



Phare Business Support Programme

Contract no. 00.308.00

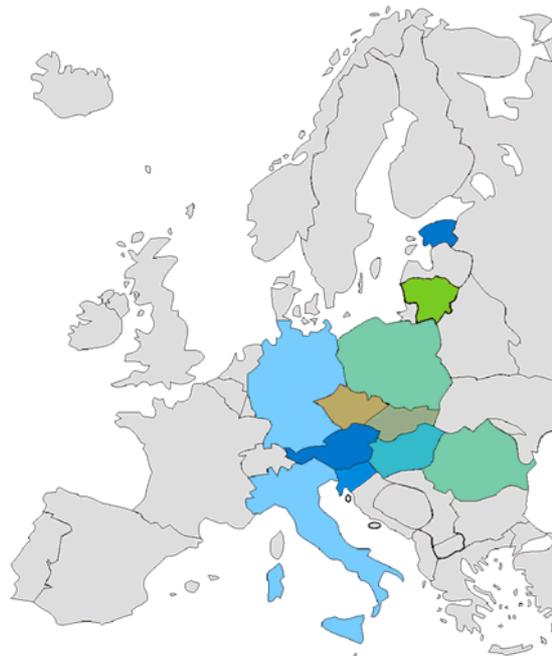
Project: BABROC

Support to the restructuring and strengthening of cattle producers' and breeders' associations as business representative organisations in Central and Eastern Europe

FINAL REPORT

By the Project Co-ordinator

15 January 2001 - 15 January 2003



Rome, Italy, January 2003

INTRODUCTION

1. The project "Support to the restructuring and strengthening of cattle producers' and breeders' associations as business representative organisations in Central and Eastern European countries - BABROC" was initiated and designed by representatives of interested national associations from the European Union (Austria, Germany and Italy) and CEE countries (Czech Republic, Estonia, Hungary, Lithuania, Poland, Romania, Slovakia and Slovenia) and the European Association for Animal Production (EAAP).
2. The aim of the project was to assist national cattle producers' and breeders' associations from eight EU candidate countries (CC) to adjust their structures and activities to *acquis communautaire* and to improve services provided to their members by establishing a network of cattle breeders' associations. It also aimed at strengthening co-operation between EU members and candidate countries.
3. The basis for the submission of the project proposal to the European Commission for funding was the perspective entrance of a number of CEE countries in the European Union and the 50 year old co-operation in the field of animal production carried out under the aegis of EAAP.
4. The interest of the European Commission in providing grants for the project has been recognised in having the cattle production and breeding sub-sector in CEE candidate countries prepared for a smooth integration in the EU system once the admission of the relevant country has become operational.
5. The Central and Eastern European EU candidate countries were interested in adjusting legal and institutional setting of the cattle breeding sub-sector with the EU legislation. On the other hand, an improved capacity of business representative associations to provide assistance to business operators was expected to foster the implementation of norms and procedures aimed at meeting EU quality requirements and thus facilitate the access to the EU market and the *acquis communautaire*.
6. The project covered dairy and beef cattle breeding and production as a sub-sector which is organised and functions more or less in a uniform manner in all EU and the major part of CEE countries. The dairy and beef industries of the 10 CEE candidate countries to the EU are of paramount importance to their farming sector. The productivity is still low (3.500 kg per cow and year compared to 6.000 kg per cow and year in the European Union) while the farm structures vary from small herds and family farms to large herds and commercial dairy and beef operations.
7. The attainment of the project objectives has been pursued through the implementation of the approved work programme which, although not being substantially changed, was implemented on a selective basis in accordance with specific needs and requests of CC Partners.
8. The EU Partners played a key role in providing expertise and in hosting some of Project activities. Expertise available in CEEC Partners as well as within other EU countries was also utilised in supporting national and international training activities. Reliance on international expertise of specialised national and international organisations, such as French Charolais and Limousin Federations, ICAR and its INTERBULL Sub-Committee, European Holstein Federation, other European breed associations, contributed to the quality and relevance of the Project operations.

9. The Project enjoyed strong political support both at national and the Community levels which was also reflected in the high level attendance at some of Project operations (e.g. Commissioner Franz Fischler, Italian Minister G. Alemanno, high officials from national authorities).
10. The contract between the European Commission, DG Enlargement and EAAP regarding the provision of the EU grant was signed in December 2000. The EU grant in the amount of Euro 999.999,00 representing 68,99 % of the estimated total eligible cost was accorded in December 2000 (Euro 608.777,00 equivalent to 42% of the total eligible cost) and in February 2001 (Euro 391.222,00 or 26,99% of the estimated eligible cost). The remaining 31,01% of the total eligible cost was covered by Project Partners.
11. The implementation of Project Operations physically started on 15 January 2001, that is 30 days after the signature of the contract. On 22 February 2001, the amount of Euro 243.510,00 - as the first part of the grant for the first year of operation was transferred by the Commission to the special project account. The second part of the grant in the amount of Euro 156.485,00 was transferred on 18 April 2001. The third part (Euro 449.996,00) was transferred on 3 June 2002 after the submission of the Intermediate Report by the Project Co-ordinator.
12. The EU grant was utilised mainly for human resources, international travel and purchasing of equipment, while the in kind contribution of the Project Partners was mainly in the form of local salaries, local costs of training courses, publications of training and information material, local transport and office costs. The Project Partners - officials and the staff of breeders' associations and their individual members participating in the project operations - have contributed over 3.000 working days and about one million km. of individual travel. The *in kind* contribution of the Project Partners made it possible to organise 57 (instead of 32 planned) national and 9 (instead of three planned) international training activities and workshops.
13. At the end of the Project operations, Partners evaluated the Project by comparing their expectations and the Project objectives with results attained. They considered that the major part of Project objectives were reached and expressed the satisfaction with the way the Project was managed. The EU Phare support was highly appreciated.
14. The Project Partners were of the view that the Project significantly contributed to the development of the legal framework, structures and functions of cattle breeders' associations in CEEC as business support organisations. The transfer of information on Acquis Communautaire in the field of cattle breeding facilitated the participation of representatives of breeders' associations in the preparations of candidate countries for the integration with the European Union.
15. They considered that the Project contributed to the process of establishing the representative associations in Estonia and in Slovenia, to transfer of support services from the state to breeders association in Poland, to an increased capacity of Partners and Associate Partners from CC to provide business support services to cattle industry in their respective countries and to improvements in quality of these services.

16. All Partners underlined the need for the continuation of the similar type of co-operation and the continuation of the EU technical and financial support to up-grading cattle industry in candidate countries.
17. The Project was terminated at the joint meeting of the Project Steering Committee and National Project Co-ordinators held on 20 January 2003 in Berlin, Germany. The meeting approved the Draft Final Report by the Project Co-ordinator and initiated the establishment of the ***Business Support Information Network for the Cattle Sector*** as a permanent business support structure for the cattle industry in the European Union.
18. The present report has been prepared by the Project Co-ordinator in accordance with the Article 2(3) and 2(4) B of the Annex II of the Contract number 00-0308.00 of 21.12.2000 “General Conditions Applicable to European Community Grant Contracts for External Aid – Obligations regarding information and financial and technical reports”.
19. The report is composed of
- Part I - Executive Summary.
 - Part II - Summary Description of Operations.
 - Part III - Comparison of objectives and results attained.
 - Part IV - Concluding remarks and Post-Project activities.
 - Part V - Financial report - Explanatory notes.
- Financial Report.
Auditor's Report.
Annexes.
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PART I

Executive Summary

20. The first phase of the project operation included the national project inception workshops and national training activities on EU regulations and *acquis communautaire*, including the organisation and activities of breeders' associations, animal identification, marketing and trade in genetic material. The second phase was characterised by intensification of the international training activities and of internships.
21. The project operations started in January 2001 firstly through the overall initial preparatory activity then by the Project Inception Workshop which was held in Slovakia in February 2001 (Annex 1).
22. The **national training activities** included eight project inception workshops and fifty nine thematic workshops and training courses, namely:

Czech Republic (Annex 2)

inception workshop;
five thematic workshops - training courses on activities of breeders' associations, classification of beef cattle, marketing, milk quotas and sanitary regulations.

Estonia (Annex 3)

inception workshop;
four thematic workshops on activities of breeders' associations and cattle identification as well as a training course on upgrading AI services.

Hungary (Annex 4)

inception workshop;
five thematic workshops on organisation of breeders' associations, marketing of cattle,

cattle identification, classification and on beef production.

Lithuania (Annex 5)

inception workshop;
six thematic workshops and training courses on organisation of breeders' associations, market regulations, herd book keeping and on animal identification.

Poland (Annex 6)

four regional inception workshops;
eleven thematic workshops and training courses covering activities of breeders' associations in animal recording and cattle breeding, sire and cow evaluation and the privatisation of support services.

Romania (Annex 7)

inception workshop;
nine thematic workshops on cattle identification, EU veterinary requirements, restructuring of AI and other support services, including three training courses for inseminators, and on re-organisation of breeders' association.

