

Agricultural Policy Forum for South-Eastern European Countries 2009

Support systems/schemes in SEE and their complementarities with the EU CAP

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Content

- ➡ Introduction
- ➡ Some methodological explanations
- ➡ Quantitative analysis of support policy:
 - Evolution
 - Cross country comparison
- ➡ Conclusions

Introduction

- ➡ **Agricultural policy in Candidate (CC) and Potential Candidate countries (PCC) is in standing reform process.**

- ➡ What is really happening? There are only few sources on this issues
- ➡ Relevant for national and international bodies and public...

- ➡ **The purpose of the presentation:**

- ➡ An attempt to analyze the development of agricultural policy in Western Balkan on the basis of budgetary support data.

- ➡ **Data source:**

- ➡ Agri Policy Measure (APM) database created in the framework of FP7 project ***“AgriPolicy-Enlargement Network for Agripolicy Analysis”*** all CC&PCC participate.
- ➡ First results (*work in progress*).
 - ➡ Additional clarification and verification needed (provisional data).

Methodological explanations

Agri-policy measures (APM) database

Objectives:

- ➡ **To establish database for:**
 - Monitoring and evaluation of agricultural policy
 - International comparison of policy
 - Supporting EU accession negotiation process and programming of pre-accession support
- ➡ **To cover all budgetary transfers to agriculture**
- ➡ **Multipurpose use of database**

Common international comparable classification of measures is needed

APM Concept of classification:

Combination of various internationally recognized classifications

Methodology: **Agri-policy measures (APM) database covers two main classification concept**

EU concept:

- CMO (1st pillar) Market price policy:
 - Market support measures
 - Production support measures
- RD (2nd pillar) Axes1, 2, 3, 4
- 3rd pillar (state aid; general services)

OECD (PSE / CSE) concept:

- Total budgetary support to agriculture
 - Budgetary support to producer (PSEb)
 - Groups based on implementation criteria (coupled, decoupled)
 - General services support to agriculture (GSSEb)
 - (schools, inspection, infrastructure, marketing&promotion...)

Agri-policy measures (APM) database

Data availability

	AL	BH	CRO	MAC	MN	SR	TR
TOTAL BUDGET	+P	+	+	/	+P	+	/
TOTAL BUDG. TRANSFER TO AGR.	+P	+	+	/	+P	+	/
Data by measure APM classification	+-P	+	+-?	+-	+P	+	/
PSE/GSSE classification	+-P	+	+	+-	+P	+	(+)

Legend: +available; P plan; +- partial; / no data; ?problematic

Data collecting problems:

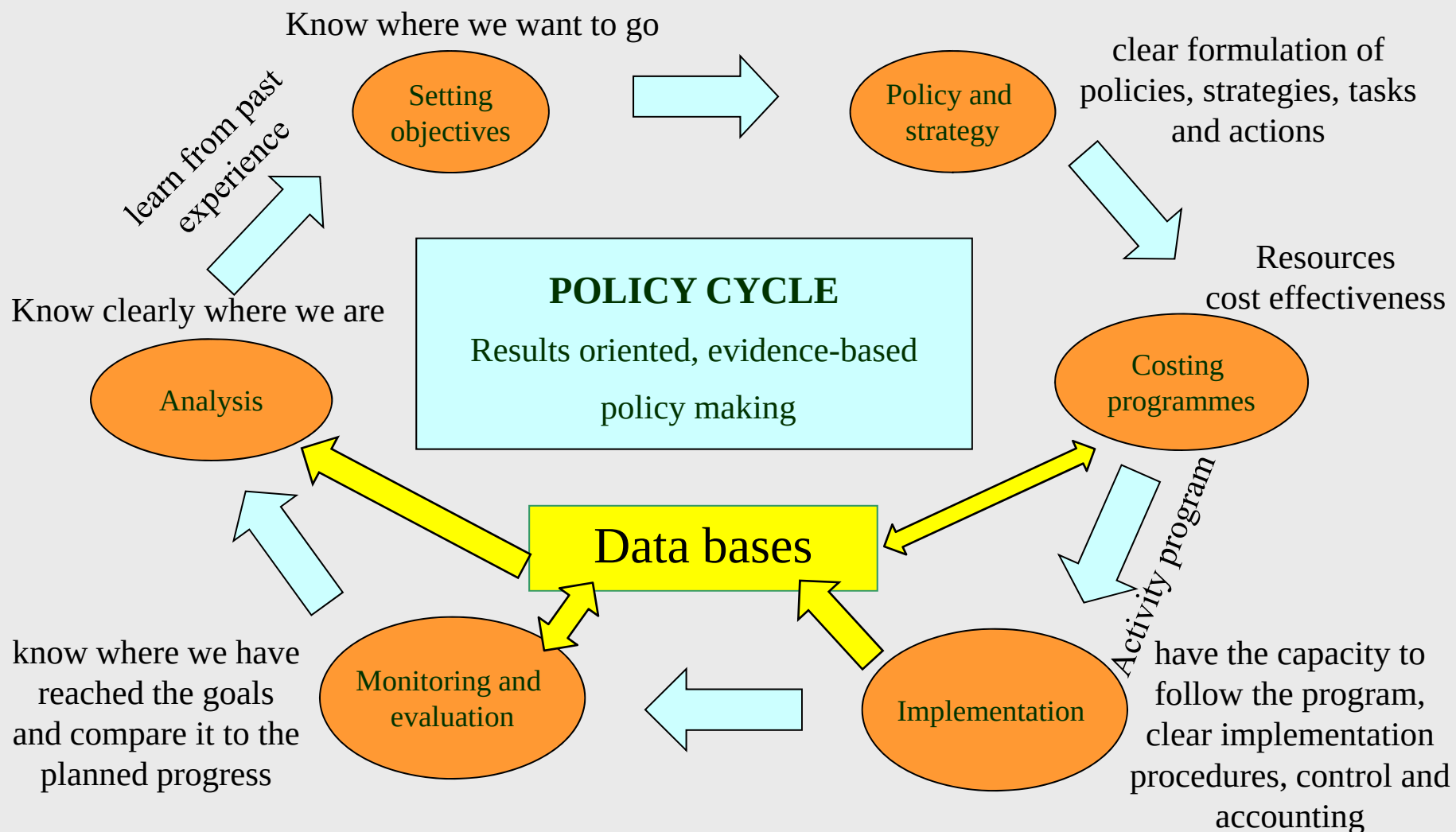
- Data not systematically collected, presented and publicly available on the detail level in any country
- Huge efforts needed to collect data
- Some partners in the project have been reported on the institutional problems in accessing data

