



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 5.1.2004
SEC(2003) 1477

COMMISSION STAFF WORKING PAPER

ANNEX TO THE

REPORT FROM THE COMMISSION

**GENERAL REPORT
ON PRE-ACCESSION ASSISTANCE
(PHARE – ISPA – SAPARD)
IN 2002**

COUNTRY SECTIONS

{COM(2003)844 final}

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1. BULGARIA

Allocations for Bulgaria in 2002 were as follows:

PHARE: € 122.9 million

ISPA: € 104.6 million

SAPARD: € 55.6 million¹

TOTAL: € 283.1 million

A. Programming of pre-accession assistance

PHARE:

Committed amount: € 122.9 million ².

Main programmes

- National Programme € 94.9 million

Comment: includes participation in Community programmes

- Cross border Co-operation programmes € 28 million

Geographical breakdown: Greece € 20 million and Romania € 8 million

¹ Indicative allocation of the maximum annual amount in 2002 prices.

² Excluding benefits from horizontal and multi-country Phare programmes.

National programme's objectives

- *Economic reform and the acquis* € 23.6 million
- *Strengthening public administration* € 36.4 million
- *Economic and Social Cohesion* € 14.0 million
- *Ethnic Integration and Civil Society* € 8.0 million
- *Project Preparation, Twinning Light and Management of EU funds* € 12.9 million

ISPA:

Committed amount: € 104.6 million

Environment: € 51.9 million Transport: € 52.0 million

EDIS: € 0.7 million

Environment strategy's priorities

1. Water quality 2. Urban waste 3. Air pollution

Transport strategy's priorities

- Further opening of Bulgaria to its neighbours (Greece, Turkey and Central Europe) and the rest of Europe – development of main corridors, border infrastructure and Sofia airport.
- Maintain a balance between transport modes.
- Develop railway connections and electrification of all main railway lines.
- Continue programme of road rehabilitation and construction of new motorways.
- Ensure compliance of transport infrastructure with environmental concerns.
- Complete or upgrade the main Trans-European Networks and developing border connections (5 of the 10 priority TINA corridors across Bulgaria).

BULGARIA	ISPA FUNDS	% TOTAL OF SECTOR	PROJECTS
ENVIRONMENT			
Sewage network/ Treatment Plant	51,865,803	57.8	6
TRANSPORT			
Road	52,000,000	100	1
EDIS	714,044	100	1

SAPARD:

Committed amount: € 55,582,227

The Commission approved the Bulgarian SAPARD programme on 20 October 2000.

A modification of the programme was approved by the Commission on 21 May 2002.

On December 2002, the Monitoring Committee approved a proposal for a new modification of the programme (this proposal, the final version of which was transmitted on 7 April, was subsequently approved by a Commission Decision on 27 May 2003).

Rural Development Plan's main objectives

- Improving agricultural production efficiency and promoting a competitive food processing sector by better market and technological infrastructure and strategic investment policies aimed ultimately at reaching EU standards.
- Sustainable rural development consistent with best environmental practices, by introducing alternative employment, diversifying economic activity and establishing necessary infrastructure.

Financial breakdown per measure³

Investments in agricultural holdings	31.4 %
Improvement of processing and marketing of agricultural and fishery products and construction of wholesale markets	23.9 %
Development of environmentally friendly agricultural products	2.5 %
Forestry, including afforestation and investments in improvement of the processing and marketing of forestry products	8.4 %
Setting up producers groups	1.0 %
Water resources management	5.7 %
Development and diversification of economic activities providing for multiple activities and alternative income	7.8 %
Renovation and development of villages, protection and conservation of rural heritage and cultural traditions	8.1 %
Development and improvement of rural infrastructure	5.9 %
Improvement of vocational training	4.6 %
Technical Assistance	0.7 %

³ As stated in the financial table annexed to the RDP (December 2002), share of total allocation of EU funds

B. Implementation of pre-accession assistance

The following implementation structure exists in Bulgaria for the implementation of pre-accession assistance:

National Fund (NF)

Implementing Agencies

For PHARE:

- Central Finance and Contracting Unit for Institution Building projects
- Agency at the Ministry of Regional Development that handles investment projects for Cross-border Co-operation and Economic and Social Cohesion.
- Agency at the Ministry of Labour and Social Policy that handles investment projects in their field of competence

Characteristics:

- handle tendering, contracting and payments
- day-to-day project management remains the responsibility of the Ministries or agencies directly benefiting from the assistance.
- Increased ownership and responsibility for the sound management of EU funds with the issuance of a decree in September 2000 giving the CFCU the status of Directorate within the Ministry

For ISPA:

- *Transport:* the Ministry of Transport and the Roads Executive Agency
- *Environment:* the Ministry of Environment and Water, and a Joint Department of the Ministries of Regional Development and Environment.

For SAPARD:

The Commission Decision conferring management to the Bulgarian implementing structures was taken on 14 May 2001 for 3 out of 11 measures, which account for 63.1% of the available amount. The three concerned measures are: investments in agricultural holdings; processing and marketing and diversification of activities. Following this Decision, in May 2001 the Commission made an initial payment on account of € 12,988,950 to the National Fund. Additional payments of € 10,912,444⁴ were made for expenditure declared until the end of 2002.

In 2002, 248 projects have been approved corresponding to € 31.95 million of Community contribution.

⁴ From this amount, € 5,986,560 concerning the reimbursement for expenditure occurring in the fourth quarter of 2002 was paid on 10 March 2003.

From the beginning of the programme until the end of December 2002, the SAPARD Agency approved 298⁵ projects, involving € 40.36 million of Community contribution. From these projects, 106 have been completed and a total subsidy of € 14.5 million has been paid to the beneficiaries.

The following structure is used for the implementation of SAPARD in Bulgaria:

- **The National Fund**, located within the Ministry of Finance, administers SAPARD funds allocated under the responsibility of the National Authority Officer. It is responsible for the national accreditation of the SAPARD Agency and for the information flow between the Commission and Bulgaria.
- The **Managing Authority** is located within the Ministry of Agriculture.
- The **SAPARD Agency**, is within the State Fund Agriculture (SFA), and operates from its seat in Sofia with 6 regional offices.
- The **Monitoring Committee**.

C. Co-ordination between pre-accession instruments

In the programming process: through intensified collaboration between the relevant Commission services, including joint programming missions and regular meetings to share information.

- *At the national level:*

- *Programming:* through the National Aid Co-ordinator (NAC) in the Ministry of Finance
- *Implementation and financial management:* through the Ministry of Finance (National Fund) regarding all aspects of implementation and financial management.

- *At the regional level:*

- *Programming:* establishment of regional steering committees
- *Implementation and financial arrangement:* through the designated Implementing Agency (PHARE, ISPA).

⁵ From these projects, 12 have been cancelled. For the remaining 286 projects the respective EU contribution is € 38.5 million

2. CZECH REPUBLIC

Allocations for Czech Republic in 2002 were as follows:

PHARE: € 108.2 million

ISPA: € 80.5 million

SAPARD: € 23.5 million

TOTAL: € 212.2 million

A. Programming of pre-accession assistance

PHARE:

Committed amount: € 108.2 million

Main programmes

- National Programme (including €8.1 million for participation in Community programmes) **€ 84.8 million**
- Cross border Co-operation programmes **€ 19 million**
Geographical breakdown: Germany € 10 million, Austria € 4 million and Poland: € 5 million
- Nuclear Safety **€ 4.1 million**
- EDIS Horizontal Programme **€ 0.3 million**

National programme's objectives

- Strengthening the democratic system, the rule of law, human rights, protection of minorities, and flood relief € 4 million
- Strengthening the competitiveness of the Czech Republic's market economy € 17.1 million
- Helping the Czech Republic adopt and implement the acquis and strengthening the institutional and administrative capacity to manage the acquis € 49.3 million
- Improving the standard of living in economically depressed regions and at preparing the Czech Republic for the management of Structural Funds € 6.3 million

ISPA:

Committed amount: € 80.5 million

Environment: € 31.3 million

Transport: € 25.1 million

Flood Relief: €24 million

EDIS: €0.1 million

- Environment strategy's priorities
- Water Quality Management
- Air quality and Climate protection
- Waste Management

Transport strategy's priorities

In the road sector:

- completion of missing sections of the R 48 expressway linking Czech Republic with Poland
- construction of certain sections of D8 motorway linking Prague to Dresden
- completion of the Pilsen by-pass

– certain sections of the Prague Ring Road.

