

# Rural development in IPA countries

Marius Lazdinis, AGRI G.4, Pre-accession Assistance to Agriculture and Rural Development

Conference: Agriculture, Rural Development & Food Security in the EU External Aid Instruments



European Commission  
Agriculture and  
Rural Development

13 June 2012



# Structure of the presentation

- Rural development under IPA
- State of play, IPARD
- Main bottlenecks to be addressed



## Ways of interaction

- **Trade** – Stabilization and Association Agreements (SAAs), largely liberalised, except for some sensitive products: e.g. baby beef, wine, sugar
- **Approximation to the *acquis*** – SAA, administrative burden, but helping access EU single market
- **Pre-accession assistance** - institutional and capacity building, investment support



# Steps towards accession

- Pre-candidate period

→ prepare to implement pre-accession instruments



- Pre-accession period

→ prepare to implement CAP upon accession to the EU



- Membership

→ start implementing CAP



# Pre-accession assistance

- IPA - Instrument for Pre-Accession assistance for candidate and potential candidate countries
- Financial envelope allocated for the period 2007–2013 – EUR 10.2 billion
- Has five components:
  - Component I. Transition and institution building
  - Component V. Rural development



# IPA Rural Development - Main objectives

- Improving market efficiency and implementation of Community standards (3 measures)
- Preparatory actions for implementation of the agri-environmental measures and local rural development strategies (2 measures)
- Development of the rural economy (3 measures)
- Multi-annual rural development programme
- Three “axes” containing 9 “measures”



# Structures and authorities to be put in place

Common for all IPA components:

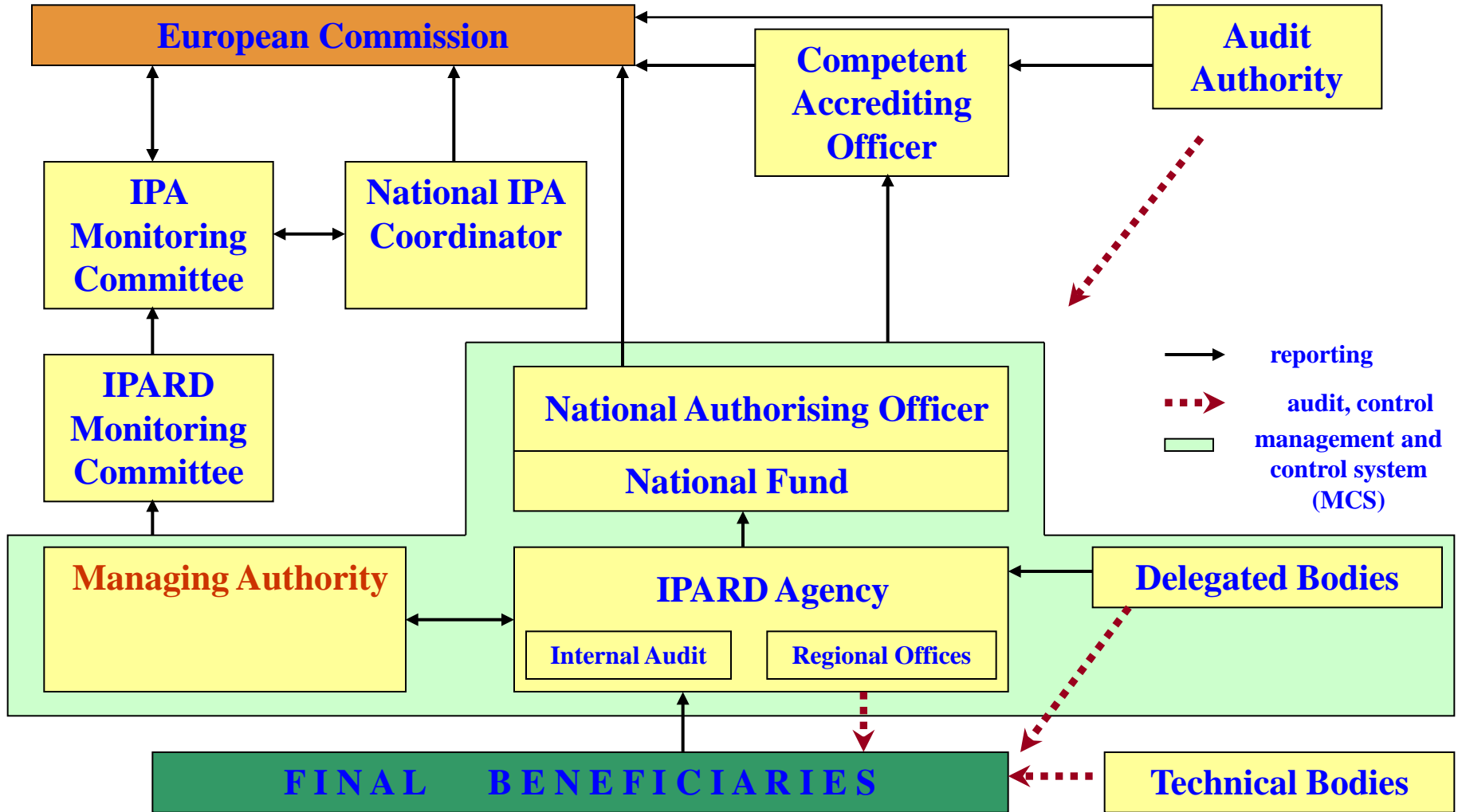
- National IPA Co-ordinator NIPAC
- National Authorising Officer NAO
- National Fund NF

