

**Mid-term Evaluation of the Sapard Programme
2000-2003**

- SYNTHESIS REPORT -

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LIST OF ABBREVIATIONS

AFA	Annual Financing Agreement
CAP	Common Agricultural Policy
CEECs	Central and Eastern European Countries
CEQ	Common Evaluation Questions
ISPA	Instrument for Structural Policies for Pre-accession
MAFA	Multi Annual Financing Agreement
Phare	Pologne Hongrie Aide à la Reconstruction Economique
Sapard	Special Accession Programme for Agriculture and Rural Development

Country Abbreviations

BG	Bulgaria
CZ	Czech Republic
EE	Estonia
HU	Hungary
LV	Latvia
LT	Lithuania
PL	Poland
RO	Romania
SK	Slovakia
SI	Slovenia

0. EXECUTIVE SUMMARY

The present report synthesises the main findings, conclusions, and recommendations of the mid-term evaluation reports of the “Special Accession Programme for Agriculture and Rural Development” (Sapard) in 10 applicant countries of Central and Eastern Europe in the period from 2000 to 2003. The scope of the report is influenced by the fact that programme implementation was still at its early stages in most countries at the time when the mid-term evaluations were carried out in 2003. Therefore, the evaluations often had to concentrate on the administrative set-up, financial inputs, and physical outputs. Analyses in relation to the programmes’ results are based on qualitative rather than quantitative data.

Sapard sets a framework for Community support for sustainable agriculture and rural development in Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia. The main objectives of Sapard are to contribute to the implementation of the *acquis communautaire* concerning the common agricultural policy and related policies and to solve specific problems for the sustainable adaptation of the agricultural sector and rural areas in the applicant countries.

The Sapard programme marks the first time in the history of the EU that external aid is conferred to applicant countries on a fully decentralised basis, requiring an enormous legislative and administrative effort in the participating countries and at Community level. Detailed procedures had to be developed to ensure adequate control of public funds, as prior to accession no Community legislation was directly applicable in any of the applicant countries.

Taking into account the novelty of the challenge to develop and implement a complex decentralised programme like Sapard, all national evaluation reports state clearly that Sapard made a significant contribution to the development of the institutional capacity of the national administration. Sapard is described as an extremely useful learning process and generally as a remarkable success with a view to the preparation for Structural Funds programmes after accession.

For the period 2000-2006, the funds available amount to a total of EUR 520 million annually (at 1999 value). Until the end of the year 2003, in total only 1 190 million € of Sapard contribution were committed.

The programme is realized through a ‘National Agriculture and Rural Development Plan’ for each country. From the range of different measures that Sapard offers, each participating country could choose the appropriate menu for the implementation of its specific strategy for rural development. On average the accession countries included nine measures (out of 15 possible measures) in their national development plan and had on average five measures implemented at the time when the mid-term evaluation was carried out. Only four measures were implemented in a significant number of applicant countries when. By the end of the year 2003 this measures absorbed about 95 % of the funds. Below the main findings for these measures are summarised.

- **Investments in Agricultural Holdings**

All Sapard Countries implemented Measure 1 and a total share of 25% of Sapard funds was allocated to it. The measure was found to be relevant in order to contribute to improved agricultural competitiveness in the Accession Countries. The national evaluation's results showed that the effects the measure has produced are to a large extent

positive: Increased income of the beneficiary farmers, better use of production factors, improved product quality, better working conditions and animal welfare. Only in environmental terms positive results were largely lacking. The national evaluations see the effectiveness of the measure therefore in accordance with the Programme objectives, even if effects are visible rather at micro than at macro level.

- **Improving the Processing and Marketing of Agricultural and Fishery Products**

All Accession Countries implemented this measure. 23% of Sapard funds were allocated to improve the processing and marketing of agricultural and fisheries production in order to become able to meet EU requirements regarding food safety and quality, hygiene, health, animal welfare, and the environment. The measure was widely considered to be relevant to the needs of the agricultural sector in the Sapard countries and in coherence with the main Sapard objectives. Regarding the effectiveness of the measure, evaluation reports conclude that progress in the above sense is being made. On the whole, agro-processing businesses are moving towards becoming EU compliant and competitive in the Single Market.

- **Development and Diversification of Economic Activities, Providing for Multiple and Alternative Income**

This measure was implemented by seven countries (BG, CZ, EE, LV, LT, SK, SI) and absorbed a share of 5.3% of available Sapard funds. The objective of the measure is to reduce rural population dependence on the agricultural sector and to create new employment opportunities and alternative sources of income on and off farms. Support for economic diversification is seen as highly relevant in order to contribute to improved and sustainable income of agricultural households. As regards its effectiveness, Measure 5 only partly met its operational objectives. Supported investments to some extent have helped to increase the income and ultimately living standards of the beneficiary population. However, in this respect exogenous factors may have been far more influential (e.g. development of prices, impact of other Sapard measures, other national programmes) than this diversification measure. Turning to job creation, diversification is found to have slowly started to increase job opportunities, with agro-tourism being the most affected sector.

- **Development and Improvement of Rural Infrastructure**

All Sapard countries implemented this measure. The share of allocated funds to Measure 12 is 42%, driven by Romania and Poland who spent large shares of their funds on this measure. Rural areas in the Accession Countries lag significantly behind the urban areas in physical infrastructure. Therefore Measure 12 was mostly considered as being very relevant. At large, this measure is also considered to be effective. In Poland and Romania which approved a large number of projects, beneficiaries positively assessed the potential impact of completed projects on the local economy and quality of life. However, even in these countries, Sapard funds allocated to this measure were too small for significant impacts at sector level seen in the light of the great infrastructural needs. Moreover, in many cases social infrastructure needs (such as schools, medical centres, kinder gardens...) were found as being most urgent, but they are not covered by the scope of Sapard.

- **Overall Objectives and Impacts**

Contributing to the Implementation of the Acquis Communautaire

The Sapard Programme supported the Accession Countries to aim at compliance with EU standards, in the field of environmental protection, food quality, consumer protection, animal health and welfare, and working conditions. This had not necessarily been in the focus of national support measures for rural areas before 2000. It is widely considered that assisted holdings either will or already have adjusted their production to comply with EU standards. Therefore, Sapard has contributed to the implementation of the *acquis communautaire* concerning the Common Agricultural Policy (CAP) in the Accession Countries. Moreover, the awareness of EU regulations and standards among the rural population has increased.

Contributing to Solve Priority and Specific Problems in the Agricultural Sector and Rural Areas in the Applicant Countries

The Accession Countries more or less suffer from the same threats and weaknesses in agriculture and in rural areas. The most common needs are related to high unemployment in rural areas, low living standards of rural population when compared with the urban population, decreasing rural population, low diversification rate in the rural economy and low standards in relation to environmental protection. Since Sapard targeted at these adverse factors, it is generally relevant in addressing rural needs.

Although there is no reliable quantitative evidence, national surveys indicate that Sapard so far has had a rather modest impact on stabilising rural population, but has facilitated a positive development in relation to creating and maintaining jobs. Evidence from the national evaluation reports indicates that also positive effects regarding the quality of life of the population affected by the projects. However, even though Sapard managed to improve the situation, the Programme's potential impact on rural development was limited due to a relatively low amount of financial means given the great needs in Central and Eastern agriculture and rural areas.

In environmental terms the accession countries face a serious challenge in adopting the EU environmental *acquis*. Common standards have been adopted in the fields of waste management, noise pollution, air pollution, water pollution and the protection of nature and biodiversity. Generally, Sapard has contributed to bring assisted holdings into conformity with EU environmental standards. Hence, the investments had an impact on the environmental situation in the assisted enterprises. On the other hand, the overall environmental impact achieved is rather limited, due to the relatively low amount of financial means. Another factor contributing to this was that measures targeted at the environment were either not implemented or have under-performed both financially and in terms of the number of projects.

- **Programming and Delivery System**

The Commission approved the Sapard programmes of the applicant countries between October and December 2000. The time needed by the applicant countries to draft their programmes and to get them approved is comparable to the time needed by Member States to draft their Rural Development Programmes and get them approved. Nevertheless, the late accreditation and conferral of management to the Sapard agencies

put great time pressure on national authorities. This situation led to a delayed implementation of all national programmes and an initial under-utilisation of Sapard budgets.

As for the **programming**, the majority of evaluations found that the strengths, weaknesses, opportunities and threats analysed in the ex-ante evaluation were still relevant. As to the internal coherence, several measures were regarded as being coherent to each other (e.g. Measure 1 and 2), but national evaluations identified for the majority of the Sapard countries the need for additional effort in order to further enhance the coherence among programmes.

Administrative procedures were very often criticised as being too complex and bureaucratic. An indicator for the constraints resulting from complex procedures is the high number of rejected applications in many Sapard countries. The costs involved in applying for Sapard assistance, and the economic viability criteria which were used as eligibility criteria, indirectly disfavoured smaller farmers and companies who could not afford private consulting services for project applications.

The **slow implementation of the programmes** was not only a result of the long accreditation and programming process. It was also reinforced in some countries by a continuous high turnover of staff in the Sapard agencies. The slow start of Sapard led to a significant under-utilisation of the Sapard budget in the initial years, a trend which seems to have been reversed as of the year 2004.

Despite such shortcomings, and taking account of the novelty of the challenge to develop and implement a complex decentralised programme like Sapard, several national reports describe Sapard as an extremely useful learning process for national administrations and generally as a remarkable success with a view to the preparation for Structural Funds programmes after accession.

1. INTRODUCTION

The present report synthesises the main findings, conclusions, and recommendations of the mid-term evaluation reports of the ten Sapard programmes. Based on the assessment of the programmes' development in relation to their defined objectives, this report draws conclusions at European level about the implementation of Community support for pre-accession measures for Agriculture and Rural Development.

The scope of the present study is influenced by the fact that programme implementation was still at an early stage at the time when the mid-term evaluations were carried out in 2003. Hence, it was not to be expected that results or even impacts would then have become visible to any large extent. The national evaluations often had to concentrate on the administrative set-up, financial inputs, and physical outputs, and base analyses in relation to the programmes' results on qualitative rather than quantitative data.

Figures presented in this synthesis report reflect the state of development of programmes at the time when the mid-term evaluations were carried out (normally mid-2003). In a few cases figures have been updated in the light of information available at the end of the year 2003. A full appreciation of the contribution of the support scheme to its objectives will only be possible at the stage of the mid-term evaluation updates, where applicable, and the ex-post evaluations of Sapard programmes in 2008.

The approach of this synthesis evaluation follows largely the Commission's guidelines for the evaluation of Sapard programmes and the requirements set out there.¹ Besides methodological advice, the guidelines presented a set of Common Evaluation Questions (CEQ)² with related criteria and indicators, which had to be answered by the national evaluations where applicable and to the extent possible at the given stage of programme implementation. Besides covering the eligible measures, the CEQ also covered the overall objectives of Sapard. Furthermore, programme authorities were advised to define their own programme-specific evaluation questions and indicators where the nature of the programme so commanded.

It has to be conceded that a number of CEQ were not answered to a satisfactory extent across all evaluation reports, mostly for the reason of a lack of quantified data in relation to the given indicators. However, for the purpose of this synthesis evaluation, efforts were made to relate any information available from the national reports to either the CEQ or the analysis of the overall objectives of Sapard. In consequence, the answers to the CEQ, and particularly to the crosscutting questions are often presented in qualitative rather than in quantitative terms.

Beyond answering the CEQ, the national evaluations had to verify:

- the continued appropriateness of the programme strategy, i.e. the relevance of the measures chosen,
- the initial achievements of the programmes and effectiveness and efficiency to date
- the appropriateness of arrangements for programme implementation and monitoring

¹ Guidelines for the evaluation of Rural Development Programmes supported by Sapard and Guidelines for the mid-term evaluation of rural development programmes funded by Sapard 2000-2006 (cf. http://ec.europa.eu/agriculture/external/enlarge/eval/index_en.htm)

² The CEQ were grouped into measure-specific questions, cross-cutting questions, referring to coherence and effectiveness of programmes, and overall questions, relating to the overall objectives of Sapard. For a full list of the evaluation questions listed in the Commission guidelines see annex 1

Accordingly, **this report is structured** to present an analysis of the relevance, effectiveness, and efficiency of the individual measures across the programmes (chapter 3) as well as the contribution of the Sapard programmes to meeting the overall objectives of the scheme and the assessment of the programming and delivery system (Chapter 4) by using the CEQ presented in the Guidelines. The conclusions for the individual measures and for the overall objectives also take up findings from the national reports which were not expressed as answers to the CEQ (Chapter 5). In Chapter 6 recommendations derived from the national reports regarding individual measures, impacts and overall objectives, and the programming and delivery system of Sapard are presented.

2. THE SAPARD PROGRAMME

2.1. OBJECTIVES AND GENERAL APPROACH

Sapard provides a Community framework for supporting sustainable agricultural and rural development in the central and eastern European applicant countries during the pre-accession period. It is designed to solve problems affecting the long-term adjustment of the agricultural sector and rural areas and to help implement the Community *acquis* in matters of the common agricultural policy (CAP) and related policies.

The specific objectives as set in article 1 of the Regulation 1268/99 adopted by the Council of Ministers in June 1999 are³:

- a) contributing to the implementation of the *acquis communautaire* concerning the common agricultural policy and related policies;
- b) solving priority and specific problems for the sustainable adaptation of the agricultural sector and rural areas in the applicant countries.

To achieve these objectives Sapard, unlike Phare and Ispa, specifically requires each applicant country to draw up a development plan in accordance with the principles of the programming approach used by Member States for rural development programmes. In their plans Applicant Countries had to ensure that priority is given to measures to improve market efficiency, quality and health standards and measures to create new employment in rural areas, in compliance with the provisions on the protection of the environment.

