



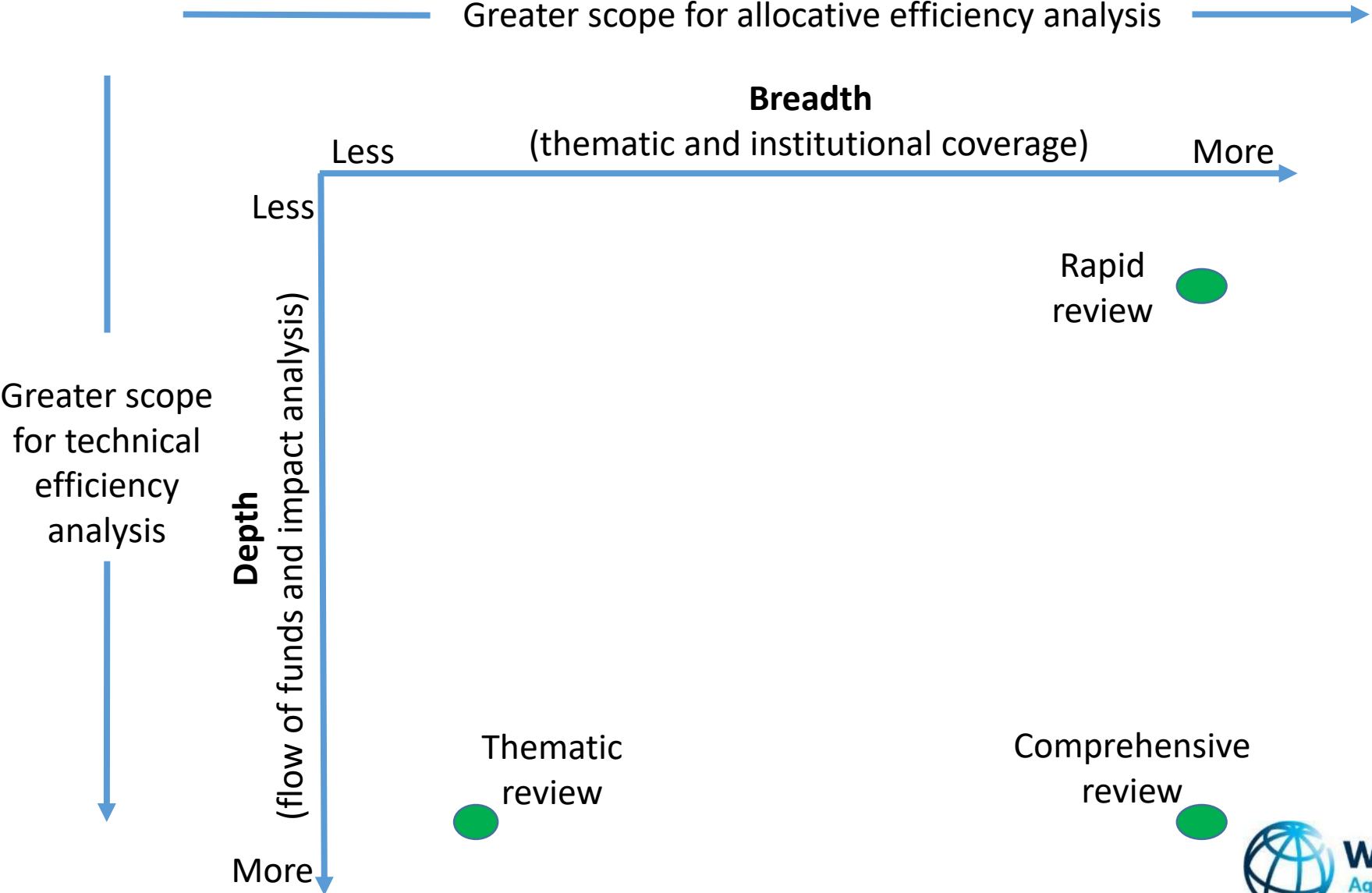
Practitioner's Toolkit for the Slovakian Agriculture Public Expenditure Review

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Spectrum of Agriculture Public Expenditure Reviews



Identifying the Types and Sources of Data

Type of Data	Global	EU	National
Public Spending	IMF International Financial Statistics (www.data.imf.org)	CATS database, Eurostat	MoF, MoA, APA (paying agency), Statistical Office
International comparisons	World Development Report of the WB	Eurostat, FADN	
Donor Spending	OECD		
Sector Performance	World Development Indicators/BOOST-database of the WB	Eurostat, AMECO	MoF, MoA, MoE, APA, Statistical Office
Prices	FAO	Eurostat	
Agriculture Producer Estimates	OECD		
Agriculture Distortions	Agriculture distortions database of the WB		
Household surveys (e.g. income)	FAO	EU-SILC	

Types of Analysis following generic Budget Cycle

Sector objective & strategy

- Policy context, government priorities?

Budget allocation

- How can allocative efficiency of public spending be improved?

Budget execution

- How can technical efficiency of public spending be improved?

Monitoring & Evaluation

- What indicators are used to measure performance?

Selected Indicators for Agriculture PERs

Relative Size of Agriculture Spending

- Agriculture spending as share of (agriculture) GDP or total budget
- Spending on agriculture research as share of agriculture GDP

Levels of Agriculture Spending

- Total sector budget, in nominal or real terms
- Share of foreign funds as in total sector budget
- Share of decentralized sector budget