Level of data availability in the APM database does not necessarily reflect the real situation in the country.

However, if data exists, and national experts have failed to obtain it, then the transparency of policy can be a problem.

Policy making process & data

Consistent and reliable database is the necessary basis for effective policy making based on POLICY CYCLE principles



Quantitative analyse of support policy

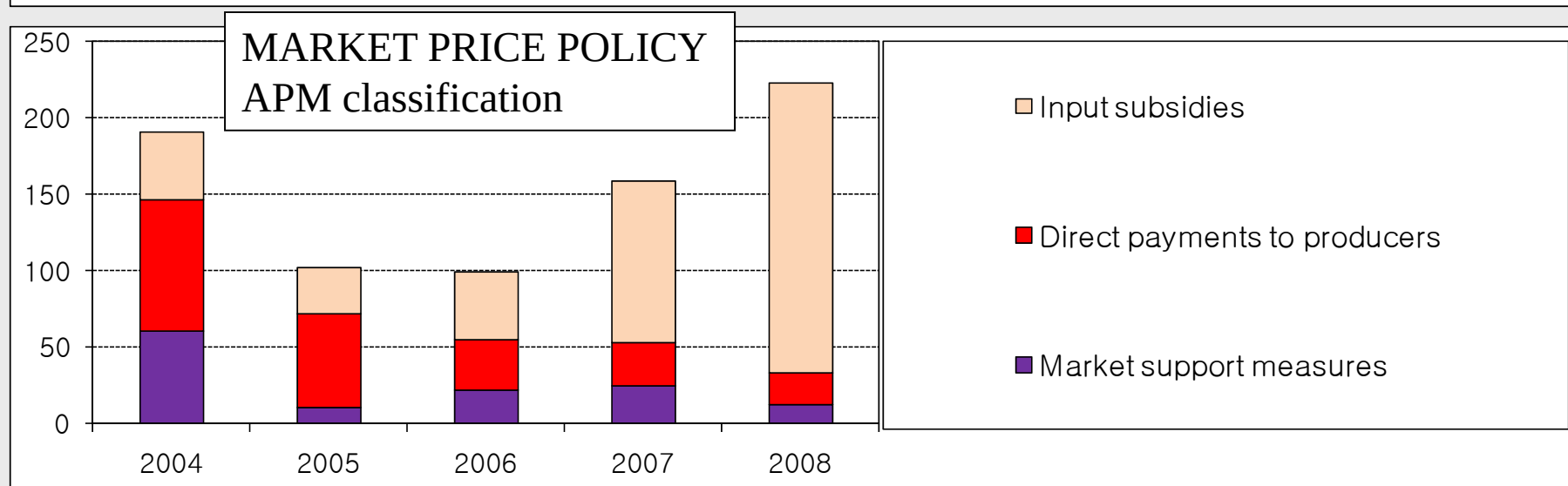
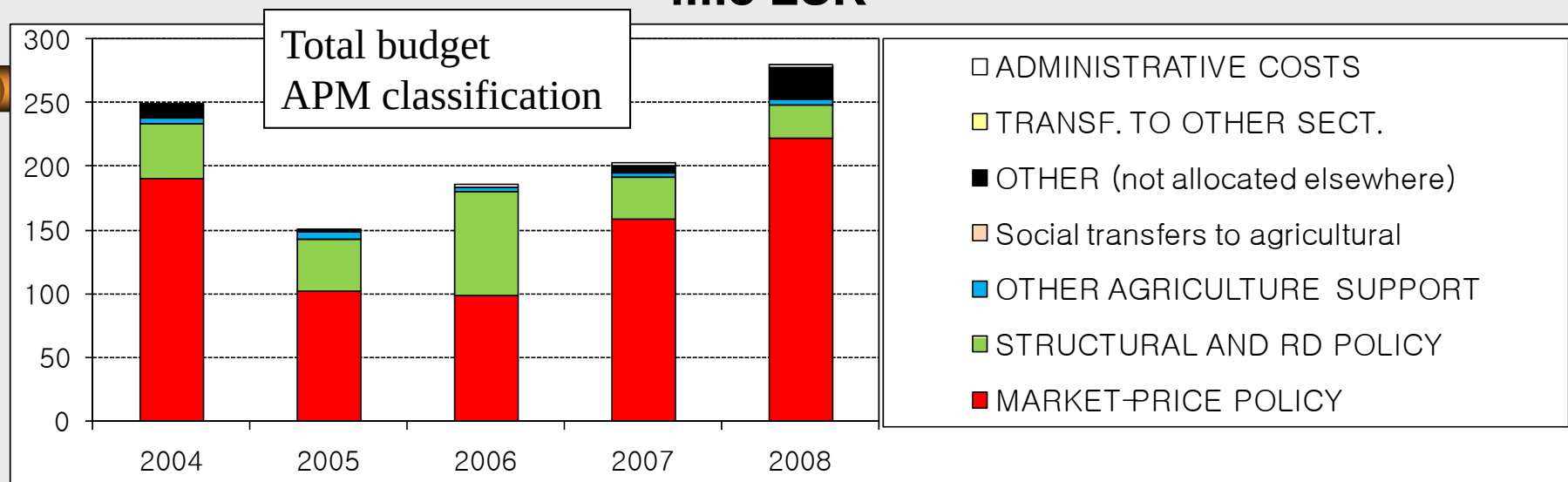
- ➡ Quality of analyses depend on data quality and availability
- ➡ Generally two types are used:
 - Time series analyse (evolution; as long series as possible)
 - Cross country (regions) comparison (comparable classification)
- ➡ From general to details (as detailed data as possible)