The implementation of Sapard is based on two fundamental principles:

- development for each applicant country of a programme for agriculture and rural development covering the period 2000-2006 on the basis of the principles applied under the Structural Funds,
- conferral of management to the applicant countries on a fully decentralised basis with ex-post control by the Commission based on the principles of EAGGF Guarantee finance management.

2.2. MEASURES

The development plan can include up to 15 measures set out in the Sapard Regulation. Many are similar to those available to Member States under Community co-financed agricultural and rural development programmes, a limited number aim at building capacity to implement the *acquis* such as improving structures for quality, veterinary and plant health controls, setting up producer groups, and land registers. The measures are:

Measure 1: Investments in agricultural holdings

Measure 2: Improving the processing and marketing of agricultural and fishery products

Measure 3: Improving the structures for quality, veterinary and plant-health controls, for the quality of foodstuffs and for consumer protection

Measure 4: Agricultural production methods designed to protect the environment and maintain the countryside

³ As set out in article 1 of the Regulation (EC) 1268/99 adopted by the Council of Ministers in June 1999.

- Measure 5: Development and diversification of economic activities, providing for multiple activities and alternative income
- Measure 6: Setting up farm relief and farm management services
- Measure 7: Setting up producer groups
- Measure 8: Renovation and development of villages and the protection and conservation of the rural heritage
- Measure 9: Land improvement and re-parcelling
- Measure 10: Establishment and updating of land registers
- Measure 11: Improvement of vocational training
- Measure 12: Development and improvement of rural infrastructure
- Measure 13: Agricultural water resources management
- Measure 14: Forestry, including afforestation of agricultural areas, investments in forest holdings owned by private forest owners and processing and marketing of forestry products
- Measure 15: Technical assistance for the measures covered by this Regulation, including studies to assist with the preparation and monitoring of the programme, information and publicity campaigns

In total 13 measures were finally chosen by the countries to be included in the programmes; four of them were included in all programmes. At that time when the mid-term evaluation was carried out the countries had in average 5 measures implemented out of 9 measures in average included in the programmes. The following tables show which measures were included in the programmes of each applicant country and the measures implemented by the end of 2003 in each applicant country.

Table 1: Planned Measures by Country

	BG	CZ	EE	HU	LV	LT	PL	RO	SK	SI
Measure 1	×	×	×	×	×	×	×	×	×	×
Measure 2	×	×	×	×	×	×	×	×	×	×
Measure 3		×						×		
Measure 4	×	×	×	×	×	×	×	×	×	×
Measure 5	×	×	×	×	×	×	×	×	×	×
Measure 6										
Measure 7	×			×				×	×	
Measure 8	×	×	×	×					×	
Measure 9		×			×				×	
Measure 10										
Measure 11	×	×		×	×	×	×	×	×	
Measure 12	×	×	×	×	×	×	×	×	×	×
Measure 13	×							×		
Measure 14	×		×		×	×		×	×	
Measure 15	×	×	×	×	×	×	×	×	×	×

Source: Evaluation Reports

Table 2: Implemented Measures by Country

	BG	CZ	EE	HU	LV	LT	PL	RO	SK	SI
Measure 1	×	×	×	×	×	×	×		×	×
Measure 2	×	×	×	×	×	×	×	×	×	×
Measure 3		×								
Measure 4		×								
Measure 5	×	×	×		×	×			×	×
Measure 6										
Measure 7	○									
Measure 8	○	×								
Measure 9		×							×	
Measure 10										
Measure 11	○	×			×	×				
Measure 12	○	×	×	×	×	×	×	×	×	×
Measure 13										
Measure 14	○				×				×	
Measure 15	○	×		×				×		

Source: Evaluation Reports

× – Accredited measure by the end of 2003 and covered by the evaluation report

○ – Accredited measure by the end of 2003 but not covered by the evaluation report

The Sapard funds available amount to a total of EUR 520 million annually (at 1999 value) over the period 2000-2006.

Table 3: Annual Indicative Budget Allocations (in EUR million, at constant 1999 prices)

Country	Annual allocation (million EUR)
Bulgaria	52.124
Czech Republic	22.063
Estonia	12.137
Hungary	38.054
Latvia	21.848
Lithuania	29.829
Poland	168.683
Romania	150.636
Slovakia	18.289
Slovenia	6.337
Total	520.000

Source: European Commission

By the end of the year 2003 most of the Sapard resources were allocated to Measure 12 (42%) followed by Measure 1 (25%) and Measure 2 (23%). The remaining measures accounted for 10% of the total funds. The high share of resources allocated to Measure 12 was driven by Romania and Poland who allocated respectively 87% and 58% of funds to these two measures. The rest of the countries allocated most of the funds to Measure 1 and/or to Measure 2.

Table 4: Sapard Contribution Committed by Measure and by Country until the End of the Year 2003 (in million EURO)

	BG	CZ	EE	HU ¹⁾	LV	LT ²⁾	PL	RO	SK	SI	Total
Measure 1	45.7	19.3	24.6	8.4	26.5	32.2	95.3	38.5	6.3	4.4	301.1
Measure 2	76.2	23.1	14.0	25.5	19.5	54.5	33.0		20.5	6.4	272.7
Measure 3		8.8									8.8
Measure 4		0.5									0.5
Measure 5	12.3	11.8	9.7		16.2	7.6			3.1	2.0	62.7
Measure 6											
Measure 7											
Measure 8		16.3									16.3
Measure 9		17.3							5.3		22.6
Measure 10											
Measure 11		0.6				1.6					2.2
Measure 12		8.4	1.4	18.3	2.4	18.3	177.0	262.3	12.6	2.4	499.4
Measure 13											
Measure 14					2.1				0.7		2.8
Measure 15		0.3						0.5	0.2		0.9
Total	134.2	106.3	49.7	52.2	66.7	110.6	305.2	301.2	48.7	15.3	1 028.0

1.) Situation per end November 2003

2.) Situation per end January 2004

Table 5: Distribution of Sapard Contribution Committed by Measure and by Country until the End of the year 2003 (%)

	BG	CZ	EE	HU ¹⁾	LV	LT ²⁾	PL	RO	SK	SI	Total
Measure 1	34.1	18.2	49.5	16.1	39.8	29.1	31.2	12.8	12.9	28.9	25.3
Measure 2	56.8	21.7	28.2	48.9	29.3	10.8	10.8		42.1	42.0	22.9
Measure 3		8.2									0.7
Measure 4		0.5									0.04
Measure 5	9.2	11.1	19.6		24.3				6.4	13.1	5.3
Measure 6											
Measure 7											
Measure 8		15.4									1.4
Measure 9		16.3							10.9		1.9
Measure 10											
Measure 11		0.5				1.5					0.2
Measure 12		7.9	2.8	35.0	3.5	13.2	58.0	87.1	25.9	16.0	42.0
Measure 13											
Measure 14					3.2				1.5		0.2
Measure 15		0.3						0.2	0.3		0.08
Total	100	100	100	100	100	100	100	100	100	100	100

1.) Situation per end November 2003

2.) Situation per end January 2004

The Community budget contribution to financing of Sapard measures may reach a maximum of 75% of the total public expenditure (minimum 25% contribution from the applicant country). For revenue-generating investments, the maximum share of total public aid may amount to a maximum of 50 % of the total eligible cost of which Community contribution may be up to 75%.

Aside of these rules, there is also provision for technical assistance funding for the implementation of the Sapard programmes, where the EU support can be up to 100%.

2.3. DELIVERY SYSTEM AND FINANCIAL OUTPUTS

One of the objectives of Sapard is to give future Members of the EU an opportunity to gain valuable experience in applying the mechanisms for management of agriculture and rural development programmes and to build skills that will be readily transferable to other structural funds activities. Therefore the Commission decided that Sapard should be implemented in a *decentralized* manner, which closely follows the system for similar programmes for Rural Development in EU Member States. The decentralisation allows for the management of a large number of small projects as envisaged under Sapard from the start of the programme.

This was the first time in the history of the EU that the management of external aid was conferred to applicant countries on a fully decentralised basis, requiring an enormous legislative and administrative effort on both sides which posed a major challenge in the setting-up phase of Sapard. Detailed procedures had to be developed to ensure adequate

control of public funds, as prior to accession no Community legislation was directly applicable in any of the applicant countries.

In a first stage, the Commission had to approve for each applicant country the national agriculture and rural development plan to be co-financed from the Community budget, covering the period of seven years (2000-2006). This approval took place for all applicant countries in October or November 2000.

In a second step, the Multi-Annual Financing Agreement (MAFA) had to be concluded, which lays down the bilateral legal framework for the co-operation. It also includes the detailed provisions for delegating the management of the programmes to the applicant countries, including the necessary financial control rules and other provisions such as monitoring and evaluation requirements and rules for the co-ordination with other instruments such as Phare and Ispa. Within the framework of the MAFA, the Annual Financing Agreement (AFA) sets out the Community financial commitment for each applicant country for each year. It may also be used to amend the rules of the MAFA. The MAFA for the different applicant countries were concluded between April 2001 and January 2002.

In a third step, the applicant country had to accredit the Sapard paying agency responsible for payment and implementation of the measures approved in the Programme. The Sapard agency has sole responsibility for selecting and managing projects, arranging finance and carrying out controls. The accreditation by the applicant country was examined by the Commission, which, if the results of the examination were satisfactory, conferred the management of the Sapard aid on the agency. The transfer of funds could then start. The first conferral of management of aid to a Sapard agency took place in May 2001, while one applicant country had the first conferral of management only in November 2002.

Under Sapard, payments to beneficiaries must be based on expenditure incurred by the beneficiaries. Candidate countries may submit applications for payment to the Commission in respect of an annual financial commitment for up to two years following the year of commitments. In other words, a financial commitment made prior to accession in the year 2004 can be paid until the end of 2006.

While the Sapard Regulation⁴ was agreed by the Council in June 1999, the implementing regulation was only adopted on 29 November 2000. By 31 December 2003, total commitments to final beneficiaries amounted to 1.190 million EUR, which is 55% of the 2000-2003 allocation of 2.183 million EUR. In the same period, actual payments by the Commission to reimburse expenditure incurred by the beneficiaries totalled 210 million EUR (9.6% of allocation).

⁴ Regulation (EC) 1268/1999.

3. EVALUATION OF INDIVIDUAL MEASURES

3.1. MEASURE 1 - INVESTMENTS IN AGRICULTURAL HOLDINGS

Measure 1 supports national strategic actions that aim at improving agricultural competitiveness. It provides grant aid for capital investment in farm machinery, farm equipment, buildings and other production facilities. The objective of this measure is to improve the structure of agricultural holdings, improve efficiency by reducing the costs of production, encourage acquisition of modern equipment and technologies, improve the quality of production, increase the competitiveness and economic viability of the Accession Countries' farms and agricultural enterprises, and increase the level of income of the farming population.

Table 6: Impacts of Measure 1

	income	better use of production factors	product quality	working conditions	animal welfare	environmentally friendly farming
BG	x	x	+	+	+	+
CZ	+	+	++	++	++	++
EE	x	+	++	x	++	x
HU	++	+	+	+	-	-
LV	x	+	+	+	+	x
LT	+	+	+	+	+	+
PL	+	+	+	+	+	+
RO⁵	x	x	x	x	x	x
SK	+	x	x	x	++	-
SI	+	+	++	++	++	++

Source: National evaluation reports

Note: x: no answer

-: situation remained more or less the same after applying the measure

+: measure had a small effect

++: measure had a large effect

CEQ A.I.1 To what extent have the supported investments contributed to improve the income of beneficiary farmers?

There is evidence from the great majority of the Accession Countries that the average income of the beneficiaries increased due to the supported investments (LT, PL, CZ, SK, HU, SI). Quantitative evidence from three countries suggested that income amongst beneficiaries was either higher or improved compared to non-beneficiaries (PL: average income of beneficiaries increased by 20%; SK: estimated increase of gross profit in assisted businesses on average by 11 % within the next five years; HU: increase in gross farm income of assisted holdings estimated around 10%).

⁵ Accredited but not implemented measure.

The quantitative figures on increased agricultural incomes are supported by the results of beneficiary surveys in a number of cases. In Lithuania, a national survey shows that for the majority of beneficiaries (63%) income increased after receiving Sapard support. In Slovenia, too, the supported investments contributed to an increase in agricultural incomes. 43% of the beneficiaries surveyed experienced a significant increase in farm incomes, while another 43% reported a moderate improvement in farm incomes (increase from 0 to 10%). Also in the Czech Republic the supported investments contributed to an increase in income for the primary producers, although to a lesser extent: 50% of interviewed farmers experienced an increase in income. Another 25% did not experience any changes, whereas the remaining 25% experienced a decline in their farm income.

Some national reports pointed out (SI, CZ) that farm income is not only affected by supported investments but also by external factors (e.g. prices). Czech case studies, for instance, highlighted the decline in prices of agricultural goods, problems regarding marketing of agricultural products and problems penetrating export markets as main factors determining the income of primary producers. The Lithuanian evaluators underlined that the farm gate price remains a critical factor which could have a negative impact on the achievement of business plan targets when prices go down or when subsidies change.

To sum up, it appears reasonably certain that in comparison to the incomes of non-beneficiaries incomes for beneficiaries generally improved. The major explanation for this is that due to investments the farms under investigation expanded the scale of production very fast. This increase in quantity of production more than outweighed decreased producer prices and – due to investments – increased depreciation costs. In this relation also economies of scale played an important role.

CEQ A.I.1 To what extent have the supported investments contributed to a better use of production factors on holdings?

