

**INTEGRATION DIRECTORATE**  
**Department of Structural Funds**

**Minutes of the ARDOP Monitoring Committee meeting  
held on 18<sup>th</sup> September 2003**

<p><b>Dr. László Vajda</b></p>	<p>The head of ARDOP Managing Authority and chairman of the Monitoring Committee welcomed the participants and opened the first meeting of the Agricultural and Rural Development Operational Programme Monitoring Committee. Then he briefly described the relationship between the National Development Plan and Operational Programmes (including ARDOP).</p> <p>The Department of Structural Funds performs the secretariat tasks of ARDOP Monitoring Committee.</p> <p>The committee meeting will take place in the spirit of preparation for EU membership, and should decide on the allocation of rural development funds.</p> <p>In the EU, the ARDOP will be approved by the STAR Committee.</p> <p>The Managing Authority participates in its implementation. He underlined the importance of the National Rural Development Plan, talked about the tasks of the Intermediate Body and Paying Authority, and mentioned that the legal successor of the SAPARD Agency, i.e. Agricultural and Rural Development Agency (ARDA), started its operation on 1 June 2003.</p>
<p><b>First agenda item: discussion of the Rules of Procedures of ARDOP MC (draft of the Secretariat)</b></p>	
<p><b>Dr. Antal Szabadkai</b></p>	<p>Agricultural Employers' Association</p> <p>He made a comment in relation to the Rules of Procedures of ARDOP Monitoring Committee, and made a proposal for the amendment of delegation and substitution rules.</p>
<p><b>Dr. László Vígh</b></p>	<p>Employees' Side of the National Interest-Conciliatory Council</p> <p>He mentioned that the large number of membership of the Committee may hinder effective operation, therefore realistic deadlines should be defined in the Rules of Procedure for committee members, and he added that the committee members did not have enough time to study the ARDOP PCD draft.</p>
<p><b>Dr. László Vajda</b></p>	<p>According to EU guidance, the first meetings of Monitoring Committees of Operational Programmes must be held by 30 September.</p> <p>The MC has two, or perhaps three meetings a year, during which participation or substitution of the members is compulsory.</p> <p>Organisations who are members of ARDOP MC had to delegate two people (a man and a woman). At the beginning of the week, ARDOP MC Secretariat sent a letter to the managers of the delegating organisations in which it defined the permanent member of ARDOP MC, and the individual eligible</p>

	for substitution.
<b>Dr. Sándor Orosz</b>	National Association of Fish Producers Substitution is not covered, therefore the Rules of Procedures have to be revised and conditions of substitution must be identified.
<b>Dr. László Vajda</b>	Two nominated persons (one woman and one man) are equal delegates of the organisations, but participation is mandatory for one person.
<b>József Kapuvári</b>	National Association of Food Industry Workers Relevant measure: instead of the objectives and tasks of ARDOP, it should say tasks and competencies of ARDOP.
<b>Dr. Antal Szabadkai</b>	Agricultural Employers' Association At the training organised by the Office of the Prime Minister, it was mentioned that one delegate and two individuals had to be sent to the Committee. The participation ratio of women must be 33% of the quota. Concerning agriculture, one delegate and one woman substitute are required.
<b>Mónika Forgó</b>	Decision in relation to delegated rights: Rules of Procedures, page 3, subsection (i). The requested delegate of the sending organisation must participate, but if the delegate cannot participate, he must send a substitute.
<b>Dr. László Vajda</b>	We shall make decisions, but the MC will decide on everything with regard to ARDOP implementation too. At the moment, it is still a draft, the programme does not need to be finalised today.
<b>Gábor Horváth</b>	Employers' Side of the National Interest-Conciliatory Council The ex-ante evaluation is not in line with the EU regulation.
<b>Mónika Forgó</b>	In relation to the ex ante evaluation in this point, namely, that the evaluation report will be made available.
<b>Dr. Antal Szabadkai</b>	In order to make the activities of the secretariat easier, a letter of assignment shall be sent to the delegated individual.
<b>Mónika Forgó</b>	The letter of assignment of an organisation should state who is the delegate, and who is the substitute.
<b>Zsolt Szilvácsku</b>	A detailed document is required in relation to ARDOP ex-ante evaluation.
<b>Dr. László Vajda</b>	The Rules of Procedure must be revised according to the agreed changes.
<b>Mónika Forgó</b>	ARDOP MC discusses and approves the annual reports of implementation, and shall send them to the EU Commission. <b>Modification: the report on ex-ante evaluation must also be submitted.</b>
<b>Second agenda item: ARDOP discussion</b>	
<b>Dr. László Vajda</b>	The 24 <sup>th</sup> version of ARDOP and 6 <sup>th</sup> draft of PC are the result of a long work, and they are based on EU regulations. ARDOP and PC form a complete document, but they have not been finalised yet, they are only drafts. The future of ARDOP and PC will be decided during the discussion in an EU

