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**System for Environmental and Agricultural Modelling;  
Linking European Science and Society**

## **An Institutional Analysis of European Systems for Impact Assessment**

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# Table of contents

|   |           |
|---|-----------|
| <b>Table of contents</b>  | <b>3</b>  |
| <b>General information</b>  | <b>5</b>  |
| <b>Executive summary</b>  | <b>5</b>  |
| <b>1 Introduction</b>   | <b>7</b>  |
| 1.1 Definitions   | 7         |
| <b>2 Better European regulation with Impact Assessment</b>          | <b>9</b>  |
| 2.1 A tool with an embedded political agenda                        | 9         |
| 2.2 Secretariat General responsible for implementation of IA        | 10        |
| 2.3 Work guidance with relevance for SEAMLESS-IF                    | 11        |
| 2.4 Impact assessment practices in the Commission                   | 12        |
| 2.4.1 Shifting practices  | 12        |
| 2.4.2 Leadership  | 13        |
| 2.4.3 Time  | 13        |
| 2.4.4 Money   | 14        |
| 2.4.5 Contractors and tools   | 14        |
| 2.4.6 Data  | 15        |
| 2.4.7 Indicators and support  | 15        |
| 2.4.8 The necessity of transparency of the modelling process        | 15        |
| 2.4.9 Different approaches to stakeholder consultation              | 16        |
| 2.5 Critique of the Impact Assessments Work in the Commission       | 17        |
| <b>3 Impact Assessment in the European Parliament</b>               | <b>19</b> |
| <b>4 Impact Assessment in OECD</b>                                  | <b>21</b> |
| <b>5 Impact assessment activities in some EU Member States</b>      | <b>23</b> |
| 5.1 Introduction  | 23        |
| 5.2 Comparative studies on IA development                           | 23        |
| 5.3 Assessment procedures in the UK                                 | 24        |
| 5.4 Sweden  | 25        |
| 5.5 Ex ante evaluations activities in France                        | 26        |
| 5.5.1 Main actors of ex-ante evaluation with relevance for SEAMLESS | 28        |
| <b>6 Impact Assessment in Czech Republic</b>                        | <b>31</b> |
| 6.1 A well established formal IA system                             | 31        |
| 6.2 The specific character of Czech agriculture                     | 32        |
| 6.2.1 Land ownership and field size                                 | 32        |
| 6.2.2 Social and economic aspects of rural community                | 33        |
| 6.2.3 Regulatory regime – central, regional, local                  | 34        |
| Subsidy system after 1990   | 34        |
| Subsidy system after 2004   | 34        |
| 6.2.4 Payments  | 34        |
| 6.2.5 Markets   | 35        |

|          |  |           |
|----------|--|-----------|
| 6.3      | <i>The Nitrate Directives</i>  | 36        |
| 6.4      | <i>Stakeholder mapping</i>   | 36        |
| 6.4.1    | Bodies with a potential interest in SEAMLESS-IF  | 37        |
| <b>7</b> | <b>Impact Assessment in Poland</b>   | <b>39</b> |
| 7.1      | <i>RIA in accession negotiations: Polish experience</i>  | 40        |
| 7.2      | <i>The general characteristics of Polish agriculture</i>   | 41        |
| 7.3      | <i>Rural Areas and agricultural population</i>   | 43        |
| 7.4      | <i>From a state led system to the emergence of a new system, and the current transformation into an EU adjusted system</i> | 44        |
| 7.5      | <i>Support for agriculture and rural development</i>   | 47        |
| 7.6      | <i>Stakeholder mapping</i>   | 47        |
| 7.7      | <i>Concluding remarks on the situation in Poland</i>   | 50        |
| <b>8</b> | <b>Concluding remarks</b>  | <b>51</b> |
|          | <b>References</b>  | <b>53</b> |
|          | <b>Glossary</b>  | <b>57</b> |

## General information

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## Executive summary

The general aim of this report is to establish the state of the art of Impact Assessment (IA) in the EC and some selected European countries, while comparing the formal political advances with impact assessment work in practice. Two of the selected countries belong to the group that is identified as forerunners in IA development, Sweden and UK. France is an example of a country where development of ex ante evaluation has come to a stand still. Czech Republic has the formally most advanced state regulation about IA and is also an interesting example of a transition economy with great upheavals within the agricultural sector.

Another aim of the report is to make the applied “assessment cultures” of different institutions visible in order to feed this information into the SEAMLESS “modelling culture” to make the system suitable for policy evaluators at different levels.

There is a growing interest for impact assessment activities in European policy making. The development is part of the European strategy for *Better Regulation* with the goal to reduce obsolete and “unnecessary” rules and instead increase the knowledge-base for law making. *In the Commission it is generally seen that the way to achieve a better knowledge base for new regulations is to submit policy proposals to Impact Assessment.*

Impact Assessments are gradually becoming institutionalised at the EC level but also in an increasing number of member states. The institutionalised IA system at EC level has an aim that is wider than providing a mere knowledge base for political decision making. It is also a tool for communication with stakeholders, where member states and lobby interests are invited to be active in the policy processes, sometimes in a genuinely encompassing dialogue, more commonly in a dialogue that only meets the EU minimum standard for communication. *Modelling tools will therefore be utilised as much in a political process as a scientific.*

Comparative studies show that IA work at the moment is primarily a phenomenon at EU level although it is developing at a rather fast pace in several states like UK, NL and DK. The pattern of IA regulation on the national level is scattered. There is no apparent divide between West/East European or old/new member states as far as formal IA regulations and institutional capacity are concerned. Among international organisations, the *OECD has substantial experience with assessments, especially in relation to developing economies.*

Although IA is by now an established system in the EC the quality of the Commissions assessments is regarded to be low, by both outside and inside critique, which means that the introduction of a tool that can ensure reasonably good quality of quantitative measures will greatly improve the present standard. Transparency is a key word. As officials have to explain the assessment results to the public and to political actors and make understandable

how results support different policy options they want simplicity and transparency in the modelling process. Although it might be difficult to unite simplicity and scientific reliability, it is important to balance these demands against each other. *If the SEAMLESS-IF can produce reliable results that are understandable for a non scientific audience, it does not have to be exceptionally sophisticated to be a success.*

## 1 Introduction

This report gives an overview of the current political and institutional situation of the impact assessment landscape in Europe. The design of the report is guided by two aims the first is to gather information about institutional systems and the way administrations reason about impact assessment activities that can be feed into the development process of the SEAMLESS-IF, to make the system congruent with potential user needs. The second is to make visible not only the practical institutional arrangements but the *political* setting in which a system like SEAMLESS will, or might, be used, which is an understanding needed to help the implementation of a new modelling tool.

The main focus in the report is on assessment activities and the institutions that perform them. It starts at the European level and the organisation within the Commission, where impact assessment has its strongest support; it also deals with activities in the European Parliament and at the OECD.

The current status of impact assessment activities is thereafter highlighted in a selected number of European countries that are either identified as being at the fore front in Western Europe (UK, Sweden) or among the laggards (France). Czech Republic is among the few states where IA is regulated by law. The situation there and in Poland is given special attention. The decision making in the agrarian system is described in greater detail while concentrating on the special circumstances arising in an economy in transition, where great upheavals in the agricultural sector during the 20<sup>th</sup> century still affects the situation.

The information about the institutions described is based on official documents and publications, but to a large extent gathered through personal interviews and mail contacts with representatives for the analysed institutions. Interviews have been made with assessment leaders and other officials at the Commission, with representatives for the European Parliament and the OECD as well as national Ministries and Boards, in all around 25 people. When no explicit source is referred to the information is derived from interviews.

*Passages written in italics at the end of sections are emphasising a thought or a conclusion that we judge especially important to take account for by consortium members during development work.*

### 1.1 Definitions

Policy assessments appear under several different, partly overlapping, activities and concepts which makes orientation in the field complicated. *Regulatory impact assessment* (RIA) covers a general structured framework of principles for how to investigate possible outcomes of one, or a range of policy options. General rules for ex-ante assessment of new legislation exist in many states, although the degree of coercion, scope and depth of the activities vary greatly. A definition of a good RIA is that it considers *all* kinds of impacts (Mandelkern 2001). Never the less special regulations about *Sustainability impact assessment* (SIA) are common in many countries or that RIA rules particularly specify sustainability principles for the assessments. Initially the EC used the concept *Integrated* or *Extended* Impact Assessment, but now which is more logical, only employs the simple concept *Impact Assessment* (IA),

In brief, in applied use RIA or IA normally means some kind of ex ante policy assessment, which considers economic effects of a policy and if possible also social and ecological aspects and includes some kind of stakeholder consultation. The latter prerequisites that assessment procedures at some stage of the process shall include stakeholder consultations is



not a self evident or logical consequence of an IA instrument as such, but are nonetheless an inherent part of the concept and usually also the practises.

The scope, depth, methods and procedures used can vary considerably, from qualitative descriptions, to more scientific approaches assessing both macro and micro economic factors (Mandelkern 2001). We consider IA to be the most logical concept and will as far as possible employ that concept.

## 2 Better European regulation with Impact Assessment

The increasing interest for impact assessment (IA) activities in European policy making can be traced back to the Lisbon Strategy of 2000 where the European Union set itself the goal of becoming the most competitive and dynamic knowledge-based economy in the world. In its endeavour to achieve this goal a core priority is to implement better regulation in the union and the member states. The policy for *Better Regulation* specifies three strategies. The first two are simplifying and reducing administrative burdens and the third strategy is to make future laws better by a knowledge-based approach to law making. The way to achieve a better knowledge base for new regulations is to submit policy proposals to Impact Assessment (IA) (EC 2006a, EC 2006b).

### 2.1 A tool with an embedded political agenda

An impact assessment system, with the aim to address "the full effects of a policy proposal including estimates of its economic, environmental, and social impacts" was introduced in by the EC in 2003 (EC 2002c p.276). In the communication it is stated that a formal Impact Assessment is required for all *regulatory proposals* and *negotiation guidelines for international agreements* with economic, social or environmental impact in the Commission Work Programme<sup>1</sup>. Additionally the financial regulation requires the Commission to carry out an *ex-ante evaluation* for all programmes entailing significant changes in budgetary spending.

The importance of the sustainability aspects when performing IA is underlined in the document by referring to EU's strategy for Sustainable Development where it says:

Sustainable development should become the central objective of all sectors and policies. This means that policy makers must identify likely spillovers – good and bad – on to other policy areas and take them into account. *Careful assessment of the full effects* of a policy proposal must include estimates of its economic, environmental and social impacts inside and outside the EU. (EC 2001, p. 6)

The impact assessment process introduced in 2003 is a qualitative step forward in the Commission's efforts to strengthen its evaluation culture as it is distinguished between the ex-ante evaluation work previously made and the values underlying the new impact assessment system:

...ex-ante evaluation and impact assessment have different functions and purposes. *Ex-ante evaluation focuses primarily on value for money, i.e. the cost-effectiveness for the Community budget of all expenditure programmes/actions proposed. In contrast, impact assessment is policy driven, it focuses on examining whether the impact of major policy proposals is sustainable and conform to the principles of Better Regulation.* (EC 2002c, p. 3)

The documents also reveal the Commission's aspiration that the IA work shall become a major political tool in European policy making. It shall not only produce a better knowledge base for decision making but give added value by supporting the major aim of creating better regulation *and* improved internal communication in the Union. To ensure that assessment

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<sup>1</sup> See, Glossary for explanation.

work *also* serves communicative purposes consultations are made an *integral* part of the IA procedures so that the outcome will be that it at the same time makes decision-makers and the public aware of likely policy impacts *and* serves as a communication tool:

Consultations with interested parties will generate useful discussion and bring in valuable information and analysis. When carrying out an impact assessment, the Commission will seek a broad range of views and will be open and transparent in the process as set out in its Communication on general principles and minimum standards for consultation. (EC 2002c, p. 3)

The consultations in the impact assessments performed until now have used very variable procedures regarding timing and inclusion of stakeholder activities. (See section 2.4.9)

It shall be noted that assessments – that earlier was named *Integrated* or *Extended* Impact Assessment – is now simply called *Impact Assessment*, which indicates that there should not be any assessments that are less integrated or less extended than others. All assessments shall integrate sustainability aspects and serve as a tool for communication.

In spite of the principally far reaching ambitions, assessment work had a slow start and during the first year only 43 out of 580 proposals were selected for an impact assessment (IEEP 2004). The attitude we met in the DG's in early 2005 was that assessments were burdensome and the experiences so far were quite few. To get the assessment work started in 2003 the choice of proposals had to be negotiated between the DGs' on top level, with the result that 2 respectively 4 impact assessments were made in DG Agri and DG Environment.

## 2.2 Secretariat General responsible for implementation of IA

As a result of the poor performance during the first years Secretariat General (SG)<sup>2</sup> issued Impact Assessment [Guidelines](#) for how the DGs shall proceed with the assessment work step by step. The guidelines include an *Operational guide* with roles and procedures, a *Manual* how to carry out an assessment and [Technical Annexes](#) (EC 2005a).

With the Impact Assessment Guidelines the SG took a step forward in its role of leading the work of the DGs in general and impact assessment in particular. As regards the communicative aspect it is significant that it is *required* in the guidelines that an Inter Service Steering Group (IS) with representatives from different DGs with relevance for the assessment at hand shall be set up. If an IS group is not appointed, valid *justifications* for this have to be given (ibid p.7, 9). The isolationistic ways of working in the DGs and even rivalry between them is often described as an obstacle for effective co-operation, resulting in sub optimal administration and policy making (Cini 1996). Again it becomes evident that the policy of Impact Assessment has additional political agendas embedded in its construction. It is desired that IA's shall contribute to a *better regulation* by a more open communication both *within* the Commission and *between* the Commission and the member states and other stakeholders.