Investments may increase efficiency through the addition of extra resources and may allow alterations to the production factors which in turn may allow a higher profit to be achieved, for example by replacing labour input with capital in the form of machinery. In fact, evidence from a number of countries (SI, CZ, PL, HU, EE) shows that the supported investments have led to a better use of production factors, which had a direct effect on the productivity and an indirect effect on the use of input factors: In Slovenia 57% of the beneficiaries stated that the supported investments led to significant increase in the productivity, while 21% stated that the investments had moderate effects. In the Czech Republic 71.7% found that investments had led to an increase in productivity, while 9.7% did not see this effect. In Poland, too, the improvement of labour use on farms involved in the Sapard Programme was regarded as being evident. This was found true even though it was difficult to measure the programme effect on the use of production factors at this stage since only a small number of investments in relation to the number of applications submitted were completed.

In Hungary the picture is less clear. For the different production sectors an increased output per hectare and output per hour of labour is expected on assisted holdings. Also the production costs per unit of products sold are expected to rise, since an increased level of processing will raise collateral costs. Apart from this an increase is expected in the marketing costs. Businesses forecasted a 27% increase concerning this type of cost. Generally it is expected, that the increase in costs will be compensated by higher product prices.

In Estonia, productivity per worker increased in most sectors (10% in animal barns, 5.6% in crop protection, 7.2% in crop cultivation), and the use of labour related production factors has improved. In addition, the Estonian report pointed out indirect outcomes of the investments resulting in a better use of production factors, namely the increase of knowledge and

experience in accounting and financial management. The Estonian evaluators consider that the accounting systems of beneficiaries increased in quality as a result of Sapard assistance, even if significant further improvements are still necessary. Positive effects on accounting practices have in turn an indirect effect on the better use of production factors, since accounting all cost and revenues in a proper manner is the first step to manage the holding in an efficient way.

CEQ A.I.3 To what extent have the supported investments improved the quality of farm products in compliance with EU standards?

The majority of the Accession Countries (LV, LT, PL, HU, BG, EE, CZ, SI) provided strong evidence that Sapard has helped to improve the quality of farm products. For other countries, reports even stated that the impact was significant: In Poland, the value of sales with quality certificates has grown by 27.5%. In Slovenia, 57% of the interviewed beneficiaries found that Sapard assistance improved product quality to a large extent. In addition, 71% felt that hygienic standards, which can be regarded as another parameter determining the quality and competitiveness of the agricultural products, have improved to a large extent due to assistance and further 28% stated a limited improvement. The Latvian report stated that 75% of the projects objectives refer to achieve EU compliance.

This effect is mainly a consequence of the fact that supported projects included modern equipment which was usually not available on beneficiary farms before the implementation of the investments. In addition, a contributing factor might have been the fact that the baseline for product quality was generally low in the accession countries and hence the marginal effect of the investments is relatively high. In Lithuania, for instance, 100% of those who replied to the national questionnaire said that their product was not EU certified before receiving Sapard assistance. 56% of the respondents regarded Sapard support as being helpful in making their products compliant to Community standards. In Slovenia, where little evidence of direct effects on improved quality of the farm products was found, at least an increase in the hygienic standards could be observed.

In sum, there is strong evidence that investments led to an increase in the compliance with EU quality standards, manifested mainly through the fact that basically all investments have to comply with EU food quality standards.

CEQ A.I.4 To what extent have the supported investments improved production conditions in terms of better working conditions in compliance with EU standards?

Generally, meeting the EU working conditions standards was not an explicitly stated objective of the national Sapard programmes. However, since the Programme supported investments in purchases of safer agricultural machinery and equipment, safety and hygiene of work improved automatically in the majority of the Accession Countries (LV: in total terms, 143 farms showed improved working conditions; PL: labour conditions improved in 80% of the surveyed farms; CZ: 92% indicated a significant improvement in working conditions; HU: 35% of the examined businesses expected positive effects on working conditions; SI: 100% of interviewed beneficiaries regarded the improvement of the working environment as being significant; BG: 90% found that health and safety at work increased).

CEQ A.I.5 To what extent have supported investments improved production conditions in terms of animal welfare in compliance with EU standards?

Improving animal welfare is an obligatory requirement of good farming practice under the EU *acquis*. Hence, in almost all Accession Countries improvement of animal welfare was put forth as a major incentive for investments. In fact, Sapard support has helped to improve animal welfare conditions in compliance with EU standards in almost all countries (EE: 85.9% of all animal barns met EU animal welfare requirements; LT: 70% of respondents said that they kept their animals housed in accommodation that meets EU standards; PL: on the farms assisted by Sapard the number of livestock pens have increased by 35% for dairy cows, 67% for pigs, 44% for sows and porkers; CZ: 77.8% stated a significant improvement and 11.1% a limited improvement; SK: the number of animals housed in accommodation that meets EU standards is significantly increasing; SI: 100% of respondents that invested in stables stated that there had been a significant improvement on animal welfare; BG: 66% of beneficiaries allocated part of the investments for improvement of animal welfare, 79.3% of livestock were bred in premises, which cover EU requirements for animal welfare). In the absence of clear baselines, the effect of Sapard in this respect was not quantifiable, but all reports identify at least a positive trend. The Hungarian report was the only one to highlight that the Sapard Programme itself was regarded as being insufficient in order to solve the country's animal welfare problems.

CEQ A.I.6 To what extent have supported investments facilitated environmentally friendly farming?

Generally, environmental improvement was not a direct purpose of individual Sapard projects. Only a few farms applied for direct environmental investments (EE, LT, SI). However, investments in new technology have in many cases positive effects regarding environmentally friendly farming. For instance technical equipment with less energy consumption improved energy efficiency, better isolated storage facilities saved energy consumption on the farm. The majority of the accession countries therefore claimed that the supported investments contributed to environmental protection. But the absence of specific environment indicators made quantitative evaluation approaches impossible (BG, LV). It can be concluded that environmental effects of Sapard projects were limited. However, a number of farmers began to consider environment as a high profile issue. This better understanding was reflected in improvements to on-farm waste and excess manure management, as well as the way in which manure was spread (LT).

3.2. MEASURE 2 - IMPROVING THE PROCESSING AND MARKETING OF AGRICULTURAL AND FISHERY PRODUCTS

The objective of Measure 2 is to support the restructuring (concentration, rationalisation and modernisation) of the agri-food industry in order to achieve that these become able to compete successfully in domestic and external markets. To achieve this strategic actions targeted on restructuring the sector, developing higher value-added products, meeting EU hygiene, food safety and quality standards, introducing environmentally friendly technologies, increasing efficiency and improving the structure for quality, veterinary and plant health controls were eligible within this measure.

Table 7: Impacts of Measure 2

	processing/ marketing	product quality	health and welfare conditions	protection of the environment	ability to compete in the single market
EE	X	x	x	x	++
LV	X	x	x	-	-
LT	+	+	-	x	+
PL	X	+	+	+	x
CZ	+	++	+	-	+
SK	X	+	+	+	x
HU	+	+	-	x	x
SI	++	++	++	+	-
BG	++	+	+	+	x

Source: National reports

Note: x: no answer

-: situation remained more or less the same after applying the measure

+: measure had a small effect

++: measure had a large effect

CEQ A.II.1 To what extent have the supported investments helped to increase the added value of agricultural and fishery products through improved and rationalised processing and marketing of products?

There is evidence from the majority of the Accession Countries that Sapard has resulted in positive effects on added value of agricultural products in terms of a more rationalised use of production factors and processing procedures and of improved outlets (SI: 87.5% of the respondents stated that the supported investments to a large extent resulted in an increased added value of products; CZ: 42.9% of the beneficiaries stated that the supported investments to a large extent resulted in an increased added value; LT: 100% of the interviewees said that Sapard support increased the average capacity utilisation of their processing plants; PL: average increase in value added about 5% from 84% to 89% with regard to the use of assisted processing and marketing lines; the processing/marketing costs went down by 28% while keeping the operation cost unchanged; BG: investments made a significant contribution to improve the processing companies competitiveness; SK: expected a positive impact on capacity use, added value, unit cost; but not on creation of new markets).

CEQ A.II.2 To what extent have the supported investments helped to increase the added value and competitiveness of agricultural products by improving their quality?

Higher product quality assures a better market penetration and higher sales value and profitability. For Sapard beneficiaries the quality of products and consequently the competitiveness of the companies improved largely due to the Programme's support. According to a Czech questionnaire, 77% of the beneficiaries experienced a large increase in terms of product quality and 20% confirmed that the support resulted in a limited increase in quality. In relation to the increased quality of the products, about 56.3% of the beneficiaries stated that the support to a large extent had positive effects on the competitiveness of their company and 34.4% found that the support had a limited effect in terms of improved

competitiveness. In Bulgaria, survey data showed that improvements in product quality were the main purpose for investments for 63% of the beneficiaries. In 42% of the cases the main purpose was the upgrading of technology that would lead to more diversified production list, better quality and reduction of costs. Also, in Slovenia 75% of beneficiaries confirmed that competitiveness increased due to aid in improving product quality. In Poland, a survey carried out prior to the investments made, showed that 53% of the raw material supplied to assisted companies met EU quality requirement, whereas 62% did at the time of evaluation. Though the Polish overall value of supported farm sales has grown by only around 1%, the value of sales with quality certificates has grown by 27,5%. The share of products in line with the EU quality standards has grown from 19,5% to 24,7%, (a relative growth of 26%).

Summing up, the Sapard Programme has a positive effect in terms of making food processing companies more competitive. This identified increase in competitiveness is in turn related to the improved quality of the produced products.

CEQ A.II.3 To what extent have the supported investments improved health and welfare conditions in compliance with EU standards?

Regarding compliance of processing companies with Community standards in relation to health and welfare conditions, the evaluation reports from a number of Sapard countries (CZ, SI, SK, PL) show rather positive effects. In the Czech Republic, a significant positive effect was identified in relation to health conditions: 57.8% of the interviewed beneficiaries experienced significant improvements in relation to working conditions. When turning to animal welfare though, a different picture shows: Here, 52.2% stated that there had been no improvements in relation to animal welfare. Also, it is worth noticing that 37% of the beneficiaries did not even answer the question related to animal welfare. In Slovenia, too, assisted projects showed significant positive effects in relation to health conditions at work and reduction of working accidents: 75% of respondents to the Slovenian questionnaire expected a reduction of accidents at work. Furthermore, all interviewees stated that the investments had notable effects on normative conditions (veterinary and animal welfare standards). In Slovakia, the investments in all sub-sectors were mainly aimed at improving the nutritive and hygiene quality of products for human consumption. The sample survey showed no direct investments on the improvement of animal welfare standards in the processing companies. However, it was an eligibility criterion that projects had to be in compliance with the EU standards in this field. In Poland, too, surveys showed that among the plants supported, the number of those complying with animal health and welfare standards has gone up by 50%, whereas the number of those meeting workplace safety and hygiene requirements was up by 15% as a result of implemented investment projects.

In contrast, Hungaria and Lithuania indicated no significant impact of supported investments under Sapard on health and welfare conditions. For Hungary, probable reasons for this fact lie in the late start of the programme and the long application processing. In Lithuania, almost 40% of beneficiaries interviewed did not apply EU workplace safety and hygiene conditions. Concerning compliance with EU standards on animal health and welfare conditions, processors gave this a lower priority compared to meeting EU quality standards, raising efficiency, reducing costs, increasing marketing and raising capacity utilisation.

CEQ A.II.4 To what extent have the supported investments contributed to protect the environment?

Even though it is difficult to estimate the likely environmental impact of this measure due to a lack of monitoring data, evidence from several Sapard countries indicates that specific

investments did to some extent improve environmental performance. Thus, supported investments in Bulgaria were found to generally have contributed to environmental protection. However, one of the major environmental problems remains the collection of waste. A second main problem observed was the availability of waste water purification plants. Feedback from some beneficiaries pointed out the need of accompanying the investments into processing and marketing by investments for the construction of waste water purification plants.

The Slovenian report referred to the fact that existing national legislation already required high environmental standards for food processing enterprises and therefore they already had been mostly in compliance with EU requirements. Moreover, all investments assisted by Sapard implicitly took environmental concerns into account, since applicants for support had to present also the impact assessment on environment. Consequently, 75% of beneficiaries saw positive effects on the environment as a result of the assisted investments. The Slovak report, too, pointed out that all investment projects had to comply with Community environmental standards, because this was one eligibility criterion. For the introduction of a complete new processing line to diversify the range of products or to increase capacity a plan had to be elaborated in order to prove the impact on the environment.

In all other sub measures the investments under the processing and marketing measure showed positive environmental effects in terms of improvements in energy supply efficiency due to new machinery and technical equipment.

In contrast, environmental effects turned out to be less significant in the Czech Republic and in Latvia. In the Czech Republic only 25.8% of the interviewed beneficiaries stated that the support investments affected the environmental impacts from production significantly. 24.2% said there had not been any improvements at all. In Latvia, there were neither direct impacts (no projects addressing the waste management issue) nor indirect impacts found.

CEQ A.II.5 To what extent have the supported investments contributed to restructuring the processing food industry in the sectors involved in order to be able to compete in the single market?

Agri-businesses in the Accession Countries are moving towards compliance with Community standards and become increasingly able to compete in the Single Market in terms of price and quality. This is reflected in a variety of data provided from a number of countries (CZ, EE, LT, LV, SK). For instance, a survey of Czech beneficiaries showed a clear improvement of their competitive position and a high and significantly increased rate of compliance with EU requirements due to the supported investments. Although 50% of the beneficiaries have currently no export activities, the supported investments will allow them to export to the Single Market and also to defend shares on the national market after EU accession.

