



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 20.5.2009  
SEC(2009) 660

**COMMISSION STAFF WORKING DOCUMENT**

**Annex to the**

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE  
COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE  
COMMITTEE OF THE REGIONS**

**SAPARD ANNUAL REPORT – YEAR 2007**

{COM(2009) 231 final}

## ANNEX A.1 – Financial Execution

**Table 1 – Execution of commitment appropriations available in the 2006 budget  
by 31.12.2006 (million EUR)**

<i>Budget lines</i>	<i>Budget 2006</i>	<i>transfers</i>	<i>total available</i>	<i>executed</i>	<i>%</i>	
1	2	3	4	5	6=5/4	7
05.050101	299,8		299,8	299,8	100	
05.050102	-	-	-	-	-	
05.010403	0,2		0,2	0	0	
<b>TOTAL</b>	<b>300</b>	<b>0</b>	<b>300</b>	<b>299,8</b>	<b>99,9</b>	

**Table 2 – Execution of payment appropriations available in the 2006 budget  
by 31.12.2006 (million EUR)**

<i>Budget lines</i>	<i>Budget 2006</i>	<i>transfers</i>	<i>total available</i>	<i>executed</i>	<i>%</i>	
1	2	3	4	5	6=5/4	7
05.050101	310,0	-109,0	201,0	201,0	100,0	execution of the programmes slowed down in RO and BG during 2006
05.050102	300,0	-287,0	13,0	12,7	97,7	nearly all new Member States had reached or were close to 100% absorption, the programme of CZ was closed in 2006
05.010403	0,2		0,2	0	0	
<b>TOTAL</b>	<b>610,2</b>	<b>-396,0</b>	<b>214,2</b>	<b>213,7</b>	<b>99,8</b>	

## ANNEX A.1 – Financial Execution

**Table 3 – Commitments, payments and RAL by 31.12.2006**

	Commitments	Payments from the Commission			in % of available funds	"Reste à liquider" (RAL)
Country	Total AFAs 2000-2006	Total payments made until 31.12.2005	Payments made in 2006	Payments made since start		
1	2	3	4	5=3+4	6=5/2	7=2-5
Bulgaria	444.748.370	158.226.816	53.826.377	212.053.193	47,7	232.695.177
Romania	1.159.785.692	385.443.809	147.193.623	532.637.432	45,9	627.148.260
Croatia	25.000.000	0	0	0	0,0	25.000.000
<b>Total 05.050101</b>	<b>1.629.534.062</b>	<b>543.670.625</b>	<b>201.020.000</b>	<b>744.690.625</b>	<b>45,7</b>	<b>884.843.437</b>

	Commitments	Payments from the Commission			in % of available funds	"Reste à liquider" (RAL)
Country	Total AFAs 2000-2003	Total payments made until 31.12.2005	Payments made in 2006	Payments made since start		
1	2	3	4	5=3+4	6=5/2	7=2-5
Czech Rep.	92.787.704	88.148.318	4.630.161	92.778.479	100,0	9.225
Estonia	51.043.119	48.490.963	0	48.490.963	95,0	2.552.156
Hungary	160.039.127	144.257.080	7.780.091	152.037.171	95,0	8.001.956
Lithuania	125.448.234	119.175.822	0	119.175.822	95,0	6.272.412
Latvia	91.883.502	86.964.506	324.820	87.289.326	95,0	4.594.176
Poland	709.409.786	673.939.295	0	673.939.295	95,0	35.470.491
Slovenia	26.650.758	25.318.219	0	25.318.219	95,0	1.332.539
Slovakia	76.915.845	73.070.052	0	73.070.052	95,0	3.845.793
<b>Total 05.050102</b>	<b>1.334.178.075</b>	<b>1.259.364.255</b>	<b>12.735.072</b>	<b>1.272.099.327</b>	<b>95,3</b>	<b>62.078.748</b>

## ANNEX A.2 – Financial Execution

**Table 1 – Execution of commitment appropriations available in the 2007 budget  
by 31.12.2007 (million EUR)**

<i>Budget lines</i>	<i>Budget 2007</i>	<i>transfers</i>	<i>total available</i>	<i>executed</i>	<i>%</i>	
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6=5/4</i>	<i>7</i>
05.050101	-	-	-	-	-	
05.050102	-	-	-	-	-	
05.010403	0,5	-	0,5	0	0	
<b>TOTAL</b>	<b>0,5</b>	<b>0</b>	<b>0,5</b>	<b>0</b>	<b>0</b>	

**Table 2 – Execution of payment appropriations available in the 2007 budget  
by 31.12.2007 (million EUR)**

<i>Budget lines</i>	<i>Budget 2007</i>	<i>transfers</i>	<i>total available</i>	<i>executed</i>	<i>%</i>	
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6=5/4</i>	<i>7</i>
05.050101	190,4	+79,5	269,9	269,9	100	execution of the programmes of BG and RO showed an above average progress rate during 2007.
05.050102	63,0	-47,8	15,2	15,2	100,0	programmes of EE, HU, SI and SK were closed in 2007
05.010403	0,5	-	0,5	0	0	
<b>TOTAL</b>	<b>253,9</b>	<b>31,7</b>	<b>285,1</b>	<b>285,1</b>	<b>100,0</b>	

## ANNEX A.2 – Financial Execution

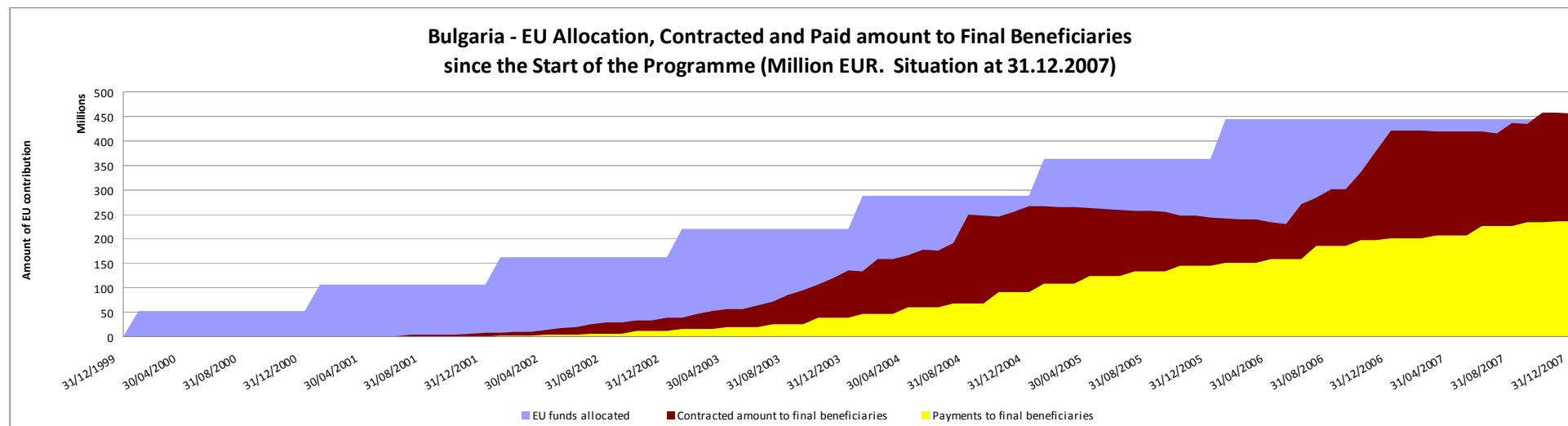
**Table 3 – Commitments, payments and RAL by 31.12.2007**