Slovakia (Annex 8)

inception workshop;
two workshops on the organisation of a representative association, marketing and trade in cattle;
five sessions of the Working Group for Virtual Auctions Software.

Slovenia (Annex 9)

inception workshop;
eleven thematic workshops on the organisation and activities of breeders' associations, animal identification, EU market regulations, marketing of milk and beef, the EU regulations on PDOs, IGPs and other specialised products.

23. During the project life, some 3.000 persons attended national training activities. It could be assessed that in each EU candidate country 20 to 30 officials of breeders associations and professionals from specialised services for cattle production and marketing were trained in specific fields covered by the Project. Each participant received a certificate of attendance signed by the Project Co-ordinator and by the National Project Co-ordinator (Annex 10).
24. The national **publication activity** included translation and distribution of the teaching material (all CC Partners), publication of technical papers in specialised journals (all CC Partners) and production of technical booklets (Czech Republic) (Annex 11).
25. The **international training** activities were carried out in the form of restricted attendance international symposia, international workshops and international training courses. The restricted number of selected officials and experts from the CEEC Partners participated in the part of training activities related to the cattle production and breeding which were carried out by the Project Leader during the 52nd and 53rd annual meetings of EAAP as well as those carried out by Project Partners. In addition, some national workshops and training activities had also an international character being attended by a number of participants from other Project Partners.
26. A total of hundred and fourteen experts from CC Partners were trained through international training activities.
27. **The restricted attendance symposium on the future of the livestock services** in Europe was held in co-operation with a relevant EU Research DG Accompanying Measures project (EAAP-Scholarships 2001). Young scholars from academic institutions and officials from breeders' associations in the EU candidate countries - Project Partners - participating also at the 52nd EAAP Annual Meeting, attended on invitation the symposium. They also attended **the training course** on how to write and present professional papers and reports. The national Project Co-ordinators and members of the Project Steering Committee attended the **Round Table** discussion on the impact of globalisation on the animal production sector in Europe. The discussion was held during the 53rd EAAP Annual Meeting of EAAP (Annex 12).
28. The **international training course** on the **financial management** of breeders' associations held in Berlin 11-16 January 2002 was attended by 21 officials from candidate countries and 6 experts from EU Partners. The workshop was organised in two parts: lectures by German experts and case studies of the financial management of three German organisations carried out by participants from the candidate countries. Participants also attended the international workshop on **trade in animals products between EU and CEE countries** organised by the German Project Partner (Annex 13).
29. The **international workshop** dealing with **consumers' perception** of cattle products was held in Verona, Italy on 8 March 2002. It was attended by 72 specialised journalists, officials of breeders' associations and members of the Project Steering Committee. Mr. Franz Fischler, EU Commissioner and Mr. Giovanni Alemanno, Italian Minister of Agriculture, addressed the Round Table organised as the second part of the workshop (Annex 14).

30. The **international training course on cattle classification** for 26 chief classifiers from CC Partners was held in Salzburg, Austria, 26-29 June 2002 (Annex 15).
31. Twenty three classifiers from Project Partners (19 of which from CC) attended the European workshop on the **classification of Holstein breed**. Experts from CC Partners participated at the Slovenian workshop on animal identification. They also participated at the Baltic Animal Breeding and Genetic Conference (Annex 16).
32. The Slovenian Partner organised a week long training course for 19 young experts involved in **genetic evaluation of cattle** (Annex 17).
33. The national Project Co-ordinators and members of the Project Steering Committee also attended the East-West Agrarian Forum upon the invitation by the German Partner and the workshop "What does globalisation mean for the cattle breeding industry?" held in Berlin, Germany in January 2003 (Annex 18).
34. Proceedings of selected international activities (Verona and Budapest workshops) were published in **the EAAP Technical Series** (Annex 19).
35. The implementation of the **internship programme** started by the nomination of young experts interns from candidate countries and, by the selection of recipient institutions and tutors for interns in EU countries. Seventeen young expert from Czech Republic, Estonia, Lithuania, Poland and Slovenia were trained in institutions and organisations of the EU Partners during the total period of 129 working days. Tutors from EU Partners spent 80 working days in guiding and supervising trainees (Annex 20).
36. The three EU Project Partners (Austria, Germany and Italy), France, Greece, Sweden, United Kingdom and The Netherlands have seconded **high level experts** for a total duration of **388 working days**, out of which 304 WD were used by lecturers and trainers, 80 WD by tutors of young experts from CC Partners and 4 WD for the direct technical assistance. Czech, Romanian and Slovenian Partners experts were engaged 21 WD as lecturers (Annex 21).
37. Within the **networking and joint operations** the Project resulted in the establishment of the **Business Support Information Network for the Cattle Sector (BSIN)** as a **permanent business support structure** for the European cattle industry. The Network will act as a forum for the exchange of information on developments in the cattle industry in Europe (production, consumption, prices, policies affecting the sector).
38. The **Slovakian Partner** produced the software for virtual cattle auctions and for the exchange of information on available genetic material and/or finished products in participating countries as a tool for the improved trade in cattle in Europe. The use of the software will be opened to all interested breeders' and producers' associations (www.animal-market.com) (Annex 22;)
39. The **management of the Project** was carried out by the Project Leader and its Project Management Team in accordance with the Grant Contract, recommendations of the Project Inception Workshop and later, conclusions of the Project Steering Committee. The management team closely co-operated with the Partners and National Project Co-ordinators so as to ensure their full involvement in the determination of priorities and themes of particular interest as

well as their participation in covering a part of expenditures for national activities. The consistency in approaches and the adequate level of uniformity of procedures have been attained by the direct involvement of the Project Leader in all phases of Project operations. The **control of the quality** of operations was also ensured through the healthy financial management (Annex 23).

40. **Evaluation** of national activities was carried out at several levels. Participants at activities evaluated their respective associations Project Partners and the performance of trainers from the EU Partners. Experts from EU Partners and representatives of the Project Leader evaluated specific events activities (see Annexes 2 to 9).
41. The evaluation undertaken by Operational Monitoring and Assessment Service (**OMAS**) contributed to improvements in the management practices both at the Partners' and the Project Leader's levels. The Project Co-ordinator and the Chief Technical Officer participated at the evaluation meeting organised by the Phare Business Support Programme in Brussels (Annex 24).
42. The **auto-evaluation** was undertaken by all Project Partners at the end of the Project. It also served for defining the Project exit strategy and as the base for the establishment of the Business Support Information Network for Cattle Sector as a permanent business support structure of the European cattle producers associations (Annex 25).
43. **The Project Steering Committee** held four meetings during the Project life. It reviewed the implementation of the Project's operations, periodic and the final financial

reports and approved the programmes for the future periods (Annex 26).

44. All **information** on the Project, including four issues of the "**BABROC Newsletter**" (No 2 is only available in electronic form) and the teaching material, have been placed on the **EAAP web site** (www.eaap.org/babroc.htm). Examples of the training material (66 in all) developed during the Project have been placed either in PDF or original format for a total of about 12 000 Kb and made available in the site (www.eaap.org/reports.htm). The BABROC site had about 500 visits at 15 March 2003. Over 1 300 hard copies of the newsletters have been distributed to Partners and Associate Partners (including 700 copies for all participants at the 2001 EAAP Annual Meeting), media and participants at Project activities (Annex 27; see Annex 10).
45. Information on BABROC were placed in **general and specialised media** in Austria, Czech Republic, Estonia, Germany, Hungary, Italy, Lithuania, Poland, Romania, Slovakia and Slovenia (see Annex 10).
46. **Necessary equipment** (computers, fax machines, printers) have been purchased for the Project Partners (Estonian, Hungarian, Lithuanian, Polish, Romanian, Slovakian and Slovenian Partners) and the Project Leader for a total of Euro 40.876,76.
47. **Financial report** shows the expenditures following the budgetary lines as approved in the project budget. During the first year of operations, some 30 per cent of the EU grant has been spent mainly for national activities which were substantially co-funded by Partners and Associate Partners. The second phase of the Project - prevalingly international activities - was mainly financed from grant resources.

48. **Project exit strategy and post project activities** as approved by Project Partners will be based on the continuation of co-operation in the form of networking between the existing Project Partners and national and international associations, which have participated in the Project operations or have expressed the interest in joining the ***Business Support Information Network for the Cattle Sector***. The newly established Network is expected to complete the work on the establishing a system of the control of movements of cattle and cattle products in Europe, also as a contribution to improved **confidence of consumers and food safety (see Annex 26)**.
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PART II

Summary Description of Operations

Activity 1.0 Inception Workshops

1.1 Project Inception Workshop

49. The Project Inception Workshop held in Nitra, Slovakia, on 17 and 18 February 2001 was attended by 25 representatives of all Project Partners (Austria, Germany, Italy, Czech Republic, Estonia, Hungary, Lithuania, Poland, Romania, Slovakia and Slovenia) and EAAP as the Project Leader. Eleven representatives of the Slovakian Partner and Associate Partners also attended the Workshop.