mio EUR



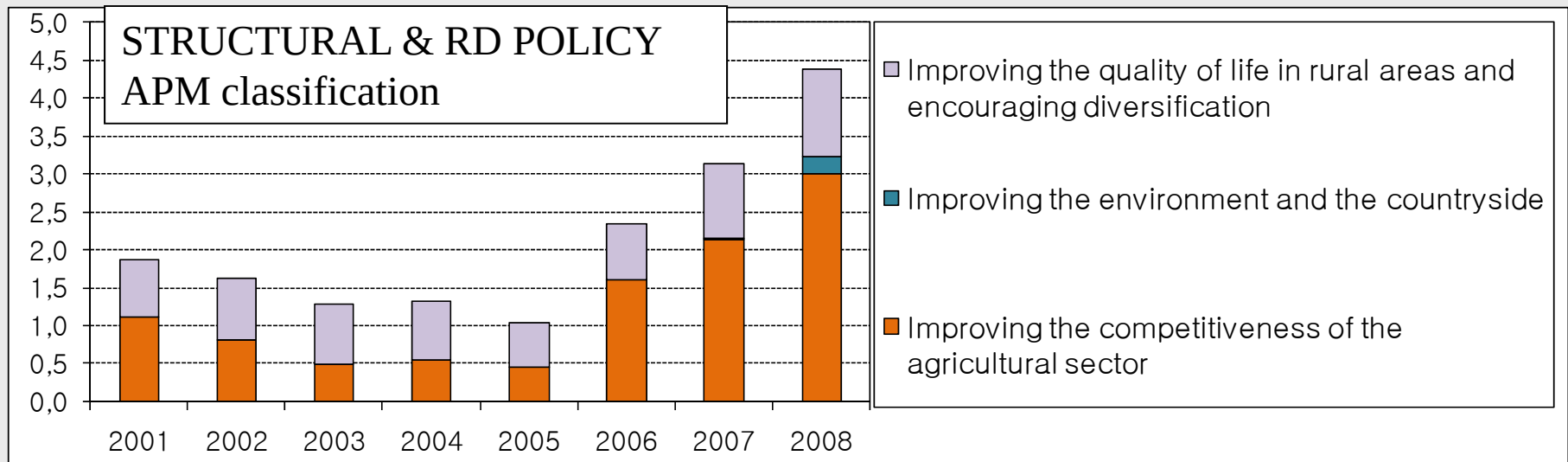
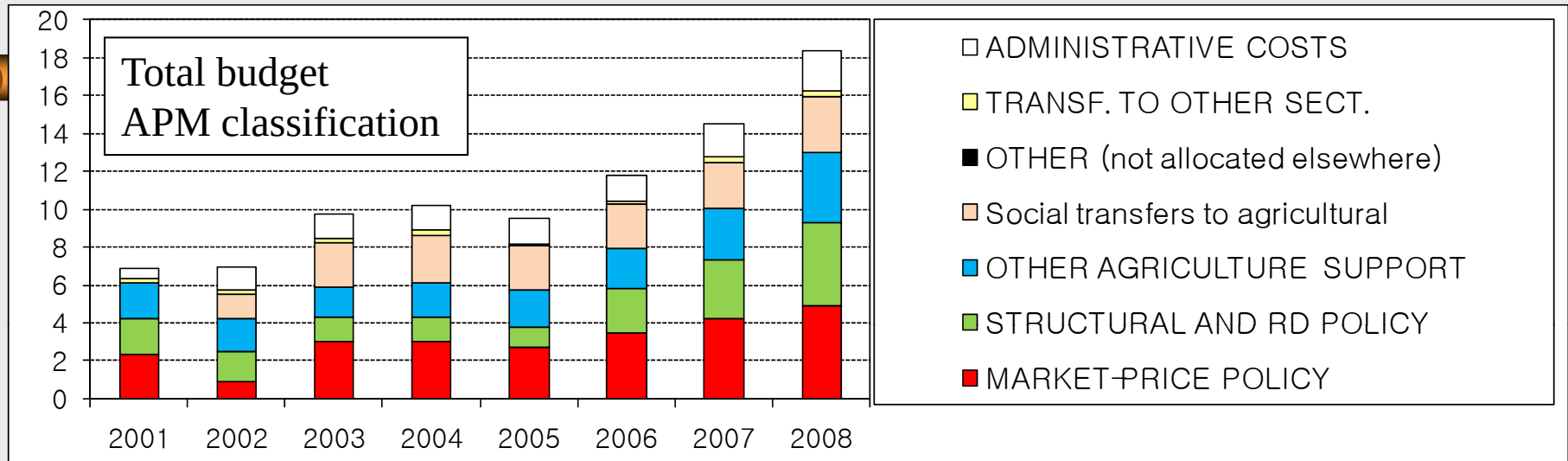
SR – (detailed data of PILLAR 1 example)

mio EUR



MN – (detailed data of PILLAR 2 example)