	Commitments	Payments from the Commission			in % of available funds	"Reste à liquider" (RAL)
Country	Total AFAs 2000-2006	Total payments made until 31.12.2006	Payments made in 2007	Payments made since start		
1	2	3	4	5=3+4	6=5/2	7=2-5
Bulgaria	444.748.370	212.053.193	40.024.082	252.077.275	56,7	192.671.095
Romania	1.159.785.692	532.637.432	222.417.803	755.055.235	65,1	404.730.457
Croatia	25.000.000	0	7.418.115	7.418.115	29,7	17.581.885
<b>Total 05.050101</b>	<b>1.629.534.062</b>	<b>744.690.625</b>	<b>269.860.000</b>	<b>1.014.550.625</b>	<b>62,3</b>	<b>614.983.437</b>

	Commitments	Payments from the Commission			in % of available funds	RAL or de-commitment* at closure
Country	Total AFAs 2000-2003	Total payments made until 31.12.2006	Payments made in 2007	Payments made since start		
1	2	3	4	5=3+4	6=5/2	7=2-5
Czech Rep.	92.787.704	92.778.479	0	92.778.479	100,0	9.225*
Estonia	51.043.119	48.490.963	2.156.910	50.647.873	99,2	395.246*
Hungary	160.039.127	152.037.171	7.925.037	159.962.208	100,0	76.919*
Lithuania	125.448.234	119.175.822	0	119.175.822	95,0	6.272.412
Latvia	91.883.502	87.289.326	0	87.289.326	95,0	4.594.176
Poland	709.409.786	673.939.295	0	673.939.295	95,0	35.470.491
Slovenia	26.650.758	25.318.219	1.330.374	26.648.593	100,0	2.165*
Slovakia	76.915.845	73.070.052	3.834.419	76.904.471	100,0	11.374*
<b>Total 05.050102</b>	<b>1.334.178.075</b>	<b>1.272.099.327</b>	<b>15.246.740</b>	<b>1.287.346.067</b>	<b>96,5</b>	<b>46.832.008</b>

