

PUBLIC SECTOR

Synthesis of SAPARD ex post evaluations

Synthetic Summary

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ADVISORY

SYNTHETIC SUMMARY

The evaluation targeted the synthesis of Special Accession Programme for Agriculture and Rural Development (SAPARD) ex post evaluations in eight Central and Eastern European countries. The countries are the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia. The ultimate objective of the evaluation was to examine the extent of the success of SAPARD in preparing the eight countries to implement the Common Agricultural Policy (CAP) after accession and in contributing to solving priority problems in their respective rural areas and agricultural sectors. The main findings and the key recommendations of the evaluation are as follows.

Main results and recommendations

The national SAPARD Programmes were the first systematic, strategy based multi-annual development programmes in the eight countries in the field of agriculture and rural development. The programme contributed greatly to the evolution of strategic thinking regarding the sectors concerned. However, the strategic focus of SAPARD Programmes was generally inadequate, resulting in an excessive number of planned measures. The absorption capacity of SAPARD was in turn adequate, final allocated budgets have been utilised in all countries, except Latvia. In most countries absorption was strongest in strongest in simple interventions (e.g. farm investment, marketing and processing measures) and weakest in those which are more complicated to implement (e.g. agri-environment and producer groups measures).

In general, the programme was successful in preparing the countries for the post-accession programmes. It clearly helped the agricultural sector to be prepared for the accession. However, the impact of SAPARD in preparing the rural areas for accession was less straightforward and was varying across the countries concerned. The speed and efficiency of SAPARD was not satisfactory, although, the effectiveness of the programme turned out be positive, in relation to the overall objectives of the programme. As a key conclusion of the evaluation, the overall relevance of SAPARD Programmes was generally adequate.

Key recommendations:

- Development and implementation of more streamlined and focused programmes
- Dissemination of best practices regarding programme development and implementation
- Intensive and more integrated way of sharing country-level experiences during the programme

Focus area 1: impact of SAPARD on the implementation of post-accession rural development programmes

SAPARD contributed significantly to preparing the countries for implementation of post-accession rural development programmes. As it was the first EU pre-accession programme implemented in a decentralised structure, it placed new programme planning and delivery demands on participating countries. Nevertheless, it facilitated understanding of CAP principles and more efficient implementation of post-accession programmes. It also had an important role in creating necessary professional expertise that contributed to a more efficient and better quality planning of the later programmes. Moreover, the SAPARD Agency (that was required to be established and accredited) and SAPARD-related regulations were used subsequently for the planning and delivery of post-accession programmes. Beneficiaries too learned how to apply for EU funds, and how to manage and report on EU funded projects.

Key recommendation:

- The Commission should continue deploying pre-accession programmes in a decentralised manner

Focus area 2: impact of SAPARD on the preparation of the agricultural sector for accession

The impact of SAPARD was different in the primary production and in the processing sectors. Investments in the primary sector had considerable impact at the individual beneficiary level, but SAPARD could only reach 0.8% of the total farmer population of the 8 countries. On the contrary, in the processing sector, SAPARD could reach 9.5% of the total enterprises; hence its sector-wide impacts were more significant. The programme had a considerably positive impact on individual beneficiaries, both in the primary production and the processing sector. It helped them prepare for EU accession, comply with EU standards and penetrate successfully into new markets, especially in the EU-15. The programme contributed significantly to the improvement of their competitiveness, growth of profit, better quality and added value of products and technological modernisation.

Key recommendation:

- Consideration of distinguishing more between farmers according to socio-economic and geographical factors

Focus area 3: impact of SAPARD on the preparation of rural economies for accession (solving priority and specific problems)

SAPARD was mainly agriculture-focused, wider rural development having a smaller role. Nevertheless, it had an evident, although varying, influence on preparing rural economies for EU accession. SAPARD had a positive impact on job creation (an average of 1.4 new employees per project). Training financed under SAPARD helped in improving knowledge related to legislation, general business skills, and agricultural methods. Diversification measures were

generally not successful, particularly because of their complicated nature and the limited communication of the aims of the measure. The programme had significant impact on quality of life at the local micro community level. However, its relatively low budget prevented SAPARD from having an impact on a greater (national) scale. SAPARD's support intensity rates of below 80% in the case of infrastructure investments could tend to favour the participation of better-off municipalities, which were already in a sound financial situation. SAPARD had positive impacts regarding the introduction of environmentally friendly technologies, although in many cases these arose as side-effects from the main objective.

Key recommendations:

- Consideration of favouring projects implemented by municipalities in under-developed micro-regions
- Improvement of the communication of the objective and modalities of diversification measures
- Greater priority given to environmental aspects in future programmes

Focus area 4: factors influencing the timely, efficient and effective establishment and implementation of SAPARD

In almost all countries, launch of SAPARD was significantly delayed due to lengthy accreditation of SAPARD Agencies and establishment of the necessary regulatory requirements. The resulting limited time for implementation of the programme adversely affected achievement of intended goals. However, SAPARD Agencies in general carried out their roles in a satisfactory way. The establishment of new organisations for the purposes of the implementation of SAPARD was more efficient than the reorganisation of existing ones. Monitoring activities lacked appropriate guidance and electronic support and, inter alia, these systems did not provide sufficient data for evaluations. The usefulness of ex ante and mid-term evaluations was in consequence reduced. Beneficiaries report a high administrative burden in connection with completion of their project (a large amount of paperwork, a high level of bureaucracy etc.). The average deadweight effect of SAPARD was 10%, which shows that the relevance of the programme was high. It is impressive given that the programme tended to support economically viable applicants, which was ensured by strict eligibility criteria. Beyond eligibility criteria, while selection criteria were defined in each programme, no further selection procedures were applied based on the technical content of the applications.

Key recommendations:

- Application of an integrated and secured electronic information system for monitoring
- Orienting countries towards the establishment of new organisations for the purposes of programme management (depends on the given administrative structures)
- Reduction of the administrative burden on beneficiaries and administrative cost of the institutions
- Enhancing the applicability of evaluations and the commitment of the countries to evaluations
- Wider application of selection criteria, instead of applying solely eligibility criteria

Focus area 5: impact of the beneficiaries' financial and managerial situation on the implementation of SAPARD

The availability of both own financial resources and external financial instruments for SAPARD beneficiaries varied by country. Financial institutions were generally not eager to provide tailored financial products, especially micro credits, to the beneficiaries of SAPARD. In many countries, special state aided financial products for beneficiary co-finance (lease schemes, guarantees and credit products) were introduced. By the end of the programming period several financial products were available, allowing less creditworthy applicants to obtain credit. Overall, the majority of beneficiaries did not have serious liquidity problems and the financing of own funds and pre-financing grants was generally appropriate. Around half of the beneficiaries used credits, the majority using general commercial credit products. The availability of managerial resources was appropriate, in which external advisors played a decisive role.

Key recommendation:

- Developing guidance on how to ensure the availability of tailored solutions in the financial market

Focus area 6: coherence, subsidiarity and relevance of SAPARD

The external coherence of SAPARD was appropriate, while many parallel national schemes were in place during the implementation period. All countries reported that the occasional internal inconsistencies between SAPARD measures had been adequately addressed. With respect to subsidiarity, the level of centralisation was appropriate. The relevance of the programme was generally adequate, SAPARD was able to respond to the most crucial needs of the target group. However, in case of certain measures (e.g. village renewal, vocational training) only a small proportion of the target group was treated, thus the impact of these measures were less significant at national level.

Key recommendation:

- External coherence of future programmes with on-going national schemes should be ensured