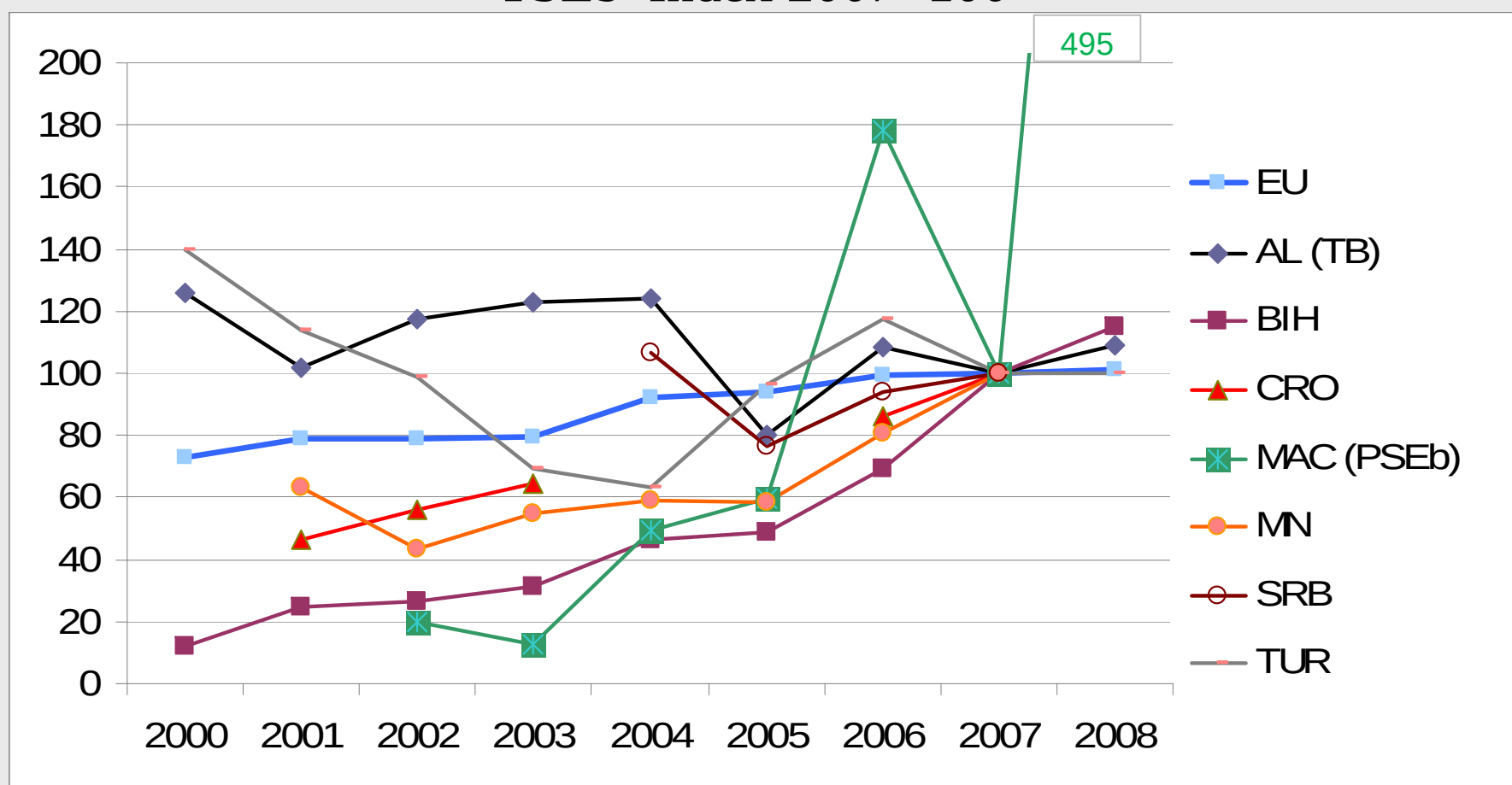
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Cross country comparison