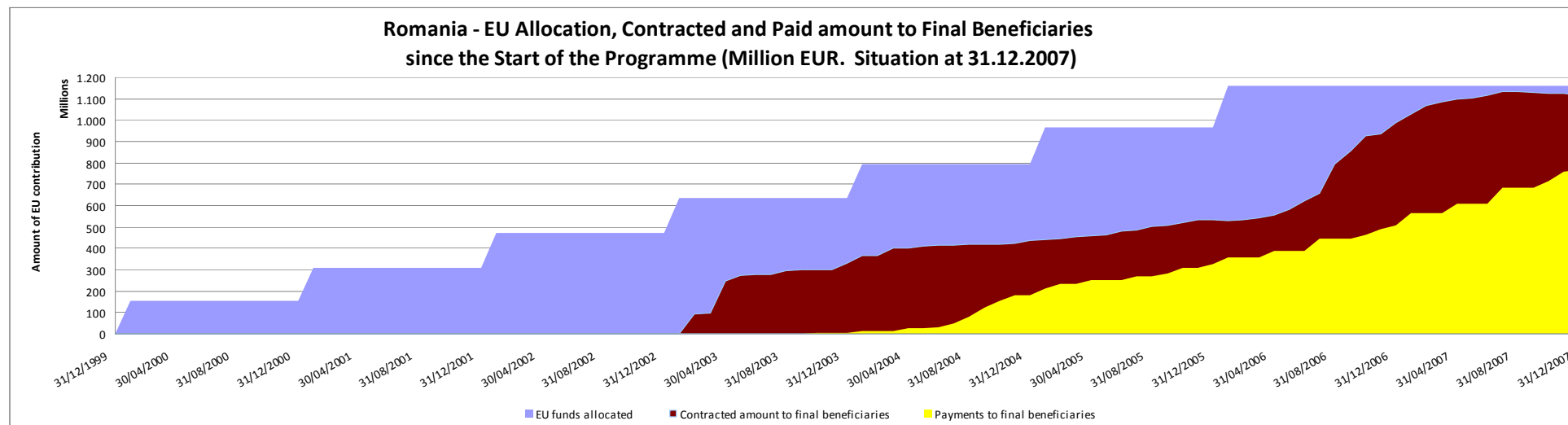
## ANNEX B

**Table B.1 – Bulgaria**



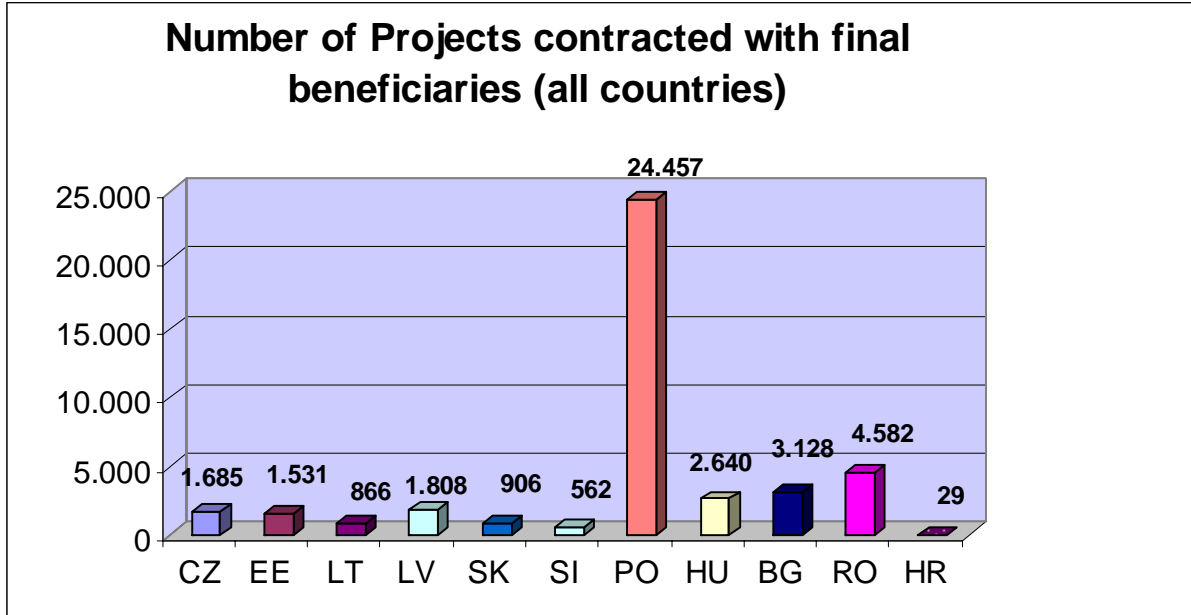
## ANNEX B

### Table B.2 – Romania

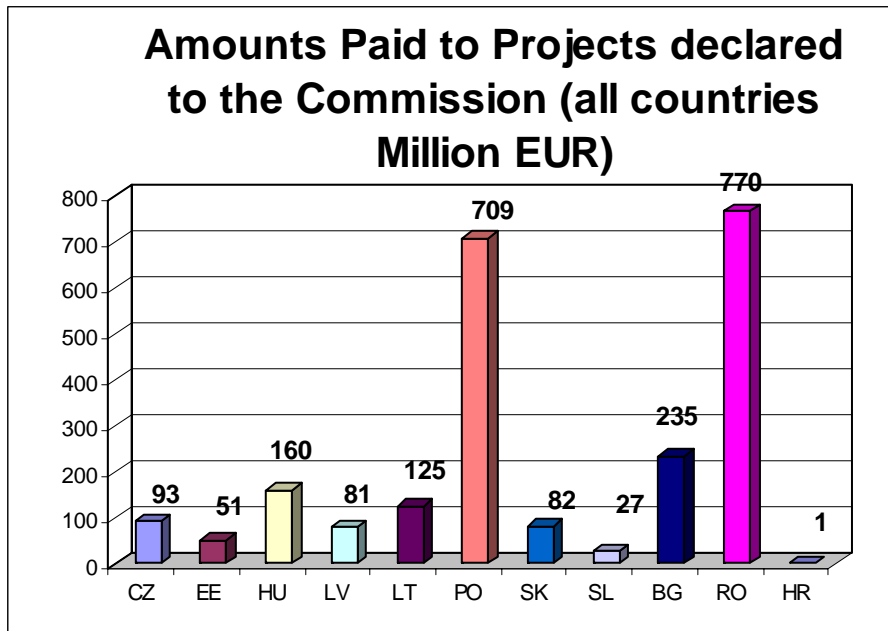


**ANNEX B**

**Table B.3 – Contracted projects**



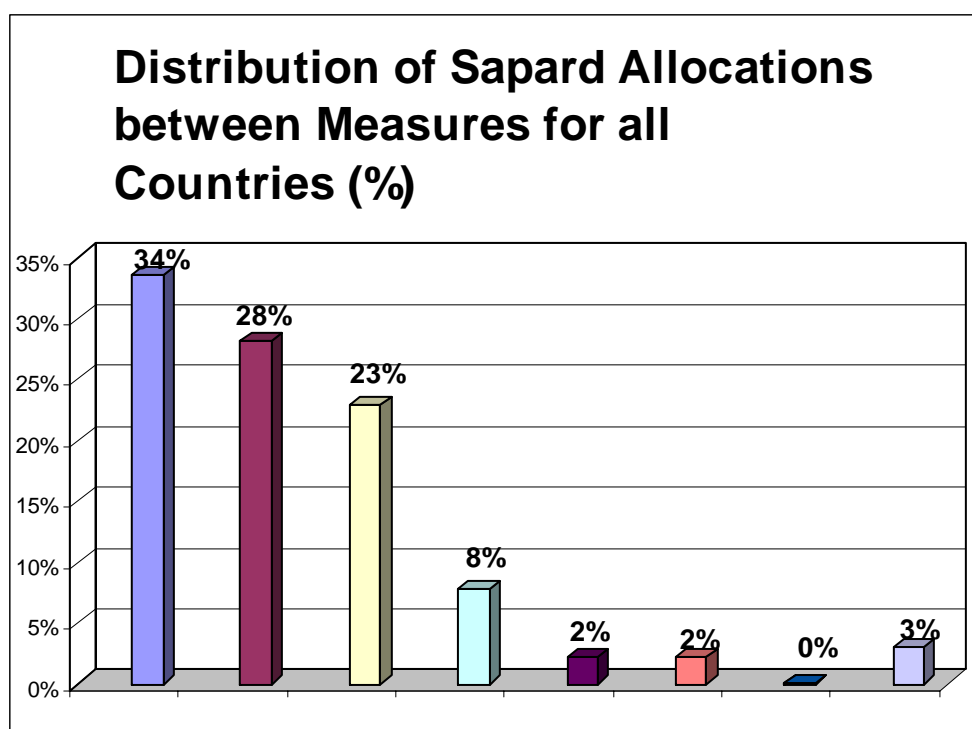
**Table B.4 – Amounts paid to projects**



