	8
4. Development and improvement of rural infrastructure	54	36	36	0
TOTAL	958	572	559	13

*Table demonstrates only the dynamic of contract signing. Overview of the application withdrawals, rejections etc. is not included.



Final statement on SAPARD expenditure cumulative from 1 January 2002 to 31 December 2006

- Public funding: 41.7 million EUR (Community: 26.8 million EUR + Republic of Slovenia: 14.9 million EUR)
- Private funding: 42.5 million EUR

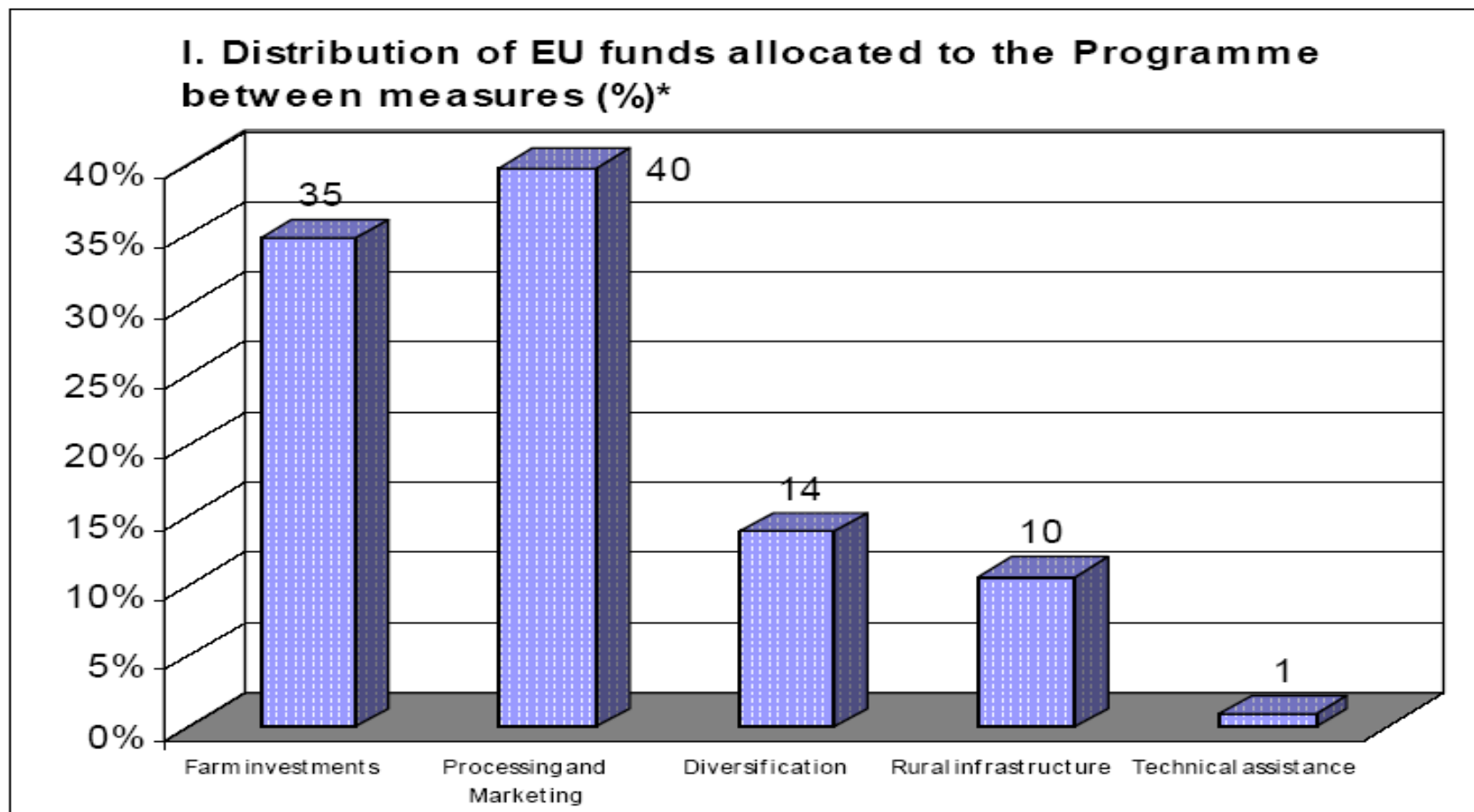
84.2 million EUR

Measure	Euro				% of SAPARD spending by measure
	Public funding		Own contribution	Total approved cost	
	Community	national			
1	6	7	8	(6) + (7) + (8) = (9)	
Measure 1 – Investment in agricultural holdings	9,773,354.75	4,886,677.36	16,221,114.49	30,881,146.60	36.5
Measure 2 - Investment in processing and marketing of agricultural and fisheries products	10,864,025.13	5,432,006.00	21,574,691.73	37,870,722.86	40.6
Measure 3 – Economic diversification on farms	3,159,623.15	1,579,811.64	4,739,434.71	9,478,869.50	11.8
Measure 4 - Development and improvement of rural infrastructure	2,897,873.83	2,943,377.41	0.00	5,841,251.24	10.8
Measure 5 – Technical assistance	79,376.00	19,844.00	0.00	99,220.00	0.3
TOTAL	26,774,252.86	14,861,716.41	42,535,240.93	84,171,210.20	100