In the **rail sector**: completion of modernisation TEN Corridor IV, which links the country to Berlin and Vienna/ Bratislava.

In the **inland waterways sector**: improvement of navigation conditions on the Labe River.

CZECH REPUBLIC	ISPA FUNDS	% TOTAL OF SECTOR	PROJECTS
ENVIRONMENT			
Drinking water pipes/plant	12,000,000	38.32	1
Drinking water/Sewage Water	7,316,160	23.36	1
Sewage Network/treatment plant	12,000,000	38.32	1
TRANSPORT			
Rail	24,979,196	99.59	1
Rail and Road	40,000	0.16	1
Road	62,500	0.25	1
EDIS			
Total	136,180	100	1
FLOODING RELIEF			
Total	24,000,000	100	1

SAPARD:

Committed amount: € 23.5 million

The Commission approved the Czech programme on 26 October 2000. During 2002, the SAPARD Programme in the Czech Republic was the subject of four modifications involving presentations to the STAR Committee at its meetings held in January, March, July and November 2002.

The first of these modifications was approved by the Commission Decision on 26 February 2002, and concerned mainly modifications arising from the national accreditation exercise.

The second modification, which was approved by the Commission Decision on 12 April 2002, involved revisions to the measure on Technical Assistance.

The third modification, which was approved by the Commission Decision on 31 July 2002, included revisions to the measure on pilot agri-environment measures. (An audit mission was undertaken by the European Commission in December 2002 and a subsequent Commission Decision conferring the management of aid for this measure was taken on 19 February 2003).

Finally the fourth modification, which was approved by the Commission Decision on 23 December 2002, included changes to the programme in response to the floods which seriously affected the country in August 2002.

Rural Development Plan's main priorities

- Increase the competitiveness of agriculture and processing industry
- Reach the sustainable development of rural areas
- Technical support

Financial breakdown per measures

Measures to be realised in order to increase the competitiveness of agriculture and processing industry **63.9 %**

Investments in agriculture holdings **17.7%**

Improving of the processing and marketing of agricultural and fishery products **17.3 %**

Improving the structures for quality control, for the quality of foodstuffs and for consumer protection **8.9 %**

Land improvement and re-parcelling **20.0 %**

Measures selected to reach the sustainable development of rural areas **34.4 %**

Renovation and development of villages **10.5 %**

Rural infrastructure **5.6%**

Development and diversification of economic activities, providing for multiple activities and alternative income **16.0 %**

Agricultural production methods designed to protect the environment and maintain the countryside **2.3 %**

Technical support **1.6 %**

Improvement of vocational training **0.9 %**

Technical Assistance **0.7 %**

B. Implementation of pre-accession assistance

PHARE and ISPA:

National Fund (NF)

Implementing Agencies

For PHARE:

- Central Financing and Contracting Unit (CFCU), for Institution Building and Investment projects
- Centre for Regional Development, for cross-border co-operation projects and investment projects for Economic and Social Cohesion
- Czech Civil Society Development Foundation (NROS), for projects concerning the civil society sector

For ISPA:

The basic implementation structure for ISPA was established in 2001:

- The First Deputy Minister of Finances acts as National ISPA Co-ordinator (NIC)
- Extension of the Memorandum of Understanding in the National Fund to cover ISPA in December 2001
- Creation of two Implementing Agencies:
 - *Transport*: the Ministry of Transport
 - *Environment*: the Centre for Regional Development.

For SAPARD:

The Czech Republic submitted its request for the conferral of management on 13 November 2001. The Commission Decision conferring management aid on a provisional basis on the SAPARD Agency of the Czech Republic and on the Ministry of Finance National Fund was taken on 15 April 2002. This covered seven out of nine measures, representing approximately 97% of the amounts available.

Following this Decision, the Commission has made payments on account amounting to € 10,995,902 to the National Fund.

By the end of December 2002, a total of 463 projects had been contracted by the SAPARD Agency, amounting to € 37.8 million.

The following structure is used for the implementation of SAPARD in the Czech Republic:

- The National Fund, located within the Ministry of Finance, administers SAPARD funds allocated under the responsibility of the National Authorising Officer. It is responsible for the national accreditation of the SAPARD Agency.
- The **Managing Authority** is a separate department within the structure of the SAPARD Agency.
- The **SAPARD Agency**: the Agency of the Czech Republic for Agricultural Markets and Rural development has been established as the SAPARD Agency.
- The **Monitoring Committee**.

C. Co-ordination between pre-accession instruments

- ***In the programming process:*** through intensified collaboration between the relevant Commission services, including joint programming missions and regular meetings to share information.
- ***At the national level:***
 - *Co-ordination PHARE, ISPA, SAPARD:* through the Joint Monitoring Committee, in which the NAC and the NAO meet with the Commission at least once a year. In 2002, this meeting took place on 26 June.
 - *Programming:* through the NAC in the Ministry of Finance
 - *Implementation and financial management:* through the Ministry of Finance (National Fund) regarding all aspects of implementation and financial management.
 - *Preparation of programming documentation connected with Economic and Social Cohesion:* through the Management and Co-ordination Committee responsible for the overall co-ordination and monitoring of preparations for programming documentation (National Development Plan, ROPs and SOPs) connected with Economic and Social Cohesion, and, in particular, the activities of the Regional and Sectoral Management and Monitoring Committees.
 - *For the implementation of SAPARD:* through the Ministry of Agriculture and the Ministry for Regional Development that co-ordinate the implementation of the programme in accordance with the priorities and measures within their respective competencies
- ***At the regional level:***
 - *For PHARE CBC and ISPA:* through the Monitoring Sub-Committee for Economic and Social Cohesion
 - *For SAPARD:* through the Regional Monitoring Sub-Committees at NUTS II level

3. ESTONIA

Allocations for Estonia in 2002 were as follows:

PHARE:	€ 33.4 million
ISPA:	€ 30.4 million
SAPARD:	€ 12.9 million ⁶
TOTAL:	€ 76.7 million

A. Programming of pre-accession assistance

PHARE:

Committed amount: € 33.41 million

Main programmes

- *National Programme* € 30.4 million
Including Participation in Community programmes € 2.9 million
- *Cross border Co-operation programmes* € 3.0 million

Breakdown: Baltic Sea CBC programme: € 2 million and
Baltic Sea Special Action: € 1 million

National programme's objectives

- *Integration of the Estonian Customs Information System with DG TAXUD computer systems* € 3.2 million
- *PHARE project preparation, training and management facility* € 1.2 million
- *Reinforcement of the administrative and operational capacity of the Estonian Customs Board* € 3.0 million