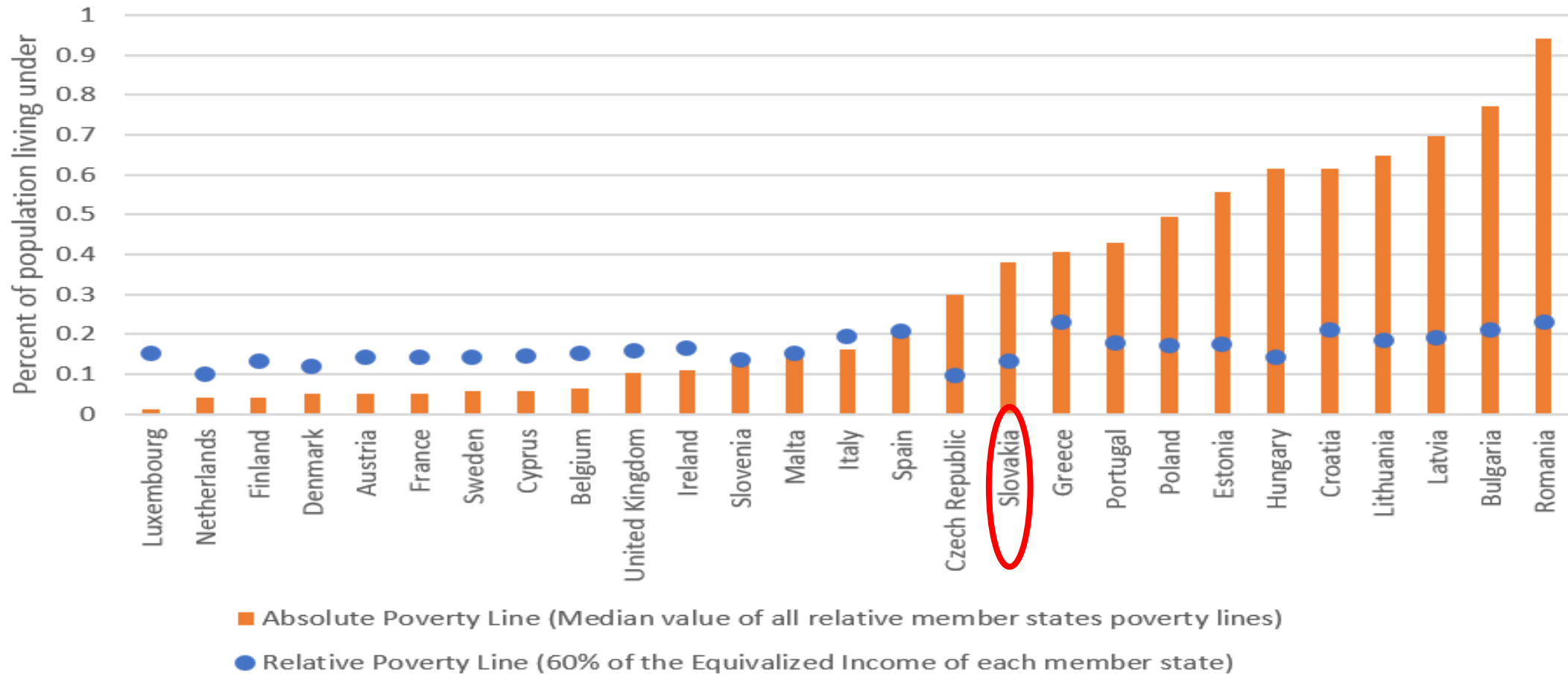
Economic Composition (Allocative Efficiency)

- Share of recurrent budget versus tax expenditures

Budget Execution

- Share of funds actually spent relative to allocated funds

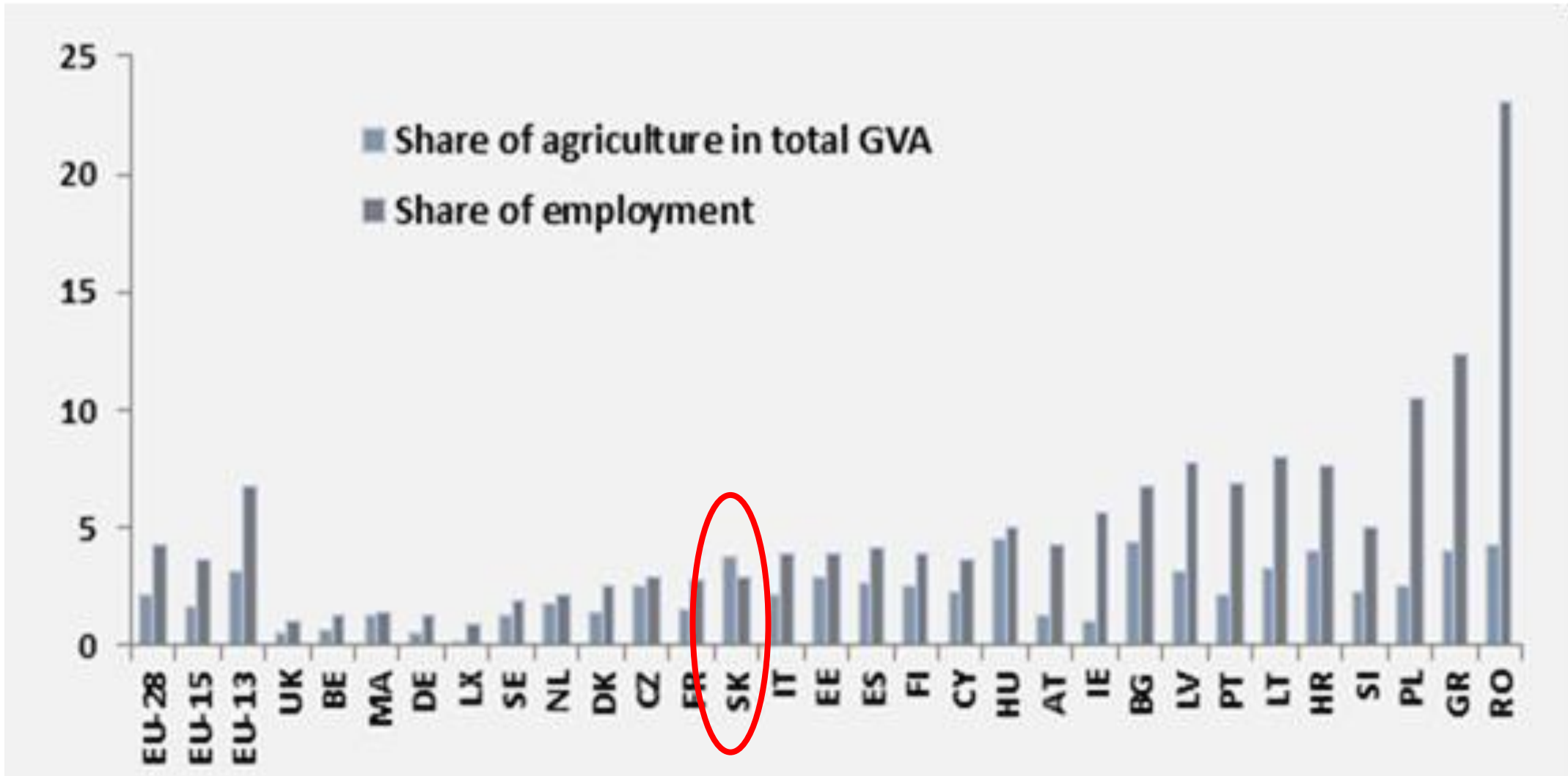
Challenges for Convergence and Shared Prosperity