The Guidelines' very explicit guidance for administrative and communicative aspects of the procedure contrast to the more superficial guidance for the work with sustainability aspects can give an impression that there is stronger support for the communicative aspects than the

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<sup>2</sup> Secretariat-General is a central service of the EC and the Presidents office, one of its prime tasks is to coordinate and advise – to ensure coherence in operations across policy areas and Commission departments.

ecological aspects. An update of the Guidelines in 2006, where a procedure for assessing administrative costs imposed by legislation is amended, adds to this impression. The Guidelines have therefore evoked criticism for its low sustainability profile (EEAC 2006, p. 4; Jordan et. al. 2006 p. 29).

*Our interpretation is that the “assessment culture” still is a battlefield between ex-ante assessment (value for money) and the new policy driven Impact assessment, guided by sustainability principles. (See quotation page 8.) SEAMLESS-IF will have capacity to serve both demands.*

Impact assessments are now becoming more frequent in the Commission and the Secretariat General is trying to main stream the procedures, by help of requirements, instructions, and staff training. It is worth noticing that impact assessment is listed as one of seven key policy tasks at SG's front home page.

The assessment work in the Commission is still a rather open and flexible process, with shifting practices between the DGs and the units in charge of them. It is suggested in the interviews that the SG gradually will take a more firm control of the assessment work. A sign of increased interest to lead the assessment procedures is the establishment of an Impact Assessment Board (IAB) in 2006, with the task to:

...offer advice and support in developing a culture of impact assessment inside the Commission. It will provide widespread quality advice and control...The IAB, composed of high level officials, acts independently of the policy making departments and reports directly to the President. It issues opinions on the quality of Impact Assessments. The IAB contributes to ensure that impact assessments are of high quality, that they examine different policy options and that they can be used throughout the legislative process. --- The Commission expects the IAB to develop into a centre of excellence. (EC 2006b p. 8)

The initiative to a new assessment, and later on the resulting proposal – with the assessment report attached – can usually be found on the [SG's homepage](#). But it has been revealed in interviews that more assessments are undertaken than are listed on the homepage.

*The SEAMLESS consortium has not been able to establish direct contacts to representatives of the central IA team, under Secretariat General's Institutional Matters and Regulation Unit H.2. New efforts to will be made to establish such a contact.*

## 2.3 Work guidance with relevance for SEAMLESS-IF

The Guidelines describe in a very practical way, the different work steps that have to be performed when setting up an assessment. The recommendations give a good indication of how the work will be performed in the DGs in the coming years and is therefore also a guide for SEAMLESS-IF work. It is also stated that if important parts of the IA are contracted out, it should be made clear that contractors will have to follow the analytical steps set in the Guidelines (EC 2005a, p 13). Any modeller contributing to a Commission impact assessment is advised to read the 45 pages of the Guidelines to understand the assignment of the assessment leaders.

DGs are requested to initially establish a "Roadmap" for how to conduct the assessments on the initiatives they put forward. There are certain steps that shall be considered in the outline of the work. Below a selection of work steps from the Guidelines are listed, together with comments on the implications they have for SEAMLESS.

An impact assessment leader shall:

- *Establish the different policy options to be assessed*

At the point where a DG wants assistance from a consultant or scientist, the policy options to be assessed will already be formulated. The preceding discussion and formulation of options and scenarios will normally not be the concern of a contracted expert. This means that this part of the process does not have to be visible in the graphical user interface of a modelling tool.

- *Determine what data that is already available and if other data is needed and how they will be produced.*

In interaction with DG officers they have expressed specific interest in SEAMLESS databases. The data sets developed by SEAMLESS might be regarded as a specific and valuable asset of the tool and could therefore be given a more pronounced profile.

- *Determine if it is needed to make an ad hoc study in advance, e.g. to develop quantitative models.*

It is expected that there can be a need for data or technical tools that have to be developed in order to fit with a specific question. This gives the time and possibility to develop and adjust SEAMLESS components to be customised for the specific assignment.

- *Establish a Roadmap and include it in the DG's Annual Policy Strategy<sup>3</sup> and the Commission Work Program<sup>4</sup> to give stakeholders possibility to estimate the timing of the work and be ready to provide input.*

Unless stakeholder interaction is needed to provide information for running of the models, the process of stakeholder communication is entirely under the responsibility of the IA leadership.

- *Provide an outline of possible monitoring and evaluation arrangements.*

Notice that the policy officers already at the outset of the work – before the policy recommendation is made – are asked to identify progress indicators of a possible intervention. Apart from revealing the mind set that the possible policy options are anticipated to be so few already at the outset of an assessment that it is possible to outline monitoring procedures it *also* demonstrates the *great* importance that is ascribed to the possibility to monitor the implementation of a future new policy. *If it is possible for SEAMLESS-IF to meet the need to establish monitoring indicators as a result of modelling, it would be of great importance for the Commission.*

## 2.4 Impact assessment practices in the Commission

### 2.4.1 Shifting practices

If the question or policy area to be assessed is rather new and help is actually required to identify and define which the relevant and important issues are, the interaction with stakeholders can start early in the assessment process and be intense already in the initial

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<sup>3</sup> See Glossary for explanation.

<sup>4</sup> See Glossary for explanation.

phase. If, on the other hand, the assessment concerns a proposal that has been long under way in the political process and the scope of policy options are perceived to be few and apparently obvious, it is more likely that the assessment work as such will be rather limited, and a limited stakeholder consultation will occur only towards the end of the assessment process. Also Jordan et al. notice that assessments are likely to be more thorough and also to include sustainability aspects when it concerns issues which are perceived to be without an obvious policy solutions. Such situations “open up windows and pressures for significant policy change, as well as a demand for new sources of knowledge” (2006 p. 4). SEAMLESS will be able to meet both types of demands.

DG Environment reports that they during 2006 had approx. 25 assessments running and 25 starting up<sup>5</sup>. It is claimed that they have to assess *all* proposals, big as well as minor. This could be an internal rule in DG Environment, as officers at DG Agriculture make a more narrow interpretation of which proposals that are [compulsory to assess](#).

## 2.4.2 Leadership

All IAs have an appointed leader or a lead group, at the DG that “owns” the policy under development. The assessment leader’s role is to coordinate the project, draw up the lines for the work process, supervise and follow the work of contracted expertise, perform the stakeholder consultations and finally draw together arguments and conclusions in an assessment report. The assessment report will be annexed to the proposal. The experience of the desk officer, the political interest for stakeholder interaction in the particular case, influence the tools used and the extent of the IA.

To their support the leadership has the aforementioned inter service group, which can give more or less support to the work. Usually less, as the increasing number of assessments requires that the DGs have representatives in quite a few inter service groups, which is reported to raise the workload markedly, with the additional comment made that “if you’re not careful you stand the risk of doing other DG’s job”. Jordan et al’s perception of the situation is rather that “Lack of knowledge of the designated staff, rather than lack of resources overall, is the key constraint (2006, p. 35).

## 2.4.3 Time

To perform a proper Impact assessment takes at least two years. As several parts of the assessment process are time consuming – formulation, organisation, communication and reporting – only a minor part of this time can be used for running of models, but if the modelling contract is formulated reasonably early in the process it will at least leave a number of months for this part of the work.

To formulate a mandate takes approximately 6 month. *Mandate* is the term used for the assessment plan, where policy options are formulated and the work process that shall be followed is outlined. In the mandate the work plan is described more extensively than in the "Roadmap". This work is performed by the appointed assessment leader/s and with the support of the IS group. It was suggested by some interviewees that a formal formulation of a mandate might become mandatory; at this stage only the formulation of a "Roadmap" is compulsory.

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<sup>5</sup> Quite few of these are actually exposed on the SG’s home page.



To hire a contractor according to the formal EU procedures is also a process that takes at least 6 months, sometimes more. Annual or other long term contracts (as with JRC or EEA) can speed up the procedure. Calls for tender can be found at the DGs' home pages. A period of 6 months is often set as a time limit for the work. The [call](#) for a contractor to assist with *Evaluation of direct payments on fruit and vegetables land* is a typical example.

#### 2.4.4 Money

We did not get any reports from DG officers that they experience financial restrictions for the assessment work. This perception is of course related to the ambitions you have. The opinion of EEAC, which has reviewed the achievements of the Commissions assessment work, is that it suffers from lack of resources and EEAC (European Environment and Sustainable Development Advisory Councils) strongly recommends increasing both people and funding to meet the needs. When several years, maybe decades of work, finally is about to result in a European wide policy the cost of buying expertise to assess which is the best, or politically best possible, option, it seems paradoxical if the final step would be restricted by lack of financing.

#### 2.4.5 Contractors and tools

At DG Environment it is estimated that they use consultants in approximately 70% of the assessments. The assessment leaders describe a firm leadership of the assessments. All interviewed strongly underline the lead DG's control of the process<sup>6</sup>. Consultants that are hired to help with some specified questions are tightly supervised. They can be invited to suggest tools to be used; more often the suggested tools or methods to be applied are already specified in the call. Researchers can be criticised for deviating from their well-defined task: "...experts come up with new ideas rather than focussing on the IA; their input is not precise" (Jordan et al. 2006, p.14).

Several different contractors can be engaged during the course of an assessment. They can be hired to gather qualitative or quantitative data or to run models. The experience is that it is quite easy to find consultants that can calculate the cost of "no action" (no new regulation introduced). It is much more difficult to quantify the benefits of anticipated new behaviour as a result of a possible policy. Models that can give help in the latter case are said to be few, although Jordan et al. report that DG Environment tend to use more, and more sophisticated, tools, especially 'accepted' models that have been developed using Commission funding (Ibid, p. 21). But also *their* general impression is that there is an unfamiliarity with modelling tools among many of the assessment leaders, plus the fact that "the level of scepticism about formal tools is deeply engrained: formal methodologies such as CBA and modelling are seen by many (but not all) desk officers as being inherently incompatible with the 'logic' of informed decision-making and very much inferior to 'expert judgement' (Ibid p. 25). The core of this question might concern a "cultural" difference between researchers and practitioners' way of approaching a problem (Lee 2006).

*The prospect that SEAMLESS-IF will provide the possibility to model social aspects has evoked great interest but also scepticism among DG officers. Impacts on the physical environment are perceived to be easier to model than social aspects. There is a lack of*

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<sup>6</sup> The same finding is reported by Jordan et al. 2006.

*methods for assessing social impacts. These aspects are now studied with help of qualitative methods or simply by use of “common sense”.*

#### **2.4.6 Data**

The lack of data leads to that contractors often are hired to help to set up relevant data before any assessments can be made, which explains why SEAMLESS databases have evoked interest among participants in our User Forum. Jordan et al. report that data is perceived as a greater problem than lack of tools. *“Frankly we don’t need new models...there are too many models...better to have less models but a more consolidated picture. A model is pure theory without field data”* (2006, p.17). The preoccupation with data can also be a result of that the evaluation culture is still reasoning very much along the lines of ex-post evaluations.

#### **2.4.7 Indicators and support**

Concerning choice of indicators the IRENA indicators and the agri-environment indicators which is a development of the IRENA list are frequently mentioned. It will be crucial for SEAMLESS to follow the development of these indicator lists but also to make sure that information is spread about the other indicators SEAMLESS-IF will be able to produce especially on other scales than EU level.

Principally there shall be a unit in all DGs that is assigned the task to support assessment leaders (EC 2005a). There is also a one-day training facility offered by the SG. Support can also be obtained by the recently installed I.Q. Tools, which is an inventory designed to help desk-officers to identify and structure the impacts associated with a given policy proposal. Links to relevant information at Eurostat and other sources regarding data and methodology for each impact are implemented into this tool. The I.Q. [project](#) (Indicators and Quantitative Tools for Improving the Impact Assessment Process for Sustainability) has delivered a system that is in use among the DGs but at this point only accessible from the Commission intranet<sup>7</sup>.

#### **2.4.8 The necessity of transparency of the modelling process**

It is underlined by the interviewed that the transparency of the modelling process is *very* important. This opinion is often given spontaneous, not evoked by questions posed. Also the Guidelines repeatedly advise the assessment leader to “flag-up uncertainties and assumptions in their final report” (EC 2005a, p 13).

When proposing regulations DGs have to come across very convincing. They are under strong pressure from the lobby groups which ask questions about the knowledge base for the proposals made. An officer at DG Environment says, “As we are constantly questioned by interest groups our assessments have to be *transparent – concise and detailed!*” About the assessment of sugar policy it was said that the underlying assumptions made in the Capri modelling were partly so complicated that they were hard to understand. Advanced analysis can be more confusing than helpful in some cases. The sugar lobby (CEFS) presented a

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<sup>7</sup> On request SG has answered that IQ-Tools (administrated at JRC) *might* be made publicly accessible by the end of 2007.



parallel assessment, performed by, LMC International (2003)<sup>8</sup>. This assessment was said to be a very good product in the sense that it was transparent, with all assumptions clear and understandable.

#### **2.4.9 Different approaches to stakeholder consultation**

Stakeholders can be consulted on different elements of the IA, the nature of the problem, policy options, impacts etc. (EC 2005a). The possibility is also given to wait with consultation until there is a full draft proposal, only applying EU's minimum standards for consultation (EC 2002c). This has so far been the most frequently used option.

Internet consultation is growing as way of communicating both with member state authorities and the general public. Consultations over the net can receive several thousand replies. The consultation on "Strategies for Rural development" got 6000 reactions. Many of the answers submitted by national authorities in the member states or NGOs were according to the assessment leader, well supported by facts and well reflected.