Total support to agriculture (OECD pse/cse concept)

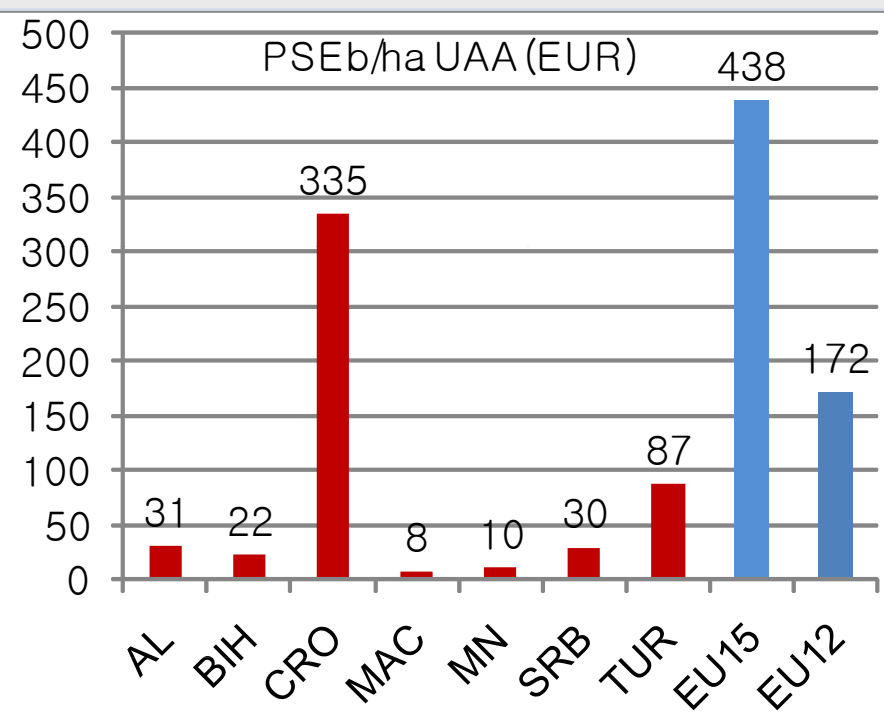
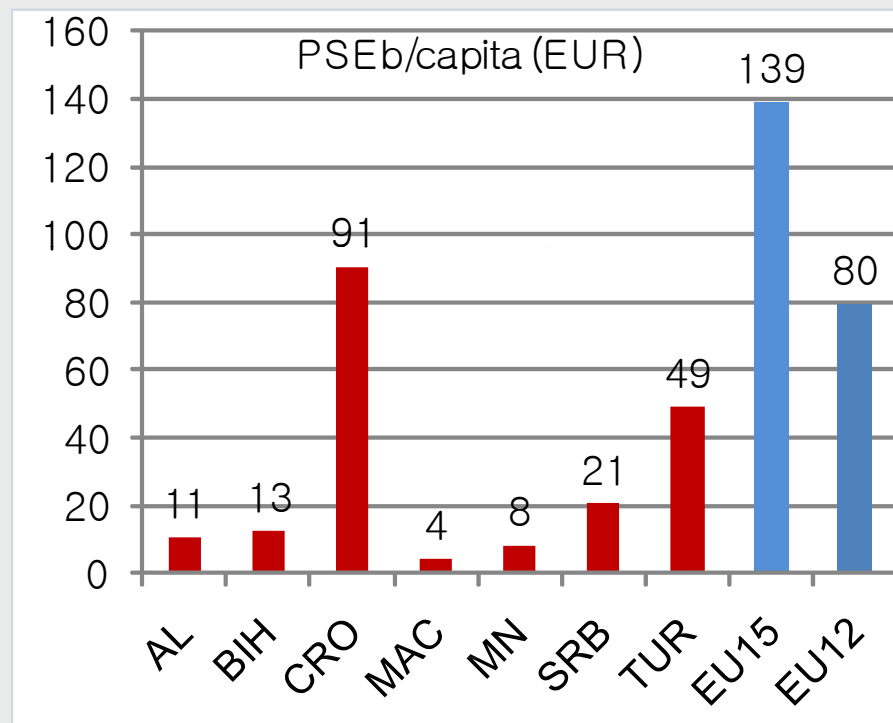
TSEb Index 2007=100



