

GOVERNMENT OF ROMANIA



Ministry of Agriculture and Rural Development

National Rural Development Programme 2007-2013

December 20th, 2007 consolidated version

Acronyms

AAFS	Academy for Agricultural and Forestry Studies
Art.	Article
ATU	Administrative Territorial Units
AWU	Annual Working Unit
CAP	Common Agricultural Policy
CF	Cohesion Fund
CIT	Communication and Information Technologies
CLC	Corine Land Cover
CMEF	Common Monitoring and Evaluation Framework
CNDP	Complementary National Direct Payments
COAC	County Office for Agricultural Consultancy
COPIAA	County Office of Paying and Intervention Agency for Agriculture
CPORDF	County Paying Office for Rural Development and Fishery
CSG	Community Strategic Guidelines
CSO	Commune Strategic Objectives
DARD	Directorate for Agriculture and Rural Development
DGFDP	Directorate General for Forestry Development and Property Consolidation
EAFRD	European Agricultural Fund for Rural Development
EC	European Council
ECDB	Europe Council Development Bank
EEC	Economic European Community
EFF	European Fishery Fund
ERDF	European Regional Development Fund
ESF	European Social Fund
ESU	Economic Size Units
EU	European Union
EU-15	15 member states of the EU prior to 1995 accession round
EU-25	25 member states of the EU after the 2004 accession round
EU-27	27 member states of the EU after the 2007 accession round
FAO	Food and Agriculture Organisation
FBI	Farmland Bird Index
FCS	Forestry Certification System
FTE	Full Time Employment
GAC	General Agriculture Census
GAO	Gross Agricultural Output
GAEC	Good Agricultural and Environmental Conditions
GDP	Gross Domestic Product
GDRD - MA NRDP	General Directorate for Rural Development – Managing Authority for the National Rural Development Programme
GHG	Green-house Gases
GEO	Government Emergency Ordinance
GTP	General Town Planning
GVA	Gross Value-Added

HACCP	Hazard Analysis and Critical Control Point
HNV	High Natural Value
HRD	Human Resources Development
IAFR	Institute for Agricultural and Forestry Researches
IBA	Important Bird Area
IBRD	International Bank for Reconstruction and Development
IFAD	International Fund for Agricultural Development
IACS	Integrated Administration Control System
ISO	International Organization of Standards
LAG	Local Action Group
LCAC	Local Centers for Agricultural Consultancy
LCPIAA	Local Centers of Paying and Intervention Agency for Agriculture
LFA	Less Favoured Areas
LIG	Local Initiative Group
LQI	Land Quality Index
MA	Management Authority
MAB	Man and Biosphere
MAFA	Multi-Annual Financing Agreement
MARD	Ministry of Agriculture and Rural Development
MEF	Ministry of Economy and Finance
MESD	Ministry of Environment and Sustainable Development
MIAR	Ministry of Internal Affairs and Administrative Reform
MLFEO	Ministry of Labour, Family and Equal Opportunities
NAAC	National Agency for Agriculture Consulting
NACRP	National Agency for Cadaster and Real Estate Publicity
NACSF	National Authority for the Coordination of Structural Funds
NACSI	National Authority for the Coordination of Structural Instruments
NBFI	Non-Bank Financial Institutions
NAMA	National Agency of Mountain Area
NARMP	National Agency for Regulating and Monitoring Public Procurements
NARDF	National Agency for Rural Development and Fishery
NCAVT	National Council of Adult Vocational Training
NGO	Non-Governmental Organisation
NSI	National Statistics Institute
NNPAR	National Network of Protected Areas in Romania
NRDN	National Rural Development Network
NRDP	National Rural Development Programme
NSP	National Strategic Plan
NSY	National Statistic Yearbook
NUTS	Nomenclature for Territorial Units for Statistics
OEDC	Organization for Economic Development and Cooperation
OP	Operational Programme
PARDF	Paying Agency for Rural Development and Fishery
PCOP	Payment and Contracting Office for PHARE
PIAA	Paying and Intervention Agency for Agriculture