50. The Workshop reviewed the project document established the Plan of Action for the next phase of the Operation implementation nominated the Project Steering Committee agreed on the evaluation procedure carried out a matching exercise of requests of CEE partners and offers by EU Partners

1.2 National Inception Workshops

51. In accordance with the Plan of Action and recommendations approved by the Project Inception Workshop, national inception workshops in CEE countries (except the workshops organised by the Slovenian and Romanian Partners) were held in connection with training activities on the EU regulations.

52. Workshops were attended by officials of breeders' associations, individual farmers and representatives of farmers' organisations, professional institutions and the state administration. National project co-ordinators presented the Project as well as the main

points from the report of the Project Inception Workshop.

53. Reports received from Partners indicated that the expected results (work plan and timetable, established contacts with EU partners at the operational level) were attained by the major part of workshops, particularly with regard to the establishment of contact with the EU Partners. The Slovenian and the Lithuanian workshops produced detailed work plans, while the other workshops were rather limited: the explanation of the Project's objectives and the type of activities were not followed by the precise and conclusive work plan.

54. Specific issues (e.g. working days of external experts) and requests (e.g. training of beef cattle evaluators) raised at inception workshops were brought to the attention of the Project Leader for action.

Activity 2.0 Training Activities on the EU Regulations and Acquis communautaire

55. The purpose of this part of the Project Operations was to transfer information on structures and activities of breeders' associations in the EU countries - what these associations are and what they do. In the course of operations and upon the request of CEE Partners, the scope was enlarged so as to include also modus operandi ("how they do it" or "how they implement their programmes"). Workshops and short training courses were organised in each of CEE partner countries for selected officers - members of governing bodies, the professional staff of cattle breeders' association and selected farmers.

56. The first part of national training activities focused on EU legislation and practices and on

Aquis Communautaire in the field of cattle breeding. The second part dealt with specific aspects of activities of breeders' associations in the EU countries, in accordance with interest and demands of the CEE partner concerned.

57. In general, this part of the project operations was carried out in accordance with the approved work programme. However, the CEE partners proposed some corrections aimed at meeting their specific needs and requirements, particularly in the field of functions and organisation of breeders' associations in the EU. This has resulted in an increase in number of workshops and seminars on the organisational and technical matters.

2.1 Organisation and Activities of Breeders' Associations

58. Training activities covered EU legislation and *Aquis Communautaire* relevant to the role and responsibilities of breeder's organisations and various solutions regarding the organisational forms, legal status and activities of the EU Project Partners. They included also training in the field of herd book keeping, herd management, performance recording and genetic evaluation.
59. This part of training activities represented the core of the Project Operations. It served the basic purpose of Operations: - organisation of breeders' associations in accordance with *Aquis Communautaire* and an increased capacity of Partners to provide services to its members.

Czech Republic

60. Five national workshops dealt with activities and support services provided by breeders' associations to their members. Themes

covered breeding and management of herds in the light of milk quotas, principles of suckler cow keeping under the EU conditions and classification of beef cattle. Two of them (suckler cow keeping and mastitis prevention through herd management) also included elements of sanitary requirements and regulations. The workshops were well organised and attended by a large number of professionals and farmers (attendance varied from 129 to 270 participants). Teaching materials were translated in Czech and distributed in advance. The presentation of a French expert (M. Caillaud) has been published in a local professional journal. The Beef Cattle Association produced a technical booklet on beef cattle farming and distributed it to its members.

61. Participants highly appreciated presentations made by Messrs. Tiex, Luntz, Schwarz, Schockenmohle (Germany), Caillaud (France) and Tolsma (Netherlands). Local experts from the Partner and associated partners as well as from the state institutions (Ms. Stranska, Messrs. Kvapilik, Bazant, Paulu, and others) contributed to workshops and presented technical papers and lectures. Discussion and questions raised by participants have shown that the Czech cattle producers were well informed on the basic EU regulations regarding milk market and quotas. Both associations of milk producers - Holstein and Red Spotted - are involved in the preparatory work relevant to the integration of their countries with the EU (legislation and technical norms).

Estonia

62. The Estonian Partner organised four workshops - training courses which focused on specific activities of breeders' associations in the field of animal identification, registration and herdbook keeping. The first one was

organised for the breeding specialists of the Animal Breeding Association of Estonia (ABAE) and for breeders and farmers involved in cattle identification, registration, herdbook and data processing. Dr. J. Claus (ADT, Germany) acted as the resource person from an EU Partner. Participants highly evaluated the usefulness of workshops. Recommendations made by Dr. J. Claus have been accepted as guidelines for the future work of the ABAE in the fields of animal identification, registration, herdbook keeping and animal recording.

63. Thirty Estonian classifiers were trained during a three-day course in cattle classification. The training course was organised in connection with the Estonian national cattle show and in addition to the theoretical part also included field demonstrations and practical work. Methods used in Germany were presented by Dr. C. Holste.
64. Sixty two AI technicians and veterinarians attended a two-day training course on cattle reproduction, including the influence of management practices on reproduction. The course led by Dr. E. Hasenpuch from Germany included also the marketing of AI services to clients.
65. One hundred eighteen farmers and technicians participated at the workshop on herd management for better health and reproduction under the leadership of a Dutch expert. The last workshop within the BABROC project was also used for the general evaluation of the past activities within the project and for exchange of views regarding the future co-operation among cattle producers-associations in the enlarged European Union.

Hungary

66. The Organisation and activities of Breeders' Associations workshop was held on 19 April 2001 in Budapest. It was attended by 33 participants (30 national and 3 expatriates). National participants were officials of breed associations and representatives of supporting services and research institutions. Experts from the EU Partners (Dr. F. Schmitt from Germany and Dr. J. Lederer from Austria) presented the structures and activities of their respective associations as well as the EU regulations in the field of cattle breeding. The President of the National Association presented the short history of the Hungarian breed societies and the present legal framework for functions of the national breeders' association.
67. Participants agreed that breeding and animal registration were basically non-profit activities of the broader social interest and that they should continue to be sustained by the state. The representative role of breeders' association was underlined as an instrument in presenting needs and problems of the sector to the state and other partners and defending interests of breeders. It was noted that in the EU marketing of products and other commercial activities were gaining importance in activities of breeders' associations and that they contributed to the financial stabilisation of organisations. The importance of professional and other co-operation with breeders' organisations from other countries was emphasised. The evaluation by participants showed that 13 out of 16 participants considered that the event has achieved its goals, two have marked "above expectations" and one "partly".
68. Fifteen members of the Hungarian Charolais Cattle Breeders attended the training course

on beef classification using the French type of linear scoring held in Budapest 14-16 May 2002. The course was lead by Mr. Y. Jehano (France). Eight participants have passed the practical exam.

Lithuania

69. The purpose of the first workshop was to familiarise Lithuanian cattle breeding experts with the BABROC project (the project inception part of the workshop) and with activities of cattle breeding associations in the EU. The latter was the base for defining future tasks and respective co-operative relations of Lithuanian cattle breeding associations including the transfer of tasks from state to associations. The workshop was attended by 23 participants - officials from breeders' associations and professionals from the state administration, supporting services and research institutions.

70. The presentation of experiences and regulations in the EU Partners (Dr. F. Schmitt, Germany) was followed by an intensive discussion. Participants noted that in spite of different organisational structures, the associations in EU member countries tend to develop more client-oriented services and to act more as a professional business enterprises.

71. In reviewing the Lithuanian situation, participants agreed that the AI services and associations were to co-operate in the execution of breeding programmes. With regard to the relations with recording organisations and with agricultural information services, participants underlined the need to clarify and define specific tasks of each institution involved in providing services to cattle producers as a base for establishing a

good legal framework and contractual arrangements.

72. The participants assessed the workshop as a useful exercise in support of on-going efforts aimed at adjusting the legal status and activities of cattle breeders' and producers' associations to the EU legislation. They also noted the great potential of associations in expanding services to their members and in acting as a business representative organisation.

73. Forty five Lithuanian experts together participated in the **Baltic animal breeding conference** which dealt with breeding objectives in the light of forthcoming entrance in the European Union. The conference noted that in a number of the EU candidate countries there was a high level of preparedness for the EU accession, particularly in the development of breeders' associations, although the transfer of livestock services from the state to associations has not been completed. A great number of small holders was mentioned as a serious problem both in countries with traditional small holder systems and in countries where such systems have been created in the past decade.

74. On 20 November 2002, twenty four officials and field experts of the breed associations, Ministry of Agriculture, Agricultural Information and Business Centre and the Animal Genetics Laboratory discussed legal aspects of herd bookkeeping and necessary adjustments with the EU legislation, financial issues and the shift from paper based to computer based technologies. Participants agreed that the existing system did not meet present requirements and that it should be reformed also in the accordance with the EU norms and practices. The training component

of the workshop was reflected in contributions of small working groups which prepared proposals for actions at the national level and at the breed levels.