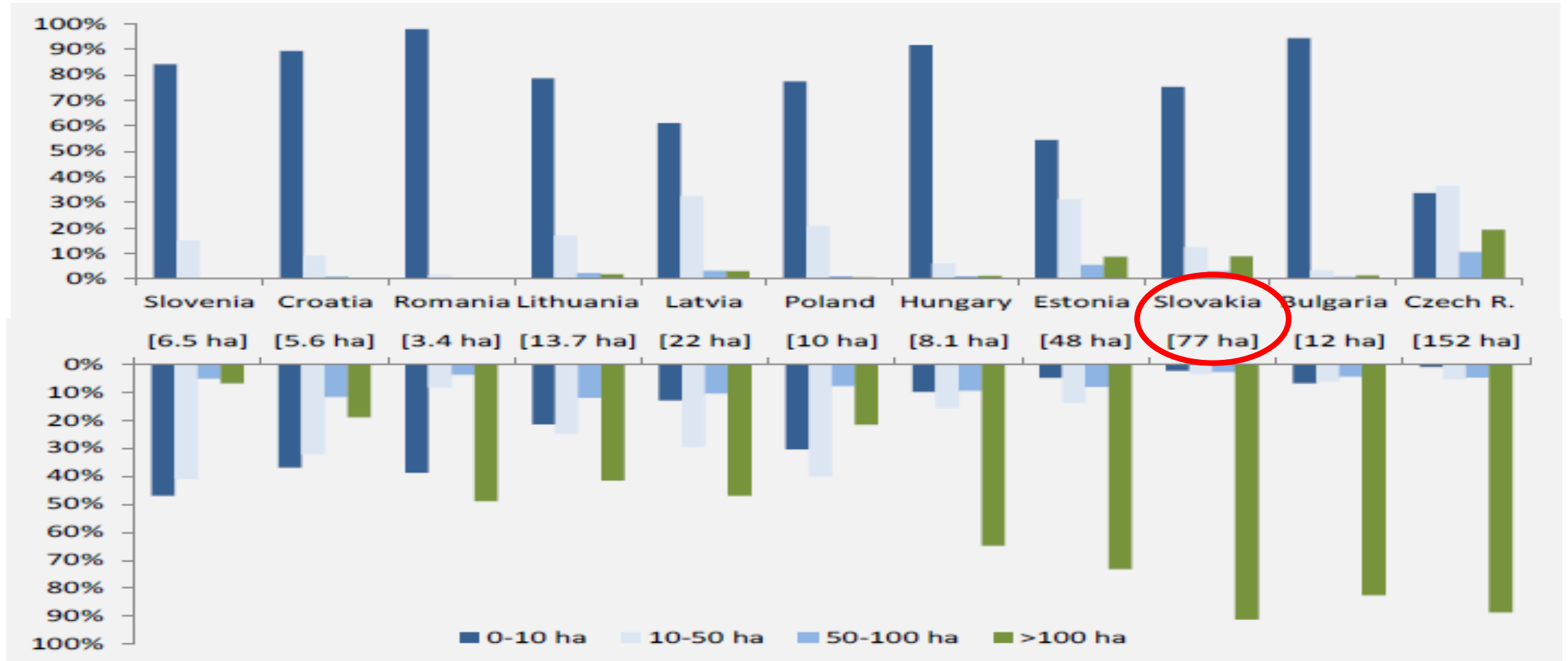
Source: EUROSTAT, WB staff calculations.

Note: (1) Data source: EU-SILC 2011, Eurostat; (2) Absolute poverty line: \$23.5 Euros PPS in 2011 (see Annex 2 on details of this calculation); (3) Relative poverty line: 60% of the national household median income.