AL, KOS : Total budget; MAC: PSEb; CRO: partial data

Quantitative analyse: Cross country comparison

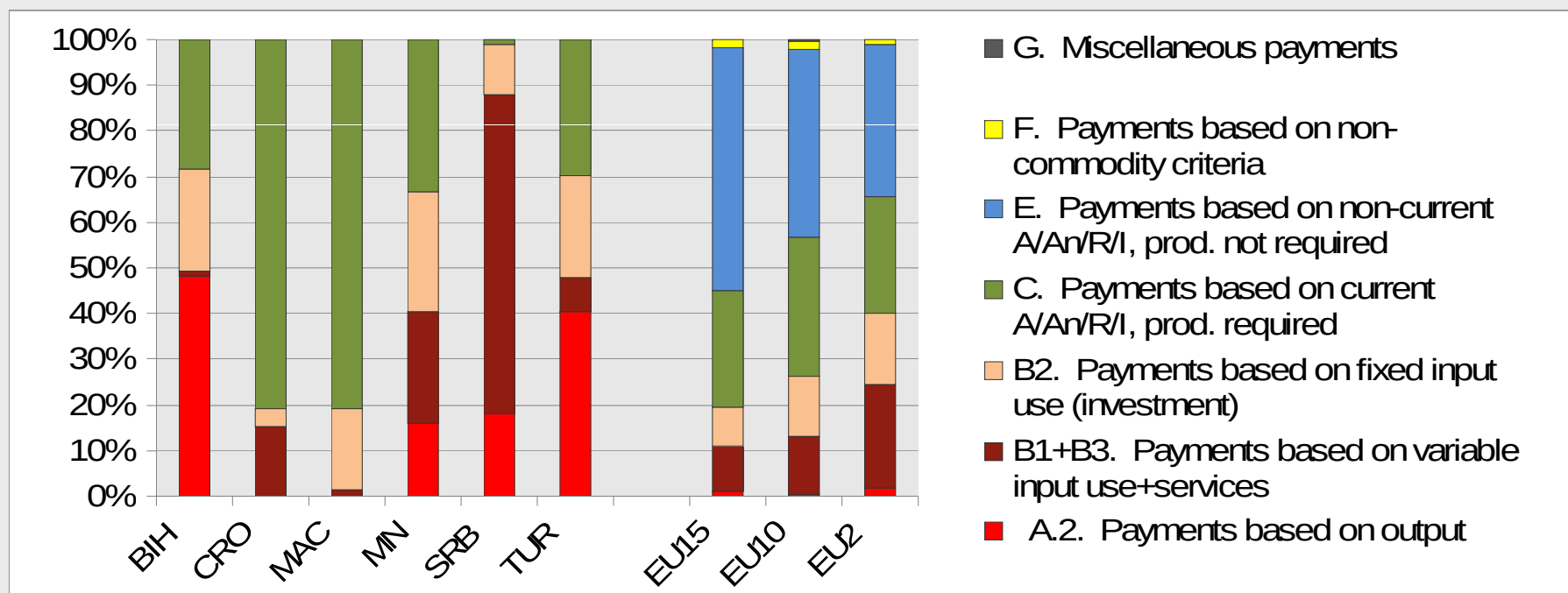
Budgetary support to producers (PSEb) EUR/unit (2007)