Also in Estonia, it was found that Sapard aid contributed significantly to bringing the meat sector into conformity with EU rules. In this sector, a significant decrease in the number of enterprises that took place in the last three years resulted in an automatic selection of more qualified and stronger enterprises. In Lithuania, 87% of the beneficiaries said that they feel able to compete in the Single Market. In Slovakia, too, a positive impact in helping sectors to compete in the European common market was expected. However, the sustainability of the supported businesses are seen to depend only to a small extent on the conditions of project implementation. Both the development of external factors (development of prices etc.) and internal factors (capacity, managerial skills etc.) are rather more important.

On the other hand, some Accession Countries were not able to confirm the positive development the above mentioned countries experienced. For instance, Sapard supported

investments in Hungary were only of limited effect for food processing companies to become able to compete in the Single Market. In Latvia, the total number of projects was so small (only 33 approved and 7 completed projects) that the overall impact on the food processing industry was rather limited. In Slovenia, too, only limited impact on the environment could be investigated. Export did not significantly increase after assistance and the share of exports sold on EU markets amounted only to 20% of the total export.

Across most Sapard countries, beneficiaries for investments into processing and marketing were in most cases relatively big companies – their productivity, employment, sales turnover and fixed assets were significantly higher compared to the average companies for the supported sectors (HU: 97% of the resources were used by medium and large enterprises; BG: large farms obtained the largest share of Sapard funds; CZ: 25% of the beneficiaries were small companies, whereas more than 60% were large companies).

3.3. MEASURE 3 - IMPROVING THE STRUCTURES FOR QUALITY, VETERINARY AND PLANT-HEALTH CONTROLS, FOR THE QUALITY OF FOODSTUFFS AND FOR CONSUMER PROTECTION

The overall objective of this measure is to contribute to the implementation of the *acquis* within the sanitary-veterinary, plant-health and foodstuff quality control fields. This measure is considered to support the sustainability and success of Measure 2 and thus the output and export of processed products. As such, the importance of this measure should be reflected in its implementation in the near future due to its role and vital link with the processing and marketing sector. However, only the Czech Republic implemented this measure.

There are indications that the measure did contribute to improve the quality of foodstuffs and the consumer protection in compliance with EU standards. 66% of the respondent to a questionnaire in the Czech Republic indicate that their company became compliant with the EU standards concerning quality of foodstuffs due to the supported investment and 14 % of the respondents state that they were in compliance even before the investment took place. These companies were therefore expected to be able to compete within the single market from the date of accession. It can therefore be concluded that due to this relatively high level of compliance with EU-standards consumer protection also improved.

However, a certain risk of dead-weight effects was detected by the Czech evaluators. The country's questionnaire revealed that 30% of the beneficiaries were only to a limited extent dependent on Sapard support in order to carry out investments. 7.5% of the requested beneficiaries replied that their investments did not depend on Sapard, i.e. that they would have continued with their investment even though Sapard support was not available.

3.4. MEASURE 4 - AGRICULTURAL PRODUCTION METHODS DESIGNED TO PROTECT THE ENVIRONMENT AND MAINTAIN THE COUNTRYSIDE

The main objective of this measure is to gain sufficient experiences for future agri-environmental programme preparation by supporting pilot projects. The Czech Republic was the only country to implement this measure at the time the Mid-term Evaluation was carried out. Funds devoted to the measure were rather modest. Only 29 projects in 5 pilot areas were supported.

The agri-environment schemes promoted by Measure 4 had incorporated an entirely new concept requiring a complex administration and implementation, which was rather unfamiliar for the majority of the local staff. Equally, stakeholders were often lacking knowledge and/or

experience to effectively participate in scheme development and implementation. The measure was therefore seen as important to increase the experience in developing and running pilot agri-environmental schemes.

3.5. MEASURE 5 - DEVELOPMENT AND DIVERSIFICATION OF ECONOMIC ACTIVITIES, PROVIDING FOR MULTIPLE ACTIVITIES AND ALTERNATIVE INCOME

The overall objective of this measure is to contribute significantly to the creation of new jobs and the stabilisation of existing ones by the development of business activities, thus raising the economic stability of rural areas and stemming rural depopulation. The eligible activities include: rural tourism, local craftsmanship and agro-industry, timber, carpentry and bio-fuels, silkworm breeding, beekeeping, horse-breeding and fish and aqua culture. This measure was implemented in all Sapard countries except Poland and Hungary.

Table 10: Impacts of Measure 5

	income	employment
EE	-	-
LV	-	++
LT	+	+
PL	n.a.	n.a.
CZ	+	-
SK	+	-
HU	n.a.	n.a.
SI	+	+
BG	+	+

Source: National reports

Note: x: no answer
 -: situation remained more or less the same after applying the measure
 +: measure had a small effect
 ++: measure had a large effect
 n.a.: measure not applied

CEQ A.V.1 To what extent have the development and diversification of on-farm and/or off-farm activities contributed to increase the income (and the standard of living) of the beneficiary rural population?

There is evidence from four Accession Countries that income amongst farmers improved due to new business activities (SK: income in the tourism sector increased by 30%; SI: 29.4% of the beneficiaries' income improved significantly and for 5.9% of the beneficiaries income improved slightly; EE: from 2001 to 2002 a 48% increase in profit had been achieved; CZ: 7.8% confirmed a significant improvement in the standard of living, 35.5% found that it improved slightly).

Only the Latvian report regarded the impact on alternative income generation - even though uptake under this measure was reasonable - as being negligible so far since only a small number of projects were completed. Limiting eligibility to rural tourism, crafts and non-

traditional agriculture was criticized; instead, putting emphasis on attracting manufacturing or service related firms also as future employment possibilities for farmers was recommended, especially for those areas that are under-developed and show high levels of unemployment. Similarly, the Estonian evaluation criticised eligibility criteria a too much oriented towards agricultural actors.

CEQ A.V.2 To what extent have the development and diversification of on-farm and/or off-farm activities helped to create new employment opportunities?

Investments carried out under this measure generally achieved some potentials in terms of improved efficiency of labour allocation on farms. Diversified income sources and increased income potentials had a potential in direct (job creation) and indirect (increased labour productivity) terms. The majority of the Accession Countries provided evidence that infers a marginal positive impact on employment (LT: 240 jobs were created/maintained; SK: the creation of a total number of 39 new jobs was expected; BG: 164 new jobs were created in supported companies, out of which 48% were held by women; LV: 1018 jobs were created and/or safeguarded; SI: 57% of beneficiaries expected that investment in supplementary activity would result in safeguarding jobs on the farm).

Agro-tourism turned out to be the most important sector for generating additional income (BG: 58% of the applicant companies specialised in tourism; SK: out of the above mentioned 39 new jobs 36 jobs were expected to be created in the tourism sector; LV: out of the created and/or safeguarded jobs, 885 were located in local tourism). Only in Lithuania the largest number of jobs maintained and/or created was in the processing of local products, despite the fact that the largest number of projects was set up by the beneficiaries in the agro-tourism sector. Here projects were often family-based (e.g. the wife takes responsibility for bed and breakfast activities).

In the Czech Republic 67% of the beneficiaries found that the supported investments to a large extent entailed a development of new activities. On the other hand 50% of the interviewed Lithuanian beneficiaries reported that they were going to continue working within their primary product sector after the Sapard assistance. 70% of the respondents worked in a mono-functional business, i.e. 100% of their income derived from one sector.

Experience, e.g. from Lithuania, shows that specific promotion efforts to explain the range of diversification activities that are eligible for receiving support are necessary. Two evaluation reports (Estonia, Czech Republic) explicitly suggested that support should be more targeted to start-up businesses instead of supporting existing businesses, particularly if support takes place in already well-developed tourist regions.

3.6. MEASURE 8 - RENOVATION AND DEVELOPMENT OF VILLAGES AND THE PROTECTION AND CONSERVATION OF THE RURAL HERITAGE

The overall objectives of Measure 8 are to improve the quality of life and the environment in rural areas as well as the conditions for entrepreneurial activities, the creation of new jobs and businesses opportunities alike, thus contributing to the stability of settlements and reducing the depopulation of rural areas. Only the Czech Republic and Slovakia implemented this measure at the time when the mid-term evaluation was carried out. The evaluations for both countries showed that the measure had a small effect with regard to its objectives, on a small scale of implementation.

CEQ A.VIII.1. To what extent have the supported investments contributed to underpin the diversification and sustainability of economic activities of the beneficiary populations?

The supported investments contributed to a more diverse and sustainable rural economy in both Slovakia and the Czech Republic. For instance, in Slovakia, new economic activities were developed for renovation and conservation of the villages and the rural heritage: One project aimed at reconstructing a historical building, another on reconstructing a historical monument, both increasing awareness of the historical background of the municipality and therefore having an evident impact on the social and cultural life of the village.

With regard to alternative economic activities developed in the beneficiary area, several projects targeted at reconstructing village roads. This improved the traffic conditions in the villages positively and affected the economic development for suppliers, construction companies and the rural area as a whole.

CEQ A.VIII.2 To what extent have the supported investments contributed to increase the income and improve the quality of life of the beneficiary populations?

Improvement in the quality of life was an integral part of the investments. Even though improvement in the quality of life is a concept not easy to evaluate, evidence was found in both countries that Measure 8 investments were in accordance with the needs in the rural areas and benefited the rural dwellers. In the Czech Republic, the beneficiaries were very positive towards questions concerning quality of life: 63.9% of interviewees claimed a significant improvement and 34.7% expressed that there were some improvements. Also, in Slovakia it was assumed that those people living in the villages would benefit from new roads due to improved traffic safety or reduced dust.

None of the two countries verified income effects generated by Measure 8. Investments in roads and historical buildings were regarded as non-revenue generating investments.

CEQ A.VIII.3 To what extent have the investments made contributed to preserve the rural heritage in the beneficiary areas?

Both Slovakia and the Czech Republic saw positive effects on the preservation of rural heritage in the beneficiary areas. The focus of investments under the measure was towards village road reconstruction and the reconstruction of historical buildings and monuments in the rural areas. Both activities will contribute to increase the living conditions in the rural areas and to increase awareness and identification with the historical background of the area on the one side. On the other side the areas will become more attractive for visitors and for a long term tourism strategy of the particular rural area.

3.7. MEASURE 9 - LAND IMPROVEMENT AND REPARCELLING

Mapping and land surveying is relevant when property titles are not in place. And even when titles are in place additional mapping and establishing an electronic data base can be relevant in order to settle disputes, identify environmental sensitive areas and so on. In addition, projects aiming at re-parcelling in order to achieve greater efficiency in the primary sector are relevant also seen from an environmental viewpoint. Only the Czech Republic implemented this measure at the time when the mid-term evaluation was carried out with 309 approved projects, of which 55% concern the establishment of field roads, and 39% aim at land surveying work and mapping.

CEQ A.IX.1 To what extent have the investments made increased the productivity of the beneficiary holdings?

The Czech evaluators found that the supported activities have supported a more efficient agriculture. However, estimations on the exact development of production cost were difficult to make. Beneficiaries stated that the increase in productivity was mainly due to a shorter driving distance to the fields and better transport conditions due to the constructed field roads.

CEQ A.IX.2 To what extent have the improvements made helped to increase the income and the value of the land of the beneficiary populations?

Measure 9 had a positive impact on the value of the land. On average, interviewees expected an increase by 26% in the value of assisted land, whereas the remaining non-supported agricultural lands in the same areas experienced a small but insignificant positive increase of 4%. This increase was regarded as being due to two reasons. The first reason is that the more efficient distribution of land had a significant effect on the potential financial benefit from the agricultural outputs, which can now be grown and harvested with lower costs, hereby affecting the willingness to pay for the land. The second reason for this increase in price is that as the ownership titles became more clear the risk of 'loosing' the area and hereby the investments made in the soil had been eliminated. The improvements made were expected to increase the income of the final beneficiary both in respect to the higher value of the asset and also because of a more rational utilisation of the agricultural land.

CEQ A.IX.3 To what extent have the investments made contributed to improve the environmental management of the land?

There is no significant evidence that the environmental management of the agricultural land improved as a result of Measure 9. The evaluator however expects a direct benefit on the environmental management simply from the fact that there is more efficient transport of farm input and outputs leading to less transport and hereby a reduction of negative impact on the environment. In addition it can be assumed that secure ownership of land will entail a different behaviour towards the investments in nurturing the soil.

In conclusion, the evaluation report finds that the measure is highly relevant in order to ensure a sustainable development and utilisation of the rural areas. Even if monitoring data on measure effectiveness are insufficient, it seems evident that the supported activities have contributed to a more efficient agriculture, which entails direct benefits for the final beneficiaries. The evaluation report regards reparing as a cornerstone in the sustainable development of the rural areas, e.g. by putting an end to many disputes over land. Also renting the land and a more dynamic and transparent land market are expected to be facilitated by the support, hereby ensuring that positive and negative externalities are reflected in the price of land and the revenue derived from growing the land.

3.8. MEASURE 11 - IMPROVEMENT OF VOCATIONAL TRAINING

The development of human resources is a key factor affecting positive changes in rural development, which help to generate additional income and employment opportunities for the rural population. The specific objective of the measure is to provide farmers with the strategic knowledge and technical information necessary to set up commercially viable businesses, to adjust to European hygiene, environmental and animal welfare requirements, and to apply

production practices compatible with the maintenance and enhancement of the landscape. Lithuania and the Czech Republic were the only countries that implemented this measure at the time when the mid-term evaluation was carried out. However, accreditation of the measure in the Czech Republic had been so late that at the cut-off point of the mid-term evaluation, no training courses had been carried out yet.

CEQ A.XI.1 To what extent are the assisted training courses in accordance with needs and coherent with other measures of the programme?

To answer this question, a comparison between the stated objectives of the measure in the programmes, the themes of the courses offered and the needs that beneficiaries themselves perceive is necessary.