##### *Thematic strategy for soil protection an example of an extended stakeholder interaction*

The assessment of soil protection was running during two years. The assessment started with a very open mandate and stakeholders were invited to participate in the development of a soil strategy from the very beginning. It started with an open invitation to stakeholders to participate. Over 400 organisations volunteered, which included member states, candidate countries, and a broad community of European-wide stakeholder organizations. The participants were organised in five working groups and assigned different thematic tasks. Additionally a "Higher Advisory Forum" was appointed.

These five groups published altogether [six reports](#) with investigations and suggestions about soil protecting actions under their theme e. g. erosion, organic matter, contamination (Van-Camp et al. 2004). The working groups were mixed, i.e. including all types of interests, national authorities, industry and NGOs. This work can be considered as a *major political* process as the suggestions that came forward in these reports had to be "agreed" upon in the mixed groups.

The assessment leader perceives the work that has been done in these groups as extremely valuable, both for the knowledge it has produced and the low cost of the work. (Work as well as travel expenses were paid by stakeholders.) The reports present data and knowledge that would have been impossible for the DG to gather in such a short period of time. The reports were followed by an internet [consultation](#) answered by more than 1000 individuals and over 600 organisations. The impact assessment process of Soil protection described above seems to fully meet the Commission's ambition of a process that serves as a communication and knowledge tool where the suggestions put forward in the proposal are anchored in the European community.

Of the ideas that came forward in the reports many were assessed in more detail, mainly performed by staff at the DG it self. Contractors were hired to assess some major questions. The *first* question assessed by a consultant was: What will be the cost of no action? This contract went to *Ecologic* (Germany) *Secondly* a set of questions were asked like: If we propose the following actions A. B. or C, what will happen? To start with one had to find out

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<sup>8</sup> It has not been possible to obtain a copy of this report.

what the member states already do concerning the actions considered. The second contract went to *TAUW* (Netherlands).

#### *Examples of more restricted stakeholder interaction procedures*

The assessment of the Sugar policy is regarded as a large assessment with modelling made by help of CAPRI, and the assessment of the Banana export policy as a minor, but in common they have that the policy options that were to be assessed were given more or less by the policy proposal itself or in the long political process that had preceded the proposals. Stakeholder interactions in these cases were made by help of one or a couple of invitations to very big information meetings (1000 people). This type of meetings with stakeholders is primarily informative (no dialogue) serving to legitimise or communicate decisions. Stakeholders are then given time to react and respond in written documents or over the Internet within some period of time. Meetings can also be arranged as proceedings with a dialogue, as in the assessment of Strategy for Rural development. At the closure of the different theme sessions, summarising documents were made. The opinions stated in these "protocols" are regarded as more or less "agreed" upon by the representatives present at the conference.

## **2.5 Critique of the Impact Assessments Work in the Commission**

The assessment initiative has been criticised for having had a very slow start (Wilkinson et al. 2004). The assessments are now becoming more frequent but the quality of the assessments performed until 2006 has been severely questioned in a number of ways (EEAC 2006; Lussis 2004; Renda 2006; Wilkinson et al. 2004). The Commission is aware that the quality of assessments has to be improved. And the Impact Assessment Board has initiated an evaluation of the impact assessment work performed by the commission so far. The release of the report which was originally expected in late 2006 has been postponed several times and is not available yet.

The critique given in the different evaluation reports is hard. The amount and extent of imperfections pointed at are surprising. From the long list, the following flaws can be noted: Costs are not estimated or not quantified; benefits are not quantified; costs and benefits are not compared; methodology used is overly simplified; environmental and social impacts are not always assessed; presentation of results is often obscure etc (Renda 2006, pp. 63 – 65).

The review of EEAC which has a main focus on sustainability aspects of the assessment work points out the most significant problems to be that: *Socio-economic* impacts of environmental policies are subject to more detailed scrutiny than the *environmental* effects. NGOs and experts from the environmental sector have not been as deeply involved as business partners in the assessment processes. The *framing is too restricted*, as when the assessments are driven by the lead departments, the concerns of other sectors and alternative policy options are sometimes neglected. There is a *domination of numbers* as 'hard' forms of analysis, such as cost-benefit analysis and monetisation, prevail over qualitative approaches. The DGs have *insufficient capacity* in time, resources and skills and need to build capacity for inter-service working. (This shall be interpreted as enabling environmental concerns to affect work, which is too heavily steered by economic interests). EEAC is also highly critical against the fact that the Commission's *Impact Assessment Guidelines* have a too strong emphasis on monetisation but poor guidance on how to assess environmental aspects and claims that compared to the Guidelines of 2002 the Guidelines of 2005 is a step backwards concerning the integration of sustainability goals (EEAC 2006, pp. 3 – 4).

To warrant their argument EEAC illustrates the critical points by help of the assessment of Biomass Action Plan. The demonstration given is very informative and could be read as an example of how an assessment that wants to meet the demand of environmental integration shall not be made (Ibid. pp.16 – 17).

It must be observed here that the evaluations cover assessments from *all* DGs. When comparisons are made, DG Agri and/or DG Environment are normally mentioned as DGs with better capacity to perform assessments than many of the others. This is also recognized by Renda (2006, p. 65).

*As assessment work presently is most advanced at the European level and SEAMLESS therefore has defined the Commission as a prime user of the framework we suggest that the logic of the framework and even more so the interface of the tool is adapted to the procedures applied in the Commission, i.e. the Impact Assessment Guidelines.*

### 3 Impact Assessment in the European Parliament

The European Parliament (EP) is currently organised in eight political groups ("political parties"). The parliament's prime task is to respond to the Commissions proposals not to channel politics from the ground into the government as in national parliaments. The Parliament considers Commission and Council proposals, which they can reject, although it rarely happens. More frequently they propose changes or amendments to a proposed directive. The Commission presents and defends its legislative proposals in the Parliament, *which includes having to defend the assessments* that accompany the legislative proposals.

The EP has signed the Interinstitutional Agreement on Better Lawmaking and is taking steps to apply the policy of Better Regulation. But so far this has only resulted in a few impact assessments on important amendments to Commission proposals e.g. Air Quality Directive.

The parliamentary work is assisted by Secretariats which organise the work in the specialised parliamentary committees. The *Committee for Agriculture and Rural development* and the *Committee for Environment, Health and Food Security* are the two committees processing proposals related to the SEAMLESS sphere of interest. To each committee there is a secretariat attached to assist the committee in drawing up reports where they approve or amend to legislative proposals. These secretariats have around 10 desk officers (to compare with several hundred in the DGs). For obvious reasons these secretariats can not engage in any substantial assessment work. They are also serving committees with conflicting wills which normally not agree on one option to assess, and secondly there would not be time and resources enough to perform an impact assessment.

It is reported that members of the Environmental committee currently are more interested in the *implementation* of directives and want *ex post* evaluation of why environmental directives do not have the intended effects. They ask for more forceful means to monitor the implementation of directives in the member states.

But in spite of this harsh reality at the committee level there are units at higher level in the EP administration e.g. *DG for Internal Policy*, with a more scientific orientation and where the assessment culture is making inroad. Although in an early stage of this process DG for Internal Policy is building capacity for assessment work or at least capacity to contract expertise to assist them in evaluating the Commissions' assessments.

At the moment the EP concentrates on "assessing the assessments", which means that they consult experts to assist them in evaluating the assessments that are provided by the Commission along with the policy proposal. The task of the contracted expertise is to evaluate if the assessment made can be regarded as reliable and politically trustworthy.

Presently a number of framework contracts with external expertise on emerging regulatory and policy issues on environment have been made. The consultant most frequently contracted by the EP seems to be IIEP (Institute for European Environmental Policy) frequently working in joint venture with Ecologic and TAUW b. v. Wuppertal Institute for climate, Environment and Energy. Other contracts have been made with SERI (Sustainable Europe Research Institute) in cooperation with MERIT (Maastricht Economic Research Institute of Innovation and Technology). Contractors are in turn linked to a large network of partner institutes, helping to ensure the provision of specialised advice from a cross section of countries.

An evaluation made by IIEP, for the European Parliament, of the assessment of the revision of the Waste Framework Directive gets the following rather hard review:

The range of options selected in the IA clearly demonstrates that the primary focus of the document is strategic, i.e. informing the Thematic Strategy. Options do not present any detail on alternative approaches to a particular amendment of

the WFD, i.e. how the definitions might be changed or on what basis the ‘end of waste’, i.e. when waste ceases to become waste, might be defined. This is not what might be expected in an impact assessment analysing the detailed revision of an existing and structurally important Directive, such as the WFD. The fact that the policy options set out in the IA are inappropriate... and the lack of detail in terms of the options presented mean that the IA’s ability to assess the impacts of changes to the WFD is severely limited. (EP 2006, p. iii)

The above review is an interesting example of how Impact assessments might be reviewed by the scientific/consultant community. IIEP is asked to review and evaluate the assessment from a Parliament point of view and they deliver severe critique. Even though a contractor working for the WFD impact assessment *might* have done a good job according to what task they were assigned, nevertheless they also become hit by the critique of the end product; that “the policy options are inappropriate, lack in details and produce severely limited results”.

This example demonstrates how “*political*” impact assessments can be but also the need to understand the political process and to choose to participate in assessments processes that are set up in such a way that they have a chance to produce results with good quality. *Although the setting of policy options is not the task of a SEAMLESS modeller, the above example demonstrates that a political sensitivity is required.*

A possible future user of SEAMLESS in the EP *might* be the offices of the bigger political groups. The political groups, Christian Democratic, Socialist, and Liberal group, would have the resources to make an assessment of a specific amendment to a policy directive or an initiative that they would like to campaign for. But as the work of party groups by nature is more political than scientifically informed it is unlikely that there will be frequent impact assessment requests from party groups in the EP.

*The “IA culture” in the European Parliament is still at a rather premature stage. Their institutional capacity to perform assessments is very restricted but they are certainly aware of the relevance and importance of the IA development. It is quite possible that the EP will develop a significant competence in how to evaluate IAs made by the Commission and as such might become an organisation” that counts” in the IA field.*

## 4 Impact Assessment in OECD

The Organisation for Economic Co-operation and Development (OECD) forecasts economic development, in order to address economic, social and environmental issues in their 30 member countries. OECD has advocated the policy of better regulation at an earlier stage than EU. As the first international standard on regulatory quality, the Council of OECD adopted the *Recommendation on Improving the Quality of Government Regulation* in 1995. This recommendation is often seen as a benchmark for Regulatory Impact assessment development (See Kirkpatrick et al 2004).

The Directorates for *Environment* and *Food, Agriculture and Fisheries* are the units most relevant for SEAMLESS to interact with in the OECD. They both provide analysis and advice to help governments design and implement policies in areas like agricultural policy reform, agricultural trade liberalisation and environmental sustainability, climate change. The annual monitoring and evaluation of agricultural policies in the OECD countries, provides internationally comparable information on policy developments and their impact. The OECD Agricultural Outlook highlights market trends and the likely impact on global markets of alternative future policy scenarios.

Each of the mentioned directorates has a handful of employees that work with modelling. The most frequently used systems are AGLINK and PEM (Policy Evaluation Method). During 2006 they have been establishing a new set of indicators to be integrated in the models used, to measure not only economic performance and market effects, but also sustainability impact of agricultural and environmental policies.

Assessment work has been on the OECD agenda during the last ten years and *Strategic Environmental Assessment* (SEA) is seen as one of the main tools to ensure environmental sustainability integration into country policies. Policy and practices have been especially developed to be adapted to development countries. The Paris Declaration on Aid Effectiveness 2005 commits donors and partner countries to "develop and apply common approaches for Strategic Environmental Assessment at the sector and national levels". The OECD Development Assistance Committee (DAC) Task Team on Strategic Environmental Assessment has prepared a [Good Practice Guidance](#) where they based on previous experiences set out key steps for application of SEA. Twelve different entry points are identified for the practical application of SEA in development co-operation (OECD 2006).

*Contacts in the Division for Policies and Environment in the Agriculture Directorate have expressed their interest in a joint seminar with SEAMLESS on assessment related questions. It seems as if SEAMLESS could benefit from their knowledge about working with assessments in developing countries in particular.*





## 5 Impact assessment activities in some EU Member States

### 5.1 Introduction

In the following we will review the status of European impact assessment activities, highlighted with some examples from countries that are identified as being at the fore front (UK, S) or by the laggards (F). A special section is describing the agrarian system and decision making in Czech Republic concentrating on the special circumstances that arise from being a transition economy, where great upheavals in the agricultural sector during the 20<sup>th</sup> century determines the situation.

### 5.2 Comparative studies on IA development

In 2006 the Commission specifies how far member states have come in the process of *Better regulation* by stating that there are “19 Member States having introduced or are about to develop a Better Regulation Strategy and 17 Member States having measured or are in the process of measuring administrative costs.” But the report is much vaguer about the current status of impact assessment as it continues “Impact assessments are being conducted more widely, although they are often partial” (EC 2006b, p. 2).

But there are other comparative studies performed – both from within the EC and academic reports – that judge the situation as being a bit more advanced than in the Commission’s description. In a report prepared for the EU Directors of Better Regulation, presented in Dublin 2004, where IA activities in ten member states are compared, the conclusion is that there has been a remarkable development during the last years. Before 2001 only a few European member states applied regulatory impact assessment (RIA) and the system was almost unknown also to people involved in policy formulation. Only a handful of scholars and policy-makers were familiar with the OECD recommendations and the experiences in US or Canada. But in all the countries considered in the comparative analysis, (A, DK, SF, D, H, I, NL, PL, S, UK) RIA is now officially recognised and in some cases even systematically applied. The fact that such changes have taken place in the last years suggests that there are some common forces at work, which make for the adoption of a rather demanding innovation (EC 2004b, p. 5).

