

Agronet system - concrete relief or additional challenge for users?

Anton, Devčić

Regional Development Agency of Pozega Slavonia
County
Pozega, Croatia
e-mail: anton.devcic@gmail.com

Josip, Rajnović

Zagrebačka banka,
Zagreb, Croatia
e-mail: josip.rajnovic@gmail.com

ABSTRACT

Basing the development on EU funds is a very risky approach. The realization of financing ideas/projects through European funds is always doubtful and uncertain, and most importantly, do not depend solely on donor funds and its rules. Much lays at informing of stakeholders, and their ability to obtain information, to process and use information in a way to conclude what they need, how they can get that, and how it will be useful to them etc.. The current system of application of projects under the Program of Rural Development of the Republic of Croatia goes through Agronet system, which is supposed to be much simpler than the previous one. But the system of informing the stakeholders on the field is such that stakeholders are still not ready for independent preparation of proposals. This paper will present research that was conducted in 2017, by technique of online survey, in the area of Pozega-Slavonia County, among 30 examinee (wine producers). Research tells how they observe Agronet system, the concrete problems and challenges that they had in the application process, as well as in the whole process of getting information about relevant call for proposal.

Keywords

Agronet system, application, EU fund, capacities

1. INTRODUCTION – THEORETIC FRAME

The European Union's administrative and territorial organization, which places the emphasis on the regions, and the policy associated with the followed financial funds, which is heavily geared to the development of the region, is one of the reasons why the wider, and not only academic and professional community, deals with the topic of European Union funds. Clearly, such a financial distribution that places emphasis on cooperation, partnership, joint action, cross-border, raises questions about fund-targeted regions in the first row. Nevertheless, especially in the European Union, we have a strengthening of the region, and a conditionally diminished role of the central state.

The Westphalian solution amounting to centrally distributed help to poor countries is likely to be limited and aimed at promoting efficiency rather than convergence. This is not necessarily because the new member states are more neo-liberal than the old ones. However, flexibility and liberalization gives the new members comparative economic advantage, while the old members seem determined to prevent any major increase

in the EU's central budget for redistribution. [1] The French position on European development policy is both supportive and critical at the same time. France strongly supports the principle of European development cooperation but criticises methods and results. France calls for more coordination and complementarity with member states, asks for better aid efficiency and serious evaluation. It proposes to strengthen sector-related coherence and to improve Community procedures (CICID, 2000). [2]

When talking about project financiers, in order to measure the efficiency of the use of the help or the resources they provide, some of the donors have developed their own models, and there is a significant number of fewer or more known models used to measure net efficacy and net effectiveness. Namely they want to know the answer to the question of how efficiently the pre-planned goals are achieved, ie how much each donated euro or dollar contributes to some strategically defined goals. For us, in Croatia, such measurement will become a common practice once European Union Structural Funds are used, of course, provided that the Republic of Croatia becomes a full member of the European Union, making it a much more significant resource within such funds. It is clear that then the topic of measuring the effective use of this real or real impact of EU funds will become more relevant not only because we as potential beneficiaries of these funds want it, but because the European Commission wants to evaluate the effects of implementing its policies or spending the resources of European citizens, which allocates its funds to finance the policies and funds of the EU. [3] In the research conducted in this area of efficiency and effectiveness in the use of EU funds, the concepts of efficiency and effectiveness are used in numerous roles and attach different meaning to them. From the effectiveness of absorption capacity utilization (Šumpikova, Marina, Pavel, Jan, Klazar, Stanislav, 2004), effectiveness in absorption of Structural Funds (Daszuta, Anna, 2004), Structural Funds Effectiveness (Zuleeg, Fabian, 2001) The effectiveness and efficiency of the Structural Funds, the effectiveness and efficiency of potential fund beneficiaries, the effectiveness of the system of institutions coordinating funds (Nagy, Sandor Gyula, 2008), and similar. For example, the report of the Ministry of Finance of Latvia (2007) does not measure effectiveness or efficiency explicitly but implicitly by measuring the impact on macroeconomic indicators.[4]