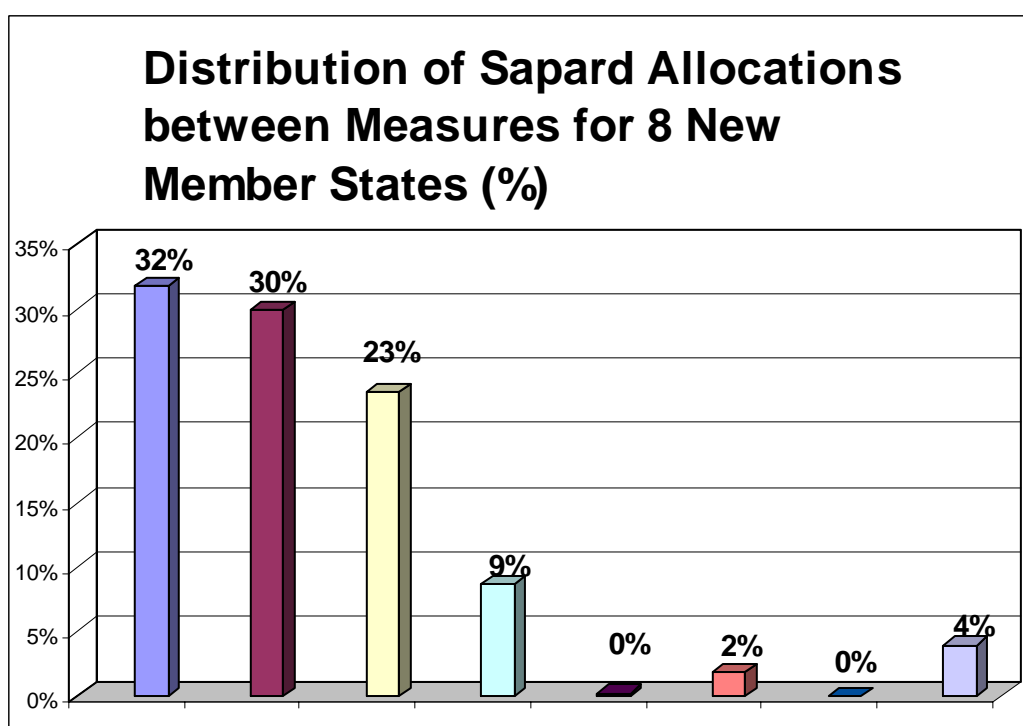


**ANNEX C – Bulgaria, Romania, Croatia**

**Table C.1 – Allocations for all countries**

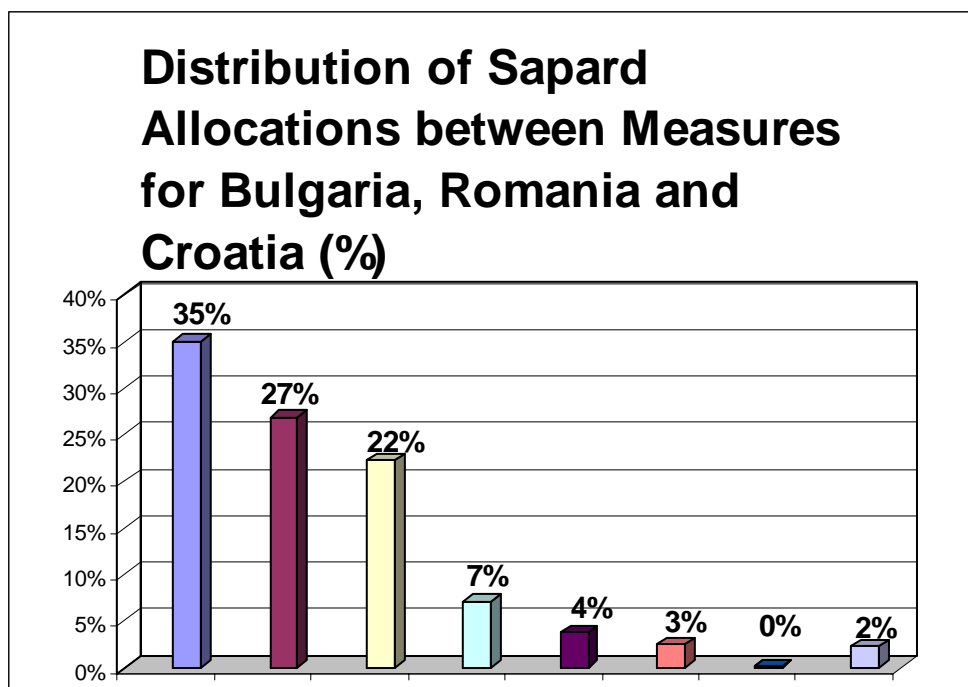


**Table C.2 – Allocations for eight new Member States**

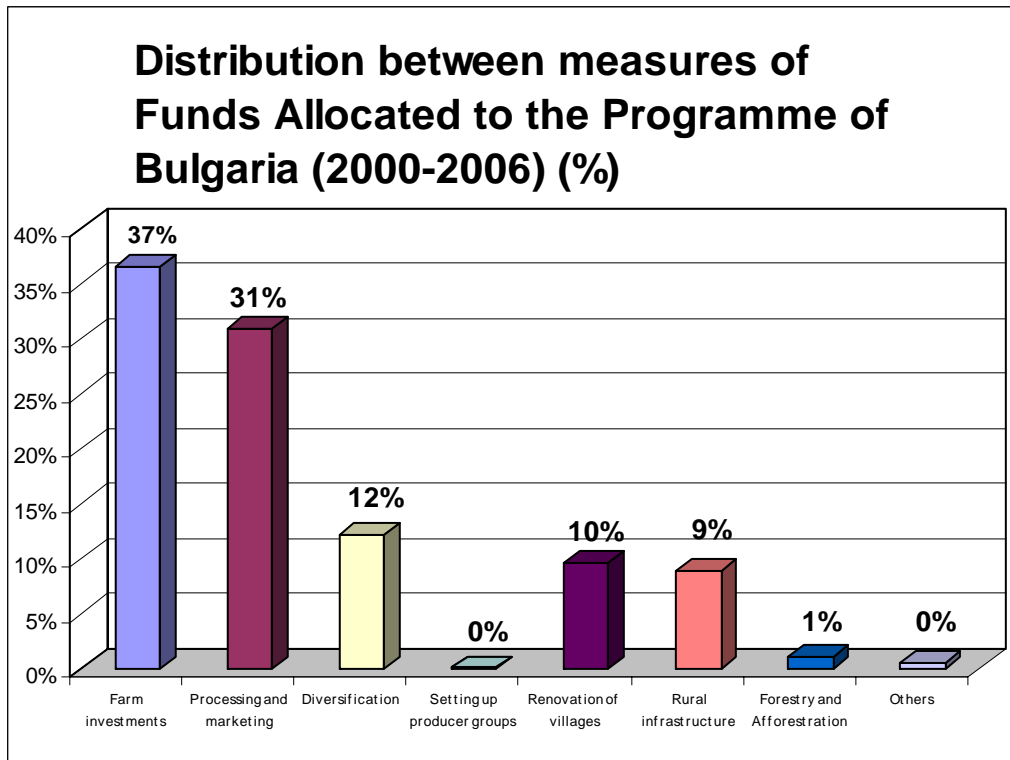


**ANNEX C - Bulgaria, Romania, Croatia**

**Table C.3 – Allocations for BG, RO, HR**



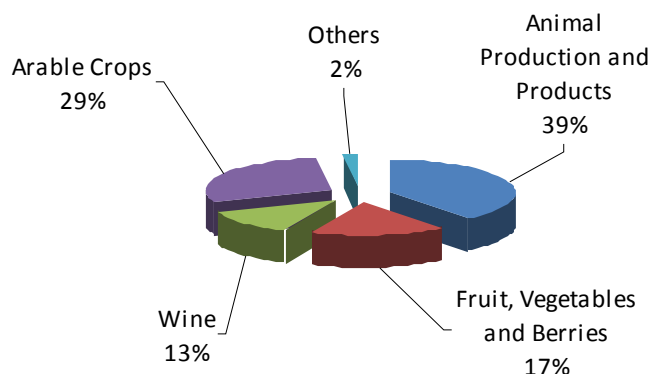
**Table C.4.1 – Distribution of funds for BG**



**ANNEX C - Bulgaria, Romania, Croatia**

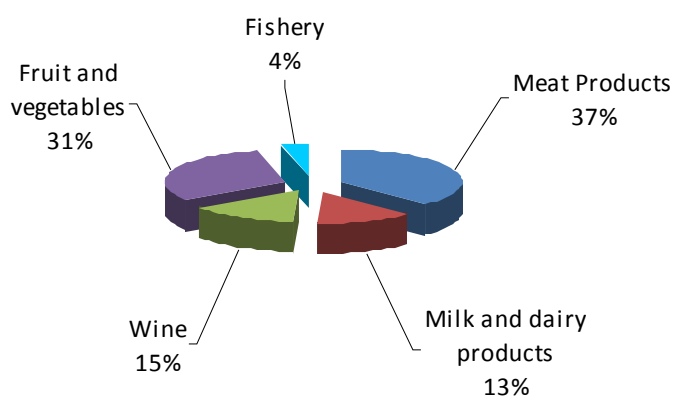
**Table C.4.2 – Measure "Farm investments" for BG**

**Amounts Contracted in Bulgaria under the Measure "Farm Investments" (%)**



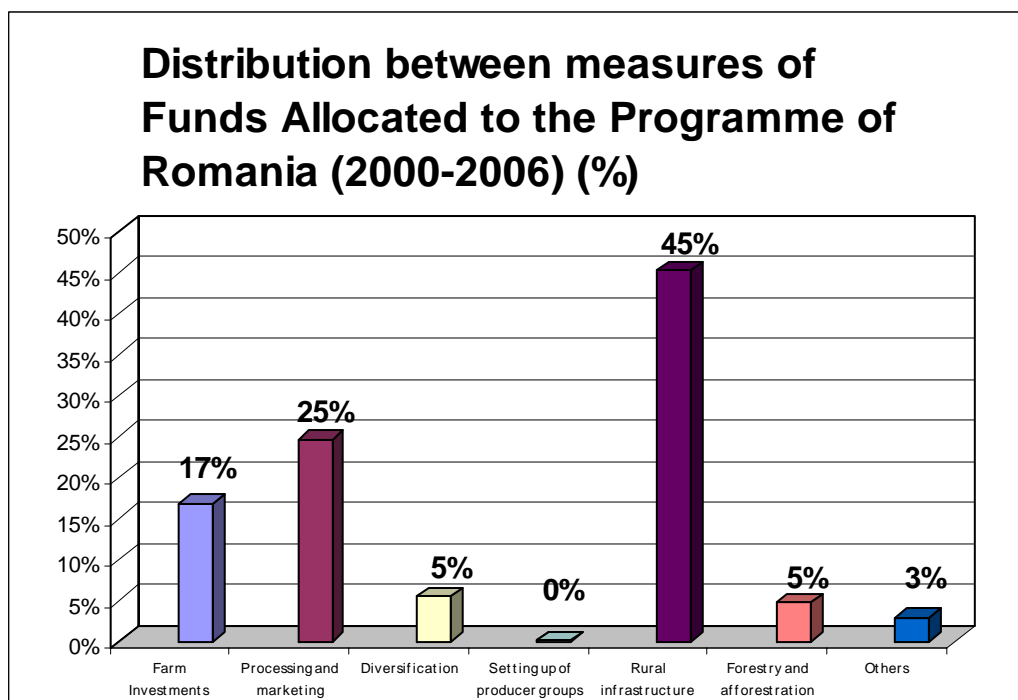
**Table C.4.3 – Measure "Processing and Marketing" for BG**