The information on IA systems in member states is sometimes contradictory both between different reports from the Commission and between academic reports. But *UK, Denmark*, and the *Netherlands* are repeatedly identified as the forerunners of RIA, whose practices are considered to be the best. *France, Spain* and *Portugal* are never judged as having an assessment system in place and in comparative studies on assessment practices they are consequently usually not included in the samples (See report about the French situation in section 5.5) Also countries such as *Sweden* and *Finland* are frequently mentioned as having rather advanced assessment practices. According to the Dublin report *Germany, Poland* and *Austria* belong to a second best category (2004b p.5). In other reports Poland is identified as a country with a more systematic assessment system in place (EC 2004b; EC 2005b; IEEP 2007).

The reason for the sometimes rather different conclusions is might be explained by the approaches of the studies; if they have mainly compared official regulations or if the conclusions are based on case studies where practices can deviate significantly from official documents. Assessment processes are also very complex and difficult to categorise in a comparable manner. The different conclusions can also be due to the time factor. Even though there are only some years between the publications, the differences can correctly be



mirroring changes that have been brought about by the rapid development of assessment practices. (For comparative classification schemes on standard of impact assessment in different member states see EC 2005b, p. 15 and IEEP 2007, p. 21.)

The Dublin report focuses on the prevalence of systems of *regulatory* impact assessment, employing a rather wide definition. RIA systems don't necessarily include sustainability aspects or stakeholder communication. According to the Commission's definition *all* IA work is supposed to integrate economic, ecological and social sustainability aspects into the analysis as well as stakeholder communication.

So far the ecological sustainability variables have often been given very limited focus. In the IEEP's study only half of the countries consider environmental aspects in their national IA systems (IEEP 2007). In the MATISSE project it is therefore distinguished between IA in general and ISA (Integrated Sustainability Assessment); integrated by their definition meaning integrated into a societal learning process. They have studied the assessment procedures in Germany, UK, Sweden and the EU, while specially scrutinising the weight and resources given to the sustainability *and* participatory aspects. None of the national assessment procedures studied by Jordan et al. comes close to meeting the ambitions of ISA, and they find it striking that: there is such a strong and enduring failure to tie the policy assessment procedures to the goal of sustainable development (Jordan et al. 2006, p. 25). The authors conclude:

...all the jurisdictions studied are supportive of sustainable development in a very broad sense (some of the assessment regimes identify sustainability as one of several policy goals), but *high level political support for using assessment to deliver sustainability remains weak*. The dominant policy paradigm across all four jurisdictions is one of market liberalism not sustainability, and policy assessment activities are very often distorted to fit this. Given this, it is all too easy for desk officers to perceive 'economic' priorities such as better regulation and competitiveness to be much more important. (Jordan et al. 2006, p. 3)

However, a positive development is identified in Finland, Sweden, Netherlands and the UK, where "there seem to be opportunities to engage in more open learning activities". They also notice that there is a limited use of formal tools, "partly due to the perceived superiority of 'expert knowledge', widespread unfamiliarity with the tools themselves, and scepticism about their ability to handle value-based judgements" (Ibid p. 3).

### 5.3 Assessment procedures in the UK

The UK is identified as one of the countries with the most far reaching RIA system, and also having had the longest experience with assessment systems. UK has had a number of policy assessment systems covering a range of impacts, which in 2004 were collapsed into a new integrated form of regulatory impact assessment to encourage more joined-up and evidence-based policy making.

It seems that the IA system of EU is inspired from the UK as Jordan et al. say that RIA in its modern form was introduced by the Labour government already in 1998 under the 'better regulation' and 'modernising government' agenda. The Dublin report concludes about the UK assessment system:

The 'best practice' which is recommended is that of the United Kingdom. The justifications for this are that in UK there is an integrated and comprehensive RIA system in use; a special *Regulatory Impact Unit* (RIU) is responsible for

quality assurance; guidelines on RIA are available; specific prescriptions specify several aspects of IA which should be performed; methodological questions such as quantification and discounting are also concerned. (EC 2004b, p. 19)

Although regarded as best practice in Europe there is still more to wish for regarding integration of sustainability and institutional learning:

While the new integrated form of RIA is not strictly a sustainable development assessment, since its main focus is still on regulatory impacts on business and the voluntary sector (Russel and Jordan, 2007), it is arguably the closest thing that the UK has to integrated assessment. Moreover, it is now the only official cross-departmental assessment procedure. --- Consultation should be an integral part of the RIA process (called public consultation but very little evidence that this should go beyond business and the voluntary sector). (Jordan et al., 2006, p. 33)

## 5.4 Sweden

In Sweden impact assessment activities can be identified in three different settings at state level. In the *Ministries*, in the *Boards*, which are expert authorities in specific fields, and in *Committees of Inquiry* set up to consider a specific policy question.

### *The Committee System*

The committee system is an institution in Swedish politics with long tradition. The committee members – experts, MPs and interest representatives – are appointed by the government for a specific assessment. To their help they have a secretariat designed for the specific assessment. The assignment is to prepare background knowledge and recommend options for policy proposals to the ministries. An important part of this institution is the circulation of the committee proposals among stakeholder organisations for comments. The idea with the mixed committees and stakeholder consultations is to mould a new proposal into the political context and make it politically anchored before it becomes a proposal for a legislative bill. The committee system has great resemblance with the EU assessment system. The work done by a committee can be broad and exploratory in character, (similar to the IA of EU framework directives), or more narrow, considering how to implement a pre-determined direction of a policy.

The initial task of a committee is to review the “state of the art” of a problem and there after to make rational choices based on the knowledge gathered. The knowledge gathering work is based on compiling and synthesising existing evidence often by help of external academic and other expertise. As the committees by constitution have the conflicting political spectrum built in to them they tend to come out with products that are as good as “politically” possible.

In an assessment of the committee system by the Swedish National Audit Office it is pointed out that committees only to a very limited extent are engaged in preparing Swedish opinions in the EU and they argue in favour of increased use of committees for this purpose. It is also suggested that the competence and recourses of the committees should be increased, as they lack resources and the secretaries often are too inexperienced in their role of leading the complicated work, balancing between rational and political choices (NAO 1997).

The increased demand for consequence analyses, national as well as EU generated, has lead to a pressure on the committees both regarding time constraints and their capacity of producing expert knowledge. Direct use of modelling tools within committees is rare. Such

activities are more often found in national institutes like Swedish Institute for Food and Agricultural Economics, Board of Agriculture or universities.

#### *The Ministry of Agriculture*

The [Ministry of Agriculture](#) is responsible for supplying the Government with the background information it needs to be able to make decisions in the field. Negotiations concerning agricultural legislation in EU e.g. MTR, has mainly been a concern for “political negotiations” between conflicting national interests. Time constraints have never allowed a more thorough assessment of policy options in later stages of a policy process.

The increased awareness of the need for consequence analysis and the status of assessments in EU politics have lead to a recent reformation of the Evaluation unit, where new guidelines for impact assessment work at the ministry is currently under formulation and will be made available soon.

Swedish ministries make up a relatively small part of the public administration. Instead public administration is managed by independent government agencies, e.g. Swedish Board of Agriculture. Any assessment work of more extended type is likely to be performed at or channelled through the Board of Agriculture.

*The ministry was timely approached as they are in a stage of reformulating their work and they are therefore open to host a meeting to spread information about SEAMLESS modelling tools to the relatively small Swedish community of agricultural modellers in state agencies and authorities.*

#### *Board of Agriculture*

The Swedish [Board of Agriculture](#) is the Government's expert authority in the field of agricultural and food policy. Its responsibility includes monitoring, analysing and reporting to the Government on developments in these areas, and implementing policy decisions within its designated field, ensuring compliance with Government decisions as well as providing expert knowledge in various issues.

Discussions at the Board of Agriculture with officers working with evaluation revealed that they follow the development within modelling. They are familiar with tools like CAPRI and G-TAP but if more extended modelling is performed this is contracted out to university departments with which they have established links. The public is generally much more interesting in monitoring than forecasting but the officers perceive distinct signals from within the political system that ex ante assessment is of increasing importance.

The discussion brings out that they have a pronounced interest to understand economic and branch processes on regional level not so much at local and farm level. They are asking for better tools to handle shifts at the demand side of agricultural economy. Models able to handle a question like, “What will be the effect on related branches if a subsidy to a certain enterprise type is altered?”, would be highly appreciated by this group.

## **5.5 Ex ante evaluations activities in France**

The French situation concerning regulatory impact assessment is featured by a profusion of experiences, initiatives and institutions, stemming from a number of regulations, but no evaluation procedure has yet become standard practice (Jacob 2000, p. 94).

Ex-ante evaluation has been an issue in French politics since 1968, with the so-called *Rationalisation des choix budgétaires* (RCB) policy. RCB promoted an effort to perform public decision based on long term view, and to elaborate budgets based on ex-ante assessments rather than ex-post. As the RCB policy was given up in 1984, ex-ante assessment practices entered into an upheaval phase. Despite the creation of the *Office parlementaire des choix scientifiques et technologiques* in 1983, and sporadic revival of the theme of evaluation in the political debate, it never became established as a regular institutional activity (Nioche 1985).

As a result of the Décret no. 90-82, from 1990, concerning evaluation of public policies, a new institution for inter-ministry evaluation, called the Scientific Council for Evaluation (CSE) was created. Since the beginning of the 1990s, several special ad hoc committees have been established for the evaluation of “major policies”. In 1998, The *National Council for Evaluation* (CNE) replaces the CSE, at which time the situation of evaluation activities is summarised: “France is not yet, at the end of the 1990s, among the leaders of the countries consuming evaluation” (Conseil 1998, p.13). Surprisingly enough CNE’s evaluation mission has been adjourned since 2002 while waiting for a general reorganisation of the evaluation system.

Although early initiatives, concerning assessment were taken several decades ago it seems that the French innovative period of the 1980s is gone. Currently, the *Commissariat Général du Plan*, which used to be a major agent for development and spreading of impact assessment activities in France, has been reoriented towards a mission for strategic and prospective analysis. Its assessment functions have been suppressed since 2004. There have been some attempts within the Parliament to revitalize the Commissariat’s previous assessment assignment, but it has not resulted in any formal proposal.

But despite the low profile of evaluation activities at national level, the French regions are committed, since 1993, to make ex-ante assessments of the *Contrats de plan Etat-Région*, (Planning contracts between state and regions) in compliance with the decentralisation policy. But the activity in terms of evaluation of any kind in the regions is still very weak. The regions’ federative organisation Association des Régions de France (ARF), doesn’t perform impact assessment at the moment, but according to our judgment they could potentially be interested.

In sum, the French evaluation “system” can be characterised as being unsystematic. When assessment initiatives are taken they are usually ad hoc initiatives concerning a specific policy issues. Institutions are set up to perform a particular assessment, but they are not institutionalised as permanent bodies. The lack of permanent institutions and rules prevents the idea of assessment and the knowledge about evaluation practices to spread in the administration. As France is a centralised country (at least in the mind of its actors) the lack of interest for evaluation of public policies at the governmental level discredits the evaluation tools and leads to disinterest also in the administration at lower levels.

At the moment impact assessment activities are at a stand still. But the situation may evolve quickly. The new French government has just set up a new *Secrétariat d’Etat auprès du Premier Ministre, chargé de la Prospective et de l’évaluation des politiques publiques*, which might alter the French evaluation landscape.

*According to our judgement there is a resting interest in policy evaluation in the political administration and the appearance of new technological possibilities to perform assessments might re-evoked this interest.*

### 5.5.1 Main actors of ex-ante evaluation with relevance for SEAMLESS

Below are institutional actors within the field of evaluation listed – public bodies at state and regional level, interest organisations and other NGOs within the field of agriculture, where ex-post assessment is or may be of main concern.

#### Public institutions at state and regional level

*Association des régions de France (ARF- [arf](#))* is the association of the French Regional Councils. It doesn't deal with impact assessment yet, but could get a growing role in this field.

*Conseil National de l'Evaluation (CNE - [cip](#))*, adjourned since 2002. Last works: fight against AID policy, water resource preservation policy, combined transportation road-rail policy, training of civil servants.

*Commissariat Général du Plan ([cgp](#))* was an important actor of development and spreading of assessment in France. It is no more in charge of policy assessment, but this mission could recover in the future. It has been transformed into the Centre d'analyse stratégique.

*Délégation à l'aménagement du Territoire ([diact](#))*, *DIACT* is in charge of the evaluation process of documents of programmation (Docup 2000/2006 and PO 2007/2013) for the European programmes. The *DIACT* is a part of the French Ministry "Délégué à l'Aménagement du territoire", itself a part of the Ministry "de l'Intérieur et de l'aménagement du territoire"

*Ministère de l'Agriculture ([agriculture](#))* makes proposals about the evaluation studies they would wish to perform. The unit in charge of agricultural assessment is *Sous-direction de la prospective, des études et de l'évaluation*, within the DGPEI : Direction générale des politiques économiques, européenne et internationale.

*Ministère de l'Ecologie ([ecologie](#))* makes proposals for evaluations to be performed. The Direction 4E has a special interest in economic instruments.

*Office de l'Elevage ([office](#))* is an institution merged between the offices in charge of meat (OFIVAL) and milk (ONILAIT).

*ONIGC ([onigc](#))* is the result of the merging of three institutions in charge of cereals, sugar and oil-producing crops. ONIGC is aware of the interest of ex-ante assessment of public policies. It publishes outlooks on e.g. main trends of French flour trade and cereals and oleaginous production for countries outside EU. ONIGC also has an interest in the French regions and updates regional production statistics. Contacts with ONIGC seem highly relevant for the project.

#### Interest organisations

*Assembly of the Agriculture Chambers ([apca](#))*, *APCA*, does agriculture forecasts, mainly at national level. It has a growing interest in ex-ante assessment.

*Comité 21 ([comite21](#))* performs evaluations, especially about impacts of environmental policies.