The economic literature aimed at providing empirical evidence of the impact of SF can be divided into two main categories: the first one studying the impact of SF

on growth and convergence and the second focusing on the evaluation of the impact of SF spending. [5] This implies that efficiency and effectiveness are not always easy to isolate. In addition, outputs and outcomes may be affected by environment factors, which may or may not be within the control of the policy maker. For instance, if we scrutinise the efficiency of education spending, the wage setting mechanism is seen as an exogenous factor, whereas if we consider the efficiency of the public administration as a whole, the wage setting mechanism might be an important input of efficiency. [6] In any case, efficiency and effectiveness in the use of funds is very important for the management of the absorption capacity of a particular individual that is a beneficiary or already intends to be a beneficiary of the European Union funds. The importance of achieving as much efficiency and efficiency as possible in the use of EU funds is primarily due to the limited absorption capacity used in project preparation and implementation. In other words, available capacities are limited and should be effectively used. Authors share the managerial, administrative, financial and macroeconomic capacities most commonly. Capacities are in fact a prerequisite for using the EU funds at all, they are even a prerequisite for starting the project preparation process at all.

2. ABOUT AGRONET SYSTEM

By implementing measures from the Rural Development Program of the Republic of Croatia, the Agency for Payments in Agriculture, Fisheries and Rural Development has opened up the possibility of submitting electronic applications to tenders via the online application AGRONET (RURAL DEVELOPMENT MODULE). The same application has been successfully used for 6 years to fill farmers' requests for direct support. So 6 years ago, about six hundred thousand farms have issued a username and password by accessing AGRONET and in the AGRICULTURAL AGREEMENT module they meet their annual requirement. Since this year, a similar procedure has to be followed by beneficiaries of rural development measures, regardless of whether some direct beneficiaries are already beneficiaries and prior to the assignment of their username and password must be entered in the Rural Development and Fisheries Support Record. The application for entry in the Record is submitted electronically via the AGRONET link on the Agency's website. Therefore, if they wish to apply for rural development measures, direct aid beneficiaries are also required to register in the Evidence because they must approve the access to the RURAL DEVELOPMENT Module without having to maintain the existing username and password already provided for the MODULE AGRICULTURAL ECONOMY . The AGRONET application works on 8 WEB SERVER, the maximum memory is 64 GB of RAM and the bandwidth of the communication lines is 100/100 MB. However, loading a large amount of submissions documents (which are waiting for the last login week) is a remarkable pressure on the system, and then the system gets complicated. However, in cases of heavy burden, the Agency may extend the filing deadline but only exceptionally. It is recalled that the time (hour and minute) of submitting the application is a crucial factor in the situation when multiple users have the same number of points on the rank list as the grant is awarded to the one who first

submitted the application. AGRONET is optimized for the Internet Explorer browser, and we do not recommend opening 2 windows (so-called TABs) with AGRONET because it could cause them an issue in the work. [7]

3. RESEARCH FINDINGS

Concludingly, the mentioned measures promote really interesting areas in the wine industry and winegrowing, and they have a lot of incentive but unfortunately the fact is that the wine envelope as a measure in Croatia has not proved so effective and that we are at the root of the success of implementation.

If we take the data published on the Agricultural Payments Agency website (which has not been updated all year), it is clear that our use of funds goes poorly. Based on this data, we could conclude that we used about 17% of the available funds. According to data published by Eurostat on the basis of DG AGRI data, in 2014 we spent 10.7% of available funds, and in 2015, 13%. The average spending of these funds in the EU is 93.4%, so the weakest member states ahead of us Romania spent 43%, eg Slovenia 99%, France and Italy 100%. [8]

The reasons why this is so most lies in the administration. As a rule, agriculture in Croatia is characterized by considerably older farmers and businessmen, and the problem would certainly have one of the main points in this practice, but given that the winemakers and winemakers were really active in drafting this program and gathered in various organizations and associations and gave their guidelines Yet almost all responsibility lies with the administration.

3.1. Survey technique

Given that the Republic of Croatia is already full-time for three years as a full member of the European Union, and accordingly it has been using the European Union Funds for a full three years, before the approach and the longest, the objective of this study was to examine the producers themselves of grapes and wines Well informed about the opportunities that they have in the European Union and what degree of implementation they are in their business. Research issues were mostly related to the interest of the respondents, but given the current mood and depression in the manufacturing sector, the response was more than thirty percent with only one faulty survey.

All the questions raised in the survey are closely related to the implementation of EU funds in the Požega winegrowers and wine growers, and because of the understanding of the time they have to spend in fulfilling it, it was clear, concrete and direct.