⁶ Indicative allocation of the maximum annual amount in 2002 prices

- Competition, State Aids, Public Procurement € 0.3 million
- Enforcement of EU intellectual and industrial property legislation € 0.7 million
- Implementation of the INTRASTAT system € 0.8 million
- Strengthening enforcement of maritime safety € 1.5 million
- Creation of the system of licensing and supervision of aviation personnel € 0.8 million
- Improving the effectiveness of Criminal Procedure € 0.4 million
- Development of administrative capacity for monitoring and evaluation of the agri-environment measures € 0.4 million
- Development of Agricultural Information Management Systems € 2.5 million
- Strengthening of TSE control system in Estonia € 0.7 million
- Minimisation of the number of rabies cases € 2.1 million
- Successful implementation of the Common Fisheries Policy € 0.5 million

- Development of Estonian Air Quality Management System € 3.2 million
- Drinking Water, Urban Waste Water Treatment, and Discharge of Dangerous Substances to the aquatic environment directives implementation € 0.4 million
- Enhancing employment opportunities for people with disabilities € 0.4 million
- Implementation of the social security co-ordination rules € 0.7 million
- Increasing the coverage and effectiveness of Occupational Health services € 0.3 million
- Development of work-linked training programmes and network in the Northeast, South and Island regions € 2 million
- Special Programme for Strengthening the civil society € 0.7 million
- Completing preparations for the management of EU Structural Funds Phase II € 1.7 million
- Community Programmes € 2.9 million

EDIS preparation:

€ 96,990 from the 2002 PHARE project preparation, training and management facility (€ 1.2 million) was dedicated to the gap assessment for EDIS (Stage 1). In addition, € 500,000 has been attributed to Estonia for the further stages, within a multi-country programme. € 110,000 has already been contracted to perform the on-going gap plugging exercise (stage 2).

ISPA:**Committed amount: € 30.4 million****Environment: € 14.3 million****Transport: € 16 million****EDIS: €0.1 million****Environment strategy's priorities**

1. Wastewater treatment 2. Waste Management 3. Air quality improvement

Transport strategy's priorities**Priority 1:** Upgrading of Road Corridor I (Via Baltica). Main projects are located:

- On the Tallinn — Parnu — Ikla Road (Via Baltica)
- On the connecting east-west link between Corridors I and IX (in Russia)
- Along Lake Peipsi and in the south-eastern region of Estonia.

Priority 2: Upgrading of the Railway Link

- Modernisation of the transit traffic and the regional development of the Tallinn — Tapa — Narva - St. Petersburg railway line
- South-eastern rail border station
- Upgrading of the rail Corridor I
- Bypass of the railway line around Tallinn towards Paldiski.

ESTONIA	ISPA FUNDS	% OF TOTAL OF SECTOR	PROJECTS
ENVIRONMENT			
Drinking and sewage Water	10,311,876	72.05	5
Solid Waste Collection System	4,000,000	27.95	1
TRANSPORT			
Rail and Road	6,000,000	37.59	1

Rail	270,000	1.69	1
Road	9,396,165	60.72	3
EDIS			
Total	87,152	100	1

SAPARD:

Foreseen amount to be committed ⁷: € 12.94 million

The Commission approved the SAPARD Programme for Agriculture and Rural Development for Estonia on 17 November 2000 and made a modification to it on 19 December 2002, as a result of the experience obtained in the first year of Programme implementation.

Rural Development Plan's main priorities

- Improving the competitiveness of agriculture and processing industry
- Rural regeneration and sustainable development
- Facilitating effective programme implementation

Financial breakdown per measures ⁸

Priority 1: Improving the competitiveness of agriculture and the agri- food industry 61.3 %

Investments in agricultural holdings 42.8 %

Improving the processing and marketing of agricultural and fishery products 18.5 %

⁷ Annual financing agreement 2002 still to be signed (July 2003)

⁸ As stated in the financial table annexed to the RDP (December 2002), share of total allocation of EU funds

Priority 2: Rural regeneration and development **36.7 %**

Development and diversification of economic activities **17.9 %**

Development and improvement of rural infrastructure **12.5 %**

Renovation and development of villages **3.6 %**

Agricultural production methods designed to protect the environment and maintain the countryside **1.4 %**

Forestry **1.3 %**

Priority 3: Facilitating effective programme implementation **2.0 %**

Technical Assistance **2.0 %**

B. Implementation of pre-accession assistance

PHARE

The following implementation structures are in place in Estonia for the implementation of pre-accession assistance:

National Fund (NF)

Implementing Agency

For PHARE:

- Central Finance and Contracting in Ministry of Finance

For ISPA:

- *Transport*: - the Estonian National Road Administration - the Estonian Railways LTD

- *Environment*: the newly created Environment Investment Centre

For SAPARD:

Management of SAPARD aid was conferred on Implementing Agencies by the Commission Decision of 15 June 2001 for 4 out of 8 measures, which account for 91 % of the amounts available.

The four concerned measures are: investments in agricultural holdings, processing and marketing, diversification of the economic activity and rural infrastructures.

The Commission, in October 2002, made a second payment of account of € 3,024,458 to the National Fund.

The following structure is used for the implementation of SAPARD in Estonia:

- The **National Fund**, located within the Ministry of Finance administers SAPARD funds allocated under the responsibility of the National Authorising Officer; it is responsible for the national accreditation of the SAPARD Agency and for the information flow between the Commission and Estonia.
- The **Managing Authority**: the Ministry of Agriculture, responsible for general programme management and implementation
- The **SAPARD Agency**: the Agricultural Registers' and Information Board (ARIB)
- The **Monitoring Committee**

In 2002, the SAPARD Agency received 426 applications for support. 379 projects have been approved corresponding to € 9.3 million of Community contribution. Payments in 2002 from the Commission amounted to € 6,553,966, from which € 3,024,458 corresponded to payment on account, and € 3,529,508 to reimbursement of expenditure (i.e. payments made by the SAPARD Agency to beneficiaries).

From the beginning of the programme until the end of 2002, a cumulative total of 509 projects have been approved by the SAPARD Agency, amounting to € 15,220,154 of Community contribution (cumulative amount of approved commitments). A cumulative total amount of € 3,551,078 has been paid to Estonia as a reimbursement of incurred expenditure.

C. Co-ordination between pre-accession instruments

• At the national level:

- *Financial management*: through the National Fund
- *Policy co-ordination between PHARE, ISPA and SAPARD* as between all other bilateral/multilateral assistance is carried out by an Inter-ministerial Foreign Assistance Co-ordination Committee (Committee of Ministers), reuniting seven key ministers, chaired by the Minister of Regional Affairs. The secretariat is ensured by Ministry of Finance.

- *PHARE programming*: All PHARE projects are analysed by the Ministry of Finance and European Union Secretariat, which prepare documentation for the Council of Senior Civil Servants for European integration (CSCS). The CSCS consists of the representatives of the Bank of Estonia and eleven ministries (+ the Ministry of Defence, which has a status of an observer) and is chaired by the Head of the European Union Secretariat. The Council approves the list of projects and makes a proposal for the Committee of Ministers, which approves the projects.

4. HUNGARY

Allocations for Hungary in 2002 were as follows:

PHARE: € 130.7 million

ISPA: € 94.1 million

SAPARD: € 40.6 million⁹

TOTAL: € 265.4 million

A. Programming of pre-accession assistance

PHARE:

Committed amount: € 111.7 million

Main programmes

- National Programme € 111.7 million
- Cross border Co-operation programmes € 19 million

Geographical breakdown: Austria € 10 million; Romania € 5 million, Slovakia € 2 million and Slovenia € 2 million

⁹ Indicative allocation of the maximum annual amount in 2002 prices

National programme's objectives

2002 PHARE National Programme Part I

- Agriculture and Food Safety € 11.05 million
- Social Policy and Employment € 10.4 million
- Regional Policy € 2.6 million
- Environment € 6.5 million
- Justice and Home Affairs € 3.9 million
- Other Institution Building Actions € 3 million

2002 PHARE National Programme Part II

- Establish capacity to utilise Structural Funds € 41.5 million
- Develop administrative capacity in the field of Justice and Home Affairs, Customs Modernisation and Civil Society Development € 14.8 million
- Participation to Community Programmes € 17.6 million

ISPA:**Committed amount: € 94.1 million****Environment: € 49.1 million Transport: € 44.6 million****EDIS: € 0.4 million****Environment strategy's priorities**

1. Water protection 2. Municipal Waste Treatment 3. Air quality improvement

Transport strategy's priorities

- Promotion of integration into the EU;
- Improved co-operation with neighbouring countries;
- Contribution to balanced regional development; protection of human life and environment;
- Effective, market-oriented transport regulations.