*Fédération Française des producteurs d'Oléagineux et de Protéagineux ([fop](#))*, *FOP*, represents 150 000 French farmers, producing oleaginous and proteaginous crops. As a lobby group, they might be interested in an assessment tool in the field of agricultural policies.

*Société française d'évaluation* ([sfe](#)), is a radical organisation which develops evaluations where stakeholder perspectives are important.





## 6 Impact Assessment in Czech Republic

The Dublin report recognizes a readiness to apply RIA in many of the former socialist countries. “Indeed, not only Poland and Hungary, but also the Baltic countries, the Czech Republic, Romania, Bulgaria, and other Eastern countries pay considerable attention to instruments such as RIA, and already show important results in this respect.” This might both be due to the fact that the agreements for their accession included regulatory reform and that recently formed bureaucratic organisations can be more favourable to innovation than more traditional and settled ones (EC 2004b, p. 6). The Czech Republic is one of the few countries that have a legal base for its RIA system and in comparative case studies good examples have been reported about how environmentally focused IAs have impact on decision making (IEEP, 2007).

In a short period of time the agrarian economy in Czech Republic has had to adapt from a state led system to the emergence of a new system, and the current transformation into an EU adjusted system. The different layers of political measures, which still are part of the system, might mean that a tool like SEAMLESS-IF will face specific conditions that may affect the modelling process. After a description of the general IA system there will be an overview of some specific historical processes and socio-economic conditions related to the great changes in the agrarian sector. This is followed by an orientation of organizations which could potentially be interested in the services of SEAMLESS-IF.

### 6.1 A well established formal IA system

The procedure of Impact Assessment (IA) is established in Czech law and the professional society is familiar with the concept. Most people relate IA to Environmental Impact Assessment (EIA) introduced in the Czech law in 1992. It assesses environmental impacts of new investments and technologies in all sectors, including the agricultural. EU urged the accession countries to improve their environmental conditions and EIA represents one of the tools introduced during that period. But also the Czech population and professional environmentalists saw EIA as a necessary tool for controlling and improving environmental conditions. The IA procedure is also embodied in the *Developmental master plans* of built environment, which require stakeholder communication to obtain the opinion of the local population. Also programs of the *Horizontal Development Plans of Rural Areas* shall pass through an IA. Recently these programs have become funded from the *European Agricultural Fund for Rural Development (2007-2013)*.

RIA is introduced as a tool to improve the quality of the governmental decision process and although it is part of Czech law since 2006, it is sometimes regarded by politicians with skepticism and seen as a regulation imposed by EU. The [Report of Regulatory Management Capacities of the Czech Republic](#), prepared by OECD in 2006<sup>9</sup>, examines the regulatory management capacities of Czechia, with particular reference to the adoption of Better Regulation policies. It concludes that a policy on Better Regulation exists in the Czech Republic. The acceptance of the need for better regulation is reflected by the existence of a strong unit of regulatory reform, staffed by skilled personnel ([OECD 2006](#)). It was originally part of the Government Office but transferred in November 2006 to the Ministry of Interior and established as the “[Department of Regulatory Reform and Quality of Public](#)

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<sup>9</sup> Report made by the SIGMA group (Support for Improvement in Governance and Management)



[Administration](#)” (DRRQPA). The OECD report concludes that the next challenge in Czech Republic is to move from strategic plans to enactment and implementation of the regulation.

The political importance placed on the issue of impact assessment is demonstrated by the fact that the recent Czech government (established in January 2007) has made RIA part of their “Government policy program”. A report submitted by the DRRQPA, May 2007, summarizes the steps of implementation taken until now and outlines the next actions of practical implementation of RIA that will be carried out. From June 2007 RIA is an obligatory and indispensable part of each new or updated rule of law. Any comments to the [Proposal of government decree](#) about Common Principles of RIA in Czech conditions (Practical implementation of RIA) can be [submitted till June 22<sup>nd</sup>](#).

IAs, in a strict sense of the concept, have until now not been performed for agriculture sector reforms. But there is still an evaluation culture within agrarian politics. Agriculture policies already adopted are assessed through retrospective analyses of agricultural production, effects on prices and market, and prognoses are made. The yearly reports of such assessments are called “[Green Reports](#)” and are produced by the [Research Institute of Agricultural Economics](#) (VUZE). The Ministry of interior is presently negotiating the establishment of a statutory body for RIA at the Ministry of Agriculture.

The implementation process within the agriculture sector has been a bit slower than in the field of environment where the Ministry had a very active approach to RIA from the very beginning (see EIA above). Since December 2005 it applied RIA *ex post* on all legal regulations on water, air protection, and waste management back to 2000. The [government report](#) on implementation of RIA pointed out that up till 20% of new regulations had not been necessary to adopt if RIA had been applied *ex ante*.

## 6.2 The specific character of Czech agriculture

To understand agricultural policy making and the assessment situation in Czech Republic a brief comment on agrarian reforms is helpful. There have been five major land ownership changes in the country, affecting at least some groups of landowners recently:

1. Agrarian reform after dismantling of the Austro-Hungarian Empire (1920s); the large estates split onto smaller ones
2. Confiscation of land of native Czechs by German population after the Munich Treaty (1938)
3. Confiscation of land of native German population by Czechs after 1945; splitting the large estates into smaller to saturate more peasants
4. Collectivization of private land by the communist regime after 1948 and founding Cooperative farms (usually in better soil conditions) and State farms (in marginal regions) in 1950s – mostly on confiscated land of original German population
5. Restitution of private land ownership and privatization of state owned land since 1990s

The above outlined historical events have significantly influenced many aspects of the present situation in the agricultural and environmental sector. This concerns number of parcels, field size, and ownership of land.

### 6.2.1 Land ownership and field size

The first agrarian reform split large fields into small parcels to saturate a higher number of small farmers. The following two official acts shifted many owners of land especially close to

the state borders of Germany and Austria and gave rise to state ownership of land. After collectivization this land was cultivated by state farms. The parcels of agricultural land were merged into large blocks of fields under the leadership of cooperative farms and many farmers became employees on their own land in 1950s.

In the restitution process after 1990, land was returned to original land owners or their descendant. But most of the original farmers had already lost their identity as farmers during the cooperative period 1950 – 90 (Cudlinova & Lapka 1994; Lapka & Cudlinova 1999). They had switched over to other occupations and left the villages. This fact together with the small size of original parcels has resulted in that almost 90% of the farming is now run on rented land. This makes the Czech situation different from the states in former EU 15 but also from the situation in new member states like Poland, which to a large extent kept the small private farms even during the “socialist” period. The process where state owned land was sold to the farmers or commercial enterprises was almost finished in 2006.

The Czech agricultural land fund accounts for more than 16 mil. parcels, with 3.5 mil. owners, registered at 5 mil. property deeds (SRDP 2006). Average parcel size is only 0.25 ha but the fields are “homogenized” into larger blocks. Also the structure of Czech agricultural enterprises differs significantly from former EU 15 countries. In 2005, 74% of the land fund was managed by only 4% of the enterprises while 86% of the enterprises managed 8% of the land fund. An increasing share of land and enterprises is owned by foreign capital even if the ownership officially is registered on people with Czech citizenship (Fanta et al. 2005). Table 1 gives an overview of land users, classified according to category of enterprise.

*Table 1. Number of different categories of land users with more than 3 ha and average land sizes of each category, 2005.*

|                           | <i>Users</i> | <i>Land %</i> | <i>Ha</i> |
|---------------------------|--------------|---------------|-----------|
| Family enterprises        | 22 000       | 29.5          | 46        |
| Commercial enterprises    | 1 900        | 45.5          | 860       |
| Agricultural Cooperatives | 590          | 24.4          | 1480      |
| Others (state)            | 80           | 0.9           | 380       |

## 6.2.2 Social and economic aspects of rural community

The rural farm communities lost their identity with the farmers’ loss of property rights during collectivization. Many of the farmers were still working in the cooperative farms cultivating merged fields and managing live stocks (originally their own) but now as employees. Economically the cooperative farms performed badly and the young generation of former private farmers did not choose to work at the cooperative farms. This resulted in a two generation gap in continuity of the private farms. There is no prospect that private farmers will dominate agricultural production again, although their role has increased with introduction of subsidies for multifunctional land use (bio-production, agro-tourism, LFA nature conservation).

*Commercial enterprises* play a *key* role in intensive farming systems because of their higher investment potential, mainly due to foreign capital. Most of the land they utilize is rented, but step by step land is bought from the state or from private owners. The “brain trusts” and seats of commercial enterprises are located in bigger cities. We learned from interviews with private farmers that commercial enterprises have “much closer” to information and funds than small farmers in villages because of being situated closer to the sources and perhaps

because of lobbying. The enterprises hire cheap labour in the villages but the profits (very much from subsidies) don't return into the rural areas.

Agricultural *cooperatives* are usually transformed from former socialist period. They manage both rented land and land of private owners (usually a minority); some of it rented from private owners of returned land that were not able to sustain because of lacking experience in agriculture.

### **6.2.3 Regulatory regime – central, regional, local**

During the communist regime the agriculture, represented by the Cooperative Farms and State Farms were highly subsidized. The levels of subsidies were derived from soil quality – a tool for balancing differences in natural potential. They also got subsidies to animal production on “big cattle units”. There were no subsidies for the remainder of small farmers who tried to hold on to private farming in this period.

#### *Subsidy system after 1990*

In 1990s the new or re-established farming units could apply for “fast investment” loans and subsidies. Until early 2000s there were no subsidies per arable land cultivation but subsidies for meadow cultivation, LFA regions management and regions with nature protection. There were also state subsidies for selected crops in order to regulate production. The subsidy system led farmers to specialise in certain commodities.

In 2002 the Special Accession Program for Agriculture and Rural Development (SAPARD) was launched to assist the candidate countries to implement the *acquis communautaire* of CAP. The key tasks included consolidation of primary production, increased quality of agricultural and food industry, restructuring of farms and consolidation of the agricultural commodity market. In 2004, the SAPARD Agency was integrated in to the [State Agricultural Intervention Fund's](#) (SZIF).

#### *Subsidy system after 2004*

Since 2004 the general CAP funding system has been applied. The overwhelming amount of money coming to the Czech agriculture and rural landscape is controlled and managed by the State Agricultural Intervention Fund. SZIF represents a key executive power of the financial flows in the agrarian sector. It functions as an accredited payment agency and administrator of financial subsidies both from the European Union and from the national financial funds.

### **6.2.4 Payments**

Essentially there are *three* categories of direct payments in the financial support scheme. All payments are centralized and controlled through the [Land Parcel Information System](#) by the Ministry of Agriculture. There are no local or regional subsidies schemes any more. The decoupling reform shall be fully launched in 2009. But the introduction of subsidy per farm is still under discussion. The Agrarian Chamber defends subsidies per ha or even per crop against the government.

#### *SAPS - Single Area Payment Scheme*

In 2004 Czech farms got only 40% per ha of the payment that states in EU 15 received. With an expected increase of 5% per year the same level as the other member states will be reached

in 2013. The applicant must meet the conditions stipulated in the Government Regulation and the pertinent EU regulations. Individual farmers or corporations managing farmland enrolled in the Land Parcel Information System (LPIS) are entitled to apply.

Within the single area payment, it is possible to apply for financial support for arable land, grassland, vineyards, hop-fields, orchards or other crops, specified in the land registration according to user relationships. The support is available to farmers with a minimum acreage of 1 hectare of farmland if registered in LPIS and must be cultivated in accordance with the principles of good agricultural and environmental practice.

#### *Top-Up Supplementary Payment*

The Top-Up is a payment provided in addition to the SAPS in the areas growing flax for fiber, hops, breeding of ruminants (cattle, sheep or goats) on fields registered in the central register and where crops are grown eligible for the payment on arable land. The applicant corresponds to the applicant for the SAPS payment. The general conditions for the top-up payment are identical to the conditions for the SAPS payment. Applicants who are not granted an SAPS payment will not be provided with a top-up payment either.

The Czech government has used Top-Up subsidies from the state budget to increase total subsidies per ha up to 75% of that in EU 15. Hence, the support from SAPS has been increasing since 2004 by 5% and Top-Up decreasing by the same value. According to the EU regulations the total sum of subsidies per ha of cultivated land can not be higher than 75% of that in EU 15.

#### *Less Favoured Areas Subsidies*

The LFA represent more than 60% of agricultural land (50% of Czech territory). Payment is provided for the management of meadows and breeding of ruminants in [Less Favoured Areas](#) and Natura 2000 sites. A set of management [compliances](#) is necessary to meet when using subsidies from this source.

This category of subsidies focuses on multifunctional less intense agricultural practices rather than intensive production farming. The spatial functions of agriculture of landscape management (maintenance of landscape appearance, erosion and water protection, ecological and bio farming) and services functions of agriculture (rural development, recycle of waste, nature conservation, etc.) are stressed here. The mentioned activities are closely related to increasing number of ecological farms (which were 3 in 1990 and 829 in 2006) and the acreage farmed organically – almost 6% of all agricultural land.

A study about farmers' motivation to undertake ecological measures to support rural development revealed that farmers do not perceive subsidies for ecological farming just as an economic stimulation; it also meets their attitude towards nature, rural landscape and traditions (Sejak et al. 2006).

### **6.2.5 Markets**

The price of the agricultural products is set by the stock markets. In the case of Czech products the stock market in Hamburg plays a dominant role. Many farmers and companies are highly dependent on big resellers. Only a few companies control the prices of both inputs (fertilizers, pesticides, etc.) and output production. The resellers strategy is called a “green credit”, they provide inputs for a price they define (either because the farm doesn't have

enough capital or price cartel) and buy the products for prices they dictate. The system is legal but very unfavourable for the farmers. The result is that the resellers absorb money from the agricultural sector but very little is returned to the rural regions again. The resellers are in fact quite strong stakeholders in agricultural production.