75. A German expert (Mr. C. Holste) trained seven Lithuanian dairy cattle classifiers during a three day long training course in January 2003.

Poland

76. The Polish Partner organised four regional workshops on activities of breeders' associations in different regions of the country, four technical workshops on breeding and management of dairy herds, two workshops on international genetic evaluation and one central training course for 29 classifiers.
77. The basic purpose of the regional workshops on activities of the breeders associations was to assess the possible use of experiences from the EU countries in transferring support services from the state to the Association and in adjusting the legal status, structure and functions of the existing Association to the EU regulations. They also reviewed experiences and various solutions concerning the organisation of A.I. and funding of breeding and recording activities in EU countries.
78. The workshops were attended by officials of the Polish Cattle Breeders' Associations, representatives of local breeders associations and the national breed associations, professionals from the national breeding and recording services, and representatives from the Ministry of Agriculture, academic and research institutions. Participants have shown great interest for the German experience after re-unification and expressed appreciation for the presentation of EU practices and of the

work of ICAR including INTERBULL. They considered that workshops represented a substantial contribution to policy formulation at national level. Workshops were technically supported by Dr. A. Rosati from the Italian Partner (AIA) and the other two by K. Meyn from the German Partner (ADR).

79. Four regional technical workshops on breeding and management of dairy cows were supported by Mr. F. Tolsma from The Netherlands.
80. The central training course on cattle classification for 29 classifiers was organised on the occasion of the Poznan cattle show. Dr. E. Dadati (Italy) acting as judge at the show and a trainer contributed to the unification of European criteria in cattle classification.
81. Two workshops on the international genetic evaluation were organised in view of an ambitious national breeding programme aimed at increased productivity of the local black and white cattle population. Dr. U. Emanuelson (Sweden) presented the work carried out by the INTERBULL Centre in Uppsala, Sweden within the International Committee for Animal Recording (ICAR). Participants noted the limited access to the Polish lists of bulls evaluated by the INTERBULL and criticised the lack of transparency in the work of the national breeding services. Immediately after the workshops, the National Centre for Animal Breeding published the list of Polish bulls at the web site of the Institute of Zoo-technology in Balice.

Romania

82. The Romanian Partner and Associate Partners focused on improving services to their members in the field of artificial insemination

(A.I.) and in increasing the number of farms and animals included in genetic improvement programs. It organised eight workshops on activities of breeders associations, including three training courses for inseminators.

83. Participants at workshops noted that the continuous decline in the percentage of farms and cows covered by A.I. services was due to the existing farm structure (1 to 2 cows per farm) and the deterioration of the economic position of milk producers. Better organisation of work of local inseminators and the adequate use of revolving funds (provided by a German bilateral project) resulted in substantial improvements in the work of local producers associations in several counties. It was agreed that the experience from the most advanced counties should be extended to other associations.

84. The project activities are closely co-ordinated with those carried out within the existing German bilateral project on up-grading A.I. services, so as to avoid duplication and to provide for a more efficient use of resources. Two years of the Project activities aimed at improving the A.I. services resulted in the 10 per cent increase in first inseminations in four Associate Partners.

Slovakia

85. Representatives of breed associations (Holstein, Simmental, Pinzgau, Brown, beef breeds), Ministry of Agriculture, service institutions and the Agricultural University discussed the options regarding the organisational form, legal status and functions of an umbrella representative association of cattle breeders and producers for Slovakia. They also reviewed organisation, activities and experiences of Austria (Dr. E. Potucek), Italy (Dr. A. Rosati) and Germany (Dr. F. Schmitt)

and their relevance to the establishment of a national organisation in Slovakia.

86. Proposals for functions of a national representative association and modalities of transfer of support services from the state to non-governmental entities were reviewed. Representatives of breed associations expressed the view that their respective organisations should retain their legal status within the new federation. The representative of the Ministry of Agriculture clearly supported the idea of establishing a national representative organisation of cattle producers and breeders which would also act as a social partner to the Government and other components of the civil society.

87. Participants agreed to establish the Slovak Federation of Cattle Breeders (SFCHD) and for this purpose they nominated a work team composed of representatives of breed associations with a view to producing relevant documentation and proposals for the legal status and profile of the new National Federation.

Slovenia

88. Over 100 breeders, representatives of local breeders associations, farmers' union and state administrations reviewed the role, activities and competence of breeders' associations in the EU as presented by experts from Austria, Germany and Italy. Representatives of the Association of Cattle Breeders of Slovenia, Ministry of Agriculture and Biotechnical Faculty presented the current state, problems and future activities of the Association and of supporting services.

89. The existence of two organisations both claiming the representative status as well as a unclear status of local societies and breed

associations were found as the main obstacle for the establishment of a national representative association. Participants agreed on the need to establish a national representative organisation whose task would be to lobby and negotiate with social partners in defending the interests of the industry, while breeding objectives and programmes could be carried out by breed associations.

90. In evaluating the event, participants gave the highest marks to international lecturers, relatively high marks to national speakers and presented comments regarding the organisation of the workshop (translation of working documents into Slovenian, low quality of the simultaneous interpretation, etc).
91. Seventy breeders and experts participated at the workshop on experiences of Dutch cattle industry in fighting consequences of the BSE crisis (03 December 2001). The second part of the workshop (05 December 2001) dealt with activities and programmes of Dutch service organisations in fields of animal breeding and farm management.
92. Sixty eight breeders and experts participated at the training workshop (lectures and practical work) on linear scoring of conformation traits and animal selection based on exterior scoring of different cattle breeds. The practical part took place at the cattle show held in connection with the major agricultural exhibition in the country (22 March 2002, Domzale and 23 March 2002, Kranj). The workshop was supported by experts from Austria (Drs. H. Tanzler, R. Pichler and R. Pflieger), Germany (Drs. C. Holste and S. Rist) and Slovenia (Dr. M. Cepon).
93. In November 2003, experts from the cattle sector support services and a number of

farmers attended three workshops on herd management for health and high productivity. The workshop reviewed Dutch and other West European experiences in cattle breeding and nutrition of various categories of cattle.

2.2 Marketing and Trade

94. Experiences of the EU Project Partners in marketing and trade in genetic material and slaughter cattle, in addition the EU rules governing intra-community trade and trade of genetic material with third countries including the animal health requirements for live animals, semen and embryos were the main subjects of this part of training. Some workshops, upon specific requests of the CEE partner concerned, included marketing of breeding material and cattle products and the system of auctions. CEE Partners which were not active in marketing and trade included basic information on these subjects under the point 2.1 above.
95. The **Hungarian** workshop on marketing and trade in cattle and breeding material reviewed German and Austrian experiences (30 October 2001) in developing commercial activities of breeding organisations. It was attended by 60 participants. Messrs. Kahle (Germany) and Potucek (Austria) presented experiences of their respective associations in representing interests of their members, marketing their products, as well as in the organisation of expositions, fairs and cattle shows. Mr. Molnar (Hungarian Beef Cattle Association) presented experiences of the his organisation which was the only one to develop entrepreneurial activities in Hungary. Among others, participants discussed the possible impact of commercial activities on the basic technical work which until now characterised the Hungarian breed associations. Proceedings of the workshop

have been published in 9 000 copies in the Hungarian Animal Breeders' Journal.

96. Particular attention was given to the possible utilisation of traditional auctions in the trade in breeding material from and for larger enterprises which usually demand or offer groups of animals instead of individual ones. For these and similar situation models developed by German organisations from the Northwest part of the country (e.g. the use of modern communication technologies in marketing) were considered to be of particular relevance. The workshop also reviewed the first experiences in marketing beef from the specialised beef producing units.
97. The training workshop for 23 breeders and officials of associations dealt with **cattle marketing and trade** (9 May 2002, Kaunas, **Lithuania**). Conclusions and recommendations were drawn from the comparisons of cattle marketing and trade in Lithuania with the situation and practices in EU countries. Dr. R. Strassenmeyer (Germany) presented German herd book society marketing system, ex-farm marketing, advantages of auctions and export marketing.
98. The **Slovak** workshop on activities of breeders' associations included marketing of breeding material and other products, including the system of auctions. Participants reviewed the Austrian experience in trade in breeding material and other categories of cattle as well as a proposal for the establishment of a specific auctioning system based on informatic technologies. Experts from the Agricultural University, Nitra, presented a model of virtual - electronic - auctioning as the most economic and technically feasible solution for local conditions, i.e. a small number of specialised producers accustomed to buying not individual animals but a group of animals of the same

category. The proposal for inclusion of marketing of cattle in the future activities of the national association would be further developed and examined in co-operation with experts from EU partners.