Distribution of EU funds

Most of the SAPARD funds – 40% allocated for the M2 – Processing and Marketing of agri- and fishing products



*Based on Financial Table in force 31/12/04

Source: EC (2005): SAPARD ANNUAL REPORT, Year 2004



MEASURE 1: Investments in agricultural holdings

- **Objectives:** increasing competitiveness of the farms, an increase in marketing orientation of the agricultural sector, the achievement of the EU standards within the area of animal protection and the achievement of European legislation requirements in the area of environmental protection.
- **Beneficiaries:** The beneficiaries of the support within this programme were agricultural holdings (individuals or companies).
- **Funded activities:** investments in outhouses, their equipment and purchase of the agricultural mechanization; investments in constructions of buildings, renovation at the farms; investments in the first purchase of breeding animals for the agricultural holding etc.
 - For the achievement Measure 1 objective **35%** of the SAPARD programme means were allocated.
 - The financial means of the programme were divided into EU means (2/3) and budget funds (1/3).

In the period between 2000 and 2006, **406 projects** were implemented, which together amounts to **30.9 million EUR**. 9.8 million EUR was the EU contribution and 4.9 million EUR came from the budget funds. Another 16.2 million EUR derived from the private funds of the beneficiaries.



Certain most expressive effects of Measure 1

Indicator of the result	Value	Explanation
Cultivated areas	Increased by 30%	Total size of cultivated land increased from 2,896.3 ha to 3,774.2 ha (for 30.3 %), in the period of Sapard programme duration, and the average size increased from 28.12 ha to 36.64 ha (30.3 %).
Increase in gross income at the agricultural holding	Increased by 27%	Gross income of the farm, in average increased by 27.1%, for 90.3% of the beneficiaries. 8.7% of beneficiaries believe that the investment had no impact on changes in gross income of the farm, while the gross income decreased for only 1 beneficiary, namely by 5 %.
Decrease in costs per unit of product	Average costs per unit of product at the agricultural holding in average decreased by 7%	Direct costs per unit of product at agricultural holding in average decreased for 14.7% for 48% of the beneficiaries. The costs in average increased by 22.9% for 34% of the beneficiaries and 18% of them did not detect any changes in costs per unit of product.
Increase in the number of people in rural areas	Average increase in number of family members per farm is 1%	Demographic analysis of the farms shows that the number of family members increased from 3.49 to 3.53 member of the family per farm (1%) in the time-period from application till today.



MEASURE 2: Financial support for the investments in processing and trading of agricultural and fishing products

- **Objectives:** Measure 2 was designed for meat, fish and milk processing sectors adaptation to the specified conditions within the area of veterinary – sanitary regulations, animal protection, environmental protection and improvement of marketing, competitive position of the companies and working conditions of the workers.
- **Beneficiaries:** The beneficiaries were natural or legal persons or their associations from the meat, fish and milk processing sectors.
- **Funded activities:** The investments entailed the purchase of new technological equipment, including computer equipment and software programmes and the renovation of production facilities.

For Measure 2 40.6% of the funds was allocated. The financing structure was divided into EU means (2/3) and budget funds (1/3). 32 projects were implemented, their value amounted to 37.9 million EUR. Out of this, 24.5% presented the Programme funds (10.9 million EUR of the EU means, 5.4 million EUR of the budget funds). 75.5% of the means was gathered from private sources (21.6 million EUR) (beneficiaries' funds).



MEASURE 2: Efficiency of the funding based on a questionnaire among beneficiaries

- For the establishments engaged in meat products **72%** were allocated, for the establishments engaged in dairy industry, **25%** and for the establishments engaged in fish processing **3%**.
- The volume of production, on average, increased by **71.5%**, including **58.75%** increase for the respondents engaged in milk processing, **33.67%** increase for the respondents engaged in meat processing and **300%** increase for one respondent engaged in processing of fishing products.
- Added value of the company or beneficiary on average increased by **54%**, but huge differences between the respondents can be observed.





MEASURE 2: Efficiency of the funding based on a questionnaire among beneficiaries

- The share of gross sales for processed products resulting from established or improved capacities was highest within the domestic market, since it presents 71 % of the total sales, followed by the markets of Southern and Eastern Europe with 11 %.
- The share of primary products bought from Slovenian agricultural producers raised by 4.7% among beneficiaries of the SAPARD Programme, that means in average from 74.6% to 79.3%.
- Unfortunately the investments contributed to a **decrease in number of employees** within the establishments that took part in the survey. This was mainly due to modernization of the equipment but also market situation.