### 6.3 The Nitrate Directives

The [Nitrates Directives](#) has been part of the cross-compliances (CC) procedure in Czech since 2004. Vulnerable zones, delineated by natural boundaries of the 4<sup>th</sup> order water basins, made up 46.3% of agricultural land in 2005. There was *no* IA carried out on the ND concerning economic impacts on agricultural sector even if we can see a straight feed back via CC (subsidies). According to the expert from the Agricultural Faculty of the South Bohemia University, who assisted in revision of the law, the ND did not impact economy and structure of Czech agricultural primary production. Market conditions are still dominant. The limit of 170kg/ha of organic nitrogen (in livestock manure) is very high and the production of manure dropped in the last two decades significantly as a result of decrease of livestock due to economic reasons. In average there was 20.5 kg/ha of organic nitrogen applied on agricultural land in 2005.

There is a regular monitoring of vulnerable regions following the instructions of the ND. In 2006, 6% of areas originally embedded in N-vulnerable regions have been left out from the monitoring because they are well below the limits. Instead another 3% of areas have been included into the N-vulnerable category.

Recently, the most crucial point of accomplishing the ND became the measure related to the capacity of storage of vessels for livestock. According to this the capacity must exceed that required for the storage throughout the longest period during which land application in the vulnerable zone is prohibited. Originally it was possible to store manure openly in the field. This change brings about a need of investments which can cause problems for small farmers.

### 6.4 Stakeholder mapping

There are several official representatives of agricultural sector in Czech Republic.

- [Ministry of Agriculture of the Czech Republic](#) has an organisation that is represented at two-levels, according to NUTS1 and NUTS4. The ministry also supports agricultural research through research institutes, which they partly finance. Although most of their budgets are generated from projects and service activities. Some of them serve as an information source (consultancy) for the MACR. (A non-governmental agricultural organisation)
- [Agricultural Association of the Czech Republic](#) is a flexible organization where the activities are determined current problems and especially by the requirements of the modern business activities in the Czech agriculture and in the European Union. The organizational structure has been developed bottom-up with a decisive position of the regional organizations NUTS 4.
- [Czech Agrarian Chamber](#) is an interest organisation for primal agricultural producers, analogue to chambers in most EU countries. It is organized on NUTS 1 and NUTS 4 level; after 2004 it runs the Agrarian Advisory and Information Centre through the web system [APIC](#)

- [Association of Private Farmers of the Czech Republic](#) represents the economic, social and professional interests of the private farmers. It is founded on a belief in peasant traditions and family farms being the foundation of the modern European agriculture and lively countryside. This organisation has a well organised work.
- [Association of Marginal Regions](#) represents farming in LFA regions. (See paragraph on subsidies for LFA above)
- [Association of Ecological Farmers](#) is a non-governmental, non-profit organisation that supports and promotes ecological methods of farming and the consumption of organic food. The members are: ecological farmers, processors and vendors of organic food as well as schools and consumers. It creates favourable conditions for dialogue and co-operation and fosters the development of ecological farming and ecological education. PRO-BIO promotes its members' efforts, ecological production and services.
- [Regional Development Agencies](#) are organized on NUTS 3 level as joint stock companies and support developmental programs of regions. They assist in preparation and implementation of programs supported by the EU. The Agency is an executive unit within INTERREG IIIA Program/Disposition Fund as well as the regional centre for international cooperation which provides specialized services to local government, regional government, non-profit organizations and the entrepreneurial sector. The agency follows the EURADA (European Association of Development Agencies) policy, which aims to promote regional economic development through dialogue with the European Commission services; and the cooperation between EU members, sustainable development of the region, innovative systems and technologies, cooperation between private and public sectors. The agency utilizes a professional team, which focuses on the administration of the EU and the Czech Republic grants, strategy plans and development strategies creation, project preparation and implementation, attracting and assisting foreign and domestic investments, elaboration of project aims and proposals, Feasibility Studies and Cost Benefit Analysis, Strategies of rural areas and agricultural development, entrepreneurial support and environmental protection.

The activities of above agrarian bodies are often overlapping and many agrarians are members of several of them to have a better stake when they need support. Even if most of the information about norms, subsidies etc. can be obtained in official ways from the MACR, each of the above mentioned agrarian associations tries to tailor this information to targeted groups of farmers in the form of information systems, training, and consultancy. The Agrarian Chamber runs the Regional Information System (KIS) for such a purpose. According to interviews with private farmers all these agrarian bodies work best on a regional level (NUTS 4), as farmers prefer personal contacts and consultancy.

#### **6.4.1 Bodies with a potential interest in SEAMLESS-IF**

As there is a well established formal RIA system in Czech governance as well as powerful initiatives from highest level to implement the practices in the administration, the pre conditions for introduction of a system like SEAMLESS seem very good. There is also likely to be an interest at universities where EIA was established a few years ago. Selected Universities are also likely to be interested in providing training and education about RIA tools for qualified office staff in public administration.

There are five groups which could be potentially interested in using the SEAMLESS-IF:



- The [Department of Regulatory Reform and Quality of Public Administration](#) in the *Ministry of Interior*
- *The Ministry of Agriculture* and some research institutes in agriculture, such as [VUZE](#)
- The *Regional Agrarian Associations* on NUTS 4 and the *Regional Developmental Agencies* on NUTS 3 level – in close contact with farmers economically depending on agriculture and subsidised by EU funds for rural development.
- *Regional universities* with faculties of agriculture and/or economy e.g. the South Bohemia University.
- *Resellers* looking for the best strategic investments (and perhaps having money to fund running and developing SEAMLESS-IF



## 7 Impact Assessment in Poland

The document *Medium-Term Economic Development of the Country until the year 2002*, adopted by the Polish government in 1999, indicated regulatory reform as one of the priorities. The application of regulatory impact assessment started in Poland from the end of 2001. Since that time it is mandatory to carry out impact assessment studies for all governmental legal acts. The system of regulatory impact assessment covers both bills and regulations (primary and secondary legislation). Development of this system was based on various experiences and in particular it followed from cooperation with OECD. In 2000 the Polish government decided to submit Poland to an OECD regulatory review. In the same year, an Interministerial Regulatory Quality Team was established with the aim to:<sup>10</sup>

- serve as an advisory body to the Prime Minister and the Council of Ministers,
- co-operate with the OECD team during the review,
- prepare draft documents on regulatory reform,
- give opinions on the actions undertaken by administrative organs,
- promote the establishment of RIA.

On the basis of models developed in the frames of OECD, the Regulatory Quality Team prepared a comprehensive proposal for a system of regulatory impact assessment. Works of the team led to adoption of the regulatory impact assessment (RIA) system into Polish legal order and to development of rules and methods for performance of RIA, laid down in the government's document *Methodological Foundations for Regulatory Impact Assessment*. The team promoted effective and practical implementation of RIA principles.

RIA system was also used in Poland during accession negotiations with the European Union. At that time ten regulatory impact assessments were developed in such areas as: environment, safety and health at work and transport. The studies were of pilot character since they were performed in the period preceding introduction of analysis in the form of the present RIA system. Those studies were based on the British methodology.

The system of the regulatory impact assessment (RIA) was introduced on 2001. Following the rules of procedure of the Council of Ministers of 19 March 2002 (Law Gazette, No 13, item 221) – the outcomes of RIA form part of the justification of normative acts. But despite the fact that RIA has been in place in the Polish legal system for the last six year, it is still far from perfect. RIA Guidelines were adopted by the Council of Ministers on 10 October 2006.

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<sup>10</sup> Headed by the Minister of Economy but in practise chaired by the Deputy Secretary of State, in the Ministry of Economy and including representatives of the various governmental bodies.

## 7.1 RIA in accession negotiations: Polish experience

Polish negotiating and accession process to the membership in the European Union had to transpose and implement in a few years a vast amount of new regulation, which is embodied in the *acquis communautaire*. During accession negotiations with the European Union Poland presented its positions relating to all legal acts of the EU law constituting the *acquis communautaire*.

### a) Structures for negotiations and impact assessment in Poland

On the threshold of the accession negotiations process the lack of capacity to carry out impact assessment was one of the most common weaknesses, not just in Poland but also in other accession countries, and constituted a serious threat to the adoption of the *acquis*. There was too great preoccupation with the drafting of the legal text transposing the *acquis*, rather than with its substance or economic and social impact. Insufficient attention was paid to practical issues and to the question of how a law, once enacted, was to be implemented.

There was awareness of the necessity to assess social and economic costs and it became reflected in the structures programmed for accession negotiations. The key part of work on preparation and performance of screening and on drafting of negotiation positions was played by the Inter-Ministerial Team for the Preparation of Accession Negotiations with the European Union headed by the prime minister.

However the structure appointed for assessment of socio-economic impact disappointed hopes set on it. There were many reasons. Such situation partly ensued from the fact that the mechanism for performance of impact assessment studies did not formally exist at that time yet (it was officially introduced into legislation at the end of 2001). Therefore skills and tradition of taking time to analyze different possibilities of the implication of the course chosen were missing within ministries. The task of a thorough assessment of socio-economic effects seemed to be mission impossible considering the fact that accession entailed necessity to implement over 4 thousand acts of the *acquis communautaire*.

As a result the first impact assessment projects were carried as *ad hoc* ventures of officials directly attending to the Chief Negotiator. The need for them was driven by European Commission's invitations for Poland to review its request for transitional periods or to provide more data to better justify them. Regulatory impact assessments carried out in the course of accession negotiations were a pilot stage for the methodology in Poland.

### b) Impact assessments performed during accession negotiations

Impact assessment projects carried out during accession negotiations focused mainly on social and environmental legislation (so called process-related legislation). A part of legislation in this area can be extremely costly to implement, another part can be extremely complicated. Most legislation in those areas is desirable in medium- and long-term (resulting e.g. in an improvement in health) but in the short run it can adversely affect financial stability of enterprises or impose heavy burdens on public finance.

The first regulatory impact assessment was performed with regard to a number of closely related directives concerning health and safety at work (May 2000). A characteristic feature of impact assessments studies carried out in the area of environment protection was the fact that costs - and more specifically compliance costs - were to a larger extent taken into consideration than potential benefits. This is because discussions on the impact of the European integration in the field of environment protection were completely dominated by

the issues of the related costs (as the compliance costs in the environment area were estimated for ca. EUR 30 billion, while annual national expenditure amounts to only around 2 billion). Both the Polish government and the European Commission (which ensured financing for RIA projects in this area) were interested solely in costs. For the Polish government this was an important bargaining argument allowing for granting transitional periods (although in case of very thorough studies some requests proved unnecessary and were withdrawn). For the European Commission this was an argument in favour of attracting to the environment protection sector, mainly at the cost of transport, the largest possible public financing from pre-accession funds.

#### Impact assessments conducted in the environment field:

- *Implementation of Council Directive 97/43/Euratom of 30 June 1997 on health protection of individuals against the dangers of ionizing radiation in relation to medical exposure, and repealing Directive 84/466/Euratom.*
- *Implementation of Council Directive 1999/13/EC of 11 March 1999 on the limitation of emissions of volatile organic compounds due to the use of organic solvents in certain activities and installations*
- *Fuel Directives: Directive 98/70/EC on fuel quality, Directive 1999/32/EC on sulphur content in fuel, Directive 94/63/EC on VOC emissions resulting from storage and distribution of petrol*
- *Ozone Directive in Poland: Regulation 2037/2000 on substances that deplete the ozone layer*
- *Large Combustion Plants Directive: Directive 88/609 version 2001/80*

#### c) Impact assessment and partners outside government

The process of consultations with the entrepreneurs' community and social partners can very easily transform into a formal ritual. Such development is sometimes difficult to prevent considering the fact that on the one hand the number of the legal acts of the *acquis communautaire* covered by negotiations is enormous, pressure on their implementation is huge and the ability of social partners to perform an analysis of the *acquis* and formulate their expectations is limited. Impact assessment project constitute examples of the best possible cooperation bringing benefits to all stakeholders. RIA can be also perceived as a part of information campaign.

In the situation where RIA were carried out as *ad hoc* actions, financing proved to be a serious problem (the role of the team working for the Chief Negotiator was to monitor that the studies were unbiased but the actual performance of studies was outsourced). A method to lower costs, beside combining RIA of related directives (safety and health, fuel directives) was letting the sectors or businesses carry out the work - LCP Directives by energy sector; excise tax on tobacco by tobacco industry.

## 7.2 The general characteristics of Polish agriculture

Polish agriculture is characterised by a large fragmentation of holdings, a large number of people employed, the prevalence of soils with average or low usefulness for agriculture and by relatively low use of industrial means of production. Polish agricultural products are characterised by high health values which is a result of the clean environment, methods of

production applied and limited use of chemicals in agricultural production. Despite this fact, Poland is an important European and global producer of a number of agricultural and horticultural products as well as products of animal origin. Vegetable crops constituted 8,9% of the total EU-25 production (4th place), and fruit crops 5,4% (6th place) (table 1).

Poland is among the countries with large biodiversity and has varied habitats and natural landscapes. A significant part of farmers, especially those who own small holdings, carry out the production using traditional methods and use their products for the self-supply of their families. Animal production is usually conducted with low intensity of breeding which has a positive impact on the environmental protection.

Soil and climatic conditions, as well tradition determine the specialization in particular regions.