99. The Working Group established by the Slovak Partner and Associate Partners met six times in working sessions to develop the software for the virtual cattle auctions.
100. The software for **virtual cattle auctions** was presented at the 4th Meeting of the Project Steering Committee as a tool for the trade in cattle at the national and international levels. The software will be offered to the future European business support structure for use in trade in cattle at European level.
101. The **Slovenian** Partner organised two workshops on marketing and trade in cattle and cattle products. They analysed Bavarian (German) and Austrian experiences in organising milk producers and in marketing of milk products, as well as the Italian system of marketing beef cattle and beef. Particular attention was paid to the price policy and the EU regulations in this field. The external experiences were compared with the Slovenian situation characterised by a big number of small producers. In this respect, it was emphasised that the better organisations of producers would strengthen their bargaining power. In addition, it was felt that the on farm sale of "local" meat and milk products was one of possible solutions for a better economic position of small producers.

2.3 Identification and Registration

102. EU regulations and various technical solutions for animal identification and registration as well as experiences in these fields in the EU partner countries were discussed by local

experts from CEE partners and resource persons from the EU partners. Particular attention was paid to the reconciliation of requirements relevant to animal breeding with the those relevant to the efficient sanitary control including traceability, control of movements and the origin of live animals and animal products.

103. At the time of the beginning of the Project Operations, the identification and registration of farm animals was either completed or well advanced in the major part of participating CEE countries. Therefore, the main scope of this activity was in the exchange of experience and in improvements of national systems. For some countries, it served also as a practical training in the implementation of national legislation in this field.

104. The special workshop on cattle identification and registration (including the traceability aspects) held in **Slovenia** was attended by 112 invited breeders, representatives of local breeders' associations, farmers' union, Ministry, professional and academic institutions. In addition, representatives of Partners from the **Czech Republic, Hungary** and **Lithuania** also attended the workshop. Experiences from Germany (Dr. Porzig on the introduction of cattle identification in a new Länder), Austria (Dr. Eva Scheiflinger on the use of identification systems in provision of EU grants and subsidies) and Italy (Dr. P. Fraddosio on cattle identification and labelling of beef) were discussed together with the first experiences of Slovenian breeders in the implementation of the national programme for animal identification and registration.

105. The Slovenian Identification Services presented the work so far done in the country and replied to queries raised by breeders. It prepared an informative manual for cattle

identification and distributed it to participants. The workshop agreed on the need to introduce the system of product identification and labelling so as to ensure traceability, better market position and the protection of consumers.

106. Two workshops on activities of breeders' associations held in **Estonia** (Rapla, 9-10 July 2001,) focussed on the practical use of animal registration and registration in herdbook keeping, genetic improvement and farm management.

107. Changes in the national legislation and the need to adjust the identification and registration systems in **Lithuania** were the themes of the special workshop held in December 2001. Twenty two officials from the association, the state breeding and veterinary services reviewed the existing system in Lithuania and agreed on the need to develop the national identification and registration system according to the EU norms.

108. The **Hungarian** National workshop with foreign participation dealing with identification and registration of cattle and other domestic animals was held in Budapest on 7-8 June 2002. It was attended by 116 participants (out of which 13 participants from 5 countries). Three national (Messrs. Zsilinsky, Radoczny and Hajduk) and two international (Ms. Marjana Drobic - Slovenia and Mr. Ulrich Kraus - Germany) experts compared the Hungarian systems in animal identification with situation in the European Union and with experiences of another CC country (Slovenia). Participants noted that the EU system is evolving and that CC countries needed an additional support to develop and improve their national systems.

109. The **Romanian Partner** organised two training workshops on cattle identification (14 June and 4 October 2002). Seventy six participants reviewed experiences from the implementation of the cattle identification and registration programme in the country (700 000 head identified and registered). The practical part of the workshop included also the identification of 700 heads of cattle by participants.

2.4 Market Regulations and Sanitary Requirements

110. Workshops on the EU market regulations regarding the trade in live animals, meat, milk and animal products, including sanitary regulations and requirements were held for the staff and experts of the Czech, Slovenian and Romanian Partners. The Slovenian Partner included regulations regarding production, marketing and protection of typical local products in the programme of its workshop.

111. The **Czech Partner** organised a workshop on the EU veterinary and sanitary requirements for animal production and regulations regarding the use and application of veterinary drugs. The workshop also reviewed the most salient problems affecting the health of cattle in the EU. Presentations were translated and distributed to participants which facilitated discussion and comparison of the existing practices in EU and the Czech Republic.

112. The workshop dealing with problems of specialised beef production reviewed also the sanitary aspects and requirements for production of safe and quality beef.

113. A workshop on regulations regarding quality and tipicity of registered and protected products (PDO, IGP) was held on 10 April 2001 in **Slovenia**. It was attended by 28 specialists from food processing industries

(milk and meat), Ministry of Agriculture, Institute for Standardisation and the Faculty for Bio-technology. The workshop was accompanied by an exhibition, tasting and evaluation of typical local meat and milk products. Participants were acquainted with the EU legislation and the procedures for the registration of "typical local products". Lectures and presentations (Prof. J.G. Boyazoglu, Project Co-ordinator and chairman of the EU Scientific Advisory Committee, Dr. Rencelj and Prof. Perko, Slovenia) were followed by a long discussion on possibilities for registering and protecting typical Slovenian milk and meat products upon the entry of Slovenia in the EU.

114. A 70-page Manual was distributed to all participants. All participants considered the workshop as an important contribution to the integration of the Slovenian cattle production sector to the European Union.

115. The **Romanian Partner organised** a national workshop for officials of association and the Ministry of Agriculture on the EU norms regarding veterinary and sanitary requirements, including animal welfare and identification.

Activity 3.0 International training and internship in the EU Partner Organisations

3.1 International workshops and training courses

116. The purpose of the international training courses was to train officials and staff of breeders' associations from CEE participating countries in specific skills relevant to the management and specific functions of breeders' associations.

117. In addition to the three international training courses planned in the Work Programme, the Hungarian and Slovenian Partners organised two training courses on classification and on genetic evaluation respectively. Two national training workshops had also an international component: experts from the Czech Republic, Hungary and Lithuania participated at the Slovenian workshop on animal identification, while a Slovenian expert acted as a lecturer at the Hungarian workshop on identification.
118. **The international training course on the financial management** of breeders associations was held in Berlin, Germany, 11-16 January 2002. 21 officials from eight CEEC Partners attended the workshop and produced case studies on the financial management of German breeders' associations and service organisations. The method applied in this workshop was highly appreciated by all trainees. Participants also attended the workshop on **trade in animal products between CEEC and the EU** organised by the German Partner in co-operation with the Humboldt University of Berlin.
119. The **international workshop** dealing with **consumers' perception** of cattle products was held in Verona, Italy on 7 March 2002. The workshop also discussed the impact of the implementation of CAP in the potential new members of the European Union. It was attended by 72 specialised journalists, officials of breeders' associations and members of the Project Steering Committee. Mr. Franz Fischler, EU Commissioner and Mr. Giovanni Alemanno, Italian Minister of Agriculture, addressed the Round Table organised as the second part of the workshop.
120. **Commissioner Fischler** in his address underlined the need for all operators in the food chain based on cattle production to understand elements influencing the public image of the sector. Consumers have started to pay growing attention to sanitary and health aspects of food and traceability of products and it was not only the product but also the way in which it was produced that determined the consumers' behaviour. These factors represent an additional economic burden to cattle producers and they should be taken into account in the Community and international policies.
121. **Minister Alemanno** noted that the cattle sector in Italy, representing over 50% of the total value of the animal production, was in the process of recovery and thus regaining the confidence of consumers after various sanitary emergencies. He commended the role of AIA - the Italian Project Partner - as a technical body and as a social partner in the country. He also underlined the capacity of AIA to act as a partner to associations from the EU candidate countries.
122. The **international training course on cattle classification** for 26 chief classifiers from CC Partners was held in Salzburg, Austria, 26-29 June 2002. The course started with the presentation of the theory of linear traits and the basic information on the breeding value estimation of linear traits. The practical work was undertaken at Maishofen where participants classified 32 cows. Austrian (Drs. E. Potucek, J. Lederer, Ms. Egger Danner, H. Solkner, R. Winkler, A. Posseger, T. Sendlhofer) and German (Dr. S. Rensburg) experts acted as practical trainers and lecturers. All trainees have passed a practical exam in cattle classification. They highly appreciated the organisation and the professional level of lecturers and trainers.
123. Twenty three classifiers from Project Partners (19 of which from CC) attended the European

workshop on the **classification of Holstein breed**. The workshop was organised by the European Holstein Federation and the Hungarian Project Partner.

124. The Slovenian Partner organised a week long training course on **genetic evaluation of cattle** for 19 young experts from CC Partners and Austria. The course was lead by Ms. Milena Kovac (Slovenia) in co-operation with Ms. S. Malovrh and Drs. E. Groenveld and R. Fischer (Germany).

125. The Project Leader tried to use other opportunities, such as its Annual Meetings or international events organised by the EU Project Partners, for additional exposure of officials of breeders associations from candidate countries to experiences of the EU Project Partners as well as of other developed market economies. As it was reflected in the evaluation reports prepared by CEE Partners, participation in international professional events - symposia, workshops and seminars - strengthened their belief in the co-operative approach at international level.