HUNGARY	ISPA FUNDS	% TOTAL OF SECTOR	PROJECTS
ENVIRONMENT			
Solid Waste Collection System	49,116,408	100	4
TRANSPORT			
Rail	33,727,100	75.67	4
Road	10,844,464	24.33	2
EDIS			
Total	432,000	100	1

SAPARD:**Committed amount: € 40.57 million**

The SAPARD Rural Development Programme for Hungary was approved by the Commission on 18 October 2000.

Rural Development Plan's main objectives

- Increasing the competitiveness of agriculture and processing industries
- Focus on environmental protection aspects
- Enhancing the adaptation capabilities of rural areas

Financial breakdown per measures ¹⁰

Investments in agricultural holdings	28.4 %
Improvement of processing and marketing of agricultural and fishery products and construction of wholesale markets	20.5 %
Improvement of vocational training	1.8 %
Setting up producer group	7.3 %
Pilot actions on agricultural production methods designed to protect the environment and maintain the country side	4.2 %
Renovation and development of villages, protection and conservation of rural heritage and cultural traditions	9%
Diversification of economic activities aimed at generating alternative revenues	15.5%
Development and improvement of rural infrastructure	12 %
Technical Assistance	1 %

¹⁰ As stated in the financial table annexed to the RDP (December 2002), share of total allocation of EU funds

B. Implementation of pre-accession assistance

PHARE and ISPA:

The following implementation structure exists in Hungary for the implementation of pre-accession assistance:

National Fund (NF)

Implementing Agencies

For PHARE:

- Central Finance and Contracting Unit for Institution Building projects
- National Agency for Regional Development - within the National Office for Regional Development - Prime Minister's Office and the National European Social Fund Implementing Agency, established under the leadership of the Ministry of labour and Social Solidarity for Economic and Social Cohesion type projects. The National Agency for Regional Development handles CBC projects

Characteristics:

- handle tendering, contracting and payments
- day-to-day project management remains the responsibility of the Ministries or Agencies directly benefiting from the assistance.
- Increased ownership and responsibility for the sound management of EU funds with the issuance of a decree in September 2000 giving the CFCU the status of Directorate within the Ministry

For ISPA:

- *Transport:* the Ministry of Economy and Transport
- *Environment:* the Ministry of Environment and Water.

For SAPARD:

The Commission Decision conferring the management of aid to the Hungarian Implementing Agencies was adopted on 26 November 2002 for 4 measures out of 9 of the SAPARD programme: investment in agricultural holdings, processing and marketing of agriculture and fishery products, rural infrastructures and Technical Assistance.

Following the conferral decision, the Commission, in December 2002, made an initial payment on account of € 9,482,800 to the National Fund.

The first call for applications was launched in September 2002 and over 1,100 applications were received by the SAPARD Agency.

The following structures is used for the implementation of SAPARD in Hungary:

- The **National Fund**, located within the Ministry of Finance, administers SAPARD funds allocated under the responsibility of the National Authorising Officer (NAO) and is responsible for the national accreditation of the SAPARD Agency.
- The **Managing Authority** is located within the Ministry of Agriculture and Rural Development (MARD).
- The **SAPARD Agency** is established within the Ministry of Agriculture and Rural Development and has its own regional offices.
- The **Monitoring Committee**.

C. Co-ordination between pre-accession instruments

- *In the programming process*: through intensified collaboration between the relevant Commission services, including joint programming missions and regular meetings to share information.

- *At the national level:*

- *Programming and implementation*: through the National Aid Co-ordinator (NAC) in the Prime Minister's Office which co-ordinates programming and organises Monitoring Committees
- *Financial management*: through the Ministry of Finance (National Fund) regarding all aspects of implementation and financial management.

- *At the regional level:*

- *Programming*: the regional level is consulted during the programming phase and in the elaboration of the relevant strategy and programming documents.

Implementation, financial arrangement: through the designated Implementing Agency (PHARE, ISPA) and Paying Agency (SAPARD).

5. LATVIA

Allocations for Latvia in 2002 were as follows:

PHARE:	€ 36.3 million
ISPA:	€ 46.5 million
SAPARD:	€ 23.3 million ¹¹
TOTAL:	€ 106.1 million

A. Programming of pre-accession assistance

PHARE:

Committed amount: € 36.3 million

Main programmes

- National Programme € 32.1 million
- Cross border Co-operation programmes € 3.0 million
Financial breakdown: Baltic Sea CBC programme € 2 million for Grant Scheme and € 1 million for Small Project Fund
- Horizontal Programme for Community support in the field of Nuclear Safety € 0.7 million
- Horizontal Programme 'Preparing candidate countries for EDIS in the management of pre-accession funds' € 0.5 million

¹¹ Indicative allocation of the maximum annual amount in 2002 prices

National programme's objectives

- **Political criteria: Promotion of Integration of Society in Latvia; Civil Society** € 3.1 million
- **Free Movement of Goods and Services** € 3 million
- **Agriculture** € 0.9 million
- **Statistics** € 1 million
- **Employment and Social Affairs** € 1.8 million
- **Telecommunications** € 0.5 million
- **Regional Policy** € 4.5 million
- **Environment** € 1.9 million
- **Justice and home affairs including border control** € 6.5 million
- **Customs Union** € 4.8 million
- **Overall Administrative Capacity incl. Participation in Community Programmes and Agencies** € 4.2 million

ISPA:**Committed amount: € 46.5 million****Environment: € 15.3 million****Transport: € 31.2 million****Environment strategy's priorities**

1. Wastewater treatment
2. Waste Management

Transport strategy's priorities

- **Priority 1:** Upgrading of Road Corridor I (Via Baltica).
- **Priority 2:** Upgrading of the East-West Railway Link

LATVIA	ISPA FUNDS	% TOTAL OF SECTOR	PROJECTS
ENVIRONMENT			
Drinking and Sewage Water	9,671,185	63.07	2
Drinking water pipes/plant	5,677,600	36.99	1
TRANSPORT			
Rail	17,922,034	57.44	3
Road	13,278,525	42.56	2

SAPARD:**Committed amount: € 23.3 million**

The Commission approved the SAPARD Programme on 25 October 2000. By the end of 2002, the programme was subject to two modifications (approved on 28 November 2001 - before granting the conferral of management - and on 31 July 2002).