Importance of Agriculture for the Slovakian Economy

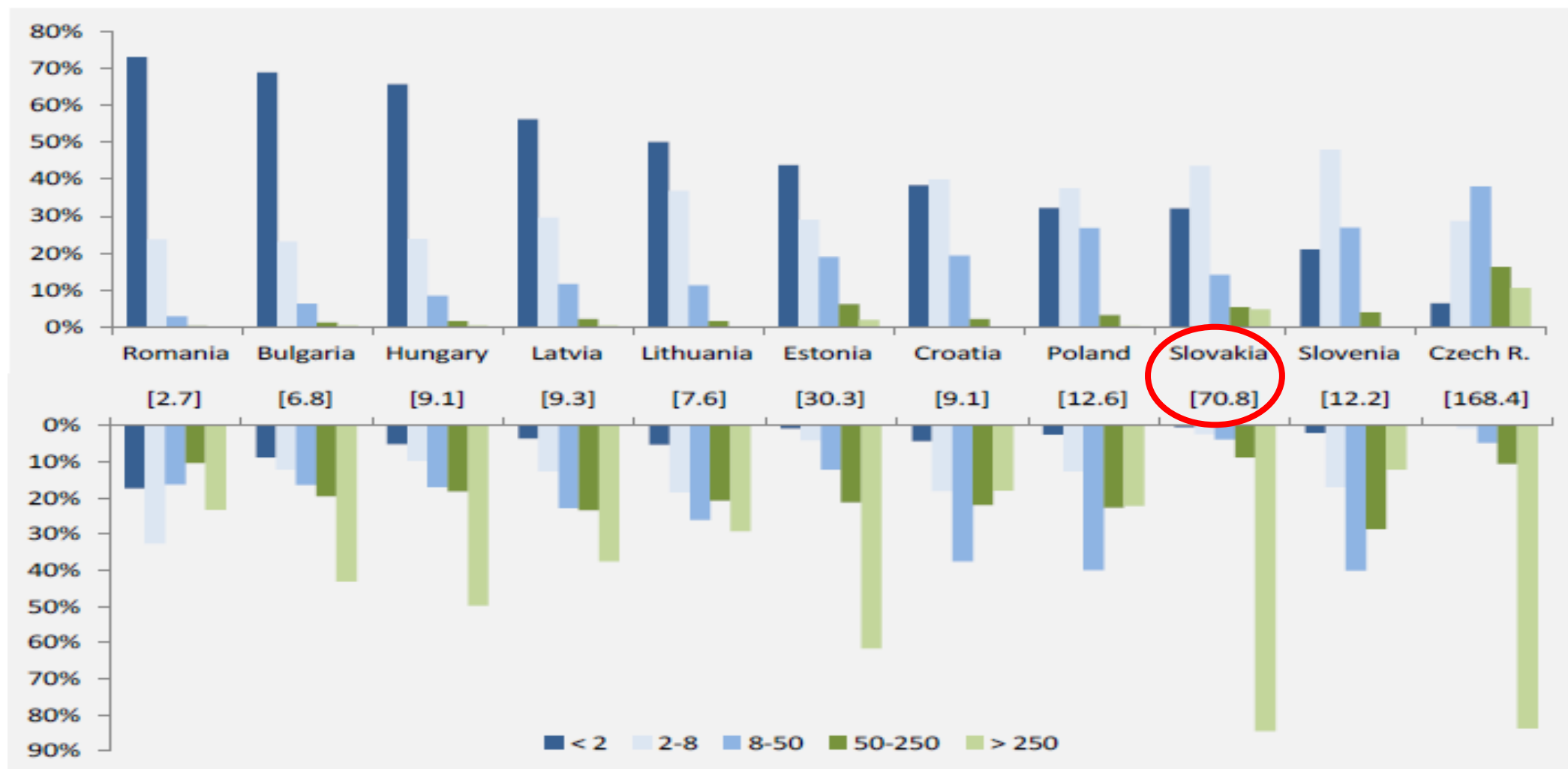


Farm Population and Distribution of Farmland



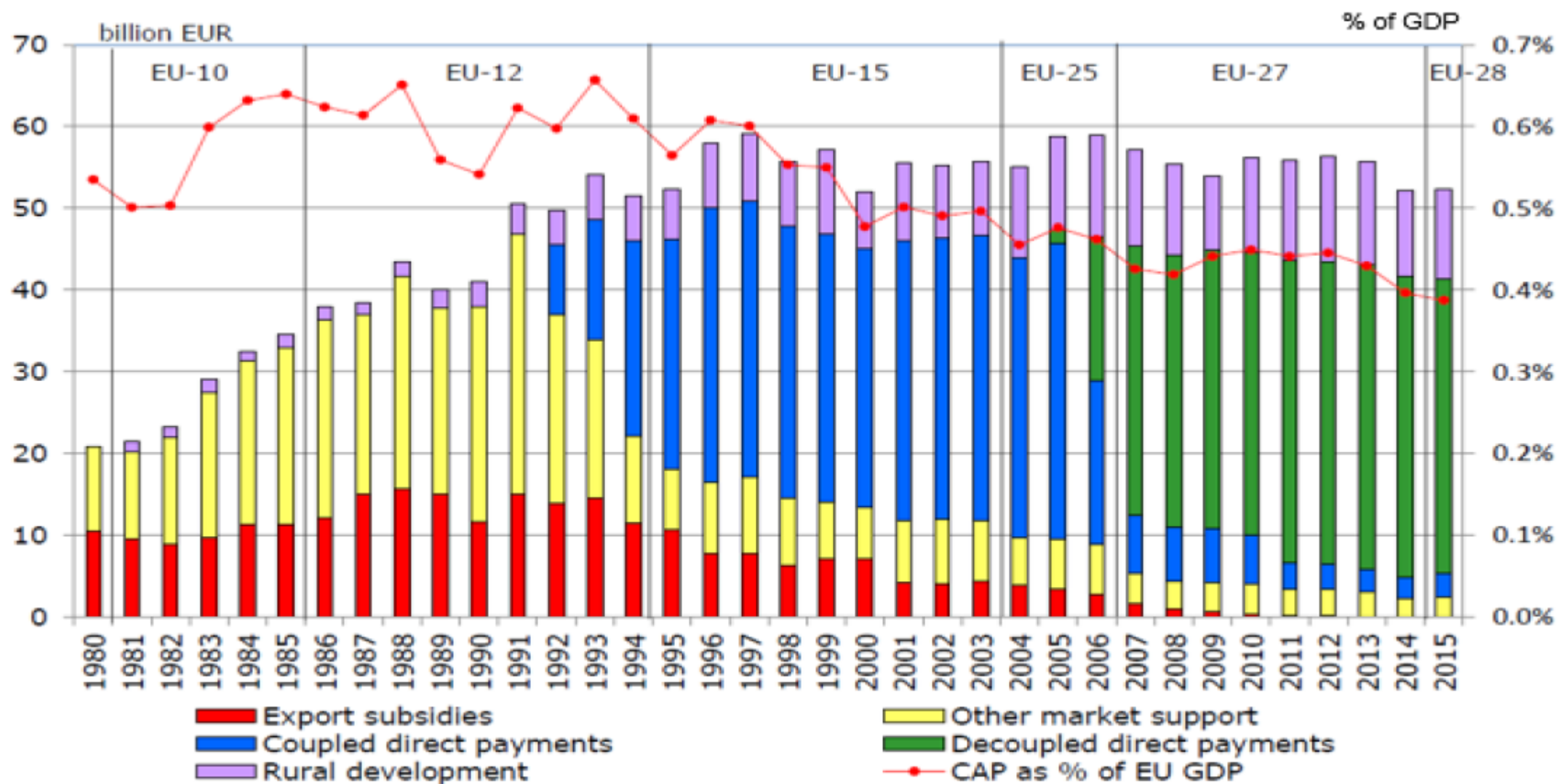
Source: Eurostat, Agricultural Census 2010

Farm Population and Distribution of Economic Size



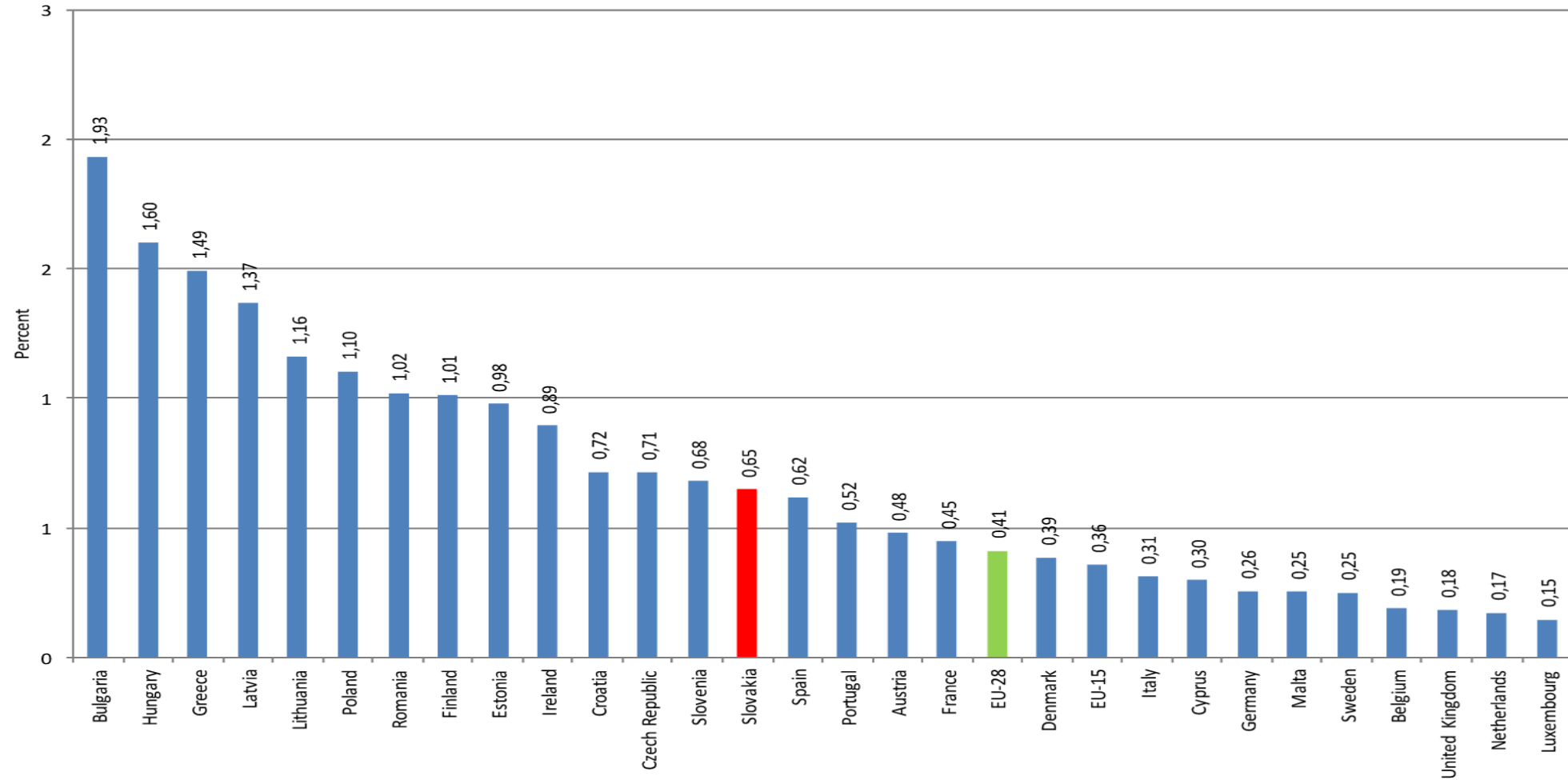
Source: Eurostat, Agricultural Census 2010