**Amounts Contracted in Bulgaria under the Measure "Processing and Marketing" (%)**

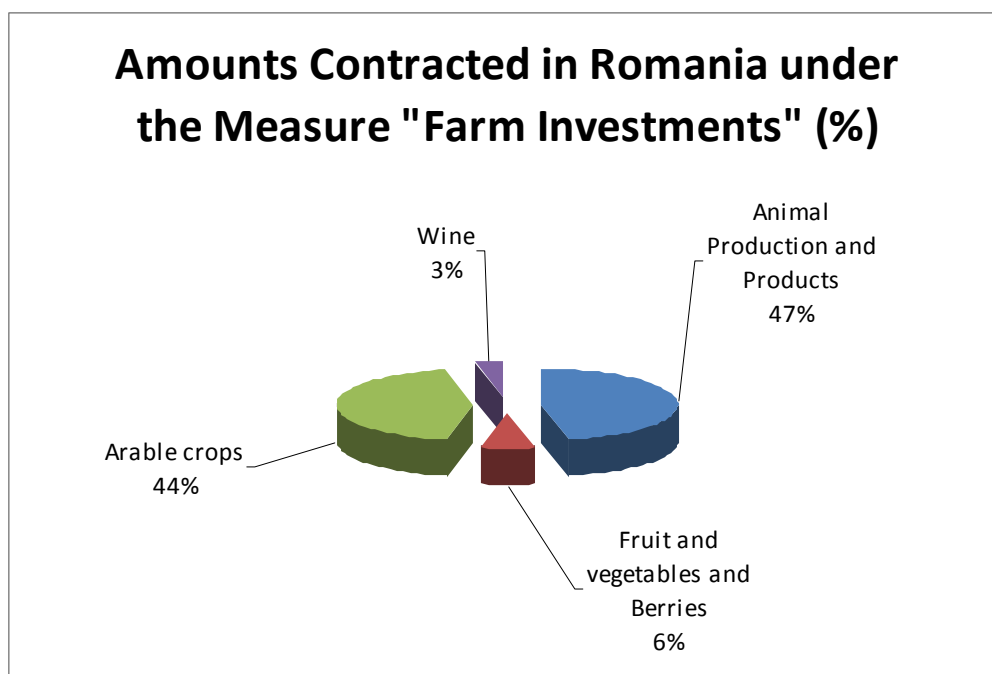


**ANNEX C - Bulgaria, Romania, Croatia**

**Table C.5.1 – Distribution of funds for RO**



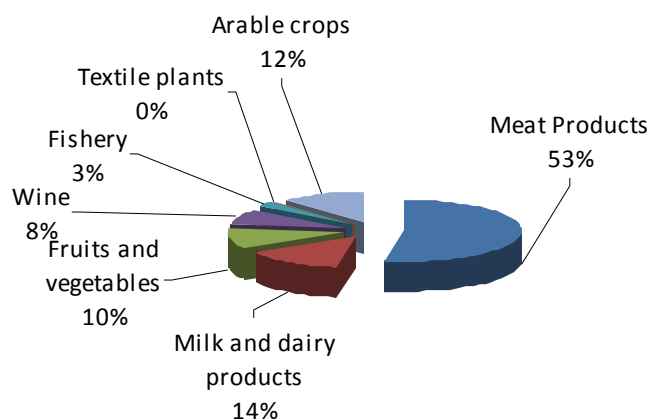
**Table C.5.2 – Measure "Farm investments" for RO**



**ANNEX C - Bulgaria, Romania, Croatia**

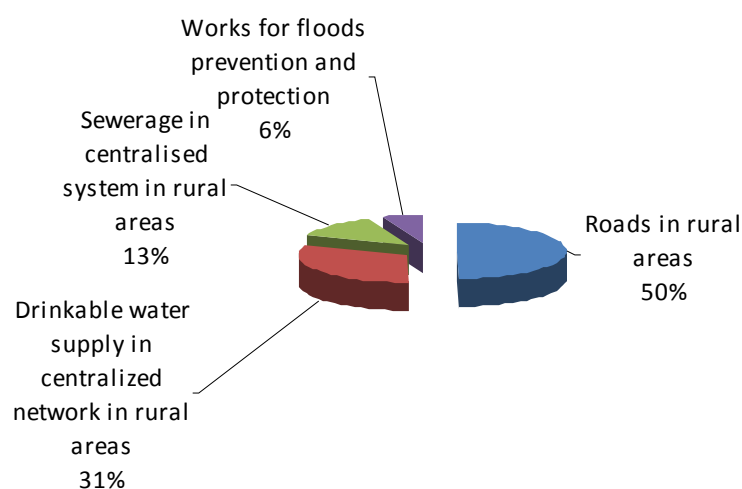
**Table C.5.3 – Measure "Processing and Marketing" for RO**

**Amounts Contracted in Romania under the Measure "Processing and Marketing" (%)**



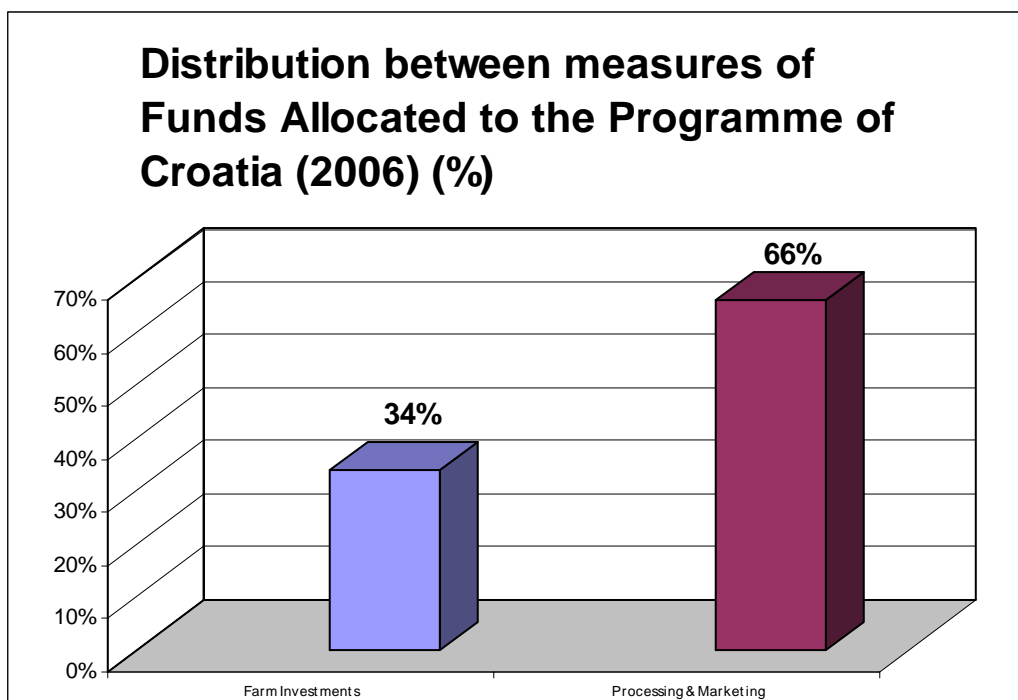
**Table C.5.4 – Measure "Rural infrastructure" for RO**