*Table 7.1. Market share and position of Polish agriculture in the world and EU-25 (%)*

| Specification      | share |      | rank  |    |
|--------------------|-------|------|-------|----|
|                    | world | EU   | world | EU |
| <b>Crops:</b>      |       |      |       |    |
| wheat              | 1,6   | 7,2  | 16    | 4  |
| rye                | 24,0  | 43,5 | 1     | 1  |
| potatoes           | 4,3   | 21,2 | 6     | 1  |
| sugar beet         | 5,1   | 9,8  | 7     | 3  |
| <b>Livestock:</b>  |       |      |       |    |
| cattle             | 0,4   | 6,1  | 43    | 7  |
| pigs               | 1,8   | 11,2 | 7     | 3  |
| <b>Production:</b> |       |      |       |    |
| meat               | 1,2   | 7,6  | 14    | 5  |
| milk               | 2,3   | 8,3  | 11    | 4  |

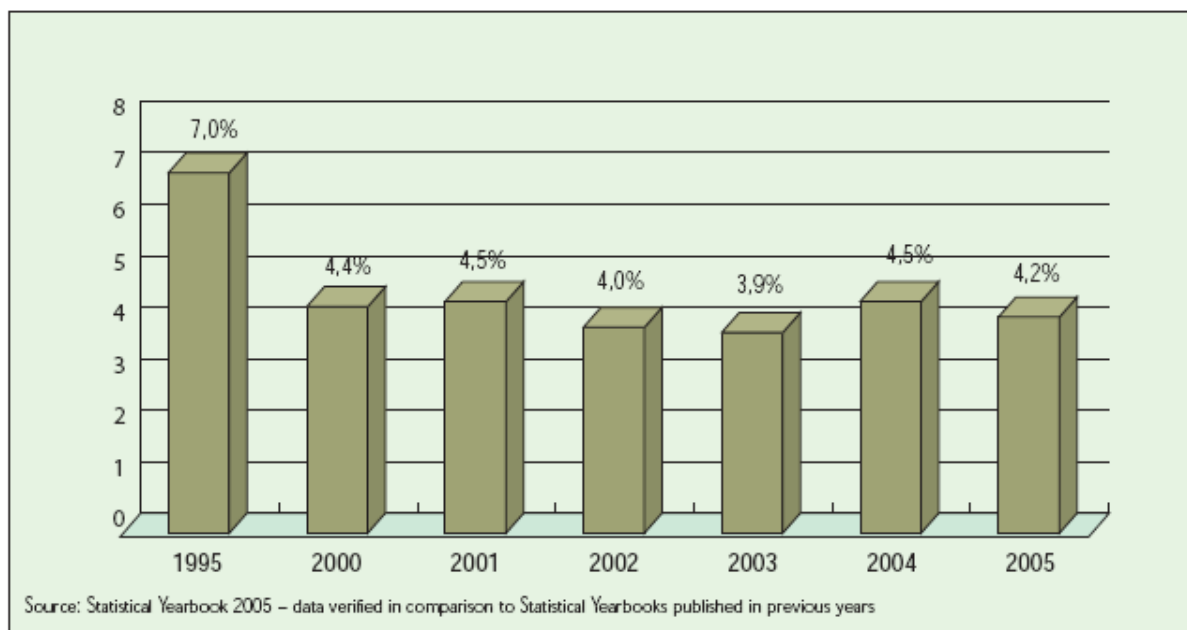
Source: Statistical Yearbook of Agriculture and Rural Areas, GUS 2005, data for 2004

Poland is a leading producer of berries, mainly strawberries, raspberries and currants as well as one of the largest producers of potatoes, onions, cabbages, cauliflowers and apples (number one in the EU).

In the years preceding the EU integration, low profitability of agricultural production and difficulties in selling agricultural products contributed to a growing tendency to leave agricultural land fallow or idle. According to the General Agricultural Census conducted in 2002, the total area of arable land left fallow or idle was 2,3 million ha, which constituted 17,6% of the total arable land.

Direct payments, dependant on maintaining the agricultural character of the land, as well as the possibility to receive financial aid from structural funds for the development of farms, are conducive to the improvement of agricultural economy. Reduction of plant production and disadvantageous price relationship of agricultural products resulted in a systematic decrease of the share of agriculture in GDP. In 2005 production results in agriculture were poor when compared to a very good 2003, which caused the reduction of the share of agriculture in GDP.

*Figure 7. 5. Share of agriculture, forestry and hunting in the Gross Domestic Product*



After 1990 the number of agricultural holdings has steadily decreased, mainly at the sacrifice of medium-size farms, while the number of the smallest and the biggest farms has increased.

Since 2003 agricultural land purchases have been increasing, due to the expectations of improvement of agricultural production profitability after the implementation of the CAP. Despite an increase, the prices of land are still low in Poland. In 2004 the average price of arable land was 1463 EUR/ha (1981 EUR/ha for good quality arable land), and the average price of good quality meadows -1273 EUR/ha. The rules of trade in land are statutorily regulated in Poland.

### **7.3 Rural Areas and agricultural population**

Rural areas in Poland cover 93.4% of the area of the country and are populated by 14.7 million people, i.e. 38.6% of the whole population. In the middle of 2005 23,7% of the European Union population lived in rural areas, in old member states – 21,4%, in new 35,9%. Polish rural areas are characterized by a dispersed settlement network, which makes the development more difficult, increases the costs of infrastructure construction and very often makes it impossible for the population to undertake non-agricultural business activity. There are 53 thousand rural localities, including 42,8 thousand villages and 10,2 thousand colonies and settlements. There is an average of 277 inhabitants per one rural locality.

The population in rural areas gradually increases since 2001. This is a result of settlement of more and more urban dwellers in rural areas, limitation of the migration of rural residents to

cities in search of employment, return of persons losing their jobs back to rural areas. People living in rural areas are on average younger than those living in towns.

According to the GUS, in 2005 employment in the agriculture, hunting and forestry sectors amounted to 16.2% of the total employment. Hired workers are relatively small group with 8,4% share, 65,5% are employers and self-employed, 26,1% are helping family members. Although the unemployment in rural areas is lower in towns, it is more difficult to combat, because of a smaller number of businesses, particularly in small rural localities. Moreover, there is hidden unemployment in agricultural holdings. Comparing the level of human resources in Poland and in EU States, the excessive labour employed in agriculture is quite visible. The share of professionally active persons in agriculture amounts to almost 11% as compared to 1.9% in the EU. The age structure among farmers is much better in Poland than in the EU.

## **7.4 From a state led system to the emergence of a new system, and the current transformation into an EU adjusted system**

Polish agricultural policy has undergone a significant development during the last decades. It was greatly influenced by the form of the country's government – after the 2nd World War it was based on central planning, with new forms of socialization of agriculture emerging in the years 1957-1970, only to be replaced after 1989 by the policy of free market of food economy. Due to the political changes and shifts of governments, the policy oscillated between liberal and interventionist measures. Equally important for the changes in Polish agricultural policy was the new shape of international contacts. The external factors can be divided into two groups: the processes of liberalization of international exchange and integration with the European Union. After signing in 1991 the Treaty of Association with the European Union and undertaking by Poland (as an associated state) the adjustments in the European integration process, the agricultural policy needed systematic application of the requirements of Common Agricultural Policy.<sup>11</sup>

One of the areas of agricultural policy is regulation of the market, often associated with interventionism. Before 1989 the scope of regulation in Poland evolved towards the increasing of the role of the market as a supplementary mechanism for central planning. Within the existing institutional structures and economic principles attempts were made to give the economic entities the greater freedom and replace some elements of the central planning by market mechanisms. In spite of these efforts, the majority of the factors shaping the production and turnover of the agricultural products remained in the State's hands, which made the whole system of food economy ill-functioning and economically ineffective.

The transformation of the political system in mid 1989 dramatically changed the principles of agricultural policy. The first step towards a market system was introduction liberalization the food economy through free prices of food and agricultural products. The program of general social reform, introduced in January 1990 proposed the fully liberal model of agricultural policy. It functioned for more than a year and was the sole period in Polish history after World War II when the state did not interfere with agricultural policy.

At that time the majority of subsidies were cancelled and the international barter was fully open. The liberal Act on undertaking economic activity was implemented. The cooperation

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<sup>11</sup> Siekierski J.: Wpływ instytucji na przemiany agrarne w Polsce [in:] *Kwestia agrarna w Polsce i na świecie*, SGGW, Warszawa 2005, s. 520.



unions and associations of state-owned enterprises were closed down, and the multi-plant enterprises were allowed to divide, which, on the one hand led to economic entities getting completely self-sufficient, on the other, contributed to the dispersal of the economic potential and inability to protect group interest.

Those changes were later referred to as “shock therapy”, both for agriculture and the related sectors of economy. The country and the agriculture found themselves in a very difficult condition, disadvantages appeared on both economical and social level, i.e.:

- decrease in demand for domestic agricultural products
- wide trading band of the prices of agricultural products and agricultural production
- decrease of real income by about 50%
- unemployment and increase of part-time employment
- increase of farmers’ debt and deficit in state-owned agricultural companies and cooperatives.

The enterprises active in the sphere of production and food processing industry, due to the lack of resources were unable to undertake restructuring and adaptive measures in new market conditions. Soon it turned out that economic transformation brought more loss than profit to agriculture and the market mechanism itself without deep institutional reform of agriculture and its surroundings and without the state’s assistance cannot provide conditions for sustainable development of agriculture and food economy.

In 1991 the process of reconstruction of agriculture interventionism began. The Agricultural Market Agency was founded to implement the agricultural policy of the state, which aimed at stabilization of agriculture products market and protection of farmers’ income. In the same year agriculture was also protected via the rise of custom duties on imported agricultural products.

In 1991 also Agricultural Property Agency of the State Treasury (AWRSP) was founded. It began its activity with the takeover to the Agricultural Property Stock of the State Treasury of the property of 1 666 liquidated state farms of the general area of 3 753 000 ha and 607 000 ha of arable land of State Land Fund, as well as other estates. From the beginnings of activity up to the end of December 2005, the Agency took over in total 4 710 800 ha of land. The main effort of the Agency’s units was directed towards restructuring, distribution and development of the taken over estates. Up to the end of 2005 40,7% of the property of Agricultural Property of the State Treasury was permanently distributed<sup>12</sup> of the total area 1 916 300 ha. 1 586 300 ha (31,4 %) was sold. The land that figured as property of WRSP at the end of December, 2005 (2,8 million ha), was used among others as<sup>13</sup>:

- lease – 2 207 700 ha (78,8 %);
- administration – 2 400 ha (0,08 %);
- long-term management – 34 600 ha (1,2 %);
- perpetual usufruct – 73,9 tys. ha (2,6 %).

In 1996 3 066 500 agricultural farms existed in Poland, of which 2 041 400 (66,6%) were individually owned. Nowadays individually owned farms, the number of which at the end of

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<sup>12</sup> Permanent distribution means, among other things: selling, handing over against payment, bringing to the partnership in kind, exchange for ownership, passing over to the Highway Building and Exploitation Agency etc.

<sup>13</sup> <http://www.anr.gov.pl>.



2005 approached 2 728 900, constitute more than 99,8% of total amount of agricultural farms in Poland. (2 733 400).

Polish agricultural policy became increasingly influenced by the agricultural policy of the European Union. Deeper understanding of objectives and measures of this policy allowed for adaptation of some solutions used in Western Europe. The consolidation of agricultural policy in Poland was effected on the four levels:<sup>14</sup>

- 1) program – preparation of strategies and programs of agricultural and rural policy
- 2) institutional – development of institutions implementing policies and development programs
- 3) instrumental – use of specific tools and instruments
- 4) transitional and financial – financing the budget costs and transfers for the implementation of the policy.

The evolution of market policy required the creation of new institutions and organizations not only replacing some functions of the state, but also supporting the work of the government, sharing some responsibilities and providing professional assistance. Hence the creation of new government agendas tied to ministries, founded to implement specific aspects of policies. The main burden of adaptation of Polish economy to the conditions of European Union was related to the institutional adaptation, on which the functioning of EU economies is based. As for the instruments of agricultural policy, it was successively enlarged. The aim was to counteract the abrupt shifting of prices in agricultural sector and protect the level of income.

In the transitional period the integration processes were aiming at the adjustment of both the structure and economic development level, and the policy system to those that are required at the accession. In the pre-accession period the shape of agricultural policy was fully dependent on the state, and the main dilemma was the level of consistency of the mechanisms and their use with the Community standards. The changes were introduced so that the Polish agriculture in the moment of accession was fully covered by the CAP. The character of the policy and the measures were close to those used in the EU, but Poland could not afford on its own the implementation of the agriculture subsidies on a scale that was common in the European Union. Hence the solutions from the sphere of structural and regional policy, known as multifunctional development of the rural areas.

In the transitional period all the countries of Central and Eastern Europe began formulating agricultural policies for long-term interventions. In the Visegrad Group (Poland, Hungary, Czech Republic, Slovakia) the price support was replaced by the support of agricultural producers, with the use of some instruments of trade policy. Different types of subsidies were used as supporting tools. Some of them included the revenue of the fuel tax, dotations to the investment capital and to production outlay (preferential investment and working-capital credits). In the transitional period direct subsidies were often resorted to, especially in LFAs. They were used on Hungary, in Czech Republic and Slovakia as subsidies to the grown animals per head or to the arable land. Poland concentrated on the reform of agricultural policy in the direction of CAP of EU, through the adaptation of tariffs, interventional prices and export subsidies. The characteristic feature of Polish policy was the importance of government agencies and the Agricultural Social Insurance Fund (KRUS).<sup>15</sup>

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<sup>14</sup> Adamowicz M.: Ewolucja polityki rolnej w procesie transformacji rynkowej i integrowania Polski z Unią Europejską [in:] *Rolnictwo w procesie integrowania Polski z Unią Europejską, Tom IV – Projekt Badawczy*, SGGW, Warszawa 1996, s. 14.

<sup>15</sup> Kotala A., Seroka O.: *Tendencje zmian w polityce rolnej państw Grupy Wyszehradzkiej w okresie przystosowania do członkostwa w Unii Europejskiej*, Acta Agraria et Silvestria, Vol. XLIV/1, 2005.