3.2. Survey methodology

The survey was conducted through a web survey. The survey was designed as a series of short, purposeful and direct questions and was sent exclusively to professionals who have registered grape and wine production and are registered as an OPG family farm, a limited liability company or a joint stock company. It was sent to thirty mail addresses and had a deadline of seven days. That deadline was the first indicator in our research.

In the survey, respondents answered 11 respondents within seven days, representing 36.666% of respondents in our survey. Of the respondents mentioned, one questionnaire was excluded as incomplete and marked as a defect, which nevertheless indicates the willingness to

access the survey, although it is unproductive for our work.

3.3. Mayor findings

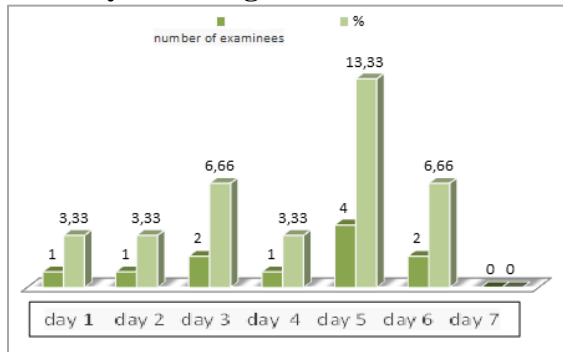


Fig. 1. Approach to survey in days (Source: Own research 2016)

Earlier we noted that the essential item was completing the survey in seven days. We did not communicate this deadline to potential respondents for reasons because our research was important as well as self-initiative and timeliness in filling out the survey and assistance in a survey that neither the respondents nor do they have a direct benefit. The graph shows that the respondents started the examination immediately upon receipt and continued to continue on the sixth day with a small fall on the fourth day. Namely, a clearer survey was sent on Monday when, as a rule at the beginning of the working week, respondents had the most work and were sent off after a series of non-working days. On the same day, respondents went to the survey and continued to fill them up to Saturday, which is the last working day of the week. The survey contained a set of 16 questions, but only basic issues that are at the same time the holders of additional questions will be presented here.

Respondents in this research differ in the manner of information as shown in Graph 2.

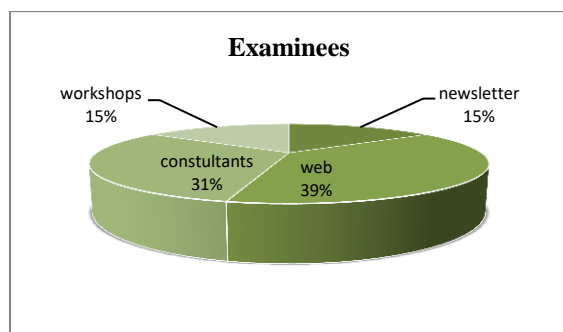


Fig. 2. The sources of informing about the opportunities of using the EU funds (Source: Own research 2016)

According to the presented data we can see that the number of respondents used a large number of sources of information, and most of them went to web resources and informed through consultants a total of 70%

The structure of the respondents was divided into micro and small producers for up to 10 employees, with up to 50 employees and over 50 employees. In the first seven days or within the time limit for the conduct of the research, the survey was conducted exclusively by

producers of micro and small producers from one to six employees, which are numerically separated in graph 3.

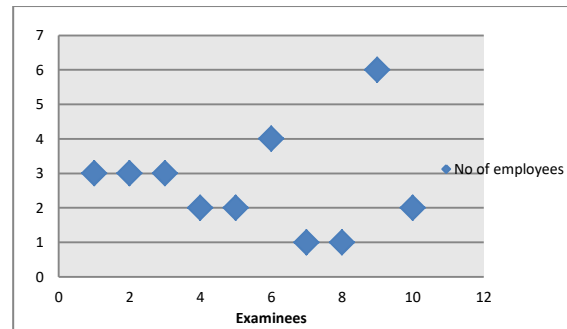


Fig. 3. The number of employees in questioned subjects (Source: Own research 2016)

None of the surveyed respondents have a person employed at the job site of the project manager or any other form of person who follows the tenders, mainly by the owners themselves, and since they are small producers, we can say that given the possibility of external consultants

Perhaps the most important issue in the survey was the question of the application itself, ie how many respondents reported the contest. According to the responses we have collected, the result is more than satisfactory, but it is very good. All respondents were positive and the only difference was how many times they applied for each measure.