**Amounts Contracted in Romania under the Measure "Rural Infrastructure" (%)**

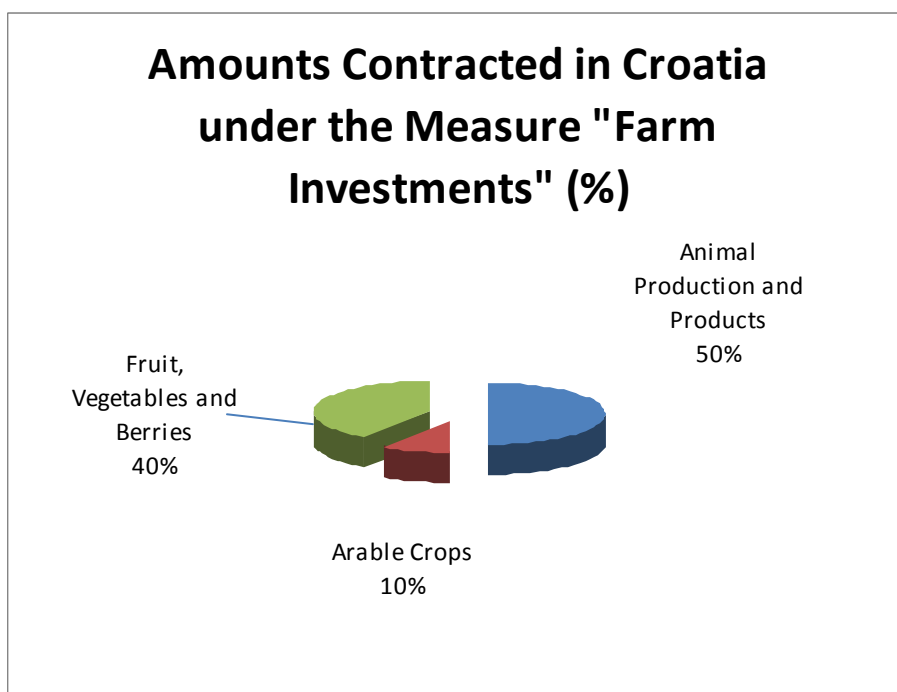


**ANNEX C - Bulgaria, Romania, Croatia**

**Table C.6.1 – Distribution of funds for HR**



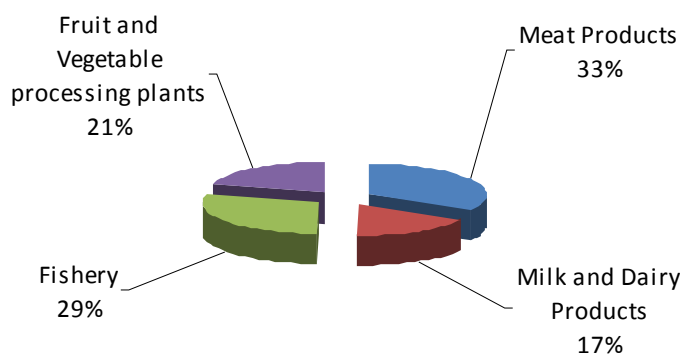
**Table C.6.2 – Measure "Farm investments" for HR**



**ANNEX C - Bulgaria, Romania, Croatia**

**Table C.6.3 – Measure "Processing and Marketing" for HR**

**Amounts Contracted in Croatia under the Measure "Processing and Marketing" (%)**



**ANNEX D – Modifications of Sapard programmes**

	<i>Bulgaria</i>	<i>Croatia</i>	<i>Czech Rep.</i>	<i>Estonia</i>	<i>Hungary</i>	<i>Latvia</i>	<i>Lithuania</i>	<i>Poland</i>	<i>Romania</i>	<i>Slovakia</i>	<i>Slovenia</i>
Commission Decision approving the Sapard programme on	20.10.2000	08.02.2006	26.10.2000	17.11.2000	18.10.2000	25.10.2000	27.11.2000	18.10.2000	12.12.2000	17.11.2000	27.10.2000
<b>1<sup>ST</sup> modification of the programme adopted by the Commission on</b>	21.05.2002	19.10.2007	26.02.2002	19.12.2002	26.11.2002	28.11.2001	23.12.2002	22.04.2002	11.07.2002	5.03.2002	24.11.2003
<b>2<sup>ND</sup> modification of the programme adopted by the Commission on</b>	27.05.2003	14.08.2008	12.04.2002	13.02.2004	21.08.2003	31.07.2002	09.09.2003	05.12.2002	27.5.2003	31.07.2002	20.7.2005
<b>3<sup>RD</sup> modification of the programme adopted by the Commission on</b>	23.12.2004		31.07.2002	12.07.2005	25.02.2004	18.02.2003	27.05.2005	11.07.2003	01.08.2003	20.03.2003	
<b>4<sup>TH</sup> modification of the programme adopted by the Commission on</b>	07.06.2005		23.12.2002		19.09.2005	17.07.2003		01.08.2003	17.09.2004	21.08.2003	
<b>5<sup>TH</sup> modification of the programme adopted by the Commission on</b>	09.09.2005		14.07.2005			13.02.2004		13.02.2004	04.07.2005	13.02.2004	
<b>6<sup>TH</sup> modification of the programme adopted by the Commission on</b>	24.03.2006		23.12.2005			14.07.2005		03.11.2004	11.04.2006	09.09.2005	
<b>7<sup>TH</sup> modification of the programme adopted by the Commission on</b>	05.07.2006								05.07.2006		
<b>8<sup>TH</sup> modification of the programme adopted by the Commission on</b>	27.12.2006								27.12.2006		
<b>9<sup>TH</sup> modification of the programme adopted by the Commission on</b>	26.06.2008										
<b>10<sup>TH</sup> modification of the programme adopted by the Commission on</b>	21.11.2008										