CAP Expenditure and Policy Reform

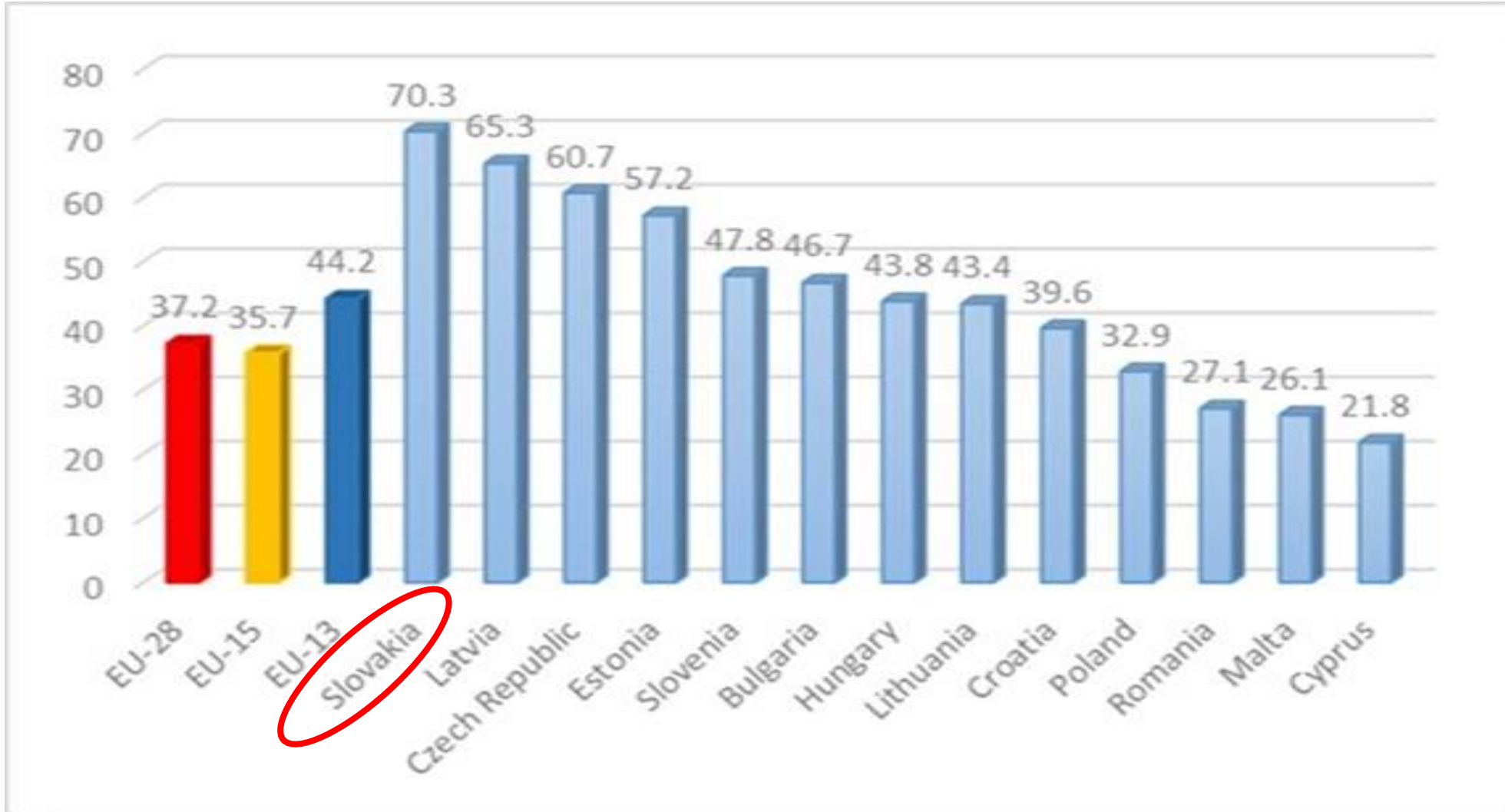


Source: EC, staff calculation.

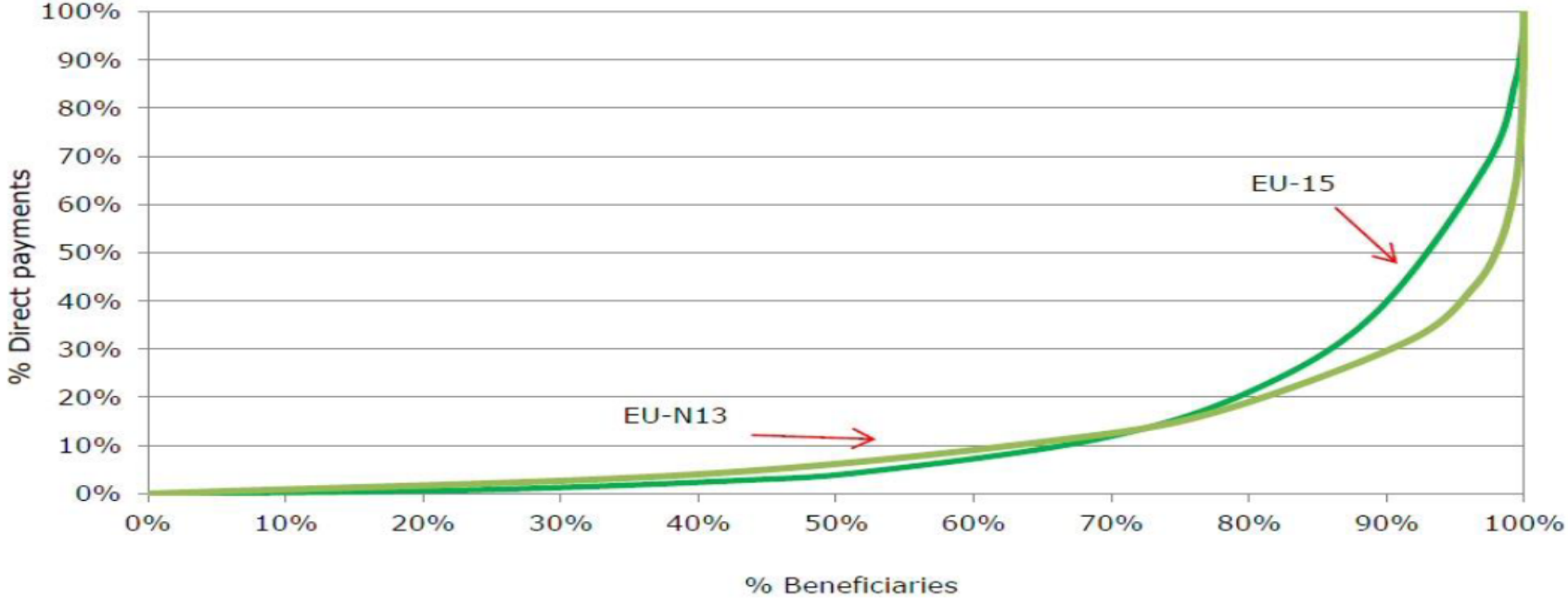
Spending on Agriculture (% of GDP)