126. An international symposium **on the privatisation and the future of the animal production services** (August 2001, Budapest, Hungary) reviewed the global situation and trends in the development of in the various parts of the world with special reference to Central and Eastern Europe. The symposium was attended by officials from the BABROC Project Partners and a selected number of young professionals (19) from CEE countries. This activity was co-funded by the EU Research DG Accompanying Measures project EAAP-Schol-2001 and combined with the EAAP Annual Meeting so as to decrease costs.

127. The national Project Co-ordinators and members of the Project Steering Committee attended the **Round Table** discussion on the impact of globalisation on the animal production sector in Europe which was held during the 53rd EAAP Annual Meeting of EAAP in September 2002.

128. They also attended the **East-West Agrarian Forum** upon the invitation by the German Partner and the workshop **"What does globalisation mean for the cattle breeding industry?"** held in Berlin, Germany in January 2003.

129. Proceedings of selected international activities (Verona and Budapest workshops) were published in **the EAAP Technical Series**.

3.2 Internship

130. **Seventeen young experts** from the **Czech, Estonian, Lithuanian, Polish and Slovenian Partners** spent **129 working days** at internship - practical training in the service organisations in **Austria, Germany and Italy**. Tutors from the recipient organisations in EU Partners utilised 80 working days for supervising and guiding of trainees. The main fields covered by the internship programmes were the management and funding of breeders' associations in the EU, the implementation of cattle breeding programmes and genetic improvements.

131. Each trainee submitted a short report to its association, while tutors reported on the success of the internship.

132. The total number of trainees was lower than planned and expected. This is mainly due to the communication problems - lack of language skills on the side of potential candidates as well as due to the lack of experience in

handling this type of operation on the side of some EU Partners.

Activity 4.0 Secondment of experts

133. The three EU Project Partners (Austria, Germany and Italy), France, Greece, Sweden, United Kingdom and The Netherlands have seconded **47 high level experts** for a total duration of **388 working days**, out of which 304 WD were used by lecturers and trainers, 80 WD by tutors of young experts from CC Partners and 4 WD for the direct technical assistance.
134. Five Czech, Romanian and Slovenian Partners experts were engaged 21 WD as lecturers.
135. The performance of the seconded experts was evaluated by the CEEC Partners and participants at the training activities. In general, all participants in the Project activities and CEEC Partners highly appreciated the contribution of EU experts.
136. The secondment of experts from EU to CEEC contributed to the strengthening of the direct contacts and bilateral co-operation between organisations and institutions from the EU member and the EU candidate countries. It also helped experts from the EU member countries to improve their understanding of problems of the cattle industry in the EU candidate countries.
137. During the Project Operations, national project co-ordinators in CEEC Partners were encouraged to utilise seconded experts also for the direct technical assistance, but, as it appeared, preference was given to the training of local experts.

Activity 5.0 Networking and joint operations

138. Elements of networking and joint operations between Project Partners as well as between the other European national associations which did not participate in the Project permeated a good part of project operations. This was reflected primarily in the inclusion of resource persons from other EU countries in operations, growing reliance on the expertise available in CC Partners and the development of software for the trade in cattle.
139. The need for networking and more intensive exchange of information among all stake holders in the cattle industry chain - research, services, production, processing, marketing - was confirmed by National Project Co-ordinators, Project Steering Committee and national experts attending the Verona workshop on consumers perception of cattle products. Participants considered that BABROC Partners represented a core and a point of reference for the future self-supporting business support structure.
140. The outcome of this part of the Project operations was the establishment of **Business Support Network for the Cattle Sector** as a permanent business support structure for the cattle industry in Europe. The **Network** was established at the meeting held in Berlin on 20 January 2003. It was proposed that the Network should function within the EAAP as a working group of the EAAP Council.

Activity 6.0 Project Management

141. As a follow up to the Inception Workshop, the Project Leader produced and distributed the plan of action for the year 2001 and the operational budget showing the expected expenditures for each of the activities. It completed the adjustment of the internal

organisation within the EAAP Secretariat acting as the central managerial structure (recruitment of a part-time clerk, adjustments in accounting procedure, approval of internal regulations regarding the official travel, purchasing of necessary office equipment).

142. Adjustments in accounting procedure were undertaken in co-operation with an external accounting firm, the Project Auditor and in accordance with the EU regulation and practices, as advised by the competent services in the European Commission. Experience and suggestions made by our EU Partners greatly contributed to the successful completion of the establishment of the Project management structure and procedures.

143. The second annual plan of action was approved together with the Intermediate Report which was sent to the EU Phare Business Support Programme. The work Plan for the 2002 focused on the completion of national training activities, intensification of international training and internship of CC experts in EU Partner organisations.

144. Activities of the Project Leader included:

- organisation and establishment of the Project Management Team at the EAAP Secretariat;
- preparation and servicing of the Inception Workshop and four meetings of the Steering Committee;
- preparation and implementation of the operational budget and work plan;
- preparation and implementation of international activities (international workshops and symposia, internships and secondment of experts);
- administrative and professional support to national project activities (approval of workshops and training activities, participation in the selection of experts for

- secondment to CEEC Partners, approval and disbursement of meeting costs, etc.);
- control and evaluation of national activities including the evaluation of performance of resource persons from EU Partners;
- preparation and submission of the Intermediate Report January 2001-January 2002;
- contracting services with Partners and disbursement of funds to CC Partners in support of national activities;
- approval and control of the purchasing of office equipment for CEEC Partners.

145. The **Project Steering Committee** held four meetings. At the first meeting, (29 August 2001) it reviewed the implementation of the Project, approved the report on activities during the first period of the Project and the programme of activities for the period July 2001 - June 2002. It also discussed the participation of Partners in the process of management evaluation undertaken by OMAS for the European Commission. The second meeting (9 March 2002) requested the Project Leader to prepare a draft of an auto-evaluation questionnaire. Comments and suggestions made by Partners have been included into the second draft and the final form of the questionnaire was approved at the third meeting of the Project Steering Committee (2 September 2002). The questionnaire was used by Project Partners as the base for their assessment of the attainment of the Project objectives. The fourth meeting of the Project Steering Committee approved the Final Report for the submission to the Phare Programme of the European Commission and proposal for the establishment of the **Business Support Information Network for the Cattle Sector**.

146. The Project Steering Committee also monitored the implementation of the financial

plan and the Project expenditures as approved in the Project budget. Financial matters and the reports on the state of expenditures were on the agenda of all meetings of the Project Steering Committee.

147. All national project activities were attended by members of the Project Steering Committee and by a representative of the Project Leader. International activities were carried out by the Project Leader in close co-operation with the Partners hosting the respective operation (e.g. the Hungarian Partner - a symposium on the future of service activities, the German Partner - a workshop on the financial management).

148. The Project Leader tried to involve CEE Project Partners in all phases of the Project operations. An attempt was made to develop a decision making process based on consensus and respect of specific needs and situations of each Partner. This, together with the co-financing of activities by CEEC partners contributed, in our view, to a strong feeling of **ownership of the Project by the Partners.**

149. The Project has been placed on the EAAP web site (www.eaap.org/babroc.htm) with information on project activities, including 66 sets of the teaching material developed during the Project (in English, German and Italian). The teaching material has been placed either in the PDF or in original format for a total of 12 000 Kb (www.eaap.org/reports.htm). The BABROC site had about 500 visits (at 7 February 2003).

150. A total of 1.300 hard copies of the three issues of the BABROC Newsletters have been produced and distributed to Project partners and to interested national and international institutions and organisations including those during the EAAP Annual Meeting. The

Newsletters are available in electronic form on the BABROC web site (www.eaap.org/results.htm).

151. Activities of the Project were placed in general and specialised media in the Czech Republic, Hungary, Slovakia and Slovenia. Specialised publications for cattle producers in these countries translated and published a part of the technical papers submitted at the national workshops. A special publication containing invited papers and the summary of discussion at the international symposium on the future of the animal production services in Europe was issued in February 2002 (EAAP Technical Series No. 2). Proceedings of the international workshop on consumers perception of cattle products in EU and in CEEC will be published in the EAAP Technical Series No. 4.

152. The Project was presented by the German Partner at the Berlin "Green Week" Fair in January 2002 and in January 2003. Information on the Project were also disseminated at the Verona Agricultural Fair in March 2002.

153. The EAAP governing and technical bodies, such as the EAAP General Assembly, Council, the Study Commissions and the Contact Group for Central Eastern Europe, have been directly informed on the Project activities. The EAAP Newsletter the international publication "Livestock Production Science" published regularly information on the Project.

Activity 7.0 Monitoring and evaluation

154. Regular monitoring and evaluation of national training activities was carried out by the Project Leader, members of the Steering Committee and by the independent experts who provided technical support to the specific activity.
155. A service for monitoring and evaluation of project management (OMAS) undertook the assessment of the project management upon request by EU Phare. The draft report of OMAS and the main recommendations of the debriefing held at the European Commission in Brussels were submitted to the Project Partners and to the Steering Committee for information and comments. Recommendations regarding contacts with COPA/COGECA have been taken into account in defining tasks and terms of reference of the ***Business Support Network for the Cattle Sector***.