## ANNEX E – Sapard Conferral of Management

Measures included in the Commission Decisions already taken conferring the management of aid for the Applicant Country concerned (C)																						
Measures for which the national accreditation has been granted (N)																						
Measures for which the Applicant Country has requested national accreditation (NR)																						
Measures not included in the SAPARD programme approved for Applicant Country concerned:																						
(percentage of EU contribution allocated to the programmes (2000-2006) at 2000 prices according to the original approved programme)																						
situation on: 26/01/2006																						
Measures according to Article 2 of Reg. 1268/1999(1)	BULGARIA		CROATIA		CZECH		ESTONIA		HUNGARY		LATVIA		LITHUANIA		POLAND		ROMANIA		SLOVAK		SLOVENIA	
- Investment in agricultural holdings	31%	1stC	34%	1stC	16%	1stC	43%	1stC	28%	1stC	23%	1stC	47%	1stC	18%	1stC	15%	2ndC	28%	1stC	35%	1stC
- Processing & marketing of agriculture and fishery products	24%	1stC(4)	66%	1stC	17%	1stC	18%	1stC	21%	1stC	26%	1stC	21%	1stC	38%	1stC	17%	1stC	26%	1stC	40%	1stC
- Structures for quality, veterinary controls, foodstuffs and cons.					9%	1stC											3%					
- Environmentally friendly agricultural practices	2%				3%	2ndC	2%		4%		4%		1%		2%		2%		3%	2ndC		
- Diversification of activities, providing altern. income	6%	1stC			16%	1stC	18%	1stC	16%	N	24%	1stC	8%	1stC	11%	2ndC	10%	2ndC	11%	1stC(3)	14%	1stC
- Setting up farm relief and farm management services																						
- Setting up Producer groups	1%	2ndC							7%								2%		5%	2ndC		
- Renovation and develop. of villages, protect. of rural heritage	8%	2ndC			11%	1stC(2)	4%	2ndC	9%	N												
- Land improvement and reparation					20%	1stC					2%								10%	1stC		
- Establish and updating of land registers																						
- Vocational training	4%	2ndC			2%	3rdC			2%		4%	1stC	2%	1stC	2%	1stC	5%	2ndC	2%	2ndC		
- Rural infrastructures	6%	2ndC			5%	1stC(2)	12%	1stC	12%	1stC	12%	1stC	16%	1stC	28%	1stC	28%	1stC	4%	2ndC(3)	10%	1stC
- Agricultural water resources management	6%																3%					
- Forestry, afforestation, investm., processing/market.	8%	2ndC					1%				3%	1stC	3%	2ndC			10%		8%	1stC		
- Technical Assistance	4%	2ndC			1%	1stC	2%		1%	1stC	2%	2ndC	2%	2ndC	1%	1stC	5%	1stC	3%	2ndC	1%	2ndC
<b>TOTAL Programme</b>	100%	11			100%	9(2)	100%	8	100%	9	100%	9	100%	8	100%	7	100%	11	100%	9(3)	100%	5
<b>r measures for which conferral of management has been granted</b>	<b>92%</b>	<b>9</b>			<b>100%</b>	<b>9(2)</b>	<b>95%</b>	<b>5</b>	<b>62%</b>	<b>4</b>	<b>94%</b>	<b>7</b>	<b>99%</b>	<b>7</b>	<b>98%</b>	<b>6</b>	<b>80%</b>	<b>6</b>	<b>100%</b>	<b>9(3)</b>	<b>100%</b>	<b>5</b>
Receipt of first accreditation package	18/12/2000		30/03/2006		13/11/2001		5/02/2001		1/10/2002		27/06/2001		24/07/2001		20/09/2001		12/06/2002		7/01/2002		28/09/2001	
Date of Commission Decision conferring the management of aid (1st C)	14/05/2001		29/09/2006		15/04/2002		15/06/2001		26/11/2002		6/12/2001		26/11/2001		2/07/2002		31/07/2002		15/04/2002		19/11/2001	
Receipt of second accreditation package	28/01/2003				16/10/2002		7/08/2003		25/11/2003		17/4/2003		3/03/2003		14/06/2003		7/07/2003		31/03/2003		16/09/2003	
Date of Commission Decision conferring the management of aid (2nd C)	14/08/2003				19/02/2003		13/02/2004				24/09/2003		9/10/2003		14/11/2003		5/12/2003		14/08/2003		2/04/2004	
Receipt of third accreditation package					16/01/2003																	
Date of Commission Decision conferring the management of aid (3rd C)			29/09/2006		1/08/2003														24/04/2006			

(1) - the exact name of the measure in the relevant programme may be different from the names of the measure listed.

(2) - in Czech Republic both measures (Renovation of villages + infrastructures) are included in their Measure 2.1: Renovation of villages and rural infrastructure. Conferral of management includes both.

(3) - in Slovak Republic both measures (diversification + infrastructures) are included in their Measure 4: diversification of activities in rural areas. Conferral of management includes both.

(4) - in Bulgaria the conferral of management for sub-measure "Wholesale Markets" included in measure "processing and marketing" was granted on 14/08/2003 (2ndC).

**ANNEX F - Sapard irregularity reports by Member States**

**Number of first communications**

Reporting Country	Year					Grand total
	2002-03	2004	2005	2006	2007	
BG		5	15	18	42	80
CZ		1	7	4	3	15
EE	1	1	4	4	5	15
HU	3	13	24	8	2	50
LT	4	3	3	3		13
LV		7	4	3	1	15
PL	3	19	24	51	32	129
RO	1	77	81	69	56	284
SI	22	5	3		1	31
SK		2	1	3	3	9
<b>Grand Total</b>	34	133	166	163	145	641

## **ANNEX G – Implementation of measures of the Sapard programmes of Bulgaria, Romania and Croatia.**

### **Bulgaria<sup>1</sup>**

In 2006, the EU committed €82,4 million to BG under the AFA 2006. This brought the total of EU funds committed for BG under the AFAs 2000–2006 up to €444,7 million. In 2006 the EC paid €53,8 million to BG and at 31 December 2006 total EU payments amounted to €212 million, or 47,7% of the EU funds available to the programme.

In 2007 the EC paid a further €40 million to BG, bringing total payments to €252 million, representing 56,7% of the EU funds allocated to the programme. Despite efforts made to improve absorption of funds under the programme, such as extension of AFAs and re-allocation of funds over measures, an amount of €27,7 million had to be de-committed according to the automatic de-commitment rule “n+3” and was lost for the programme at the end of December 2007. This reduced the total committed amount to €17 million.

Contracting of projects to final beneficiaries stopped on 31 October 2007 and by the end of 2007 the Sapard Agency had approved 3 128 projects under all measures, accounting for €456 million of EU contribution (103% of the AFAs 2000–2006). Around 600 projects were approved in 2007 accounting for €35 million of EU contribution, representing 8% of the initial EU allocation 2000–2006. Contracting figures for 2006 accounted for respectively around 800 projects and €178 million. By the end of 2007, 1 793 projects have been completed corresponding to 57% of approved projects to that date, of which 209 have been completed during 2006 and 206 in 2007. The total EU contribution reimbursed was €226,1 million, corresponding to 51% of the amount committed under the AFAs 2000–2006.

"Investments in agricultural holdings" is the measure with the highest allocation. Of 1 647 approved projects with €165 million, which is more than 100% of the available funds under the financing plan in force for this measure, 1 251 projects have been completed. Under the measure with the second highest allocation "Processing and marketing of agricultural and fishery products", 311 projects have been approved for €146 million, of which 15 projects for the sub-measure "Wholesale markets" covering the funds available for this measure. 240 of the projects have been completed.

Under "Investments in agricultural holdings" the sectors animal production and products (39%) and arable crops (17%) have the highest share of the contracted amount, with respectively 421 and 761 projects, whereas the substantial increase in the projects in the dairy sector is due to improved procedures for applying under the measure. Monitoring data suggests, that Sapard support to this measure notably in key sectors, such as meat and milk and dairy products, has contributed to the achievement of the measure and programme objectives, namely by improving hygienic conditions and animal welfare, in order to reach EU standards and improvement of production processes.

Under the measure "Processing and marketing" the highest share of contracted amount was in the sectors “meat” (37%) and “fruit and vegetables” (31%), with respectively 140 and 96 projects. Main objective of this measure is to facilitate the improvement and restructuring of processing and marketing of agricultural and fishery products. Investments should contribute to: the improvement of product quality, packaging and presentation, introduction of

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<sup>1</sup> Annex C.4 gives an overview of the distribution of Sapard funds between measures for BG.

environmental protection technologies, achievement of EU quality and health standards, better waste recycling, storage capacity and provision of quality raw materials. Support under Sapard resulted in improvements to meet European standards in meat, fish, fruit and vegetable processing plants and wineries. Already completed projects have led to the quality improvement of a considerable part of the processing capacity in these establishments. Data also shows that on-going projects should lead to improvement in quality of an increasing part of the processing capacity, thus exceeding the levels planned for quality improvement in these sectors.