Except CRO very low level of agricultural support in comparison with the EU 27

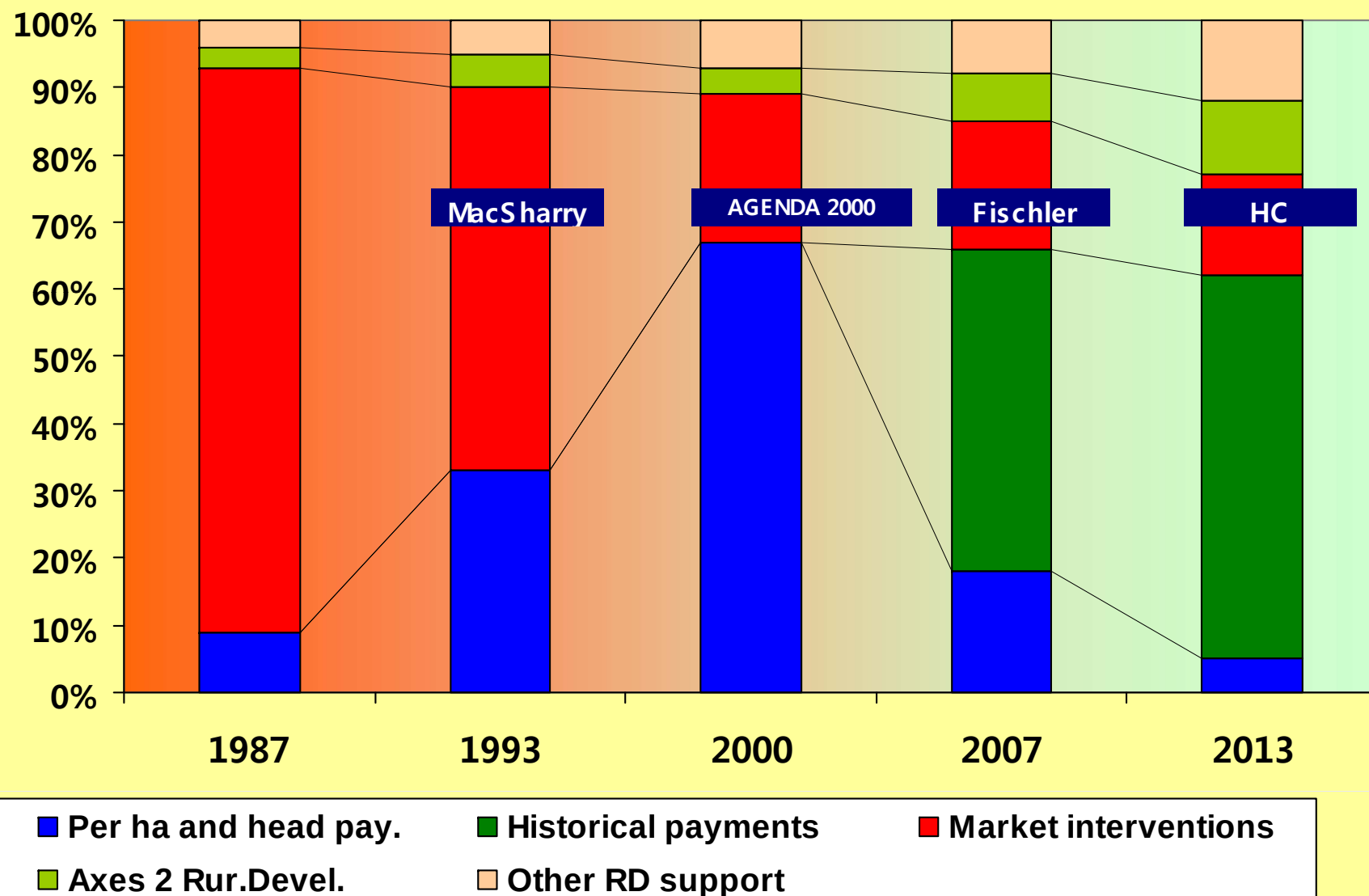
Quantitative analyse: Cross country comparison

Budgetary support to producers (PSEb) composition % (2007)



CAP is moving target for WBC!