In the case of the Czech programme, the objectives of the measure were found to be generally relevant to the sectoral needs and socio economic problems. However, the training topics selected up to the date of the mid-term evaluation were only partially in accordance with the expressed needs of beneficiaries of the other Sapard measures. The Czech evaluator concluded that the measure is internally coherent with most measures included in the Czech Sapard programme.

In Lithuania, the evaluator found that training courses were in accordance with needs, but were not conditionally linked to project approvals under other Sapard measures. The three most popular subjects reported relate to the need for farmers/business people to keep accurate accounts, to be computer literate, and to cooperate rather than to act as individuals. The other most popular subjects focus on diversifying away from traditional production methods, in favour of sustainability, agro-forestry and organic production. Concerning whether training has been linked to other Sapard measures, 36% of respondents said it had been, but 49% said it had not. Of the courses targeted at specific measures, 20 courses were focussed on rural diversification, 17 were focussed on agriculture, and 10 were focussed on afforestation and agro-environment.

CEQ A.XI.2 To what extent have the acquired skills/competence helped improve the situation of the trainees and of the agricultural/forestry/fishing sector?

In the Czech Republic, no training supported by measure 11 had taken place at the time when the mid-term evaluation was carried out. Therefore no effects can be reported and no target groups had benefited from the measure yet. The evaluator expects based on logical assumption that also the future effectiveness of the measure will be low. One reason for this is seen in demanding management and coordination procedures for the administration and implementation of the measure.

In Lithuania, on the other hand, skills benefited trainees and the agri-rural sector. Men, women and young people benefited from the offered vocational training. More than 7,500 trainees were trained for an average of 14 days on more than 400 training actions. The evaluation report finds that Measure 11 was effective in offering vocational training with which to achieve the appropriate skills to achieve sector competitiveness and restructuring. This is reflected in the courses that are being delivered (business economy, management and financial accounting, IT, producer cooperation and business development, alternative businesses in rural areas, new technologies of agricultural production; and environmental protection, ecological and sustainable agriculture). As regards the integration with other measures, the Lithuanian evaluator proposes to reflect on making participation in vocational training a condition for future Sapard support.

3.9. MEASURE 12 - DEVELOPMENT AND IMPROVEMENT OF RURAL INFRASTRUCTURE

Poor infrastructure and its associated implications for economic development are key concerns in the applicant countries. The overall objectives of the measure are to improve the conditions for entrepreneurial activities, the quality of life and the environment in rural areas. By removing main barriers to rural development the measure shall indirectly contribute to creating business opportunities and new jobs, to the stability of settlements and reducing the depopulation of rural areas. All Sapard Countries implemented this measure.

Table 14: Impacts of Measure 12

	accordance with priority needs	competitiveness	quality of life
EE	+	-	-
LV	-	x	-
LT	+	-	+
PL	+	+	+
CZ	+	+	+
SK	-	-	+
HU	-	-	X
SI	+	-	+
BG	x	x	X

Source: National reports

Note: x: no answer
 -: situation remained more or less the same after applying the measure
 +: measure had a small effect
 ++: measure had a large effect

CEQ A.XII.1 To what extent have the type and extension of rural infrastructure activities been in accordance with the priority needs of the rural areas concerned?

The selection of projects under this measure was at least partially in accordance with the priority infrastructural needs of the local communities where the projects were implemented (EE, LT, CZ, SI, PL). The majority of the beneficiaries confirmed the relevance of Sapard with regard to the identified needs in rural areas. However, there was a concentration of projects on few needs. Most projects under this measure were directed towards investments into water supply and sewage systems (EE, SI), renovation and re-construction of buildings (SK), renovation or construction of agricultural roads (HU, LV). Only few projects fell under other categories of the measure.

Some evaluations report that potential beneficiaries complained about insufficient consultations with them about their needs. In such instances, it was e.g. criticised that no investments were made to improve telecommunication facilities or social infrastructure like schools, medical centres and kinder gardens (EE). In the concrete case, this had its origin in the fact that the Community measure competed with supported measures at state and regional level, and that investments into social infrastructure were not eligible for support from Sapard.

To sum up, the activities carried out had partly been in line with the identified priorities. Activities concentrated on two of the four objectives of the measure: improving access road and improving provision of running water. It is expected that once Leader-like activities start, there will be greater dialogue and consensus about local priority needs regarding infrastructure.

CEQ A.XII.2 To what extent have the supported investments contributed to improve the competitiveness of the rural areas?

As for the contribution of Measure 12 to the improvement of the competitiveness of the rural areas, results were rather poor in most countries. In some countries, only a low share of Sapard funds were allocated to this measure (e.g. CZ: 6.9%; EE: 1%; LV: 1.1%; LT: 0,6%; SI: 1,4%) and only few projects had been carried out. Consequently, no significant effect on the competitiveness of rural areas in these countries could be expected; moreover, no detailed investigation into the results of the measure was made by the countries.

Even though in some countries a relatively large share of Sapard funds was allocated to Measure 12 (RO: 88%; PL: 67%; HU: 36%; SK: 32%), competitiveness was not seen to be significantly affected in those countries either.

The investments supported improved to some extent the access of holdings/businesses to potential markets through an average reduction of transportation time from beneficiary areas to nearest capital regional cities. But even in these countries the impact of Sapard was rather low when seen in the light of the great needs of the rural areas in these countries. It is quite obvious that with so low penetration rate a significant impact could not be achieved. Anecdotal data showed that the beneficiaries are realistic about the direct impacts of the projects undertaken in the sense of establishment of new businesses (SI: 67% of interviewees stated that there would not be much impact in this respect or only at limited extent). Also, the majority of respondents stated that these investments per se would not entail significant improvement in incomes or increase of tourist or investment attractiveness.

CEQ A.XII.3 To what extent have the supported investments contributed to improve the quality of life of the beneficiary rural population?

Since sufficient rural infrastructure such as basic services is crucial in maintaining the viability of rural areas, the focus of infrastructural projects is often on rural dwellers and the improvement in their quality of life. Evidence from the national evaluation reports indicate that investments supported under this measure had significant positive effects regarding the attractiveness of the rural areas and the quality of life of the rural dwellers affected by the projects (CZ, SK, SI). For instance, where the measure focused on road reconstruction and reconstruction of historical buildings and monuments (SK), it was expected that both activities would contribute to improving the living conditions in the rural areas and also to increasing awareness and identification with its historical background. This would help building long-term strategies to increase the area's attractiveness for tourism.

In some countries, however, this positive result could not be confirmed. In Latvia, for instance, activities under Measure 12 concentrated on the improvement of roads and of water supply on farms. Improving the quality of life of the beneficiary rural population has not achieved the expected alignment or size. The measure for electrification of rural households did not attract any applications, primarily due to the fact that electrification was added very late to the list of eligible activities. Also, projects for the installation of new water supply systems have been small in number, the reason being that the demand was for aid to carry out

repairs rather than the complete renewal of systems. The former was not eligible under the measure.

In those countries which approved a large number of projects (e.g. Poland), beneficiaries positively assessed the potential impact on the local economy and quality of life due to the completed projects.

In conclusion, Measure 12 contributed to a limited extent to improve the quality of life of the beneficiary rural population. However the investments did not provide an incentive for individuals big enough to stay in rural areas. The two main reasons for this are seen in the limited funds allocated and – maybe even more important – external factors such as job opportunities elsewhere.

3.10. MEASURE 14 - FORESTRY, INCLUDING AFFORESTATION OF AGRICULTURAL AREAS, INVESTMENTS IN FOREST HOLDINGS OWNED BY PRIVATE FOREST OWNERS AND PROCESSING AND MARKETING OF FORESTRY PRODUCTS

This measure was implemented only in Latvia and Slovakia and little information is available to discuss its effectiveness. In Latvia, only 350 ha (= 4% of total area envisaged for afforestation under Sapard until 2006) were planted, and hence the measure's effectiveness was negligible. This applies to the effects for rural development and the forestry sector in general and also with respect to its environmental protection function through the build-up of carbon in the forest stock.

In the Slovak Republic, the measure did not support afforestation activities and no effects on carbon storage could be expected. The measure rather supports investments mainly into the maintenance of the existing forests and the increase of the productivity of forest management by new technology for harvesting/transportation and processing (in small scale companies). Surveys and case studies show that the investments in new technology for harvesting and transportation will clearly decrease the costs per unit, improving the productivity of the assisted forest holdings, and will have positive environmental effects in terms of less soil surface destruction. Regarding the structure of the sector, some co-operations between beneficiary forest owners are planned with regard to timber harvesting. All beneficiaries stated that the investment will help them to create additional income (better quality of harvested timber, harvesting service offered to other forest owners), but only in exceptional cases is an increased production volume expected.

On the whole, the small number of approved projects diminishes the effectiveness of the measure whose results are otherwise consistent with the achievement of the specific and overall programme objectives. The Latvian evaluator notes that environmental concerns could be taken more into account in the selection of projects.

3.11. MEASURE 15 - TECHNICAL ASSISTANCE FOR THE MEASURES COVERED BY SAPARD

The measure is relevant in relation to supporting the implementation of the other measures. The activities proposed under the measure allow for qualification of staff and stakeholders as well as disseminating information on the Programme. The activities are essential in order to ensure participation, high effectiveness of the individual support measures as well as reaching the general objectives of the Programme. Until mid-2003, Measure 15 was only implemented by the Czech Republic, Hungary and Romania, however the measure applies retroactively, which means that cost occurred from the date of the adoption of the programmes can be

refunded under the measure as soon as it is accredited and the Commission has conferred the management of aid to the Sapard agency.

Table 16: Impacts of Measure 15

	facilitated the implementation of the programme action	acquaintance of rural population/authorities involved with EU procedures
CZ	+	+
HU	+	X
RO	+	+

Source: National reports

Note: x: no answer

-: situation remained more or less the same after applying the measure

+: measure had a small effect

+ +: measure had a large effect

CEQ A.XV.1 To what extent have the technical assistance measures facilitated the implementation of the programme action?

All three country reports emphasize the high relevance of Measure 15 and its utility, confirming that in particular the activities related to monitoring and to communication facilitated the implementation of the programme. In Hungary, more than 50% of the applicants contacted in a national survey had attended a training or forum providing information about the possibilities of Sapard. More than 90% of all applicants interviewed found that the access to information on Sapard ranged from quite good to excellent. 55.5% respondents stated that the information provided by Sapard Agency for completing the application was very helpful. For Romania, support for monitoring, information and publicity activities and support to studies, visits and seminars is particularly pertinent for developing the administration's skills as well as promoting programme participation.

However, this facilitating effect seems to vary between the different measures in the programmes (CZ), and also the heterogeneous project types under this measure make identifying the overall efficiency of technical assistance difficult (RO). In this respect, providing sufficient financial allocations for meeting the great demand is a challenge for some programmes (CZ). For Romania, additional activities focusing on information activities as well as for the development of a coherent monitoring and evaluation system were recommended. The effectiveness of the measure could be hampered where support and staff training are limited to the national level and do not reach the regional or local level administration. In the Czech Republic, the action plan for the monitoring component of the measure did not touch the level of regional monitoring sub-committees. A low share of officials at local and regional level directly involved in technical assistance activities was marked as being insufficient. Staff in the municipal and regional offices must have complete and accurate information in order to function as information carriers and ambassadors of the Programme. The question was raised to what degree Measure 15 increased the quality of outputs, since performed activities would have been done anyway. It seems that the performance did not use additional elements (such as expert consultancies) that might increase a quality in comparison with same previous actions.

CEQ A.XV.2 To what extent have the technical assistance measures increased the acquaintance of the rural populations and authorities involved with EU procedures, rules and principles, notably those regarding Sapard?

Concerning the increase of the rural population's acquaintance with EU procedures, rules and principles, complex information on the Sapard Programme was provided through the measure (e.g. also via annual reports). It supported the increase of awareness of the programme among the rural population.

However, the Czech evaluation report points out, that the information on acquis-related issues is provided in accordance with the content of the programme and its measures. A perspective 'outside of Sapard' was not taken. For Romania the evaluators considered that the general public had little knowledge of the Programme and that a higher level of knowledge of the potential beneficiaries should be attempted by additional information campaigns. Furthermore, the Romanian evaluators found that the information about the programme was limited towards a smaller group of stakeholders that primarily represented the more traditional sectors of rural areas. In contrast, it was regarded as being important that potential beneficiaries could get access to information on the Programme from their regional or local Sapard offices and not only from stakeholder organisations or at central level. This would strengthen the link between the local administration (supply of information) and the potential beneficiary (demand for information). Examples of good practice regarding the provision of information include arranging public seminars. In Romania, the open conferences held by the former evaluation team met with a very high interest in participating at the seminars. In addition the seminars currently taking place for promoting the 'new' measures sees very satisfactory rates of participation. For the Czech Republic, it was also recommended that the Managing Authority compare communication activities of the measure with results of the assessment of the communication activities performed outside the technical assistance measure. An analysis of public relation and related communication activities (e.g. attendance of web sites) should be analysed in order to identify gaps within the information flow on the Programme and identify possible contribution of specific actions provided by the technical assistance measure.

4. EVALUATION OF THE OVERALL PROGRAMME OBJECTIVES

4.1. CONTRIBUTION TO THE IMPLEMENTATION OF THE *ACQUIS COMMUNAUTAIRE*

The Sapard Programme has called the attention to several factors that should be developed, in the field of environmental conditions, food quality and consumer protection, animal health and welfare and working conditions. In view of these fields Sapard has contributed to the implementation of the *acquis communautaire* concerning the Common Agricultural Policy in the Accession Countries.

CEQ B.I.1 To what extent has the programme been conducive to adjust the agricultural sector and the rural economy to Community standards and to prepare them for the implementation of the *acquis communautaire*?