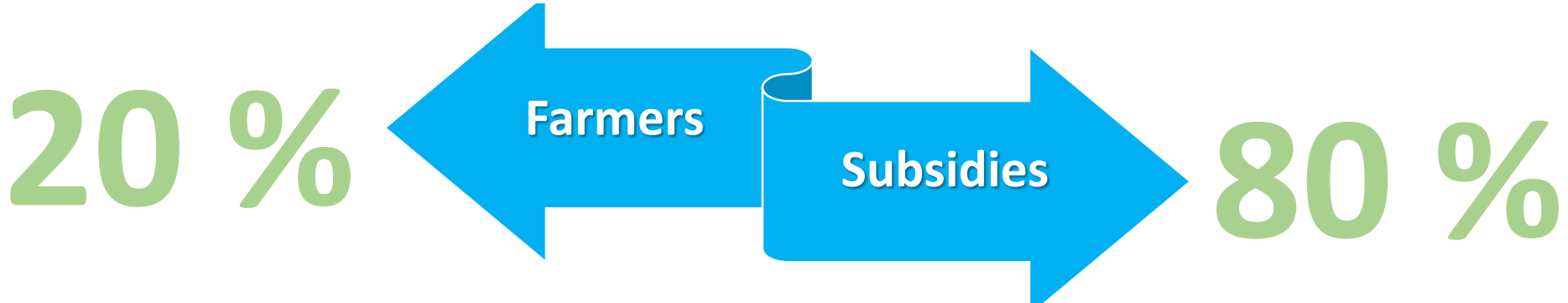
Role of Public Support in Farm Income



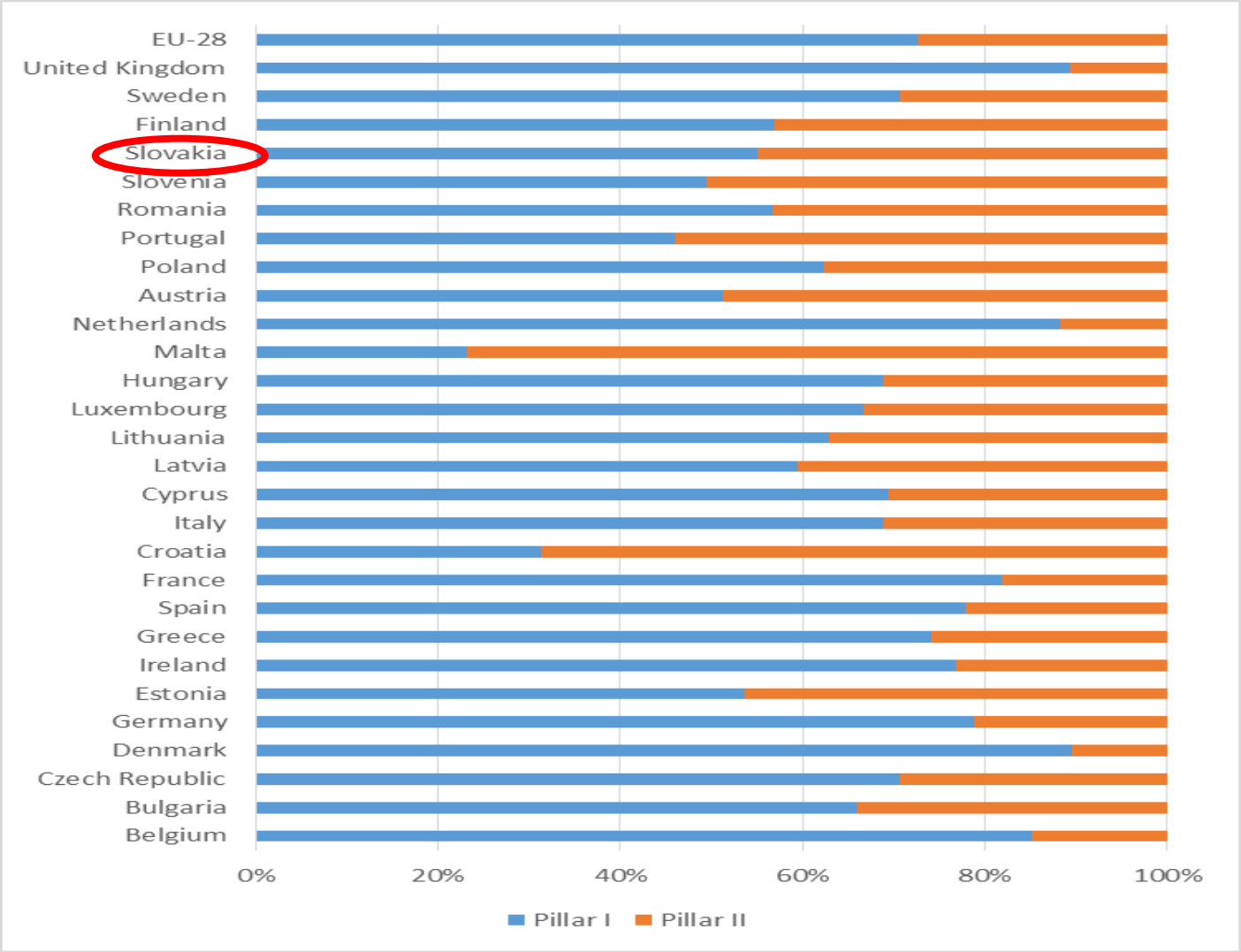
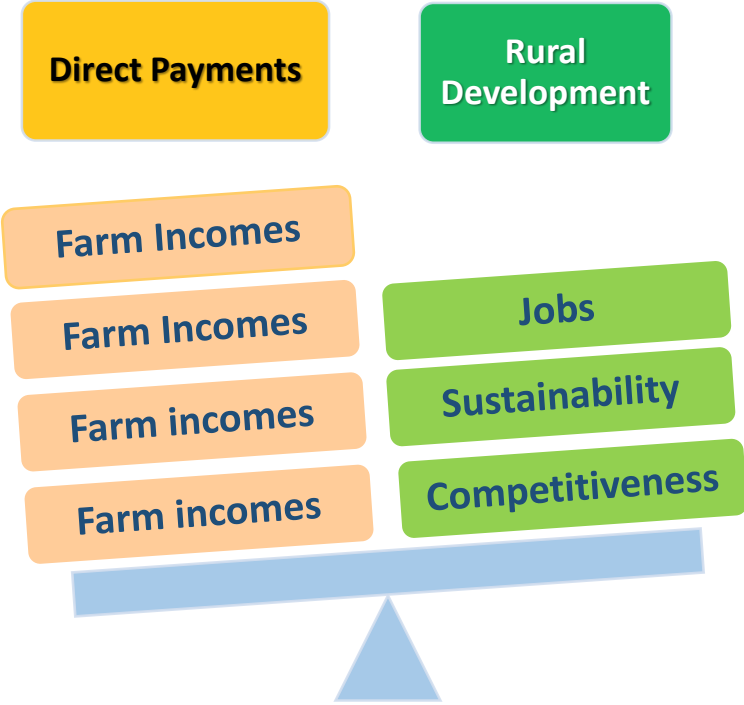
High level of Inequality in Distribution of Public Support



Notes: EU-15 are the OMS; EU-N13 are the NMS.
Source: European Commission, 2016.