156. An auto-evaluation on the outcome and the final results of the Project was undertaken in the period November – December 2002. Project partners were requested to review the auto-evaluation questionnaire approved by the Project Steering Committee at their respective concluding workshops. Corrections and assessment regarding the attainment of Project objectives as presented by Project Partners have been included into the Final Report.

PART III

Comparison of Objectives and Results Attained

157. The Project operations significantly contributed to the development of the legal framework, structures and functions of cattle breeders' associations in CEEC as business support organisations. This was attained through national training activities, international workshops and training courses, internships and the secondment of experts from the EU to CC Partners. The training activities served primarily for the transfer of information on Acquis Communautaire in the field of cattle breeding. They facilitated the participation of representatives of breeders' associations in the preparation of the legal framework and norms within the preparations for the integration with the European Union. They also provided a strong professional support to improvements in quality of services offered by the breeders' associations in Candidate Countries to their members. And, finally, it established a core of cattle business support structure at the European level – *Business Support Information Network for the Cattle Sector*.

158. The attainment of the basic Project objectives was country specific in accordance with requirements, situations and needs of each CC Partner. EU Project Partners as well as a number of associations from other EU countries greatly contributed to the success of the project operations.

159. Short term objectives of the Project were:

- a) the establishment of new and restructuring of the existing producers' and breeders' organisations and unions in

- CEE countries in accordance with the EU legislation and practices;
- b) transfer of the existing professional support activities and functions from the state to producers' associations;
- c) the establishment of a core of professional experts within producers'/breeders' organisations to carry out advisory and business supporting activities, as appropriate;
- d) the attainment of an increased capacity of breeders' organisations to provide services for business operators in cattle breeding sub-sector, such as
 - animal identification and registration in accordance to the EU legislation and practices;
 - integrated Artificial Insemination and Herd Books services;
 - collection, analysis and dissemination of information relevant to activities of its members;
 - access to the high quality breeding material from EU countries;
 - marketing of breeding stock and other cattle products, through auctions and other forms;
 - financial management;
 - investment planning.
- e) To design and implement EU-compatible quality policies and procedures at the production unit level including registration, protection and marketing of typical local products;
- f) To improve the capacity of national breeders' associations as business representative organisations in CEE countries to provide services to business operators in the field of cattle breeding and production to meet requirements of the Community acquis;
- g) To introduce management techniques in AI and other relevant operations;

- h) To develop partnership and co-operation between EU and CEEC breeding organisations in defining and attaining market oriented breeding objectives, data processing, breeding value estimation and
- i) To attain the traceability and full control of movements of cattle and cattle products by establishing a network of national information systems and relevant data bases, as appropriate.

160. Long term objectives as established in the Project document were:

- harmonisation of the legal framework, structures and functions of breeders' associations in CEE countries with those of EU countries;
- integrated – joint programmes in support of the sub-sector through networking and twinning arrangements;
- improved capacity of breeders' associations in CEEC in providing services to their members.

161. With regard to the attainment of the **short term objectives**, it should be noted that in some countries the main issue was the scope and function of a single federal national representative business organisation while in other countries, where such organisations were already established, the focus was on the increase in the quality of their services and functions.

162. The attainment of the Project objectives as reported by the CEEC Project Partners can be summarised as follows:

Czech Republic

Before the start of the Project, the cattle sector was organised in the Czech-Moravian Breeders' Corporation - a representative and service organisation of the animal industry - and three

cattle breed associations. The Project contributed to improvements in the business representative functions of the Project Partners and Associate Partners by providing a first hand information on functions of associations in the EU member countries and on CAP mechanisms relevant to the cattle industry. It significantly contributed to improvements in the administration of milk quotas, quality of products, institution building and market regulation - establishment of the intervention agency and in the organisation of milk recording and AI.

Estonia

Negotiations between the Estonian Holstein Association and the Estonian Red Cattle associations on the establishment of the single business representative organisation at the country level have been concluded during the Project life by the inscription of the new company in the Estonian Business Register. AI laboratory was certified in accordance with the EU regulation 88/407. The re-organisation of the AI system following the German and Dutch experiences (delivery of semen, leaflets and equipment to farmers, trained inseminators), better non-return rates and an increase in number of bulls in AI stations (from 52 to 92) were considered as the main achievements in improving services to farmers. The Project also contributed to the strengthening of economic co-operation with other Project Partners (export of pregnant heifers to Poland, joint mating programme with Lithuania).

Hungary

During the Project life, the representative role of the Hungarian Animal Breeders' Association (established in 1995) was significantly strengthened: as an umbrella organisation with 8 member organisations, it became member of the Agro-economic Council and the Forum for Reconciliation the Interest. It has also been

involved in the work of lobby organisations at the Hungarian Parliament. The Project Partner considered that information obtained through project activities would contribute to the implementation of the future plans, which include the establishment of a central information service, post-graduate professional training programmes and auctions for breeding animals and genetic material.

Lithuania

The main functions of the Lithuanian Holstein Cattle Breeders' Association - representing farmers' interests and providing services to its members - have been significantly improved. Its general role has been strengthened by developing the international co-operation and by representing its members at the international level. The Project contributed to improvements in herd book-keeping, cattle marketing and cattle classification. It also provided more in-depth information on the EU norms and legislation in the organisation of breeders' associations, the EU market regulation, sanitary and welfare regulations and animal identification and registration.

Poland

Since its establishment in 1989, the Polish Federation of Dairy Cattle Breeders functions as a representative body of the sector and actively co-operates with the Ministry of Agriculture in the transfer of support services (herd book keeping, recording, genetic evaluation, AI, etc.) from the state to producers' and breeders' associations. In July 2002, support services for the beef cattle production have been transferred to the Beef Breed Association. It is expected that the transfer of services to the Dairy Federation would be completed in 2003. The Project contributed to the better knowledge of the EU norms and regulations relevant to functions and organisation of breeders' associations and thus facilitated the process of

transfer of support services from the state to producers' associations. It also helped the Federation to strengthen its present services.

Romania

The Project assisted the General Association of Cattle Breeders of Romania in strengthening its representative role. Experience gained through the participation of national experts in the Project operations (national workshops and international training courses on artificial insemination, animal identification, cattle classification and genetic evaluation), contributed to improvements in support services (e.g. identification of 700.000 cattle, artificial insemination - a ten per cent increase in the first inseminations and other). The planned post-project activities of the Association include bull testing and AI services in co-operation with a German partner, establishment of a national network of commercial offices and participation in the implementation of the National Programme for Cattle Breed Improvement.

Slovakia

The cattle sector in Slovakia is organised in five breed associations, which are in charge of the herd book keeping, breed improvement and provision of services such as type classification, mating plan and extension. Other services are provided by the State Breeding Institute (animal recording, identification and genetic value estimation) and two stations for artificial insemination (AI). The Project has increased the awareness on the need for the establishment of a business support representative body for the cattle industry. As the first step, the Project Partner developed software for the virtual cattle auctions, which would be made at the disposal for the Slovak Associate Partners as well as to all interested BABROC Project Partners.

Slovenia

Before the start of the Project, there were six breed associations and two national associations of cattle breeders. During the Project life, a national representative association was established on the basis of local needs and requirements and with strong input from the Project. In this process, information on the organisation and functions of breeders associations in the EU and on the *Acquis Communautaire* were of the great importance.

163. As can be seen from the above, the Project supported and accelerated the establishment of a single representative organisation of cattle breeders and producers in ***Estonia and in Slovenia***. (2.a).

164. It also served as a framework for the transfer of production services from the state to the Breeders' Association in ***Poland*** (2.b).

165. Officials of all CC Project Partners were trained in ***financial management*** of breeders' and producers' associations as applied in the major part of associations in the European Union (2.d). However, training in investment planning was not undertaken in view of the fact that this type of services was not developed to the level that would justify the organisation of special training activities.

166. The Project has contributed to the **establishment of new and to the meaningful improvements in the existing business support services**, (2.c, 2.d, 2.e, 2.g) such as

the marketing of cattle and products (Hungary, Slovakia and Slovenia - marketing of special quality products), including the production of the software for local and international cattle auctions; animal identification, registration and traceability (Estonia, Hungary, Lithuania, Romania and Slovenia),

artificial insemination (Estonia - improved technologies and marketing of AI services, Romania - a 10 per cent increase in the first inseminations by the Associate Partners);

cattle classification (45 cattle classifiers trained in international training course including chief classifiers of the main breed associations; local training courses and demonstrations of cattle classification in Czech Republic, Estonia, Hungary, Lithuania, Poland and Slovenia);

breeding value estimation (19 experts trained at the international training course in Slovenia).