All Sapard evaluations are unanimous in considering that the programmes in the countries concerned have been very relevant and conducive to adjusting the agricultural sector and the rural economies to EU standards and thereby prepare them for the implementation of the *acquis communautaire*. The extent to which this was the case, however, varies between programmes and measures, and also between sectors of rural economies. For example the Slovakian evaluation finds that the Sapard programme so far had a (small) positive effect on the implementation of food quality, animal health and welfare and workplace safety standards. Also effects on the awareness of EU rules among beneficiaries are frequently found.

Among the implemented measures in the different programmes, investments on farms and for processing and marketing of agricultural products normally contributed most to adapting the sector to EU standards and rules (see sections 3.1 and 3.2 above). Assisted holdings to a large extent either already adjusted their production to comply with EU standards or will do so in the context of the project. (HU, SK). Consequently, in those sectors where little investment projects were carried out, such as environmental investments, the effect of Sapard on rates of compliance with EU standards is lowest.

In some countries, Sapard was too small and too young to make a significant impact on the sector in general with regard to EU standards. However, in other countries, EU standards related to environment, consumer protection, animal health and welfare, health and hygiene led to reorientations also in national policies, which had so far put less weight on these issues. Normally, investments in farms and in facilities for processing and marketing of agricultural products clearly contributed to an increased respect for EU standards.

As regards an increased awareness of private actors about EU rules and procedures, it seems that Sapard clearly contributed to this objective, e.g. through information activities (SK: from 2002 until 2003 a total number of 7122 people participated in Sapard information seminars) and training seminars. However, it seems that Sapard had an effect mainly on participants in the programmes who are likely to be well-prepared for participating in future Rural Development or Structural Funds programmes. In contrast, the rural population at large gained increased knowledge about EU rules and standards often as a result of activities carried out by other actors or in different contexts, such as Government information campaigns, farmers associations, and veterinary services, through mass media or through PHARE programmes.

Summing up the Sapard Programme was conducive to adjust assisted farms and processing firms to Community standards regarding environment, food safety and consumer protection,

animal welfare and safety and hygiene at workplaces and also helped farmers and companies to gain experience with the EU programmes (SK, CZ, HU, SI, EE).

CEQ B.I.2 To what extent has the programme contributed to establish and improve the implementation of CAP objectives and procedures at the administrations' level?

In several countries, Sapard has influenced the introduction or amendment of legal decisions; and also led to the introduction of planning methods at national level which follow the Sapard example. Sapard not only impacted on the development of administrative skills in the public authorities but also led to the development of a consultancy sector related to rural development, which can take over important functions of information and application facilitation.

Only a few countries answered this question comprehensively. Nevertheless, a compilation of the few answers given suggests that the Sapard Programme has a significant impact on those who worked in this field. The Hungarian report stated that the Sapard Programme has started the EU compatible methodology of planning at a national level. The Czech evaluation report concludes that the preparation of the Programme and its implementation have contributed significantly to increase competences within the Ministry of Agriculture and the Sapard Agency at central as well as at regional level. The Latvian evaluators stress the fact that the Sapard Programme is one of a number of ongoing activities to increase awareness and readiness to work in line with and adopt the CAP in Latvia and that it is therefore difficult to single out the impact of Sapard.

4.2. CONTRIBUTION TO SOLVE PRIORITY AND SPECIFIC PROBLEMS IN THE AGRICULTURAL SECTOR AND RURAL AREAS

The Accession Countries more or less suffer from the same threats and weaknesses in agriculture and in rural areas. The most common needs are related to high unemployment in rural areas, low living standards of rural population when compared with the urban population, decreasing rural population, low diversification rate in the rural economy and low standards in relation to environmental protection. Since Sapard targeted at these adverse factors, it is generally relevant in addressing rural needs.

However, even though Sapard managed to improve the situation, the Programme's potential impact on rural development was limited due to a relatively low amount of financial means given the great needs in Central and Eastern rural areas and agriculture. Very often, the investments made were merely 'a drop in the ocean'.

CEQ B.II.1 To what extent has the programme helped stabilising the rural population?

Rural regions in the accession countries are generally characterised by lower incomes and higher levels of unemployment when compared with urban areas, a deterioration of age structure and a higher dependency on agriculture. One consequence of this is a high rate of depopulation in some rural areas. This in turn has the negative consequence of draining human resources and creating an unfavourable demographic structure in rural areas. Stabilising the rural population is therefore one major objective of Sapard and was most notably addressed through Measure 5 (Diversification) and Measure 12 (Infrastructure).

Although there is no reliable quantitative evidence, national surveys related to this issue indicate that the impact of Sapard on stabilising rural population is rather modest to date. This is among others due to the low amount of Sapard financial means and to the fact that a large share of support went to more developed regions capable of absorbing the funds. Moreover, the accession countries demonstrated a tendency of not attaching very high priority to this objective. Most projects rather targeted at improving agricultural competitiveness than explicitly aiming at preventing rural areas from depopulation. In light of this finding, a wider approach that targets sectors beyond agriculture is needed, if the aim is to prevent depopulation and stimulate the rural economy as a whole.

CEQ B.II.2 To what extent has the programme been conducive to creating/maintaining employment opportunities in the rural areas?

Even though there is no reliable quantitative evidence in terms of employment effects, on the basis of the information obtained it can be concluded that the Programme has facilitated a positive development in relation to creating and maintaining jobs (RO, BG, LV, SI). Only the Polish and Czech reports stated that Sapard had only to a limited extent aided in safeguarding and creating jobs. In Poland, there is no evidence of a reduction of unemployment as a direct effect of Sapard investments. Job creation was sometimes rather in conflict with the modernisation of technology and improvement of competitiveness. In the Czech Republic, those employment effects that could be detected were most tangible within the public sector (Measures 8 and 12) or within the development of larger businesses and not necessarily sited in strict rural areas. The effect of the Programme is therefore limited in relation to the objective of creation of rural employment opportunities.

CEQ B.II.3 To what extent has the programme been conducive to improving the standard of living of beneficiary populations?

Standard of living effects mostly originate from increased income and improved rural infrastructure. Regarding the former, a general rise in gross profit for agricultural holdings and added value for processing companies can be confirmed. In terms of improved rural infrastructure evidence from the national evaluation reports indicate that significant positive effects regarding the attractiveness of the rural areas and the quality of life of the rural population affected by the projects took place (CZ, SK, SI). But, even in those countries that allocated a comparably high share of funds to investments in infrastructure (PL, RO), the aid was not sufficient in order to mitigate the countries' great infrastructural needs.

CEQ B.II.5 To what extent have the assisted measures contributed to protect the environment of the rural areas?

In environmental terms the accession countries are faced with a serious challenge in adopting the EU environmental *acquis* as the Community has developed a comprehensive environmental policy in the search for sustainable development. Common standards have been adopted in the fields of waste management, noise pollution, air pollution, water pollution and the protection of nature and biodiversity.

Generally, Sapard has contributed to bring assisted holdings into conformity with EU environmental standards. Hence, the investments had an impact on the environmental situation in the assisted enterprises. On the other hand, the overall environmental impact achieved is rather limited. This can be partially explained by the fact that measures targeted at the environment, as Measure 14 (forestry, including afforestation of agricultural areas,

investments in forest holdings owned by private forest owners and processing and marketing of forestry products), Measure 4 (agricultural production methods designed to protect the environment and maintain the countryside) and Measure 11 (improvement of vocational training) either were not implemented or have under-performed both financially and in terms of the number of projects. At this point, however, the time span of the implementation of the majority of measures should be taken into consideration. Additional outputs can be expected in the future.

Concerning the awareness of environmental issues amongst the rural population there were no targeted campaigns involving rural population (not foreseen by Sapard), which could have contributed to the objective of environmental protection. But Sapard had an indirect effect to increase awareness of environmental issues through preparation of agri-environmental measure (HU). Environmental awareness increased especially among local administration through the project development and implementation (PL).

4.3. PROGRAMMING AND DELIVERY SYSTEM

Programming and Design of Measures

In general the strategies of the Sapard Programmes are found to be relevant in relation to the needs and socio economic problems addressed with the priorities and interventions of the programme. The strength, weaknesses, opportunities and threats in the Accession Countries analysed in the ex ante evaluation are still relevant and therefore the programming of Sapard remains broadly correct (CZ, SI, LT, EE, HU, BG). Only few national reports stated that the ex-ante evaluation failed to highlight some issues of importance for the subsequent Programme implementation (RO, LV, SK). In these cases, the ex-ante evaluation could have provided more in-depth and detailed guidance for the programming of Sapard. As a consequence, the approved programmes were found to have some missing links and/or weak argumentation. To some extent, this circumstance negatively affected the implementation of Sapard.

During the programming process a wide range of needs and requirements in the agricultural and rural sectors were identified without ranking the needs and degree of urgency and setting clear targets. Therefore the priorities of Sapard have only partly meet overall needs of the agricultural sectors and rural areas in the Accession Countries.

The development of the primary sector and the food industry, increased competitiveness and the compliance with the *acquis communautaire* are objectives of Measure 1 and 2 which will be relevant also beyond accession to the EU. Also to improve the quality of life and the environment in rural areas and contribute to improve the conditions for entrepreneurial activities which are addressed mainly by measure 12 will remain very relevant for rural development also beyond accession.

The coherence of the measures in the programme was not as well assessed as the relevance of the measures. While several measures were regarded as being coherent to each other (e.g. Measure 1 and 2, Measure 2 and 5) additional efforts in order to further enhance the present internal coherence of the Programme were requested in several countries (CZ, SI).

The slower than expected accreditation process has considerably slowed down the progress on implementation of all measures. Only 4 out of the 13 programmed measures were implemented by a majority of the Accession Countries. Those measures in operation are mainly the ones that are directed towards farmers and owners of processing plants and Sapard

supported investments are concentrated mainly on increasing and improving production facilities and capacities (more than 60% of Sapard contribution allocated to measure 1 and 2 in BG, EE, HU, LV, LT, SI). Only in Poland and Romania a much higher share of funds – 58% and 87% respectively – was dedicated to measure 12 (improve infrastructure).

Implementation

CEQ B.III.1 To what extent have the implementing arrangements contributed to maximising the intended effects of the programme?

Many countries reported a slow uptake of their national Sapard Programme (HU, PL). Generally, the number of staff was regarded as being sufficient in order to cope with a normal flow of applications. However, some countries reported a continuous turnover of staff in the Sapard Agencies (BG, HU). The latter was feared to have negative impact on the efficiency of programme implementation.

The application procedures were subject to some criticism from national evaluators. First, in some cases necessary information on the general eligibility criteria was regarded as not being transparent enough. Applicants were partly not able to see whether they were eligible or not (BG, HU,).

Second, the number of requested documents was often regarded as being too high and some documents were criticised as being sometimes seemingly unnecessary (CZ, HU, LV, LT, PL, SK). For instance, in Hungary applicants merely wishing to purchase a tractor were required to provide the same approvals as for a building in an environmentally sensitive area. The problem seems to be that it was more difficult for the Sapard agency to change the existing procedures than to deal with the acknowledged additional bureaucracy.

Third, the complexity of the business plan was regarded as an obstacle for potential applicants (BG, HU, LT). It required information that most businesses and farms did not record or control. This was seen as being especially true of small companies who had problems in collecting all the necessary data and figures required for business planning. It was argued often that business plans and application forms could have been made much simpler without losing any rigour. At the same time, however, it was criticised that business plans did not provide key information such as the incremental profitability of the supported investments.

The high number of submitted but finally rejected applications increased the administrative workload, which is an important reason for the slow implementation of the programme. Most significant reasons for rejection were overcomplicated applications (especially business plans) and application processing, and lack of information on several viability criteria applied in application evaluation.

The costs involved in applying for Sapard assistance, and the economic viability criteria which were used as criteria for application selection, indirectly disfavoured smaller farmers and companies who also could not afford private consulting services for project applications. The same effect resulted from the fact that support was paid only after completion of investment which normally disadvantages smaller farmers and companies who faced harder capital constraints and have more difficult access to credit than larger businesses. Small farms were neither excluded from nor specifically targeted by Sapard assistance, but some of the minimum entry requirements and aspects of the application system de facto discouraged them to participate in the Sapard Programme. Generally speaking, Sapard mostly benefited the larger, more successful farmers and producers (especially in Measure 1 and 2). The impression among potential beneficiaries that Sapard was mainly for the better-off farmers in

turn reduced the demand for Sapard support from smaller farmers and companies and thus reinforced the described trend.

Institutional Capacity

Whilst there are a number of weaknesses in its implementation, all countries clearly stated that the Sapard Programme made a significant contribution to the development of the institutional capacity of the Central Administration and Sapard Agency. This is demonstrated by their capacity to implement the relatively complex grant programme, directed at inexperienced applicants. However, much more needs to be done at local and regional level to prepare officials and rural community partners to deliver future rural development programmes.

5. GENERAL FINDINGS AND CONCLUSIONS

5.1. MAIN INDIVIDUAL MEASURES

5.1.1 Measure 1 - Investments in Agricultural Holdings

All Sapard Countries implemented Measure 1 and a total share of 25% of Sapard funds was allocated to it.

Increased investment in the modernisation and development of farming is a critical strategic priority of the Sapard Programme and this has been dealt with through the implementation of this measure. Therefore, this measure was found to be relevant in order to contribute to improved agricultural competitiveness in the Accession Countries.

The national evaluation's results showed that the effects the measure has produced are to a large extent positive: Increased income of the beneficiary farmers, better use of production factors, improved product quality, better working conditions and animal welfare. Only in environmental terms positive results were largely lacking. There is also strong evidence that the investments clearly contributed to improving compliance with EU standards. This was a condition to be fulfilled by the investments supported under Sapard. In many cases it was also defined as an explicit programme objective.