Direct income support still top priority



Choice of Policy Instruments

Examples of Trade-Offs

Direct Payments

- Raise Income
- Contribute to income stability
- Facilitate transition through crises
- Reduce price distortions if decoupled

But

- Do little to raise competitiveness
- Reduce incentives to restructure
- Increase land prices
- Have high administration costs
- Carry risks of irreversibility

Investment Support

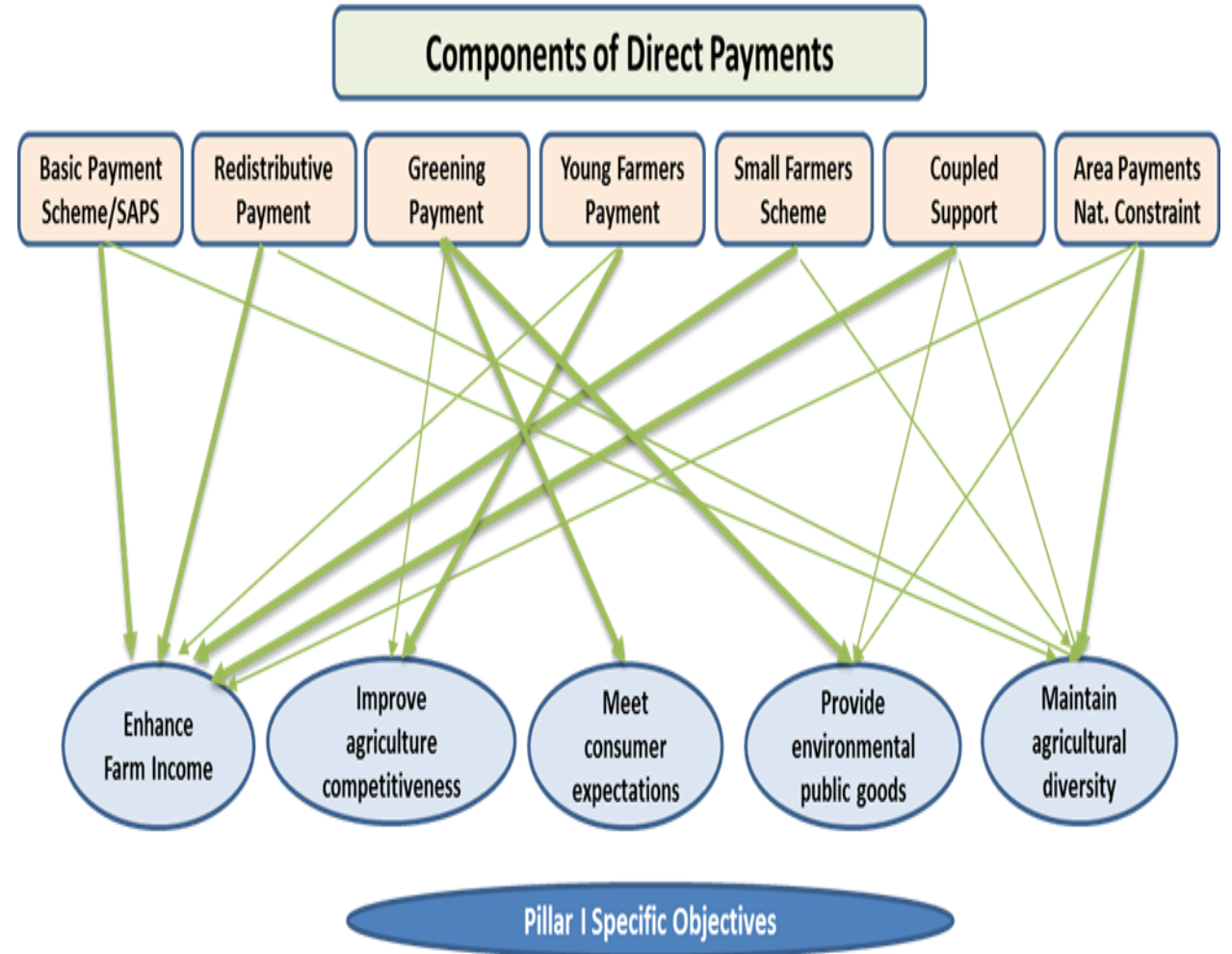
- Improve competitiveness
- Economic diversification
- Raise income: farm & non-farm
- Reduce Income disparities
- Sustainable development
- Consistent with challenges faced by Rwandan agriculture

But

- Access can be difficult for smaller farmers

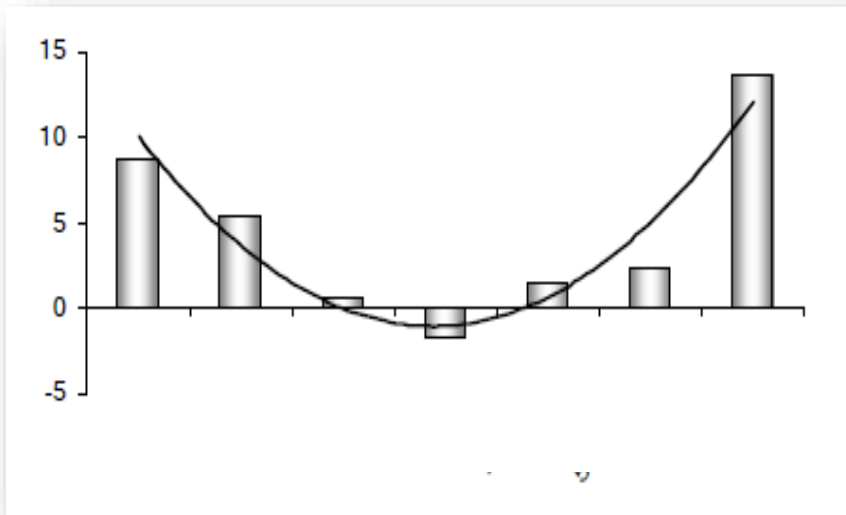
CAP provides a menu of options to choose from