167. All CC Partners paid great attention to the problems connected to the **consumers' perception** of the cattle products, which included also the way in which the product has been produced. For this reason, almost all Partners requested more information on improvements in herd management (nutrition, animal welfare) and in breeding for animal health.

168. The Project contributed not only to the increased awareness on the need for radical changes in the approach to problems of the sector but also to the first encouraging actions at the national levels (Czech Republic: new breeding objectives in the light of milk quotas and the existing demand for cattle products, Estonia, Lithuania: development of client-oriented services), (2.e, 2.f).

169. In addition, the Project has already contributed to the improvements in professional co-operation and functional linkages between breeders' associations and support institutions from the EU and CEE countries (2.h) which led to the establishment of the ***Cattle Sector Business Support Network***.

170. The progress in the attainment of the Project objectives was uneven due to the variety of country situations and, in some cases, dynamic developments in fields included in the Project.

171. For example, in the period between the submission of the project proposal and the approval of the project, a number of countries participating in the Project intensified work in animal identification and registration. For this reason, the original scope of the project activities in this field was partly corrected by introducing elements of exchange of experience among CEE partners rather than limiting the planned activities to training of experts.

172. On the other hand, the establishment of single representative associations, as a long term process, in some cases also affected by the political considerations, could not be completed in all CEEC Project Partners during the Project life.

173. The uneven developments in the establishment of the functional identification and registration systems in Europe, as well as the short time and inadequacy of funds for such a large operation, did not permit the attainment of the traceability and full control of movements of cattle and cattle products by establishing a network of national information systems and relevant data bases. This task has been conferred to the new **Network** established by the Project.

174. Project has fully attained its long term objectives:

it contributed to the harmonisation of the legal framework, structures and functions of breeders' associations in CEE candidate countries with those of EU countries;

it established integrated – joint programmes in support of the sub-sector through networking and twinning arrangements - **Business Support Network for the Cattle Sector**, it improved capacity of breeders' associations in CEEC in providing services to their members.

175. In the auto-evaluation reports, Project Partners expressed full satisfaction with the work of the Project Leader and with the management of the Project. They considered that the implementation of all elements of Operations was, in general, in the line with the approved Work Plan and that the content of activities met their expectations.

176. Training workshops and courses on organisation and activities of breeders' associations in the EU Partners covered both organisational aspects (legal forms, management, services) and technical aspects on how to provide services to clients. Technical lectures demonstrated the professional level and quality of services provided by the EU associations to their members and this demonstration effect greatly contributed to improvements in the quality of service, or, at least, to the orientation of the CEEC associations in this direction.

177. However, some Partners noted that opportunities offered through internship were not fully used, perhaps due to the limited language skills of potential candidates from CC Partners. Almost all CC Partners used the seconded experts mainly as trainers and technical advisors and to the much smaller level as advisors in policy matters. In an effort to provide the highest level of the external expertise, the Project Leader and the EU Partners relied also on internationally renowned

experts active in the European and global scientific and professional organisations (EAAP, ICAR).

178. **In spite of problems presented above, the Project Co-ordinator is in a position to express a general satisfaction with the implementation of the Project's operations and with the results in attaining the Project objectives.**
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PART IV

Concluding Remarks and Post-Project Activities

179. The **Business Support Information Network for the Cattle Sector** established by the Project Partners will be the basic framework for future co-operation among Project Partners.

180. As mentioned above, the Network will operate under the aegis of EAAP and will be opened to all representative cattle breeders' and producers' associations from Europe.

181. An exchange of information to promote and facilitate business operations among breeders' and producers' associations was identified as a basic scope of the **Network**.

182. The **Network** will rely on studies and analyses produced by existing institutions and organisations. As an informal structure opened to all interested associations, it will promote the use of **Virtual Auctions and Information System** as well as improvements in the use of services provided by cattle sector support organisations at the European and global levels.

183. The Network will, subject to improvements and developments in the national identification and registration systems, promote the establishment of a European system for the traceability of cattle products as a contribution to the attainment of **food safety and consumers' confidence**.

184. Activities of the Network will be complementary to the existing representative structure at the Community level (COPA/COGECA), the existing European and international scientific and technical entities,

such as EAAP, ICAR/INTERBULL and the European breed associations.

185. With regard to other fields of co-operation, the programme of the Network will include the use of the EAAP web site for the exchange of information among participating institutions on cattle shows with all necessary data for farmers and breeders - visitors of these shows.

186. The EAAP Secretariat will provide administrative support to the **Network**. It will also establish the Network's web site and provide for its regular up-dating and functioning.

187. At the second meeting of the Network, planned for August 2003, representatives of COPA/COGECA will present to delegates from the cattle industry to the EU candidate countries functions and activities of COPA/COGECA that represent interest of the cattle sector at the level of bodies of the EU Commission. The Network will also discuss the state of cattle industry in Europe and activities of the international service organisations (ICAR/INTERBULL).

188. The Project established new and strengthened the existing linkages and partnerships between breeders' associations from the EU countries and the EU candidate countries from Central and Eastern Europe. It is expected that this would contribute to the integration of cattle industries from the EU candidate countries into the EU systems and to the improved economic co-operation.

PART V

Financial Report - Explanatory Notes

Budget item 1. - Human resources

189. The total number of units showed in items 1.1 and 1.2 corresponds to the real number of days necessary for the management of the project, while the unit rate is the mathematical result of dividing the total expenditure by the total units. We were obliged to use this approach due to the differences of the real unit rate paid in each country Partners.

190. Salary – expatriate were spent for the service contracts with the EU experts seconded to CEEC Partners. In spite of the fact that the level and particular competence of the major part of experts engaged could justify the application of the highest EU suggested rate, the Project Partners decided to apply the basic EU rate increased maximally by 10 per cent.

191. The expenditure for DSA is lower than planned, because Project Partners decided to apply reduced DSA rates (Euro 80,00 for EU countries, and Euro 120,00 – 150,00 for CEEC). The expenditures reflect the number and the type of activities undertaken at country level in CEEC. The reduction in DSA levels also contributed to an increase in the number of activities supported by EU experts and in the number of participants from CC in international training activities.

Budget item 2. - Travel

192. The total amount was used for the international travel of experts from the EU Partners to CEEC Partners and to the Project Leader as well as for the travel of interns and

participants at international training activities that took place in the EU countries. In spite of the extensive use of other means of transport (train, cars) as well as the use of cheapest air tickets, an increase in costs of air tickets since January 2001 and the fact that it was not possible to organise all national training activities during weekends so that the EU experts were to travel during week days and to use full fare tickets, justify the increase of expenditure under this item.

Budget item 3. - Equipment

193. Euro 43.424,36 were utilised to pay costs of necessary informatics equipment for CC Partners. The Project has significantly contributed to the almost complete informatisation of all CC Partners. CEEC Partners purchased all equipment themselves on the basis of three offers (submitted to the Project Leader for verification and clearance). Expenditures were reimbursed on the basis of invoices, but to the maximal limit of EUR 6.000,00.

Budget item 5. - Sub-contracting, services

194. It is to be noted that some 50% of costs of local seminars – workshops have been covered by CEEC Partners themselves and by the individual participants at these activities. Individual participants contributed some 2.500 working days of attendance at workshops and seminars and around one 500.000 km of local travel.

195. A part of funds under this item were used for preparatory work and studies for the **Business Support Information Network for Cattle Sector** which was established by Project Partners as the major form for future commercial and technical co-operation among Project Partners and other interested

subjects in Europe. The preparatory work and studies included the finalisation of the software of the **Virtual Auctions and Information System** for trade in breeding and slaughter cattle. The software was produced by the Slovak Project Partner and will be administered by interested national breeders' and producers' associations.

Budget item 9. - Office costs, overheads

196. The planned overheads (additional office space, communication, stationary) have been spent on a pro rata basis during the two years of the Operations to a maximum of 7% of the sub-total Direct Costs.

Concluding remarks

197. The total costs of the project operations amounted to Euro 1.440.817,48. This amount includes all eligible costs as well as the loss incurred by the Project Leader, which, as non-profit organisation, was not in a position to recuperate VAT for the purchase of equipment and for other eligible expenditures such as renting of meeting space. The total VAT non recuperated amounts to Euro 10.126,78 (0,76% of the sub-total direct costs) and has been included under the heading of contingencies.

198. The Project was implemented in the spirit of partnership and shared responsibility in the attainment of Project objectives. Principle of cost sharing and the full involvement of all Project Partners in planning and implementation of the Project were reflected in substantial contributions. Partners and associate partners contributed over 840 working days of their officials and staff members, while farmers and professionals involved in the cattle sector contributed over 2.500 working days of attendance at the national and international activities. Office costs, overheads, local travel, meals, translation and publication of training materials were also an important input from Project Partners.

199. At the beginning of the project operations, Partners have reached a consensus regarding the management of resources received from the EU and the level of eligible costs, such as DSA, service contracts, travel standards. This, together with their contributions, made it possible to organise much higher volume of activities with the involvement of key persons at national and local levels and their exposure to new experiences in the preparation for integration with the European Union.