Therefore, the finding of the Court of Auditors that the majority of projects implemented under Measure 1 (and Measure 2) concentrated on increasing and improving production facilities and capacities rather than on increasing compliance with EU standards, is not supported by the national evaluations⁶.

On the whole the effectiveness of the measure is in accordance with the Programme objectives, even if, due to the limited number of projects, effects are visible rather at micro than at macro level.

In some countries questionnaires carried out among beneficiaries of the measure indicate that most small farmers would not have been able to carry out the investments in absence of the Sapard assistance (CZ: for 77.7% of the surveyed beneficiaries the investments depended to a very large extent on Sapard; for 20.2% the investments depended to a limited extent and for 2% the investments did not depend on Sapard at all. Larger farms indicated to a higher degree that they would have carried out the investment even in the absence of the support; SI: for 43% of the surveyed beneficiaries the investments depended to a very large extent on Sapard, for 43% the investments depended to a limited extent on Sapard and for 14% the investments did not depend on Sapard).

5.1.2 Measure 2 - Processing and Marketing

All Accession Countries implemented this measure. 23% of Sapard funds were allocated to improve the processing and marketing of agricultural and fisheries production in order to become able to meet EU requirements regarding food safety and quality, hygiene, health, animal welfare, and the environment.

⁶ Cf. Court of Auditor's special report No 2/2004 on "Has Sapard been well managed?" (henceforth "CoA report").

This confirms that the measure was widely considered to be relevant to the needs of the agricultural sector in the Sapard countries. Restructuring measures (concentration, rationalisation and modernisation) in the agri-food industry are expected to support enterprises in becoming able to compete successfully in European markets and to contribute to achieving higher added value of agricultural products. This applies particularly also to small and medium sized enterprises, which have traditionally a large economic importance in the rural areas of the Sapard countries both with regard to income generation for the individuals as well as creation of public revenues for the development of the rural communities. Hence, a strengthening of the competitiveness of businesses in the agri-food sector can be expected to entail significant positive side effects.

As regards the effectiveness of Sapard programmes, it can be concluded that progress in the above sense is being made in all countries. Measure 2 has begun to contribute to bringing about the changes that are necessary to increase competitiveness in agro-processing and higher added value of agricultural products. This is reflected in a number of studies and survey interviews with beneficiaries, even though effectiveness can not be demonstrated across all sub-sectors and all Sapard countries. In general, value added is increasing through better capacity utilisation, increased competitiveness, higher quality products and improved market outlets. Health and welfare conditions are improving for humans and animals. On the whole, agro-processing businesses are moving towards becoming EU compliant and competitive in the Single Market.

However, it should also be noted that the majority of the Sapard beneficiaries in the accession countries stated that increase in capacity (volume of production) was the main goal of investments, whereas environmental goals were of secondary importance. Furthermore, Sapard beneficiaries under Measure 2 were predominantly relatively big companies. Their productivity, employment, sales turnover and fixed assets were significantly higher compared to the average companies for the supported sectors.

Beneficiaries in some countries stated that they would have carried out their investment even in the absence of Sapard assistance. Due to known methodological limitations of getting such information through interviews (systematic bias towards confirming the status quo), the hypothesis can get no solid confirmation by such an approach. Therefore, the mid-term evaluations give no solid answers to the question whether or not deadweight effects occurred.

5.1.3 Measure 5 - Development and Diversification of Economic Activities, Providing for Multiple and Alternative Income

This measure was implemented by seven countries (BG, CZ, EE, LV, LT, SK, SI) and absorbed a share of 5.3% of available Sapard funds.

The objective of the measure is to reduce rural population dependency on the agricultural sector and to create new employment opportunities and alternative sources of income on and off farms. Support for economic diversification is seen as highly relevant in order to contribute to improved and sustainable income of agricultural households. Rural tourism that exploits natural and cultural resources offers high potential for the generation of additional income, and the creation of new job opportunities in rural areas. Support for economic diversification is seen as highly relevant in order to contribute to improved and sustainable income of agricultural households.

As regards its effectiveness, Measure 5 only partly met its operational objectives (increase income and creation of new job opportunities). Supported investments to some extent have helped to increase the income and ultimately living standards of the beneficiary population (SK, SI, EE, CZ). However, in this respect exogenous factors may have been far more influential (e.g. development of prices, impact of other Sapard measures, other national

programmes) than this diversification measure. Turning to job creation, diversification has slowly started to increase job opportunities, with agro-tourism being the most affected sector. However, it can be concluded that farmers often lack the basic business and marketing skills that will let them diversify activities and market their products and/or services. Some countries concluded that there is a bias towards the specific objectives to develop existing small and medium sized enterprises, whereas little activity could be observed in projects focusing on diversification and development of new activities and businesses.

Where positive effects of the measure could be identified, such as introducing alternative remunerative economic activities with favourable market prospects, their sustainability must be judged on a case-by-case basis. The potential of the support to provide lasting results depends on internal factors (tradition, knowledge, skills, and entrepreneurial incentive of rural actors) but also on external factors (with regard to tourism: growth in urban incomes which fuels tourism in rural areas, international tourist flows).

5.1.4 Measure 12 - Development and Improvement of Rural Infrastructure

All Sapard countries implemented this measure. The share of allocated funds to Measure 12 is 42% and therefore seems to be very large. However, this was driven by Romania and Poland who spent respectively 87% and 58% of funds on this measure. The remaining countries allocated most of the funds to Measure 1 and/or to Measure 2.

Rural areas in the Accession Countries lag significantly behind the urban areas in physical infrastructure. Specific strategic actions are necessary to improve communications and engineering equipment (e.g. establishment of electricity lines and roads), as well as water management systems (e.g. renovation of polders, water supply and sewerage systems, and setting up artesian bores). In order to improve rural living conditions, the Sapard Programme is targeted at improving rural technical infrastructure. The measure specifically supported investments in water management, roads and electricity distribution in order to prevent environmental contamination and minimising gaps between the rural and urban infrastructure and quality of life. Since Measure 12 addressed these needs, it was mostly considered as being very relevant. Being a central component in the development and adaptation of rural areas the measure is in close coherence with other rural development measures.

At large, this measure can be considered effective. One critical point may be that in most countries Sapard support concentrated on two out of four eligible areas – the reparation of roads and installation and/or improvement of water supplies and sewage systems. The main beneficial effects from Sapard aid have taken place at local level and were located in the field of living conditions, bearing potential for indirect economic impacts.

In those countries which approved a large number of projects (PL, RO), beneficiaries positively assessed the potential impact of completed projects on the local economy and quality of life. However, even in these countries, Sapard funds allocated to this measure were too small for significant impacts at sector level seen in the light of the great infrastructural needs. Moreover, in many cases social infrastructure needs (such as schools, medical centres, kinder gardens...) were found as being most urgent, but are not covered by the scope of Sapard.

5.2. OVERALL OBJECTIVES AND IMPACTS

5.2.1 Contribution to the Implementation of the *Acquis Communautaire* Concerning the Common Agricultural Policy

The Sapard Programme forced the national development plans to aim at compliance with EU standards which had not necessarily been in the focus of national support measures for rural areas before 2000, such as standards for environment protection, food quality, consumer protection, animal health and welfare, and working conditions. In relation to these standards Sapard was conducive to the adjustment of assisted farms and processing firms and has therefore contributed to the implementation of the *acquis communautaire* concerning the Common Agricultural Policy (CAP) in the Accession Countries. Assisted holdings in the majority of Accession Countries either will or already have adjusted their production to comply with EU standards. This normally was not the core objective of the supported projects, but a condition that had to be respected. Moreover, the awareness of EU regulations and standards among the rural population has increased.

As the programme is one factor among other activities at national level, and as also market forces drive farmers to increasingly comply with Community standards, it is difficult to single out the results directly induced by Sapard. The knowledge about EU standards has increased primarily as a result of activities carried out by other organisations, information from mass media, government etc. Information provided through Sapard has been restricted mostly to the companies and people who actually applied for the Programme. However, Sapard was helpful for companies to gain experience with the EU programmes, i.e. how to apply for and work with EU-funds. The same applies for the introduction of CAP procedures and objectives which lead to legislative change and generally to an increased acquaintance of national administrations with EU standards, rules and procedures.

5.2.2 Contribution to Solve Priority and Specific Problems in the Agricultural Sector and Rural Areas of the Accession Countries

Addressing Rural Needs

The Accession Countries more or less suffer from the same threats and weaknesses in agriculture and in rural areas. The most common needs are related to high unemployment in rural areas, low living standards of rural population when compared with the urban population, decreasing rural population, low diversification rate in the rural economy and low standards in relation to environmental protection. Since Sapard targeted at these adverse factors, it is generally relevant in addressing rural needs.

However, even though Sapard managed to improve the situation, the Programme's potential impact on rural development was limited due to a relatively low amount of financial means given the great needs in Central and Eastern rural areas and agriculture.

The ability of Sapard programmes to fully respond to the specific needs of the rural areas concerned was also impaired by certain shortcomings with regard to the programming process and the delivery mechanisms described further below, most notably the late start of programme implementation. At the time of the national evaluations, only 4 out of the 15 possible measures were implemented by a majority of the Accession Countries. Two of the measures in operation were directed towards farmers and owners of processing plants, one at diversification of the rural economy and one at the improvement of rural infrastructure. In most countries with the exception of Poland and Romania, the focus laid on agricultural

measures, at the expense of wider rural development ones, thus initially limiting the overall ability of Sapard programmes to fully respond to rural areas' needs.

Depopulation

Rural regions in the Accession Countries are generally characterised by lower incomes and higher levels of unemployment when compared with urban areas, a deterioration of age structure and a high dependency on agriculture. One consequence of this is a high rate of depopulation in some rural areas. This in turn has the negative consequence of draining human resources and creating an unfavourable demographic structure in rural areas. Stabilising the rural population is therefore one major objective of Sapard and was most notably assisted through Measure 5 (Diversification) and Measure 12 (Infrastructure).

Although there is no reliable quantitative evidence, national surveys related to this issue indicate that the impact of Sapard on stabilising rural population is rather modest to date. This is mainly due to the low amount of Sapard financial means but also due to the fact that a large share of support went to more developed regions capable of absorbing the funds. Moreover, the Accession Countries demonstrated a tendency of not attaching very high priority to this objective. Most projects rather targeted at improving agricultural competitiveness than explicitly aiming at preventing rural areas from depopulation. In light of this finding, a wider approach that targets sectors beyond agriculture is needed if the aim is to prevent depopulation and stimulate the rural economy as a whole.

Employment

Even though there is no reliable quantitative evidence in terms of employment effects, on the basis of the information obtained it can be concluded that the Programme has facilitated a positive development in relation to creating and maintaining jobs (RO, BG, LV, SI). Only the Polish and Czech reports stated that Sapard had only to a limited extent aided in safeguarding and creating jobs. In Poland, there is no evidence of a reduction of unemployment as a direct effect of Sapard investments. Job creation was sometimes rather in conflict with the modernisation of technology and improvement of competitiveness. In the Czech Republic, those employment effects that could be detected were most tangible within the public sector (Measures 8 and 12) or within the development of larger businesses and not necessarily sited in strictly speaking rural areas. The impact of the Programme seems therefore limited in relation to the objective of creation of rural employment opportunities.

Standard of Living

Standard of living effects mostly originate from increased income and improved rural infrastructure. Regarding the former, a general rise in gross profit for agricultural holdings and added value for processing companies can be confirmed. In terms of improved rural infrastructure evidence from the national evaluation reports indicate that significant positive effects regarding the attractiveness of the rural areas and the quality of life of the rural population affected by the projects took place (CZ, SK, SI). But, even in those countries that allocated a comparably high share of funds to investments in infrastructure (PL, RO), the aid was not sufficient in order to mitigate the countries' great infrastructural needs.

Environment

In environmental terms the accession countries are faced with a serious challenge in adopting the EU environmental *acquis* as the Community has developed a comprehensive environmental policy in the search for sustainable development. Common standards have

been adopted in the fields of waste management, noise pollution, air pollution, water pollution and the protection of nature and biodiversity.

Generally, Sapard has contributed to bring assisted holdings into conformity with EU environmental standards. Hence, the investments had an impact on the environmental situation in the assisted enterprises.

On the other hand, the overall environmental impact achieved is rather limited, due to the relatively low amount of financial means. Another factor contributing to this was the fact that measures targeted at the environment, as Measure 14 (forestry, including afforestation of agricultural areas, investments in forest holdings owned by private forest owners and processing and marketing of forestry products), Measure 4 (agricultural production methods designed to protect the environment and maintain the countryside) and Measure 11 (improvement of vocational training) were either not implemented or have under-performed both financially and in terms of the number of projects. At this point, however, the time span of the implementation of the majority of measures should be taken into consideration. Additional outputs can be expected in the future.

Concerning the awareness of environmental issues amongst the rural population there were no targeted campaigns involving rural population (not foreseen by Sapard), which could have contributed to the objective of environmental protection. But Sapard had an indirect effect to increase awareness of environmental issues through preparation of agri-environmental measure (HU). Environmental awareness increased especially among local administration through the project development and implementation (PL).

5.3. PROGRAMMING AND DELIVERY SYSTEM

As for the contribution of the implementing arrangements to achieving the objectives of Sapard, some overall conclusions emerge from the national evaluation reports.

The Commission approved the Sapard programmes of the applicant countries between October and December 2000 which is comparable to the time needed by Member States to draft their Rural Development Programmes and get them approved. Nevertheless, the late accreditation and conferral of management to the Sapard agencies put great time pressure on national authorities. This situation led to a delayed implementation of all national programmes and an initial under-utilisation of Sapard budgets.