	Commission plenary session. The EU Commission approves state aid and deviation from state aid. The budget resources do not allow for any scope of movement. The budget resources will also be fundamental instruments of ARDOP between 2004 and 2006. There is not enough time for detailed discussion of the draft.
<b>Dr. Antal Szabadkai</b>	The EU criteria must be taken into account.
<b>György Magyar</b>	Joint nominee of the National Association of Agricultural Cooperatives and Producers and Hungarian Farmers' Association The changes should be highlighted.
<b>Dr. László Dorgai</b>	Funds made available for rural development should be investment centred, the EU Commission only assumed an obligation for co-financed measures. Some indicators, which did not exist earlier, have been prepared.
<b>Dr. László Vajda</b>	Agriculture is a single market. Together with investments increasing quantity, investments improving quality should also be improved. The proportion of development of rural areas should be given more stress in ARDOP. According to Ireland's example, sectoral representatives discuss with each other in the plenary session of the EU in order to create a balance between agriculture, rural development and environment management (better balance). ARDOP and the National Rural Development Plan form one unit. Within the structural funds, the National Rural Development Plan is four times more important. More stress should be given to rural development in ARDOP.
<b>Dr. Antal Szabadkai</b>	The standard of fruit processing is not acceptable in small villages, and more stress should be given to this issue. There is no concept for food production and processing in small villages with less than 1,000 inhabitants.
<b>Dr. Sándor Orosz</b>	In relation to structural support to the fishing industry, he explained that Hungarian fish consumption was low. There is increasing demand for fish products produced in the EU.
<b>Discussion of Chapter II of ARDOP PC (measures)</b>	
<b>Dr. László Vajda</b>	Priorities and objectives practically mean an agricultural strategy in ARDOP.
<b>Dr. László Dorgai</b>	ARDOP describes the present situation. The stated objectives are translated into measures. The National Development Plan must be logically co-ordinated with ARDOP. Table of indicators: the quantification of indicators changes. On the basis of indicators included in PC, the support of investments reduces to one third.
<b>György Magyar</b>	Indicators change, as a result of which direct payments change. If the indicator is not acceptable, it is sanctioned.
<b>Dr. László Vajda</b>	In 2002-2003, the indicator change may be 3%
<b>Péter Szilágyi</b>	Department of Food Industry The employment ratios decline in food industry in the EU.
<b>Dr. László Dorgai</b>	Where the labour density is low, development investments are lower in the unemployed branches. The grey economy will

	disappear.
<b>Zoltán Fórián</b>	National Association of Food Processors This will be harmful for competitiveness.
<b>Dr. László Dorgai</b>	The sectoral priorities of workforce are included in ARDOP and PC. The call for proposals should be more detailed.
<b>Dr. László Vajda</b>	In the OP, rural development is stressed more compared to agriculture. Employment should be increased by 1-2% in agriculture. For example, in Italy, LEADER+ is based on a local initiative, but it has a positive impact on the economy and society. The importance of competitive base materials is larger in the production sector. Agricultural production and food processing industry must be modernised, and value added should be increased in Hungarian base material production. As a result of development of rural areas, income generation opportunities will increase. These may include village development and reconstruction.
<b>Dr. Sándor Orosz</b>	Young farmers are left out from fishery measures.
<b>Dr. László Dorgai</b>	Young farmers will be included in the text of the fishery sector.
<b>Dr. Sándor Orosz</b>	Are fishing and forestry agricultural activities?
<b>András Drotár</b>	Department of Agricultural Developments The ARDOP regulations are applicable in the case of disputes.
<b>Dr. László Dorgai</b>	The measures and indicators are covered in the OP like a pyramid. During the calculation of new indicators, the available resources must be taken into account. If they are too small and cannot be measured, the measure itself is not effective.
<b>Ildikó Szabó</b>	The indicators must be quantified.
<b>Dr. Vince Ördög</b>	Proposals can only be prepared by qualified experts, therefore, qualification should be a requirement.
<b>Dr. Mária Pécsi</b>	In the case of initial support to young farmers, at least secondary qualifications and minimum one year of experience in agriculture should be a requirement for submitting a proposal. Practice in an agricultural area should also count.
<b>Dr. Vince Ördög</b>	Should it be special agricultural qualification?
<b>András Drotár</b>	The concept will be defined in a decree of the Ministry of Agriculture and Rural Development.
<b>Dr. Antal Szabadkai</b>	Consultancy is important for young farmers, but consultation is not subject to qualifications.
<b>András Drotár</b>	In an individual and corporate business, the employees must have professional qualifications.
<b>Dr. László Dorgai</b>	Changing the structure of Structural Funds. The establishment of the consultancy system can be assisted with financing, but the accreditation of a training organisation must be requested at a special agency.
<b>Dr. László Vajda</b>	Equal opportunities are important especially in underdeveloped areas. A young farmer can submit a proposal if he can involve a consultant with secondary qualifications in the activities.