## 7.5 Support for agriculture and rural development

Polish accession to the European Union definitely contributed to an increased support for agriculture and rural development. Direct payment to agricultural land scheme, introduced in Poland in 2004, is a simplified system. Financial aid for agricultural holdings is granted on a proportional basis to the area of agricultural land, regardless of the type of agricultural activity. Pursuant to the EU guidelines, the scheme will function in the new Member States for the maximum period of 5 years. Poland should introduce changes with respect to the implementation of this instrument no later than by 2009.

Pursuant to the Act of 18 December 2003 on direct payments to agricultural land (Dz. U. of 2004 No 6, item 40, No 42, item 386), direct payment scheme is composed of two elements: Single Area Payment Scheme and Complementary National Direct Payments. Single Area Payments can be granted for all agricultural land maintained in good agricultural condition. Payments are adjusted to the area of specific crops. Payment claims are accepted once a year. Payments are made from 1 December to 30 June of the subsequent calendar year. This period is identical for all EU Member States.

The first direct payments campaign in 2004 was successful and its implementation allowed for the overcoming of many stereotypes related to the accessibility of Community aid. Funds forwarded to the beneficiaries not only enhanced the financial standing of farms, but also encouraged to apply for new aid instruments. During the first campaign, the Agency received over 1.4 million payment claims. By 31 May 2006, the total of 1,381,583 beneficiaries received the granted payments in the amount of PLN 6,339,422.5 thousand.

The number of applicants in 2005, when the Agency registered 1,483,628 payment claims which was 6% more than in 2004. There was also a growth of approx. 4% in total declared area in 2005. By 31 May 2006, the total of 1,407,301 beneficiaries received the granted payments in a total of PLN 6,325,674.6 thousand.

## 7.6 Stakeholder mapping

There are several official representatives of agricultural sector in Poland:

### **Ministry of Agriculture and Rural Development**

**Agricultural Market Agency (AMA)**, established in 1991 for stabilization of the agricultural market and protection of incomes from the agricultural production, has become the Paying Agency on 1 May 2004 responsible for administration of 50 mechanisms of the Common Agricultural Policy on 20 markets in agricultural products. AMA is responsible for 3 basic functions: implementation of the Community law, paying and information.

The CAP mechanisms that AMA administers are directed mostly to the traders, storage enterprises, processing and production plants and producer groups as well as to the farmers.

**Agency for Restructuring and Modernisation of Agriculture (ARMA)** - has supported the Polish farmers, processors and rural residents mostly through subsidies to investment and working credit interest and co-financing of rural infrastructure construction, undertakings related to trainings and education of young and adult rural residents since 1994. In 2004 has

become the Paying Agency for the Common Agricultural Policy mechanisms and structural policy for agriculture and rural areas. The scope of activity of the Agency has been extended with the following programmes and measures:

- Direct payments to agricultural land; common organization of markets in fruit and vegetables and fish and fish preparations; Rural Development Plan (RDP); Sectoral Operational Programme “Restructuring and modernization of food sector and rural development” 2004-2006; Sectoral Operational Programme “Fisheries and Fish Processing 2004 – 2006”; Rural Development Programme 2007-2013.

Moreover, ARMA continues the implementation of the national aid instruments mostly the preferential loans and SAPARD programme and also Phare projects. The Agency participated in financial implementation of part of tasks from the Rural Areas Activation Programme financed loan from the World Bank and “Flood Damage Reconstruction Programme” (EBI-bis) co-financed from the loan of the European Investment Bank.

The Agency administers the largest funds for support of agriculture and rural development implemented from the EU budget funds, national budget and foreign loans.

**Agricultural Property Agency (APA)** running its activity since 1992 until 15 July 2003 under the name of the Agricultural Property Agency of the State Treasury (APAST) is the national legal unit to which the State Treasury entrusted the implementation of the property right and other material rights in respect of national property in agriculture.

The Agency implements the tasks concerning the establishment of family holdings, improvement of areal structure, creation of favourable conditions for rational use of production capacity of the Agricultural Property Stock of the State Treasury, restructuring and privatization of the State Treasury property used for agricultural purpose, property marketing and other elements of the State Treasury property used for agricultural purpose, administration with the property of State Treasury intended for agricultural purpose, protection of State Treasury property and supporting of organization on the State Treasury lands the private agricultural holdings.

APA operates on self-financing basis and does not obtain any budget subsidies for maintenance and operation. The main sources of incomes are the funds from sale and lease of properties.

**Agricultural advisory service** - as of 1 January 2005 organizational changes of the agricultural advisory services financed from the budget and regulated by law occurred. On the basis of the previous advisory centres, the units with legal personality were established which next to the budget financing may obtain the funds from charged provision of services and benefit from the EU funds.

Currently, according to the statutory regulations the agricultural advisory units are:

the Agricultural Advisory Centre in Brwinów and its branches in Poznań, Krakow and Radom; 16 voivodship agricultural advisory centres with the territorial scope which covers the area of a voivodship competent for the registered seat of the given centre.

Voivodship agricultural advisory centres include 30 branches and 313 local advisory teams. Voivodship agricultural advisory centres are obliged to provide gratuitous advisory services, including training sessions for farmers on modern operation of holding, agricultural accountancy, using the Common Agricultural Policy instruments and structural policy, improvement of production quality, distribution of information on scientific developments and increasing of professional qualifications of the farmers and other rural residents etc.

**Foundation of Assistance Programmes for Agriculture (FAPA)** was established by the Minister of Agriculture and Food Economy acting on behalf of the State Treasury on April

17, 1992. The mission of FAPA, in accordance with its Charter, is to support actions aiming at the development of rural areas, agriculture, agricultural markets and sectors of agricultural economy. FAPA implements projects and acts as project implementation advisor, conducts research and prepares analyses, as well as renders publication services and last, but not least, functions as information centre.

Basic sources of funding FAPA's operation and projects implemented by the Foundation originally included the European Union Phare Programme and such donors as: USA Government, the World Bank, Know-How Fund, British Agriculture Development Fund. Currently, the Foundation is chiefly funded from the resources of the Ministry of Agriculture as well as from donations.

The main beneficiaries of FAPA's projects include the Ministry of Agriculture and Rural Development, institutions operating for the benefit of agriculture and rural development in Poland, farmers and agri-food entrepreneurs, rural communities. FAPA's actions are conducted in close cooperation with the representatives of the Ministry of Agriculture as well as academic bodies, local governments and agricultural extension centers, including numerous other agricultural institutions, such as Agricultural Markets Agency and Agency for Restructuring and Modernization of Agriculture.

**R&D backup in agriculture** - research for the benefit of agriculture, agricultural markets, and rural development is carried out by:

- 20 research and development units reporting to the Minister of Agriculture and Rural Development
- higher education (with 47 departments) reporting to the Minister of Science and Higher Education;
- 10 Institutes of Polish Academy of Sciences, and some units reporting to other ministries.

The Institutes have been actively supporting system transformations in agriculture, taking part in modernisation processes through R&D activity, as well as through implementation and dissemination of its results. Funds for research and development activity in agriculture similarly to the units operating in other research areas are obtained inter alia from the budget subsidies of the Ministry of Science and Higher Education for implementation of statutory activity, participation in international scientific and technical cooperation programmes, for services from the business and scientific entities and such sources as: sale and rent of property, interests on capital, credits, loans etc.

**Agricultural chambers** - by the Act of 1995, the agricultural chambers in Poland which constituted the common agricultural self-government have been reactivated. The membership in the chambers is obligatory for all farmers who pay agricultural tax or income tax from special sections of agricultural production and the members of agricultural production cooperatives with shares in the form of land.

The national representative of the chambers is the National Council of Agricultural Chambers which comprises of the presidents of 16 voivodship chambers and delegates selected by the assembly of individual chambers (1 from each chamber) The activities of agricultural chambers aim at the provision of comprehensive assistance to farmers and the cooperation in the creation of conditions for improvement of the situation in agriculture and rural areas. The chambers participate in talks with the government representative, in works of the parliament, in negotiations with the representatives of processing and trade industry and other organizations which aim at development of law and specification of priorities for support for agriculture and rural residents and the assessment of the operation of institutions acting for agriculture and rural development.

The National Council of Agricultural Chambers also cooperates with foreign partners, mainly with chambers in old and new EU Member States. The aim of cooperation is use of knowledge and experience of the individual chambers and undertaking all the common measures e.g. for financing of agriculture from EU funds, establishment of agricultural producer groups, improvement of labour organization, alternative income sources.

An important element of cooperation is the exchange of experience for use of available aid instruments under the Common Agricultural Policy and structural policy. National Council of Agricultural Chambers is the member of COPA (Committee of Professional Agricultural Organizations).

Agricultural circles - the largest Polish social and professional organization for agriculture is the National Union of Farmers, Circles and Agricultural Organisations (Krajowy Związek Rolników, Kółek i Organizacji Rolniczych (KZRKiOR). The agricultural circles are a trade union of individual farmers and the national self-governing association of agricultural circles and rural housewives circles, local farmers' associations, agricultural circles and other organizations. They gather around 1.2 million of members. 25 000 rural housewives circles have 850 000 members.

Their areas of activity generally overlap with the activity of agricultural chambers which means comprehensive activities for the benefit of agriculture and rural development. KZRKiOR significantly contributed to the process of integration of the Polish agriculture with the EU agriculture by monitoring of all the decisions related to accession to the Community. The National Union of Farmers, Circles and Agricultural Organisations is a member of "COPA GOGECA".

## 7.7 Concluding remarks on the situation in Poland

Experience of Eastern enlargement shows that good quality RIA is of key importance for obtaining transitional periods. In many cases (environment or sanitary standards) the Commission requires the information on investment strategies, financing, technologies, even at the level of single business operators, anyway.

Priorities for assessment need to be established using both the nature of the *acquis* and the experience of the member states and the countries negotiating membership in the past. Detailed impact assessment needs to concentrate on the most important and potentially costly parts of the *acquis* (mostly parts of the so-called process related *acquis*). Other areas should be treated with a simplified RIA.

Impact assessments can prove to be the most effective instrument in support of consultations and partnership between the state administration on the one hand and business communities and social partners on the other. The consultation process will assume substantive character and interaction of its participation will benefit all stakeholders increasing the ownership of accession process in a society at large.

Without impact assessment it will not be possible to implement the *acquis* efficiently. Due to likely high cost of accession for public finances without RIA it will be impossible to plan the national budget over the medium-term, ensuring adequate funds for integration-related expenditure. RIA will help to develop correct position papers for the negotiations and the negotiators will know on what they can give in and on what they must stand firm. Finally, RIA will make it easier for the Government to fulfil its information function via-avis the main groups in society.



## 8 Concluding remarks

Impact assessment is at the core of European policy making and has an aim that is wider than merely to provide a knowledge base for political decision making. It is also a tool for a political communication process and better regulation in Europe. To invite member states and lobby interests to be more active in the policy processes can *also* be interpreted as a way to neutralize criticism. *Any modelling system will be utilised as much in a political process as a scientific.*

The quality of the Commissions impact assessments have been heavily criticised, which means that the introduction of a tool that can ensure good quality of quantitative measures could improve the present standard – if used. There is a sceptical attitude towards employing modelling tools among many practitioners. Among the arguments against modelling are that the processes are too complicated, not transparent enough and the belief that informed decision-making is better founded on expert judgement. The core of this question might concern a “cultural” difference between researchers and practitioners’ way of approaching a problem – especially practitioners in highly politicised administrations.

The policy process is not tool driven. The training and sometimes also support provided for assessment leaders in the EC is rather limited and the work performed therefore relies on assessment leaders’ personal skills, academic background and networks. As it has to be explained to the public how assessment results supports a policy option officers want simplicity and transparency in the modelling process. *If the users do not understand the assumptions made, the results will not be useful for them in their interaction with stakeholders and lobby groups.*

Presently IA work is primarily a phenomenon at EU level although it is developing at a rather fast pace in several states. The pattern of IA regulations on the national level is scattered. There is no apparent divide between West/East European or old/new member states as far as formal IA regulations and institutional capacity are concerned. *Many of the former socialist countries among which Poland and Czech Republic can be noticed pay considerable attention to RIA instruments.* The Czech Republic is one among the few countries that have a legal base for its RIA system and recently has taken forceful initiatives to implement RIA practices in the administration. Environmental IA has an even longer record. This creates good preconditions for introducing SEAMLESS-IF in Czech Republic both in public administration and at universities, where education and training in EIA is already established.

Although a reluctant attitude towards modelling tools can be found in member state and EC administrations, the strong trend towards more knowledge based regulation also evoke interest in such tools. Most administrations in Europe are at the moment taking, or are at least considering taking, measures to improve their regulatory practices in which IA plays a central role. This situation makes an introduction of a system like the SEAMLESS-IF very timely.





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## Glossary

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| <i>Annual Policy Strategy:</i>      | The document where the Commission every year in March presents its key initiatives to be taken forward in the coming year. It is presented around March and marks the beginning of the Commission's policy cycle.   |
| <i>Commission's Work Programme:</i> | The annual work programme translates the policy strategy into objectives and an operational programme of decisions to be adopted by the Commission. It sets out major political priorities and identifies legislative initiatives, executive and other acts that the Commission intends to adopt. |
| <i>EIA:</i>                         | Extended Impact Assessment  |
| <i>IA:</i>                          | Impact Assessment   |
| <i>ISA:</i>                         | Integrated Sustainability Assessment (See MATISSE)  |
| <i>MATISSE:</i>                     | Acronym for Methods and Tools for Integrated Sustainability Assessment. A FP6 Integrated program.   |
| <i>RIA:</i>                         | Regulatory Impact Assessment  |
| <i>SIA:</i>                         | Sustainability Impact Assessment  |