Rural Development Plan's main priorities

- To increase competitiveness and farming income level and to increase the incomes of agriculture enterprises through the development of sustainable agriculture
- To improve infrastructure in the rural territory to bring it closer to urban standards and to create employment structure in the rural territory

- To develop and promote the methods designed to protect the environment and maintain the countryside

Financial breakdown per measures ¹²

Priority 1: Investment in agricultural holdings **28.0 %**

Modernisation of agriculture machinery, equipment and construction **23.1 %**

Afforestation of agricultural land **3.0 %**

Land reparation **1.9 %**

Priority 2: Improvement of agriculture and fisheries product processing and marketing **26.0 %**

Priority 3: Development and diversification of economic activities providing alternative income **23.6 %**

Priority 4: Improvement of general rural infrastructure **12.0 %**

Priority 5: Environmental friendly agricultural methods **4.5 %**

Organic farming **1.8 %**

Preservation of biodiversity and rural landscape **1.6 %**

Reduction of agricultural run-off **1.1 %**

¹² As stated in the financial table annexed to the RDP (December 2002), share of total allocation of EU funds

<i>Supporting measures</i>	5.9 %
Vocational training	3.9 %
Technical Assistance	2.0 %

B. Implementation of pre-accession assistance

PHARE and ISPA

The following implementation structure exists in Latvia for the implementation of pre-accession assistance

National Fund (NF)

Implementing Agencies

For PHARE:

- PHARE programme implemented under the National Authorising Officer (NAO)
- Central Finance and Contracting Unit (CFCU) for tendering and contracting in the case of Institution Building (including Twinning) and Society Integration Foundation (SIF) in the case of Integration of Society and Civil Society projects.
- Two Implementing Agencies (IA), one in the field of transport and the other one in the field of environment for tendering and contracting ISPA projects.

For ISPA:

- *Implementing agency in the Ministry of Transport:* tendering and contracting transport infrastructure projects
- *Implementation Agency in the Ministry of Environment:* tendering and contracting of environmental infrastructure projects

For SAPARD:

Management of SAPARD aid was conferred on Implementing Agencies by the Commission Decision of 6 December 2001 for 6 out of 11 measures, which account for 92 % of the programmed amounts. The 6 measures concerned are:

- Modernisation of agriculture machinery, equipment and construction;
- Afforestation of agricultural land;
- Improvement of agriculture and fisheries product processing and marketing;
- Development and diversification of economic activities providing alternative income;
- Improvement of general rural infrastructure and
- Vocational training

Due to the date of conferral of management in December 2001, Latvia has started to contract first projects in January 2002. By the end of 2002, the SAPARD Agency had approved 425 SAPARD projects, committing € 14,681,846 of Community contribution (corresponding to 66 % of the amount laid down in AFA 2000).

As regards payments executed by the Commission to Latvia, a total amount of € 9,930,663 has been paid up to end 2002. This amount includes € 5,444,374 as a payment on account, and € 4,486,289 paid as a reimbursement of incurred expenditure (i.e. payments made by the SAPARD Agency to beneficiaries).

The following structure is used for the implementation of SAPARD in Latvia:

- The **National Fund** located within the Ministry of Finance administers SAPARD funds allocated under the responsibility of the National Authorising Officer; it is responsible for the national accreditation of the SAPARD Agency and for the information flow between the Commission and Latvia.
- The **Managing Authority**: located within the Ministry of Agriculture
- **SAPARD Agency**: the Rural support Service of the Ministry of Agriculture, seat in Riga with 9 regional offices
- The **Monitoring Committee**

C. Co-ordination between pre-accession instruments

• At the national level:

- *Programming*: through the National Aid Co-ordinator for PHARE, who will also act as National ISPA Co-ordinator

- *Implementation and Financial management: Ministry of Finance*
- *Co-ordination of the monitoring of the 3 pre-accession instruments: it includes the NAC, the NAO and the Commission.*

6. LITHUANIA

Allocations for Lithuania in 2002 were as follows:

PHARE: € 147.6 million

ISPA: € 61.2 million

SAPARD: € 31.8 million ¹³

TOTAL: € 240.6 million

A. Programming of pre-accession assistance

PHARE:

Committed amount: € 147.6 million

Main programmes

- *National Programme* € 62.19 million
- *Horizontal Programme in the field of Nuclear Safety* € 1.9 million
- *Decommissioning of Ignalina Nuclear power station and consequential measures in the energy sector* € 80 million
- *Implementation of EDIS* € 0.5 million
- *CBC (Investment+ Small Project Fund)* € 3 million

¹³ Indicative allocation of the maximum annual amount in 2002 prices

National programme's objectives

- National Programme for Lithuania Part 1: Free movement of Goods; Taxation; Justice and Home Affairs; Customs Union € 12.7 million
- National Programme for Lithuania Part 2: Agriculture; Social Affairs; Internal Market; JHA; Environment; Public Administration; Participation in Community Programmes € 30.69 million
- National Programme for Lithuania Part 3: Business Development; Social Affairs and Training; Tourism; Innovation; Project Preparation Facility; Energy; Occupational Health & Safety; Public Administration 18.79 million

ISPA:

Committed amount: € 61.2 million

Environment: € 32.6 million

Transport: € 28.5 million

EDIS: € 0.1 million

Environment strategy's priorities

1. Wastewater treatment 2. Waste Management 3. Solid waste

Transport strategy's priorities

Priority 1: Completing and improving the European Corridors that pass through Lithuania (I, IA, IXB, IXD).

Priority 2: Development of a European gauge track linking the Polish border to a Logistics and Interchange centre at Kaunas: outline agreement has been reached with Poland on a strategy to upgrade the route.

LITHUANIA	ISPA FUNDS	% TOTAL OF SECTOR	PROJECTS
ENVIRONMENT			
Solid Waste Collection System	20,565,184	63.17	3
Sewage network/Treatment	11,992,000	36.83	3

Plant			
TRANSPORT			
Rail	13,402,565	46.95	1
Road	15,144,365	53.05	3
EDIS			
Total	76,284	100	1

SAPARD:

Committed amount: € 31.8 million

The Commission approved the SAPARD Programme for Agriculture and Rural Development for Lithuania on 27 November 2000. Amendments to this programme were approved by Commission Decision of 23 December 2002.

Rural Development Plan's main priorities

- To strengthen the competitiveness and incomes of agricultural businesses
- To develop higher-value processed food products and improve efficiency in food processing through new technology and the introduction of quality management throughout the production process
- To invest in rural infrastructure and promote new economic activities to increase the viability of rural communities
- To introduce environmentally friendly production techniques for farming and forestry

Financial breakdown per measures ¹⁴

Investments in agricultural holdings	46.8 %
Improving the processing and marketing of agricultural and fishery products	21.0 %
Development and diversification of economic activities providing alternative incomes	8.2 %
Improvement of rural infrastructure	15.5 %
Afforestation of agricultural land and improvement of forest infrastructure	3.7 %
Environmentally friendly agricultural methods	1.0 %
Vocational training	1.8 %
Technical assistance	2.0 %

B. Implementation of pre-accession assistance

National Fund (NF)

Implementing Agencies

For PHARE

– Central Finance and Contracting Unit

¹⁴ As stated in the financial table annexed to the RDP (December 2002), share of total allocation of EU funds

For ISPA

- *Environment*: ISPA implementing agency under the Ministry of Environment
- *Transport*: Ministry of Transport and Communication

For SAPARD:

Management of SAPARD aid was conferred on Implementing Agencies by the Commission Decision of 26 November 2001 for 5 out of 8 measures, which account for 94% of the programmed amounts. The 5 measures concerned are:

- Investments in agricultural holdings;
- Improving the processing and marketing of agricultural and fishery products;
- Development and diversification of economic activities providing alternative incomes;
- Improvement of rural infrastructure and
- Vocational training.

The following structure is used for the implementation of SAPARD in Lithuania:

- The **National Fund** within the Ministry of Finance administers SAPARD funds allocated under the responsibility of the National Authorising Officer; it is responsible for the national accreditation of the SAPARD Agency and for the information flow between the Commission and Lithuania.
- The **Managing Authority**: Ministry of Agriculture.
- **SAPARD Agency**: National paying agency, responsible for the implementation and financial management of the programme. The agency operates from its seat in Vilnius with 10 regional offices throughout Lithuania.
- The Monitoring Committee.