IPARD-specific:

- Operating Structure consisting from Managing Authority and IPARD Agency
- Audit Authority AA



# IPARD structures





# IPA “side effect” - Strengthening public management capacities

Guiding countries in creating modern public management structures, based on the principles of good governance:

- Openness (transparency)
- Participation (partnership)
- Accountability
- Effectiveness
- Coherence



# Example – Improving market efficiency and implementation of Community standards

1. Investments in agricultural holdings to restructure and to upgrade to Community standards
2. Support for the setting-up of producer groups
3. Investments in the processing and marketing of agriculture and fishery products to restructure those activities and to upgrade them to Community standards



# Example - on the farm level

## *Milk sector*

- Milking machinery, milking room facilities, milk cooling and storage as well as on-farm milk transportation equipment
- Construction and modernisation of open and semi-open stables



# Example - on the farm level

## *Meat sector*

- Construction and modernisation of animal stables/shelters, storage buildings and machine sheds
- Silage/fodder production and handling equipment and machinery
- On-farm animal feed preparation, handling, distribution systems and storage



# Example – primary processing

## *Meat sector*

- Construction / renovation of slaughter houses, cooling storage rooms
- Investments in establishment of food safety systems to reach Community standards
- Construction of rendering plants

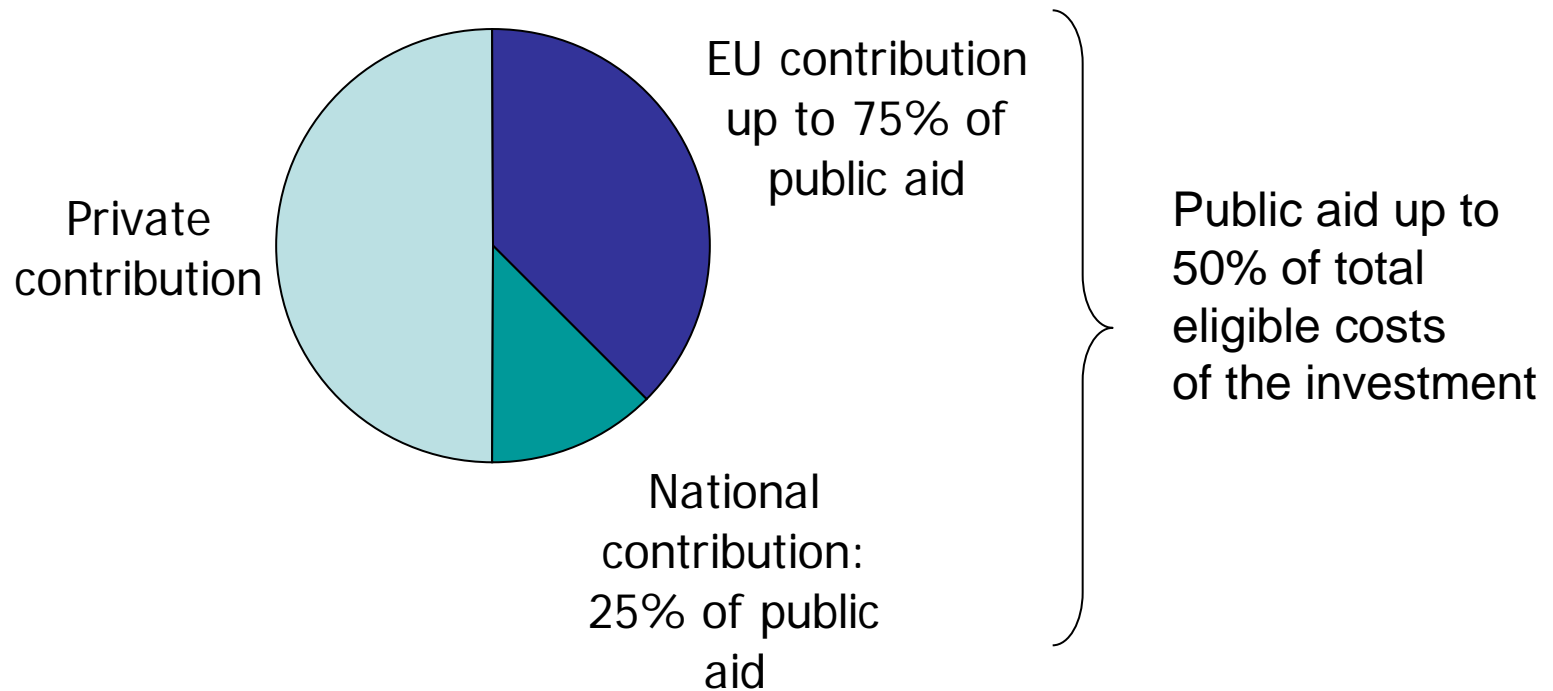


# Programming

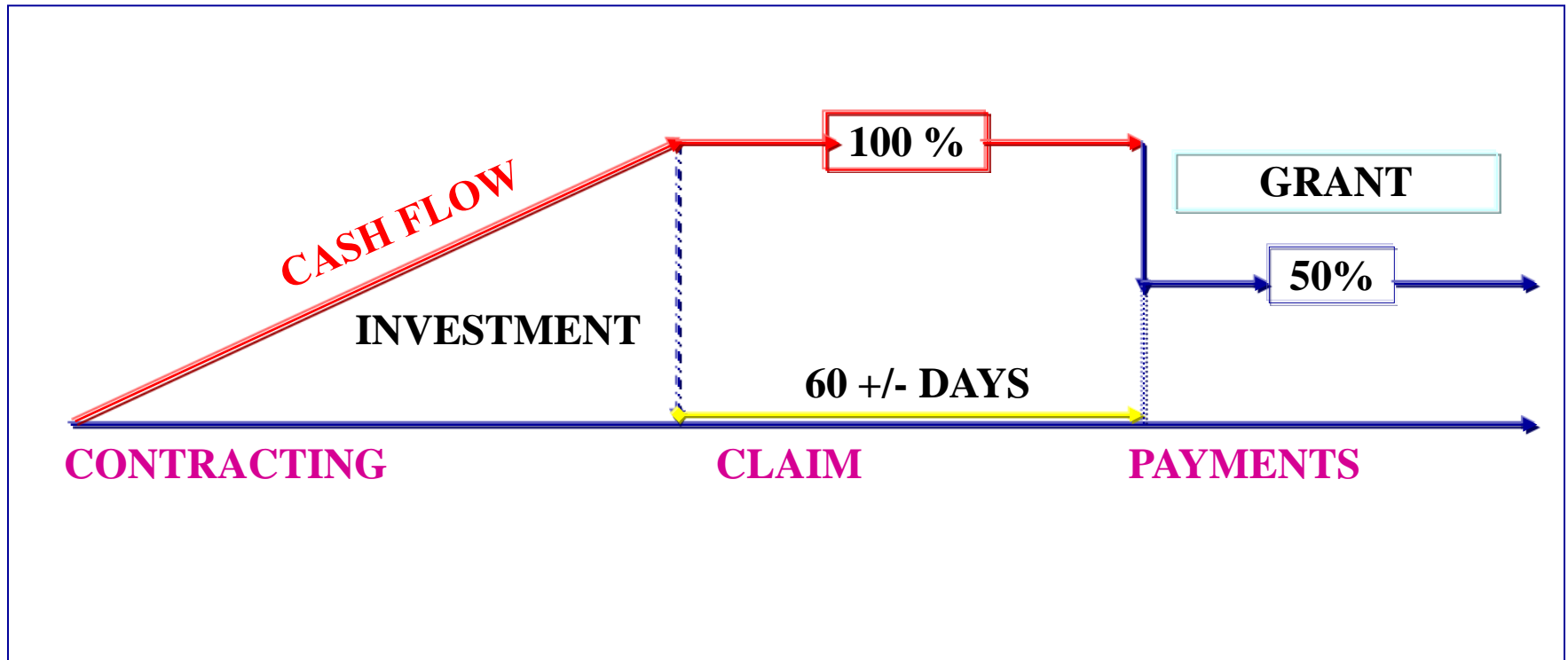
- To have a National Strategy
- Identify key priorities / measures / sectors
- Carry out sector analysis of sectors covered in the Programme
- Draft IPARD programme



# Co-financing principle SAPARD = IPARD



# Beneficiary Cash flow SAPARD = IPARD





# Structure of the presentation

- Rural development under IPA
- State of play, IPARD
- Main bottlenecks to be addressed



# State of play 2012 – pre-accession assistance

- EUR 1145.6 million - total allocation for rural development (IPARD)
- IPARD implemented in three candidate countries + preparations in Montenegro and Serbia
- Potential candidate countries – projects under IPA Transition & Institution Building component



# State of play 2012 - IPARD

HR - Conferral of Management, projects contracted and paid

MK - Conferral of Management, projects contracted and paid

TR - Conferral of Management, first projects contracted and paid

---

ME – programme to be adopted by the end 2012, building structures,

SRB – advanced draft of the programme, building structures

AL – draft programme prepared, structures in place

---

BiH – pre-“0” stage – discussing on where to start

Kosovo – moving ahead, within its own remits



# Structure of the presentation

- Rural development under IPA
- State of play, IPARD
- Main bottlenecks to be addressed



# There is a number of challenges

- Preparation takes a long time and requires allocation of resources
- Low absorption capacity, beneficiaries not always capable of preparing good applications
- Availability of credit for private co-financing (farmers, rural businesses)



# Broader context

- Land cadastre
- Agricultural census
- Administrative registers (farmers' register, animals' register, etc)
  
- Occupational safety standards
- Food safety standards
- Public health standards
- Animal health and welfare standards
- Environmental protection standards



# Broader context

- Extension services
- Organised civil society partners

Many of these addressed through IPA  
Component I projects and projects financed by  
other donors



Thank you



European Commission  
Agriculture and  
Rural Development

