Agenda 2000: CEEC applicant countries, pre-accession aid for agriculture and rural development SAPARD

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This is the third report produced by the Commission on the Special Accession Programme for Agriculture and Rural Development, SAPARD. The first report could give relatively little information on operational aspects because then only two countries were in a position to apply it. The second report covered a period when five countries eligible for support under SAPARD were able to apply the instrument. Although these countries constituted half the eligible countries they accounted for less than one quarter of the total appropriations for all countries. In view of the situation just described, the Commission made clear that any assessment of the instrument on the basis of disbursement of Community budget resources risked giving a distorted image. However many criticisms were levelled at the SAPARD instrument often based on this disbursement. Since the report for 2001 was issued expenditure under the instrument has increased markedly. In particular, payments to final beneficiaries have risen sharply throughout 2002. For the declaration relating to the last quarter of 2002 they exceeded EUR 20 million. This was double that of the previous quarter which in turn was some three times that of the one before. This progress was achieved without payments other than on account being made to Poland and Romania, by far the two greatest beneficiary countries. However the Commission is still convinced that a proper assessment of the instrument must take account also of factors other than the rate of budget execution. There are several reasons for this : - for beneficiary countries under SAPARD, there is a time lag between commitments being made to final beneficiaries and the draw down from the budget of the corresponding Community co-financing aid. For all beneficiary countries there was a zero stock level of pre-existing commitments with final beneficiaries that could be eligible for Community co finance under SAPARD. Thus in order to get expenditure flowing to final beneficiaries from the Community under that instrument it was essential to build structures allowing aid to be granted and controlled (the key point being the conferral of management decision) after which commitments to these beneficiaries may be made. It is only these commitments that permit eligible expenditure to be incurred and subsequently reimbursed, and so charged to the Community budget. - the process of building the structures to apply aid schemes plays a role going beyond the impact it has in terms of budget execution under SAPARD. The existence of these structures has a positive impact on the capacity of each beneficiary country to absorb rural development funds post accession. The significance of that role cannot be measured in terms of budget execution under SAPARD. The crucial factor is the way in which SAPARD is managed in all beneficiary countries, namely on a fully "decentralised" basis. On this point the instrument is unique in that the other pre-accession instruments, The challenge has been met successfully by all of the beneficiary countries. Decentralised management with rigorous preparation (and subsequent control) was also an action consistent with the view expressed by the European Parliament in its report accompanying the 2001 Discharge. The Commission also welcomes the contribution the SAPARD instrument has made to the enlargement process. It is now clearthat many beneficiary countries want either to continue to use unchanged the structures built for SAPARD post accession (or at least to maintain much of them). This report describes the work done and results for 2002. However, it also includes certain developments that occurred in early 2003. As in the report for 2001 it includes a section based on contributions from the beneficiary countries.