Standing CAP reforms since 1984 Shares in CAP budget for main items



Conclusions

– reform process evaluation

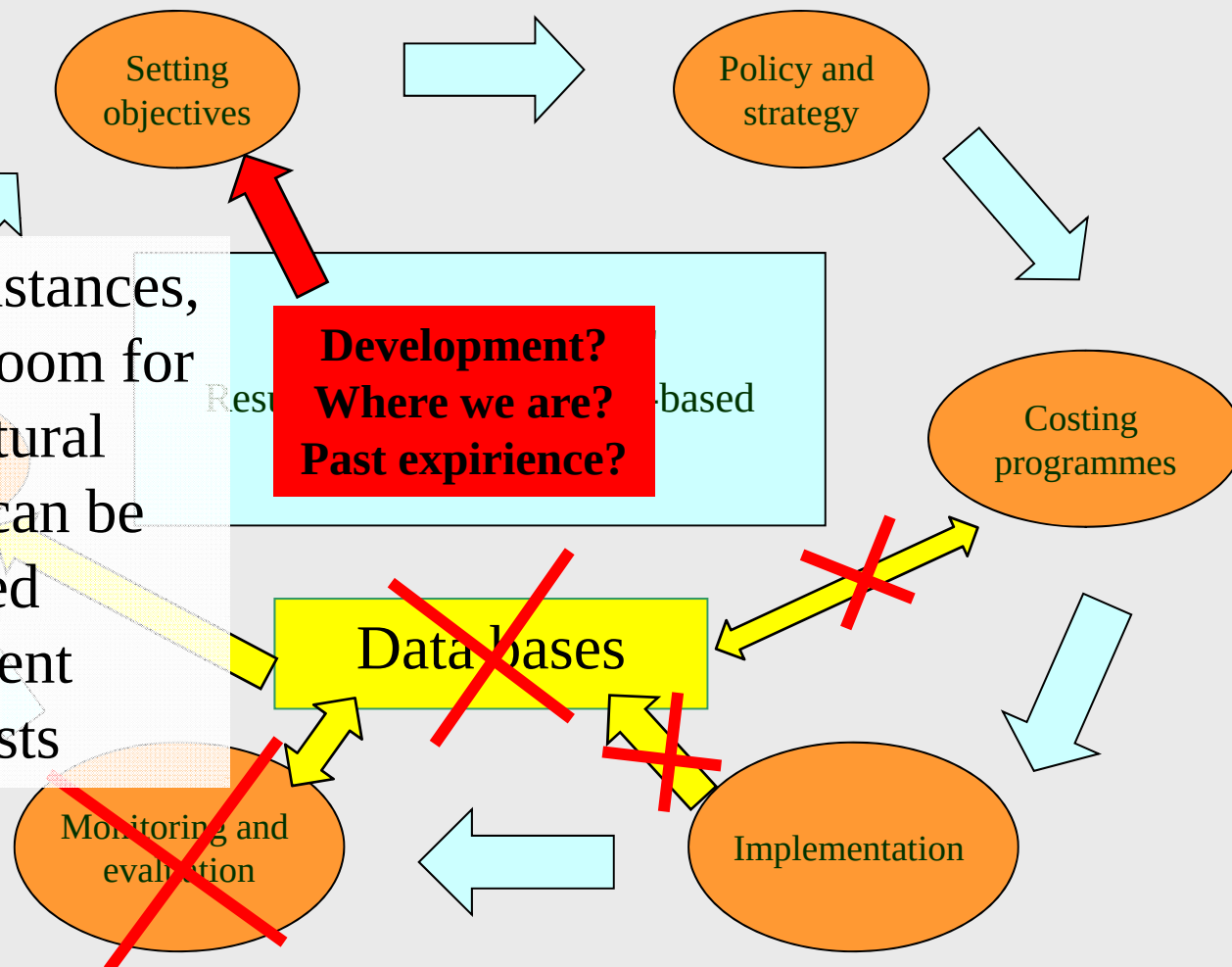
➡ **First results about the reform process in WB countries:**

- ➡ **Very different situation in countries.**
- ➡ **Generally the growing tendency in budget,**
 - ➡ ... however, except CRO very low level of agricultural support in comparison with the EU.
- ➡ **Ups and downs, rapid changes in the structure, lack of stability in some countries.**
 - ➡ This shows that in some countries there is no clear long term agricultural policy strategy.
- ➡ **The policy differ significantly from the EU type of support.**
 - ➡ This could be a problem especially for countries which are close to EU accession.
 - ➡ The process of alignment towards the EU CAP is also important for PCC, especially in light of the efficient use of pre-accession support programmes.

Conclusions- lack of data!

- ➡ The lack of reliable systematically collected and analyzed data on measures of agricultural policy is a problem in most WB countries

In such circumstances, there is more room for ad-hoc agricultural policy, which can be often influenced mostly by current political interests



Conclusions- lack of data!

- ➡ The lack of reliable systematically collected and analyzed data on measures of agricultural policy is a problem in most WB countries
- ➡ In such circumstances, there is more room for ad-hoc agricultural policy, which can be often influenced mostly by current political interests
- ➡ In the framework of FP 7 project “Agri policy” steps towards the creation of internationally comparable agricultural policy measure database for all WB countries have been made. With the support and cooperation with national authorities, this could be developed into part of an information system essential for the efficient agricultural policy creation