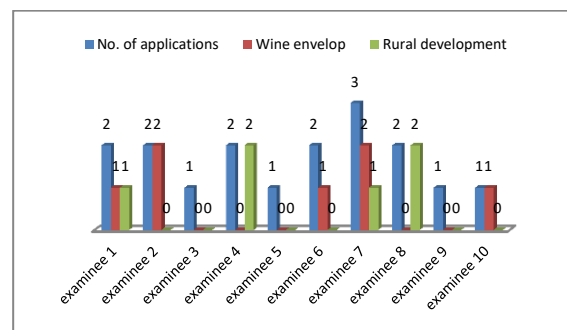


Fig. 4. The structure of submitting on certain EU funds (Source: Own research 2016)

According to the analysis of the applications that we can read from Chart 4, we can conclude that small producers of wine and grapes are well informed and active in application and withdrawal of funds. Unfortunately, given the nature of the survey, we have not been able to collect more data as to how much the funds are actually withdrawn and invested in the desired ambitions, but can now be satisfied with at least the interest that manufacturers have towards EU funds. Our positive attitude here is not only driven by fundraising, but also by the struggle of small producers for the survival and development of both the region and the county. If we can better analyze the graph, we can read from it that some producers, besides having several times applied for a fundraising contest, applied to several different competitions at once, such as the National Wine Sector Measures Program and the Rural Development Fund

measures. Almost all respondents are on the question: did you use the services of an outside consultant to agree, that is, all those who gave the competitions to go to this question answered yes and only one gave a negative answer. Further on, they all used it for the same purpose - collecting documentation and making business plans.

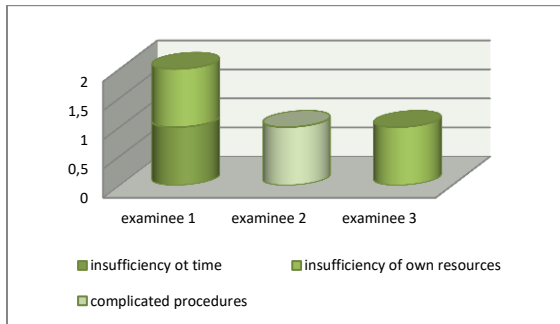


Fig.5. Restrictions in making a decision to sign up for public calls for EU funding (Source: Own research 2016)

From Fig. 5, and according to respondents, we can see the most common limitations when making a decision to sign up for public calls. As respondents had the right to mark multiple responses, the respondent argued that his limitations were lack of time and complicated procedure, the respondent two stated that his limitation was the lack of own resources that he would have to invest in the contest, and three respondents also stated that he was the biggest item complicated procedure.

4. CONCLUSION

Croatia has geographically and reliably very good management conditions, given the small area, there is not enough quantity that could meet the needs of the European market. Here we come to another major problem, meaning a large number of small producers who are too small to run independently on the market and yet, on the other hand, weaker financial forces to independently equip production facilities and embark on a more significant production.

The European Union, aware of potential problems, offered the opportunity to help Croatian farmers through the National Wine Aid Program, popularly known as the Wine Envelope and measures to promote rural development from the same fund. More detailed explanations are given in this paper. But even though all this is offered, the fact is that all of this is very little used. In this paper we can see from the data that in the Republic of Croatia the use of the Wine Envelope is less than 20% while the first tender for 2014 for M4.1 rural development is still under way, ie after more than two years it is still not implemented.

All of this indicates the slow administration of the administration. There are some rules for administering the administration that are often times unrealistic, so let's say in the Wine Envelope Conversion of Vineyards with the help of measure and can not do. In the year, as the contest implies, we can call it an impossible mission. There are problems, starting from the system's

weaknesses to the weak financial situation, ie the inadequate financial capacity of small manufacturers to really invest in. The Agronet system, which aims to help customers, and which for the time being shows positive and negative aspects, And in any case still represents a challenge for EU funds users.

All these are the conclusions that have been made and what this paper has outlined in its research. But it certainly does not need to discourage the struggle to survive and develop new products. In order to survive on the market, it is necessary to design new products with economically viable prices, which is often not the case in Croatian agriculture, and to associate with individuals to strengthen their strength and achieve better negotiating power in negotiations.

The survey also showed us how winegrowers and winemakers are willing and willing to hire professional staff if they have the funds. The fact is that small manufacturers can do this very hard, but by joining a cooperative model it would be much easier and cheaper. Finally, the negotiating lever changes in the course of negotiations several times, and always ends in favor of the one who has the knowledge and experience to use it better in his favor.

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