By the end of 2002, the SAPARD Agency had received 594 applications for support involving € 187.6 million of public aid. From these, 227 were approved for a total public aid of € 70.7 million. 16 projects were fully completed and totally paid (€ 1.5 million of public aid).

In total, the SAPARD Agency made 107 payments to beneficiaries amounting to € 9.8 million of public aid. From this € 7,371,277.55 million was declared to the Commission to be reimbursed as EU contribution.

C. Co-ordination between pre-accession instruments

- At the national level:
 - *National aid co-ordinator*: responsible for PHARE and ISPA.

- *National Regional Development council*: responsible for the co-ordination between PHARE and SAPARD.
- *PHARE Joint monitoring committee*: responsible for co-ordination of monitoring for the three instruments.

7. POLAND

Allocations for Poland in 2002 were as follows:

PHARE:	€ 451.7 million
ISPA:	€ 362.8 million
SAPARD:	€ 179.9 million ¹⁵
TOTAL:	€ 994.4 million

A. Programming of pre-accession assistance

PHARE:

Committed amount: € 451.7 million

Main programmes

- The PHARE National Programme **€ 394 million**
- Cross border Co-operation programmes **€ 56 million**
(Poland-Germany: € 44 million; Poland-Slovak Republic: € 4 million; Poland-Czech Republic: €5 million; Baltic sea CBC: € 3 million)
- Nuclear Safety Programme **€ 0.70 million**
- EDIS **€ 1 million**

¹⁵ Indicative allocation of the maximum annual amount in 2002 prices

National programme's objectives

- *Strengthening institutional and administrative capacity* € 52.44 million
- *Internal market* € 26.79 million
- *Justice and home affairs* € 63.30 million
- *Agriculture* € 34.73 million
- *Environment* € 14.99 million
- *Economic and Social Cohesion* € 171.41 million
- *Participation in Community Programmes and Agencies* € 30.33 million

ISPA:

Committed amount: € 362.8 million

Environment: € 177.5 million Transport: € 185 million

EDIS: € 0.3 million

Environment strategy's priorities

1. Wastewater treatment
2. Waste Management

Transport strategy's priorities

For the period **2000-2006**, priority is given to investment which:

- Contribute to the further integration of the Polish transport system with the present TENs (Corridor II (connecting Poland with Germany and Belarus), Corridor III (connecting Poland with Germany and the Ukraine), and Corridor VI (connecting Poland with Slovakia and Czech Republic)).

- Improve transport links with the other accession countries and meet trans-border priorities agreed upon by Poland with its neighbours;
- Contribute to the improvement of the national transport system by eliminating missing links;
- Provide continuity with projects undertaken in previous years (the network effect).

POLAND	ISPA FUNDS	% TOTAL OF SECTOR	PROJECTS
ENVIRONMENT			
Drinking Water	0	0	1
Drinking Sewage Water	85,604,727	48.24	6
Sewage Network/Treatment plant	75,274,777	42.42	9
Solid Waste Collection System	16,576,400	42.42	2
TRANSPORT			
Rail	91,678,770	49.56	10
Road	93,324,605	50.44	7
EDIS			
Total	326,000	100	1

SAPARD:

Committed amount: € 179.87 million

The Commission approved the Polish SAPARD programme on 18 October 2000. By to the end of 2002, the programme had been subject to two modifications: The first one was approved on 22 April 2002 and concerned mainly modifications arising from the national accreditation exercise, the second one was on 5 December 2002 (modification of the measure “vocational training”).

Rural Development Plan's main priorities

- Improvement of the market efficiency of the agri-food sector
- Improvement of conditions for economic activities and job creation

Financial breakdown per measures¹⁶

Priority 1: Improvement of the market efficiency of the agri-food sector

Improvement in processing and marketing of food and fishery products **38.1 %**

Investments in agricultural holdings **18.1 %**

Priority 2: Improvement of conditions for economic activities and job creation

Development of rural infrastructure **28.8 %**

Diversification of economic activities in rural areas **10.6 %**

Complementary axis

Agri-environmental measures and afforestation (pilot projects)¹⁷ **1.9 %**

Vocational training **2.1 %**

Technical Assistance **0.4 %**

¹⁶ As stated in the financial table annexed to the RDP (December 2002), share of total allocation of EU funds

¹⁷ The Monitoring Committee voted in 2002 on the removal of afforestation pilot projects from the programme; this modification was formally approved by the Commission on 11 July 2003

B. Implementation of pre-accession assistance

National Fund (NF)

Implementing Agencies

For PHARE and ISPA:

- Five Implementing Agencies, under the authority of the NAO
- Central Finance and Contracting Unit for institution building projects, or where there is no implementing agency in a particular sector (tendering and contracting)
- Responsibility of the ministries/administrations for project selection and monitoring

For SAPARD:

The Commission Decision conferring management to the Polish implementing structures was taken on 2 July 2002 for 5 out of 7 measures corresponding to 87 % of the amounts available.

Following this Decision, the Commission, in July 2002, made an initial payment on account of € 42,034,668 to the National Fund.

By the end of December 2002, a total number of 160 SAPARD projects had been contracted by the Polish SAPARD Agency, amounting to € 6,800,175.76 (cumulative amount of approved commitments); 2 projects had been paid for amounting to a total of € 23,757.

The following structure is used for the implementation of SAPARD in Poland:

- The **National Fund**, located within the Ministry of Finance is responsible for the national accreditation of SAPARD agency and will administer SAPARD funds allocated under the responsibility of the National Authorising Officer
- The **Managing Authority** is located in the Ministry of Agriculture and rural development
- The **SAPARD Agency**: The Agency for restructuring and Modernisation of agriculture (ARMA) operates from its seat in Warsaw with 16 regional offices throughout Poland
- The **Monitoring Committee**

C. Co-ordination between pre-accession instruments

- ***At the national level:***

- *Programming:* Office of the Committee for European Integration (National Aid Co-ordinator)
- *Implementation and Financial management:* through the National Fund, the Ministry of finance

- ***At the regional level:***

- *Programming:* Regional steering committee
- *Implementation and Financial management:* designated Implementing Agency (PHARE, ISPA) and regional offices of the paying agency (SAPARD).

8. ROMANIA

Allocations for Romania in 2002 were as follows:

PHARE:	€ 278.5 million
ISPA:	€ 256.6 million
SAPARD:	€ 160.6 million ¹⁸
TOTAL:	€ 695.7 million

A. Programming of pre-accession assistance

PHARE

Committed amount: € 278.5 million

Main programmes

- National Programme € 265.5 million
- Cross border Co-operation programmes € 13 million
With Bulgaria (€ 8 million) and Hungary (€ 5 million)

¹⁸ Indicative allocation of the maximum annual amount in 2002 prices

National programme's objectives

- *Political criteria:* Continued support for “Children First”, support to the national strategy to improve Roma conditions € 19 million
- *Economic criteria:* Implementation of CEC Savings Bank restructuring € 2.5 million
- *Strengthening administrative capacity:* Strengthening the administrative capacity to manage EU financed programmes; decentralisation and development of the Romanian local public administration; further institutional strengthening of the Court of Accounts; support for the Strategic Plan of the Ministry of Public Finance; strengthening and extension of the SAPARD programme implementing system € 33.55 million
- *Meeting the obligations of the acquis (several projects)* € 83.74 million
- *Economical and Social Cohesion:* Institution Building for Economic and Social Cohesion, Investments in Economic and Social Cohesion € 106.56 million
- *Participation in Community Programmes:* Participation in Community Programmes and Agencies; end-user support € 20.15 million

ISPA:

Committed amount: € 256.6 million

Environment: € 131.6 million Transport: € 124.5 million

EDIS: € 0.5 million

Environment strategy's priorities

1. Wastewater treatment
2. Waste Management
3. Air quality improvement

Transport strategy's priorities

Financing modernisation of well travelled sections of the three trans-European corridors crossing the country while maintaining a reasonable balance between road, rail and waterways:

- **Corridor IV** : from Hungary to Constanta (East Branch) and from Hungary to Bulgaria (South Branch), with a view of setting most of this rail/road corridor to EU standards;
- **Corridor VII:** Danube river from the Yugoslavian boarder to the delta (Ukrainian border), where navigability needs to be improved;
- **Corridor IX:** from the Ukrainian and Moldavian borders to the Bulgarian border, emphasis being placed on road connections with Bulgaria.