But often the selection does not lead to desired impact



Policies are only as effective as the institutions that deliver them

Policy design impacts efficacy and efficiency

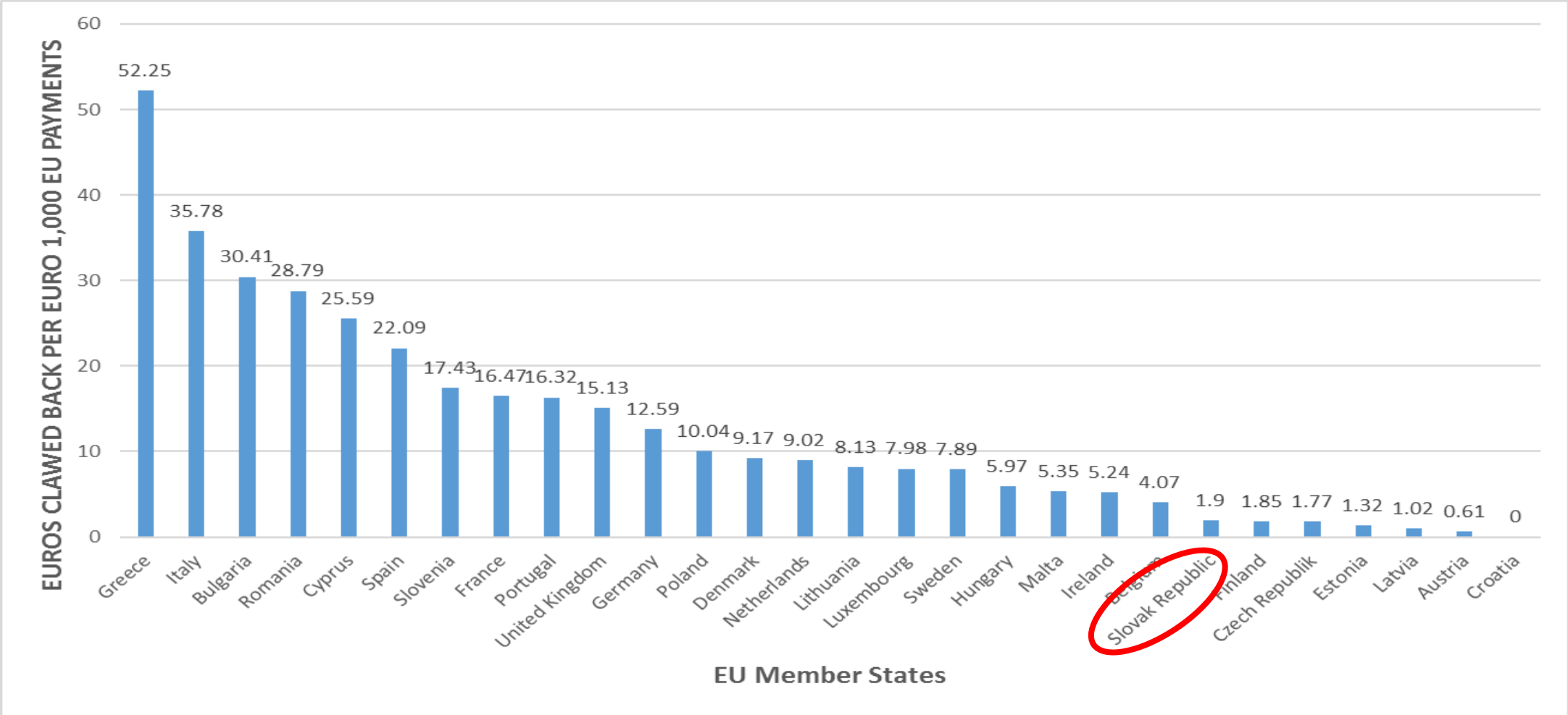


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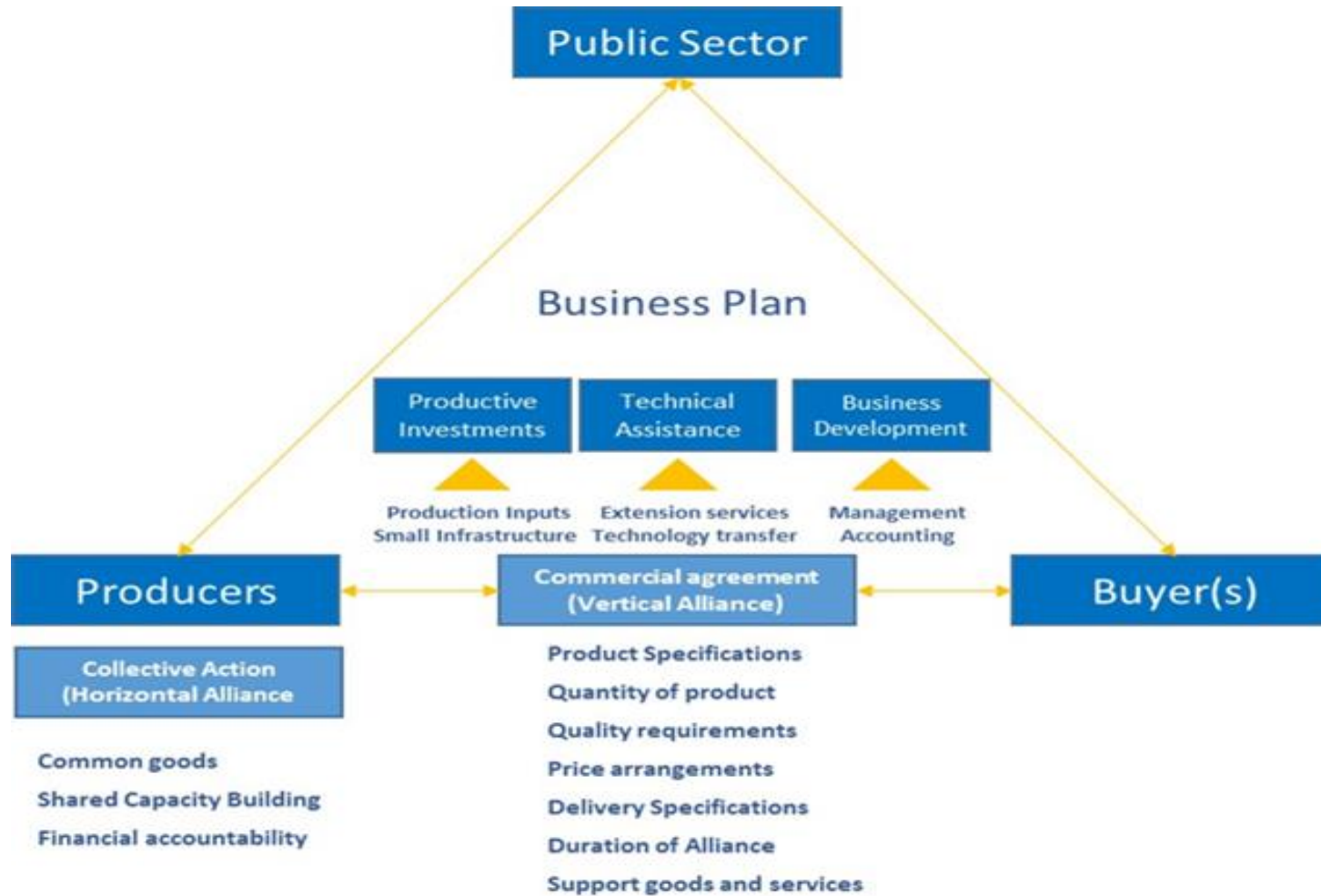
3-5%

12%

Efficient and Effective Administrations



Option for better Horizontal and Vertical Integration





Thank you!

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