A total of 7 groups under measure "Setting up producer groups" were approved, representing 28% of the measure allocation, of which 2 were completed at the end of 2007.

"Development and diversification of economic activities" measure had 617 projects approved for €57 million, of which 235 completed, covering the entire measure allocation. The key activities under this measure relate to rural tourism, with a share of 31% of the contracted amount (258 projects) and timber carpentry and bio fuels with a 26% share and 155 projects.

With regard to the measures "Development and improvement of rural infrastructure" and "Renovation and development of villages and the protection and conservation of the rural heritage" respectively 57 and 221 projects were approved with a total value of €83 million, which is somewhat more than their measure allocation. Out of these, 16 infrastructure projects and 29 projects under "Renovation and development of villages" were completed by the end of 2007. Investments under these two measures supported basic infrastructure, such as roads and water supply in and between villages. The three last mentioned measures contributed to the sustainable development of economic activities and the improvement of the environment in the rural areas. This effect will increase when on-going projects have reached the stage of completion.

For "Improvement of vocational training" 3 projects were approved for more than the half of its measure allocation. One project was completed. Under the measure "Forestry, afforestation of agricultural areas, investment in forest holdings, processing and marketing of forestry products" 53 projects were approved, with a value higher than the allocation foreseen for this measure, of which 10 completed.

Measure "Technical assistance" had 13 approved projects, covering the amount of the measure allocation, of which 9 completed projects.

## **Romania<sup>2</sup>**

In 2006 the EU made the last annual commitment for an amount of €192,4 million to RO under the AFA 2006, bringing the total of EU funds committed for RO under the AFAs 2000–2006 up to €1,159 million. In 2006 the EC paid €147,2 million to RO, bringing total EU payments 2000–2006 to €32,6 million, or 45,9% of EU funds available to the programme. In 2007 the EC paid €22,4 million, bringing the total EU payments since the start to €755 million, representing 65,1% of allocated EU funds.

In 2007 the Sapard Agency continued the Sapard 2000 – 2006 financial implementation. Contracting of projects to final beneficiaries stopped on 31 July 2007. Of the 4 582 projects approved by the Sapard Agency, of which 3 153 completed at the end of 2007, 121 projects

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<sup>2</sup> Annex C.5 gives an overview of the distribution of Sapard funds between measures for RO.

concerned investments in areas affected by natural disasters. The acceleration of activities helped RO to avoid automatic de-commitment of EU funds in 2006 and 2007.

During 2006 the last 4 measures of the Sapard programme were accredited, namely "Improving the structures for quality, veterinary and plant-health controls, quality of food stuffs and consumer protection", "Agricultural production methods designed to protect the environment", "Setting up producer groups" and "Forestry". The Commission Decision No EC/298/2006 of conferring the management of aid for these measures was adopted on 2 April 2006.

The implementation of Sapard in RO is characterised by a strong emphasis on rehabilitation of rural infrastructure while the *acquis* related measures have only recently started to absorb funds to a larger extent. The largest share of EU funds (45%) has been allocated to this measure. Of the contracted amount of the 766 projects approved, 50% was for roads, 31% for drinking water facilities, 13% for sewerage systems and 6% for floods prevention and protection. 595 of the approved projects have been completed at the end of 2007. The contracted amount at the end of 2007 of €504 million represented nearly all funds allocated to the measure.

By the end of 2007 the level of contracting under "Diversification of Economic Activities" measure reached a committed amount of €8 million, representing almost all funds allocated to this measure, for 1 145 approved projects of which 613 were completed. 60% of the projects relate to rural tourism. In the areas affected by floods 3 projects have been approved. Investments under these two measures improved basic infrastructure and supported sustainable development of economic activities in the rural areas.

Considering the scope of damages caused by the floods (estimated at €1,6 billion or 3,4% of the 2003 GDP) that affected most regions during April-September 2005, the EC agreed to re-allocate in 2005 and 2006 substantial funds to the measure "Rural Infrastructures" for rehabilitation in the affected areas. Moreover, it agreed to use the related provisions of MAFA (Multi-annual Financing Agreement) in case of natural disasters allowing to apply a higher EU co-financing rate, of 85% instead of 75% and a higher public aid rate, 75% instead of 50% for private beneficiaries, under some measures. In addition, a new sub-measure for investments in flood prevention was created. At the end of 2007 83 projects amounting to €53 million were contracted for measure 2.1 "Development and improvement of rural infrastructure, projects affected by natural disasters".

Under the measure "Processing and Marketing", which has been allocated the second largest share of funds with 25%, 482 projects have been approved, of which 310 completed. The level of contracting almost reached the total funds available for this measure. At the end of 2007 the committed amount in euros was 280 million. Approximately 53% of the contracted amount of the approved projects concerns meat products and eggs sectors, 14% concern the dairy sector, 12% arable crops and 10% the fruit and vegetables sector. Two projects affected by natural disasters were contracted in the cereals sector and another project concerned a slaughterhouse. Investments were made for construction of new plants and improvement of existing ones. The capacities involved in larger sectors, as meat and dairy products, having as a result the increase of the quality of the products, especially contribute to the implementation of the community *acquis*.

"Investments in agricultural holdings" is the third most important measure, with a share of 17% of the total amount allocated to the programme. By the end of 2007 1 986 projects have

been approved. The committed amount of €190 million EU contribution was close to the amount of the measure allocation (47% for investments for animal production and products and 44% for arable crops). 1 594 projects have been completed. In the areas affected by floods 32 projects have been approved. Investments in farms, as construction and modernisation of stables, purchase of machinery and equipment and high quality animals, are most essential in terms of adoption of the *acquis* standards.

Investments in rural infrastructure and diversification of economic activities were in particular important in RO. There were two main reasons for this development. First of all the substantial need for improvements in rural infrastructure and economic activities, secondly the generally weak economic and financial situation in the agricultural sector which resulted in a lower level of investments than anticipated, in particular, in agricultural holdings. The Sapard programme has therefore in particular contributed to the objective concerning the sustainable development of economic activities and the improvement of the environment and living conditions in the rural areas. Investments in the agri-food sectors were in particular focussed on investments in animal production and products with a concentration in the meat processing sector contributing to the objective of assisting the agri-food sectors in meeting the hygiene and health standards.

### **Croatia<sup>3</sup>**

The HR Sapard programme was adopted by the Commission on 8 February 2006. The Conferral of management Decision for the Sapard Agency and measures "Investments in agricultural holdings" and "Processing and marketing of agricultural and fishery products" was adopted on 29 September 2006. The HR MAFA was concluded on 6 April 2006. According to the AFA signed on 25.10.2006, the EU committed €25 million to HR.

In 2007 the EC paid €7,4 million (30% of funds available to the programme) to HR, of which €7,2 million represents the payment on account.

By the end of 2007, the Sapard Agency had approved 29 projects, which accounted for 59% of the Sapard allocation of the two measures concerned. For the "investments in agricultural holdings" measure, 37 projects were submitted and 17 approved, of which 5 beneficiaries were young farmers.

For the measure "Improving the processing and marketing of agricultural and fishery products" 23 projects were submitted and 12 approved, of which 3 have been completed.

It is still too early to assess the impact of the Sapard programme of HR.

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<sup>3</sup> Annex C.6 gives an overview of the distribution of Sapard funds between measures for HR.