ROMANIA	ISPA FUNDS	% TOTAL OF SECTOR	PROJECTS
ENVIRONMENT			
Drinking and sewage water	108,009,930	82.06	9
Sewage Network/Treatment Plant	14,805,710	11.25	3
Solid Waste Collection System	8,803,860	6.69	1
TRANSPORT			
Inland waterway	1,200,000	0.96	1
Rail	71,000,000	57.05	1
Road	52,250,000	41.98	2
EDIS			
Total	484,000	100	1

SAPARD:

Committed amount: € 160.63 million

The Commission approved the Romanian SAPARD programme on December 12, 2000.

A modification of the programme was approved by the Commission on 11 July 2002.

Rural Development Plan's main priorities

- Contribution to the implementation of the *acquis communautaire* concerning the Common Agriculture Policy, environmental protection and related policies in the field of food and consumer protection, public health, well-being and good health condition of the animals and plant health.
- Engaging in environment protection, the transposition in the national legislation and implementation of Directives and programme.
- Solving priorities and specific problems for the sustainable adaptation of the agricultural sector and rural areas

Financial breakdown per measures¹⁹

Improving the processing and marketing of agricultural and fishery products	17.5 %
Improving the structures for quality, veterinary and plant-health control, foodstuffs and consumer protection	2.9 %
Development and improvement of rural infrastructure	29.9 %
Management of water resources	2.9 %
Investments in agricultural holdings	15.5 %
Setting up producers groups	1.9 %
Agri-environmental measures	2.8 %
Development and diversification of economic activities, multiple activities and alternative incomes	10.3 %

¹⁹ As stated in the financial table annexed to the RDP (December 2002), share of total allocation of EU funds

Forestry	10.7 %
Improving vocational training	5.5 %
Technical Assistance	0.1 %

B. Implementation of pre-accession assistance

PHARE and ISPA:

National Fund (NF)

Implementing Agencies

For PHARE:

- Central Finance and Contracts Unit in the Ministry of Public Finance
- Ministry of development and prognosis
- National Fund
- Romanian National Agency for Socrates

For ISPA:

- Transport: National Administration of Roads (N.A.R.)
- National Railway Company/Infrastructure (C.F.R.-S.A.)
- Environment: Municipalities, County Governments
- Central Finance and Contracting Unit

For SAPARD:

The Commission Decision conferring the management to the Romanian Implementing Structures was taken on 31 July 2002 for 3 out of 11 measures, which account for 47.5 % of the available amount.

The three concerned measures are: processing and marketing of agricultural and fishery products, rural infrastructures and Technical Assistance.

Following this Decision, in August 2002 the Commission made an initial payment on account of € 37,537,477.

For Romania, no declaration of expenditure was submitted until the end of 2002.

Up to the end of December 2002, the SAPARD Agency had received 1,415 projects, 159 of which were contracted with beneficiaries on 19 February 2003. By the end of 2002, only 154 projects amounting € 125.1 million submitted on August 2002 had been evaluated.

The following structure is envisaged for the implementation of SAPARD:

- The **National Fund** located within the Ministry of Finance is responsible for the national accreditation of SAPARD agency and will administer SAPARD funds allocated under the responsibility of the National Authorising Officer
- The **Managing Authority** is located within the Ministry of European Integration
- The **SAPARD Agency** is located within the Ministry of Agriculture operates from its seat in Bucharest with 8 regional offices.
- The **Monitoring Committee**: a Monitoring Committee was established by the Managing Authority and has met three times. The second meeting took place on 17 April 2002 and examined modification required for the programme. The third meeting took place on 17 December. The main points of the agenda were the progress made for the implementation of the programme, the preparation of the modification of the programme and for the mid-term evaluation.

C. Co-ordination between pre-accession instruments

- *At the national level:*

The National Aid Co-ordinator, the **Minister for European Integration**, is in charge of the co-ordination between PHARE, ISPA and SAPARD, similarly between all other bilateral/multilateral assistance.

- *At the regional level:*

Between PHARE and SAPARD: close co-ordination between the Regional Development Agencies in the priority regions for PHARE, and the regional level offices of the Ministry of Agriculture and Food. Existence of Regional Development Plans, approved by Regional Development Councils representing elected local authorities.

Between PHARE and ISPA: once again, Regional Development Plans.

9. SLOVAKIA

Allocations for Slovakia in 2002 were as follows:

PHARE: € 79.1 million

ISPA: € 54.1 million

SAPARD: € 19.5 million ²⁰

TOTAL: € 152.7 million

A. Programming of pre-accession assistance

PHARE:

Committed amount: € 152.7 million

Main programmes

- National Programme € 57.1 million
(including € 8 million for participation in Community programmes)
- Cross border Co-operation programmes € 12 million
Financial breakdown: Austrian/Slovak border: € 6 million;
Polish/Slovak border: € 4 million; Hungarian/Slovak border: € 2 million
- Closure and decommissioning of Bohunice VI € 10 million
- Participation in horizontal programmes²¹

National programme's objectives

- Political criteria: improving the situation of the Roma minority € 1 million
- Internal market: strengthening financial sector supervision € 2 million
- Environment: Implementation of the Council Directive on discharges of dangerous substances into the aquatic environment; Implementation of the Integration Prevention and Pollution Control Directive; € 3.75 million

²⁰ Indicative allocation of the maximum annual amount in 2002 prices

²¹ No national allocation available

Implementation and enforcement of Council directives on the conservation of natural habitats and the conservation of wild birds

- **Economic and Social Cohesion: Development of the institutional framework and administrative capacity for programming and implementation of Structural Funds; Development Grant Scheme for local and regional development, tourism, industry and human resources** € 16.5 million
- **Justice and home affairs: Implementation of the Schengen Action Plan and upgrade at the future EU external borders; information system for Slovak customs administration; support for the implementation of the Dublin Convention; strengthening the effectiveness of investigative and prosecution procedures** € 13.1 million
- **Statistics: Implementation of the INTRASTAT-SK system; strengthening Regional Statistics (REGSTAT)** € 2.5 million
- **Slovakia's participation in Community programmes/Agencies** € 8 million

ISPA:

Committed amount: € 54.1 million

Environment: € 28.7 million Transport: € 24.3 million

EDIS: € 1.16 million

Environment strategy's priorities

1. Wastewater treatment 2. Waste Management 3. Air quality improvement

Transport strategy's priorities

- Build up and modernisation of transport infrastructure in the multi-modal corridors in line with European norms.
- Development of international roads and their interconnection with the European Roads network.
- Integration of passenger transportation systems.
- Promotion of combined road/rail transport and
- Ensure compliance of transport infrastructure with environmental concerns.