SAPARD means had a big impact on the improved beneficiaries' situation related to the area of **norms and standard's requirements** of EU, since big improvements can be observed, referring to:

- sanitary standards,
- treatment standards for the animals at the time of slaughter,
- waste management.



MEASURE 3: Economic diversification at the farms

- **Objectives:** The principal objective was variegation of the economic activities in rural areas and the improvement of economic, social and environmental position of the rural areas. This measure was targeted to contribute to an increase number of jobs at the agricultural holdings and/or to increase or additional income resulting from supplementary activities.
- **Beneficiaries:** Beneficiaries were private persons, the owners of agricultural holdings, who obliged themselves to registering the supplementary activity at the farm, within one year after they received the funds.
- **Funded activities:** Especially investments in the implementation and improvement of tourist offer.

For this measure **14% of means** were allocated. In total, 85 projects were approved within this measure. The aggregate value of means amounted to a little less than **9.5 million EUR**. The amount of SAPARD means was 4.7 million EUR (3.1 million EUR of the EU means and 1.6 million EUR of the budget funds). The means collected from the private sources (beneficiaries) amounted to 4.7 EUR, meaning that in this case, the ratio between the fund means was 50% of public means and 50% of private means.



MEASURE 3: Efficiency of the funding based on a questionnaire among beneficiaries

- In Slovenia, the means for the Measure 3 were intended exclusively for the development of **rural tourism**.
- For the realization of Measure 3 Slovenia assigned **14%** of the programme means. At the completion point of the project Slovenia allocated 11.8% of the funds for this measure which is 2.2% less than assigned.
- After the investments **gross revenue** increased on average **by 27%**.
- Overall positive impact has been detected on the tourist demand and supply side (accommodation, visits on tourist farms etc.)





PART III. Lessons learned



1. Conclusions of the evaluation team

Strategic accordance of the Programme:

- Although generally no greater inconsistencies were detected in the strategic part of the Programme the ex-post evaluation report nevertheless exposed certain weakness, referring to the ex-ante evaluation (initial conditions), definition and intertwining of goals, which in turn affect the objectivity and monitoring of the indicators and evaluation.
- Nevertheless, the ex-post evaluators established that these weaknesses had been due to the fact that
“SAPARD programme was the 1st accession programme being implemented in Slovenia and therefore the whole structure and its implementation are intended as a learning process”.
- The evaluators have thus recommended overall greater attention to these kind of deficiencies and expressed certain new indicator suggestions.



Conclusions of the evaluation team

Efficiency on the Programme level

- Programme resources positively affected the **growth of production and gross income** on all levels.
- Programme contributed to the improved **competitiveness** and thus contributed to improved export of food processing industry
- The funds also had a positive impact on **improved quality of life** in rural areas
- Nevertheless, the direct environmental impact of the programme was minimal due to the limited fund. However, we can talk about a larger **indirect environmental impact** (rising awareness).
- The programme was an important experience for all stakeholders.
- The adoption of the **acquis communautaire and institutional capacity building**
- Last but not least, the SAPARD programme was successful in mobilizing an important part of **private financial resources**, which have contributed to its implementation.



2. Building the administrative and institutional capacity

The implementation of SAPARD programme left an important imprint even after its conclusion as it contributed to the improved and enhanced administrative and institutional capacity that proved to be crucial for the implementation of the subsequent programmes.

- **MAFF as the managing authority** overviewed and coordinated the execution of the programme and the work of the SAPARD agency.
- In addition, two important administrative structures were established, namely:
 - **SAPARD Monitoring committee** which responsible for the monitoring and overseeing the implementation of the SAPARD programme **AND**
 - **SAPARD Agency** (Agency for Agricultural Markets and Rural Development) upon which the management of funds was conferred in 2001.
- **System of information on the SAPARD programme and its promotion** among all stakeholders (public promotions, presentations) was ensured.



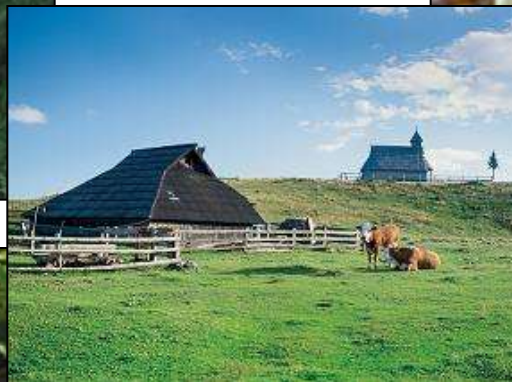
TO SUMMARIZE...

- SAPARD programme offered valuable experiences on how to implement, monitor comprehensive programmes that entail allocation of considerable amounts of EU and national funds.
- Within the course of the programme Slovenia established certain administrative and institutional structures, processes and systems of implementation, monitoring and control that served as a basis for future conduct of programmes.
- Implementation of SAPARD involved intensive cooperation amongst all stakeholders at different levels (from governmental level to each and every applicant).
- To conclude, SAPARD programme has proved to be a success and a stimulus for future work.



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Thank you for the attention!!



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