As for the **programming process**, the majority of evaluations found that the strengths, weaknesses, opportunities and threats analysed in the ex-ante evaluation were still relevant (CZ, SI, LT, EE, HU, BG). Only few national reports stated that the ex-ante evaluation failed to highlight some issues of importance for the subsequent Programme implementation (RO, LV, SK). In these cases, the ex-ante evaluation could have provided more in-depth and detailed guidance for the programming of Sapard. As a consequence, the approved programmes were found to have some missing links and/or weak argumentation.

The **internal coherence** of the measures in the programme seemed to not have been as well assessed as the relevance of the individual measures. While several measures were regarded as being coherent to each other (e.g. Measure 1 and 2) national evaluations identified for the majority of the Sapard countries the need for additional effort in order to further enhance the present internal coherence of their programmes. During the programming process a wide range of needs and requirements in the agricultural and rural sectors were identified without ranking the needs and degree of urgency and setting clear targets. Therefore the priorities of Sapard have only partly meet overall needs of the agricultural sectors and rural areas in the Accession Countries.

Administrative procedures were very often criticised as being too complex and bureaucratic. Major problems occurred with respect to completing applications and complying with application procedures. Applicants complained about the large number of (sometimes seemingly unnecessary) documents that needed to be submitted. The complexity of the business plan was a particular obstacle for potential applicants. It required information that most businesses and farms did not record or control. Particularly small companies had problems with collecting the data and figures necessary for the business plan. Those surveyed highlighted the fact that the collection of permissions and authorisations from the different authorities was very costly in time and resources, and it was often argued that business plans and application forms could be made much simpler without losing any rigour. At the same time some evaluations criticised that business plans do not provide key information such as the incremental profitability of the supported investments. In some cases, potential beneficiaries were deterred from applying because the criteria for the business plan assessment and the viability criteria were not transparent. An indicator for the constraints resulting from overly complex procedures is the high number of **rejected applications** in many Sapard countries, which increased the administrative workload and slowed down programme implementation.

The costs involved in applying for Sapard assistance, and the economic viability criteria which were used as criteria for application selection, indirectly disfavoured smaller farmers and companies who also could not afford private consulting services for project applications. The same effect resulted from the fact that support was paid only after completion of investment which normally disadvantages smaller farmers and companies who faced harder capital constraints and have more difficult access to credit than larger businesses. Small farms were neither excluded from nor specifically targeted by Sapard assistance, but some of the minimum entry requirements and aspects of the application system de facto discouraged them to participate in the Sapard Programme. Generally speaking, Sapard mostly benefited the larger, more successful farmers and producers (especially in Measure 1 and 2). The impression among potential beneficiaries that Sapard was mainly for the better-off farmers in turn reduced the demand for Sapard support from smaller farmers and companies and thus reinforced the described trend.

The **slow implementation of the programmes** was not only a result of the long accreditation and programming process. It was also reinforced in some countries by a continuous high turnover of staff in the Sapard agencies. The slow start of Sapard led to a significant under-utilisation of the Sapard budget in the initial years, a trend which seems to have been reversed as of the year 2004.

Despite such shortcomings, and taking account of the novelty of the challenge to develop and implement a complex decentralised programme like Sapard, several national reports describe Sapard as an extremely useful learning process for national administrations and generally as a remarkable success with a view to the preparation for Structural Funds programmes after accession.⁷

5.4. RECOMMENDATIONS AS DERIVED FROM THE NATIONAL MID-TERM EVALUATION REPORTS

The recommendations presented here are derived from the national mid-term evaluation reports. They were mentioned in a number of national evaluation reports and they apply to range of different national contexts to justify their mentioning in the synthesis report. Single

⁷ Cf. also CoA report § 52ff.

country-specific recommendations are not taken into account here. Most recommendations refer to the Programme level. Besides this some recommendations refer to the community level suggesting changes in the Sapard framework, e.g. including a LEADER type measure into Sapard.

Main Individual Measures

- Higher priority should be given to the establishment and support of small farms, provided a clear perspective for economic viability exists. In order to achieve this, it was often recommended that a specific small facility grant with simpler eligibility criteria should be introduced.
- A better matching of the eligible sectors of farm support and food processing under Measure 1 (Farm investment) and 2 (Processing and marketing) would help to create synergies between the measures and improve the vertical integration of food production, processing and sales.
- A better targeting of supported projects, particularly in Measures 1 and 2, should help to avoid that supported projects focus only on increasing agricultural production, particularly if this happens in surplus sectors.
- Support for meeting EU standards related to organic farming, and the labelling of products related to such farming methods should be increased.
- More support should be provided for helping companies and farms to improve their accounting and data management systems.
- Generally, the training measure should be more fully implemented.
- Concerning Development and Diversification of Economic activities (Measure 5), where most support was directed to rural tourism, it was considered that a wider diversification could be achieved by a more flexible formulation of eligible activities.
- Regarding Rural infrastructure (Measure 12) it seems important to further review the actual rural needs and to further analyse whether eligibility can be widened to better meet those needs.

Overall Objectives and Impacts

- Options for a stronger thematic coherence of programmes should be explored, including the possible effects of stronger geographical focuses within programmes.
- Programme implementation should be more strongly driven by needs of rural areas rather than by absorption capacity.
- Bottom-up planning and implementation of local development projects in rural areas should be fostered. Some evidence shows that these approaches, even though they were not foreseen by Sapard, could have added value to rural development strategies. The desire to be able to use a tool like the LEADER Community Initiative was widely expressed.
- Indications of dead-weight are predominantly identifiable when support is granted to bigger, already competitive farms and processors. It should be examined, to what extent a better targeting of the support, e.g. also by differentiated co-funding rates, and a possible focus of the support to smaller viable farms can alleviate the problem.

- It should be assessed which needs of the rural areas in the Accession Countries (e.g. support for young farmers, problem of land registration) Sapard programmes should additionally address.

Programming and Delivery System

- Any stricter and heavier administrative procedures in the national programmes than foreseen by the general Sapard rules should be avoided wherever possible.
- Wherever possible, the application procedures should be simplified. In particular, the number and/or detail of certification documents to be submitted for the application should be reduced to the necessary minimum. Also, business plans should be simplified as far as possible.
- The level of financial viability that a company had to meet to be eligible for Sapard was partly found to be unnecessarily high and there was some evidence that this had negative impacts on the number of applications. The number of eligibility criteria and the viability standards should be reviewed.
- Given the high rate of rejected applications, the adoption of a two stage application process should be considered. The eligibility of the applicant would be assessed in the first stage and on this basis eligible applicants could be offered technical assistance for the preparation of a business plan.
- Alternatively, the introduction of fast track application procedures particularly for smaller farms could be considered.
- Repeatedly it was recommended to step up information and guidance efforts in order to increase efficiency of programme delivery by attracting more potential applicants, particularly from smaller farms, and to reduce the high number of non-eligible applications.
- Even though staffing levels were generally considered to be sufficient for a quality implementation of the Programme, most national Sapard evaluations recommended training for additional personnel to cover peak periods and to make up for the relatively high staff turnover in the Sapard agencies.

ANNEX 1: COMMON EVALUATION QUESTIONS⁸

A. Measure-specific questions

Measure 1: Investments in agricultural holdings

- A.I.1. To what extent have the supported investments contributed to improve the income of beneficiary farmers?
- A.I.2. To what extent have the supported investments contributed to a better use of production factors on holdings
- A.I.3. To what extent have the supported investments improved the quality of farm products in compliance with EU standards?
- A.I.4. To what extent have the supported investments improved production conditions in terms of better working conditions in compliance with EU standards?
- A.I.5. To what extent have supported investments improved production conditions in terms of animal welfare in compliance with EU standards?
- A.I.6. To what extent have supported investments facilitated environmentally friendly farming?

Measure 2: Improving the processing and marketing of agricultural and fishery products

- A.II.1. To what extent have the supported investments helped to increase the added value of agricultural and fishery products through improved and rationalised processing and marketing of products?
- A.II.2. To what extent have the supported investments helped to increase the added value and competitiveness of agricultural products by improving their quality?
- A.II.3. To what extent have the supported investments improved health and welfare conditions in compliance with EU standards?
- A.II.4. To what extent have the supported investments contributed to protect the environment?
- A.II.5. To what extent have the supported investments contributed to restructure the processing food industry in the sectors involved in order to be able to compete in the single market?

Measure 3: Improving the structures for quality, veterinary and plant-health controls, for the quality of foodstuffs and for consumer protection

- A.III.1. To what extent have the investments supported contributed to improve the quality of foodstuffs and the consumer protection measures in compliance with EU standards?

Measure 4: Agriculturally production methods designed to protect the environment and maintain the countryside

- A.IV.1. To what extent have the supported actions contributed to protect natural resources in beneficiary areas?

⁸ The CEQ are set out in the Guidelines for the evaluation of Rural Development Programmes supported by Sapard (cf. http://ec.europa.eu/agriculture/external/enlarge/eval/index_en.htm)

A.IV.2. To what extent have the supported actions contributed to develop practical experience of agri-environment implementation at farm level?

A.IV.3. To what extent have the supported actions contributed to develop practical experience of agri-environment implementation at administration level?

Measure 5: Development and diversification of economic activities providing for multiple activities and alternative income

A.V.1. To what extent have the development and diversification of on-farm and/or off-farm activities contributed to increase the income [and the standard of living] of the beneficiary rural population?

A.V.2. To what extent has the development and diversification of on-farm and/or off-farm activities helped to create new employment opportunities?

Measure 7: Setting up producer groups

A.VII.1. To what extent has the setting up of producer groups helped to improve the income of their members?

A.VII.2. To what extent has the setting up of producer groups contributed to improve the processing and/or marketing agricultural products (including fishery products) increase their quality (by complying with EU standards) and prepare the implementation of CMO in the beneficiary sectors?

Measure 8: Renovation and development of villages and protection and conservation of the rural heritage⁹

A.VIII.1. To what extent have the supported investments contributed to underpin the diversification and sustainability of economic activities of the beneficiary populations?

A.VIII.2. To what extent have the supported investments contributed to increase the income and improve the quality of life of the beneficiary populations?

A.VIII.3. To what extent have the investments made contributed to preserve the rural heritage in the beneficiary areas?

Measure 9: Land improvement and reparation

A.IX.1. To what extent have the investments made increased the productivity of the beneficiary holdings?

A.IX.2. To what extent have the improvements made helped to increase the income and the value of the land of the beneficiary populations?

A.IX.3. To what extent have the investments made contributed to improve the environmental management of the land?

Measure 11: Improvement of vocational training

⁹ The questions in this chapter should try and identify any side-effects deriving from the activities undertaken, such as reinforcement of the participation of the rural population in rural development activities, encouragement to entrepreneurship, reinforcement of the attractiveness of the beneficiary areas, etc.

- A.XI.1. To what extent are the assisted training courses in accordance with needs and coherent with other measures of the programme?
- A.XI.2. To what extent have the acquired skills/competence helped improve the situation of the trainees and of the agricultural/ forestry/fishing sector?

Measure 12: Development and improvement of rural infrastructure

- A.XII.1. To what extent have the type and extension of rural infrastructure activities been in accordance with the priority needs of the rural areas concerned?
- A.XII.2. To what extent have the supported investments contributed to improve the competitiveness of the rural areas?
- A.XII.3. To what extent have the supported investments contributed to improve the quality of life of the beneficiary rural populations?

Measure 13: Agricultural water resources management

- A.XIII.1. To what extent have the supported investments resulted in a more efficient use of agricultural water in the beneficiary areas and a better management of available water resources?
- A.XIII.2. To what extent has the agricultural land been protected against water erosion and flooding thanks to the assisted investments?
- A.XIII.3. To what extent have the supported investments contributed to protect and preserve the environment of the beneficiary areas?

Measure 14: Forestry, including afforestation of agricultural areas, investments in forest holdings owned by private forest owners and processing and marketing of forestry products

- A.XIV.1a. To what extent have the forestry measures contributed to maintain and enhance forest resources by influencing land use and the structure and quality of the growing stock?
- A.XIV.1b. To what extent have the forestry measures contributed to maintain and enhance forest resources by influencing the total carbon storage in forest stands?
- A.XIV.2. To what extent have the assisted actions enabled forestry to contribute to the economic and social aspects of rural development?
- A.XIV.4. To what extent have the assisted actions enabled forestry to contribute to the economic and social aspects of rural development by maintenance and appropriate enhancement of protective functions in forest management?

Measure 15: Technical assistance for the measures covered by SAPARD

- A.XV.1. To what extent have the technical assistance measures facilitated the implementation of the programme actions?
- A.XV.2. To what extent have the technical assistance measures increased the acquaintance of the rural populations and authorities involved with EU procedures, rules and principles, notably those regarding SAPARD?

B. Cross-cutting evaluation questions

B.I. Concerning the objective: To contribute to the implementation of the acquis communautaire concerning the common agricultural policy

- B.I.1. To what extent has the programme been conducive to adjust the agricultural sector and the rural economy to Community standards and to prepare them for the implementation of the acquis communautaire?
- B.I.2. To what extent has the programme contributed to establish and improve the implementation of CAP objectives and procedures at the administrations' level?

B.II Concerning the objective: To solve priority and specific problems for the sustainable adaptation of the agricultural sector and rural areas in the applicant countries

- B.II.1. To what extent has the programme helped stabilising the rural population?
- B.II.2. To what extent has the programme been conducive to creating/maintaining employment opportunities in the rural areas?
- B.II.3. To what extent has the programme been conducive to improving the standard of living of the beneficiary populations?
- B.II.4. To what extent have the assisted measures contributed to diversify the rural economy and improve the market situation of the rural areas?
- B.II.5. To what extent have the assisted measures contributed to protect the environment of the rural areas?

B.III. Concerning the conception and implementation of the programme

- B.III.1. To what extent have the implementing arrangements contributed to maximising the intended effects of the programme?