SLOVAKIA	ISPA FUNDS	% TOTAL OF SECTOR	PROJECTS

ENVIRONMENT			
Drinking and Sewage Water	7,819,600	27.24	2
Drinking water pipes/plant	3,920,000	13.65	1
Drinking and sewage water and solid waste	4,208,000	14.66	1
Sewage Network/Treatment Plant	12,763,200	44.45	2
TRANSPORT			
Rail	22,944,500	94.56	2
Rail and Road	1,320,000	5.44	1
EDIS			
Total	1,160,000	100	1

SAPARD:

Committed amount: € 19.5 million

The Commission approved the Slovak plan on 17 November 2000. During 2002, the SAPARD Programme in the Slovak Republic was the subject of three modifications. The first modification was approved by the Commission Decision of 5 March 2002 and mainly concerned modifications arising from the national accreditation exercise.

The second modification, which was approved by the Commission Decision on 31 July 2002, involved revisions to the criteria for economic viability as well as changes to the geographical coverage of certain measures.

On 18 November 2002, the Slovak Authorities submitted further proposals to modify the programme to include revised measures sheets in respect of pilot agri-environment actions, vocational training and Technical Assistance. (These proposals were subsequently approved by Commission decision on 20 March 2003).

Rural Development Plan's main priorities

- Improvement of agricultural production sector including food processing industry

Priority 3: Human resources development **3.7%**

Development of human resources (training) **1.2%**

Technical Assistance **2.5%**

B. Implementation of pre-accession assistance

PHARE:

National Fund (NF)

Implementing Agencies

For PHARE:

- **Central Finance and Contracting Unit**, handles the financial administration, accounting and payments of PHARE projects.
- **Civil society development foundation**
- **Slovak Post-Privatisation Fund**
- **(SARIO) Export Development**
- **Environmental Grant Scheme**
- **NADSME – National Agency for the development of the SME**

For ISPA:

- Ministry of Environment
- Ministry of Transport

For SAPARD:

The Commission Decision conferring management of aid on the Implementing Agencies for SAPARD in the Slovak Republic was taken on 15 April 2002. This covered five out of nine measures representing approximately 83% of the amounts available.

Following this Decision, the Commission made a payment on account of € 4,557,496.

By the end of December 2002, 45 projects had been approved by the SAPARD Agency, amounting to € 4,538,954.

The following structure is used for the implementation of SAPARD in the Slovak Republic:

- The **National Fund**, located within the Ministry of Finance administers SAPARD funds allocated under the responsibility of the National Authorising Officer (NAO). It is responsible for matters relating to the national accreditation of the SAPARD Agency.
- **Management authority** for SAPARD programme resides within the Section for Structural Policy and Rural Development in the Ministry of Agriculture of the Slovak Republic (Department of Regional Policy and Rural Development).
- The **SAPARD Agency** was established on 1 December 1999 as a budgetary organisation reporting directly to the Minister of Agriculture Slovak Paying Agency; on 1 July 2000, it enlarged its activities and changed its name to SAPARD Agency.
- The Monitoring **Committee**

C. Co-ordination between pre-accession instruments

• ***At the national level:***

- Co-ordination of PHARE and ISPA: the National Aid Co-ordinator:
- Financial management: State Secretary at the Ministry of Finance, who is also the National Authorising officer

• ***At the regional level:***

- The Joint Monitoring Committee will ensure co-ordination of monitoring of the three instruments.

10. SLOVENIA

Allocations for Slovenia in 2002 were as follows:

PHARE:	€ 41.9 million
ISPA:	€ 16.6 million
SAPARD:	€ 6.8 million ²³
TOTAL:	€ 65.3 million

A. Programming of pre-accession assistance

PHARE:

Committed amount: € 41.88 million

Main programmes

National Programme € 34.88 million

Cross border Co-operation programmes: Geographical € 7 million
breakdown: Austria (€ 2.5 million), Italy (€ 2.5 million) and
Hungary (€ 2 million)

National programme's objectives

<i>Investment into the acquis</i>	€ 2.30 million
<i>Further integration of Slovenia into the internal market</i>	€ 2.46 million
<i>Economic and Social Cohesion</i>	€ 3.91 million
<i>Justice and Home Affairs</i>	€ 17.98 million
<i>Unallocated Institutional Building</i>	€ 2.05 million
<i>Twinning Light Pot</i>	€ 0.5 million
<i>Mobility Schemes</i>	€ 0.3 million
<i>Participation in Community programmes</i>	€ 3.38 million
<i>Project Preparation Facility</i>	€ 2.0 million

²³ Indicative allocation of the maximum annual amount in 2002 prices

ISPA:**Committed amount: € 16.6 million****Environment: € 8.0 million Transport: € 8.0 million****EDIS: € 0.6 million****Environment strategy's priorities**

1. Water protection
2. Waste Management

Transport strategy's priorities

Concentration of all efforts on completing or upgrading the main Trans-European networks in the railway sector (2 of the 10 priority TINA corridors across Slovenia).

SLOVENIA	ISPA FUNDS (2002)	% TOTAL OF SECTOR	PROJECTS
ENVIRONMENT			
Drinking and Sewage Water	3,605,709	44.88	1
Sewage Network/Treatment Plant	4,082,631	50.81	1
Solid Waste Collection System	346,213	4.31	1
TRANSPORT			
Rail	8,050,692	100	1
EDIS			
Total	559,920	100	1

SAPARD:**Committed amount: € 6.76 million**

The commission approved the Slovenian SAPARD programme on 27 October 2000.

Rural Development Plan's main priorities

- Improvement of production and marketing structures in agriculture and food-processing industry
- Economic diversification and improvement of rural infrastructure

Financial breakdown per measures²⁴

<i><u>Investments in agricultural holdings</u></i>	35 %
<i><u>Processing and marketing of agricultural and fishery products</u></i>	40 %
<i><u>Economic diversification</u></i>	14 %
<i><u>Development and improvement of rural infrastructure</u></i>	10 %
<i><u>Technical assistance</u></i>	1 %

B. Implementation of pre-accession assistance

PHARE:

The following implementation structure now exists for the implementation of pre-accession assistance:

National Fund (NF)

Implementing Agencies

For PHARE:

- Central Finance and Contracting Unit in Ministry of Finance

For ISPA:

- *Transport*: the Ministry of Transport
- *Environment*: the Ministry of Environment, Spatial Planning and Energy

²⁴ As stated in the financial table annexed to the RDP (December 2002), share of total allocation of EU funds

For SAPARD:

Management of SAPARD aid was conferred on Implementing Agencies by the Commission Decision of 19 November 2001 for 4 out of 5 measures which account for 99. % of programmed amounts.

The four concerned measures are: investments in agricultural holdings, processing and marketing, diversification of activities and rural infrastructures.

The following structure is used for the implementation of SAPARD in Slovenia:

- The **National Fund**, located within the Ministry of finance administers SAPARD funds allocated under the responsibility of the National Authorising Officer (NAO); it is responsible for the national accreditation of the Sapard Agency and for the information flow between the Commission and Slovenia;
- The **Managing Authority** is located in the Ministry of Agriculture Forestry and food.
- The **Sapard Agency**: the Agency of the Republic of Slovenia for agricultural markets and Rural Development (AAMRD), within the Ministry of Agriculture Forestry and food.
- The **Monitoring Committee**

A total number of 53 SAPARD projects had been approved by the Slovenian SAPARD Agency by the end of December 2002, amounting to € 6,399,586 and a total amount of € 1,690,169 was paid by the SAPARD Agency to beneficiaries.

C. Co-ordination between pre-accession instruments

• At the national level:

- *Financial management*: through the National Fund
- *Co-ordination of programming of all three pre-accession instruments*: through the National Aid Co-ordinator
- *National co-ordination*: Government office for European Affairs which co-ordinates the multi-annual strategic documents prepared by the line Ministries at national level; co-ordination under Article 4 of the co-ordination regulation; and co-ordination by activities financed through EIB, EBRD, other IFIs and EU instruments.