<b>József Kapuvári</b>	The operation of the consultancy system depends on the number of available people. Qualifications can be obtained in 2-3 months.
<b>Mária Pécsi</b>	Professional qualifications is an eligibility criterion for applications.
<b>Tamás Tóth</b>	Community Support Framework The number of indicators and administration burden of the applicant should be reduced to minimum. The indicator table should contain fewer indicators to make it as simple as possible. With regard to input, output and impact indicators, the objective is simplicity and efficiency.
<b>Zsolt Szilvácsku</b>	Agriculture has the greatest impact on environment.
<b>Péter Szász</b>	LEADER+ should make rural environment more attractive.
<b>Dr. László Vajda</b>	More than economic potential development, because it involves the extension of the scope of economic and social environment.
<b>Review of the Programme Complement Document</b>	
<b>Dr. László Vajda</b>	PC is a communication action plan.
<b>Zsolt Szilvácsku</b>	The communication strategy should be clearer. Application characteristics should be indicated on the internet.
<b>Miklós Endre</b>	Government Office for Equal Opportunities The information instruments related to applications are not complete.
<b>Péter Szilágyi</b>	Brochures are not read, and county papers are not read either. Live information is most authentic. More people participate in various forums and presentations.
<b>József Kapuvári</b>	With regard to support, the characteristics of the area are taken into account, and an allocation mechanism is used.
<b>Dr. László Vajda</b>	Applications should be treated according to quality, not based on regions.
<b>András Drotár</b>	In this issue, the No. EU 1257/1999 regulation is applied.
<b>Tamás Tóth</b>	Community Support Framework Managing Authority Areas with unfavourable characteristics should receive +10% support.
<b>András Drotár</b>	EAGGF Orientation and Guarantee Fund supports young farmers and areas with unfavourable characteristics (40% and 70%).
<b>Tamás Tóth</b>	The support level applies to applications. If the application level is adjusted to national resources, how many applicants can have support?
<b>Dr. Sándor Orosz</b>	The application level is 40%, consisting of 75% national state aid and 25% own resources.
<b>Dr. László Vajda</b>	With regard to EU fund management, the MC has the relevant authorisation.
<b>Dr. László Dorgai</b>	By increasing the degree of support, there will be less money available for individual measures, but concentration will increase, because there are many applicants.
<b>The Monitoring Committee accepted a 10% increase in the structural support degree of the fishery sector with a consensus.</b>	
<b>Zsolt Szilvácsku</b>	In the application indicator reconstruction of fish ponds should

	be covered more intensively.
<b>Dr. László Dorgai</b>	Less money is available for rural development this way.
<b>Péter Szilágyi</b>	More stress should be given to food safety.
<b>Dr. László Dorgai</b>	There is either enough, or too little money for base material production and primary processing.
<b>4.6 Measure No comments were made on the subject of development of processing and sale of agricultural products.</b>	
<b>4.7 Measure Income generation opportunities in rural areas</b>	
<b>Ildikó Szabó</b>	Does the eligibility criterion apply to enterprises or private individuals?
<b>4.8 Measure Infrastructure development related to agriculture</b>	
<b>Dr. László Dorgai</b>	It relates to ARDOP and Vásárhelyi Plan. Those who are included in it, have an advantage.
<b>No comments were made on the subject of 4.9 Measure Basic services for rural entrepreneurs and population.</b>	
<b>No comments were made on the subject of 4.10 Measure Village development and reconstruction, retention of the physical and intellectual heritage of the countryside</b>	
<b>Dr. László Vajda</b>	We have completed the review of the Programme Complement. He thanked everyone for the useful comments and participation. All subjects were covered which would be useful during the discussions with Brussels. There will be no problem in reflecting the changes in ARDOP or ARDOP PC either.

**The following modifications were made at the ARDOP MC meeting:**

- \* **The Monitoring Committee has modified the degree of structural support to the fishery sector from 40% to 50%.**

**Modifications of ARDOP MC Rules of Procedure:**

- \* ARDOP MC shall discuss the Rules of Procedure again at the next meeting.
- \* The MC accepted changes related to delegated individuals.