PJ	1 PJ (petajoule) = 10 ¹⁵ Joule
PSRDA	Processing System of Rural Development Applications
RAF	Romanian Authority for Forestry
RCGF	Rural Credit Guarantee Fund
RFMRD	Romanian Federation for Mountain and Rural Development
RNP	National Forest Administration
ROP	Regional Operational Plan
ROS	Romanian Ornithological Society
RPCRDF	Regional Paying Center for Rural Development and Fishery
RTP	Regional Town Planning
RU	Rate of Unemployment
SAC	Special Area of Conservation
SAPA	Special Avifaunistic Preservation Areas
SAPARD	SAPARD Programme
SAPS	Single Area Payment Scheme
SCI	Sites of Community Importance
SEA	Strategic Environment Evaluation
SLFAH	Survey on Labour Force in Agricultural Household
SME	Small and Medium Enterprises
SMR	Compulsory Managements Requirement
SO	Strategic Objective
SOP	Sectorial Operational Programme
SOP HRD	Sectorial Operational Programme of Human Resources Development
SPP	Standard Percentage Points
SPSA	SAPARD Processing System of Applications
SSA	Structural Survey in Agriculture
TEO	Tones Equivalent Oil
TICDC	Training and Innovation Centre for Development in the Carpathians
TIFRH	Teritorial Inspectorates for Forestry Regime and Hunting
UAA	Utilised Agricultural Area
UNESCO	United Nations Educational, Scientific (and) Cultural Organization
USDA FAS	United States Department of Agriculture - Foreign Agricultural Service
WFD	Water Framework Directive
WU	Working Units
WWF	World Wide Fund

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Chapter 1

Title of rural development programme

National Rural Development Programme of Romania 2007-2013

Chapter 2

Member State and administrative region

2.1. Geographical area covered by the plan

The programme is unique and covers the entire Romanian territory.

2.2. Regions classified as “Convergence” Objective

The entire Romanian territory is classified as “Convergence” objective.

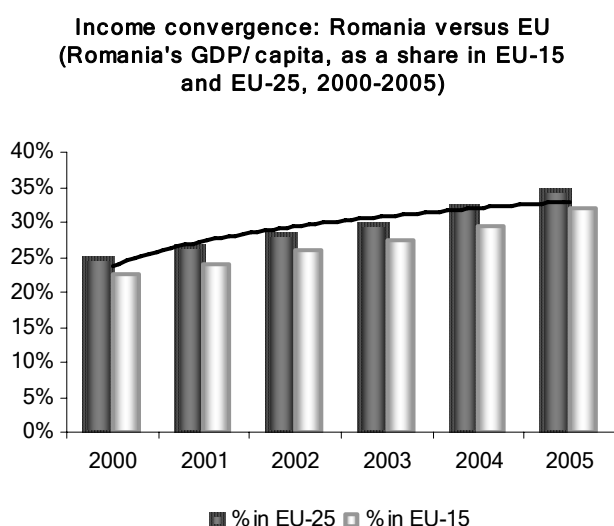
Chapter 3

Analysis of the situation¹ in terms of strengths and weaknesses, the strategy chosen to meet them and the ex-ante evaluation

3.1. Analysis of the situation in terms of strengths and weaknesses

3.1.1. The general socio-economic context of the rural area

3.1.1.1. General economic background



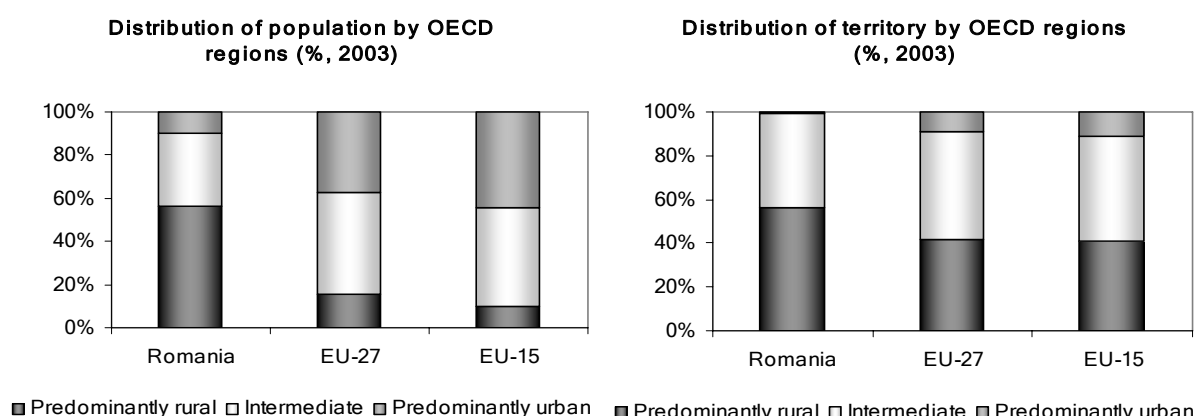
Romania enjoys an important yet under-exploited development potential. With an area of 238 thousand km² and a population of more than 21 million inhabitants, Romania is the second largest new member state, after Poland. It accounts for 6% of the total EU area and 4% of its population. Investments and competitiveness in Romania still need to be improved in order to accelerate economic growth and secure income convergence with the EU. In 2005, Romania accounted less than 1% of the Community GDP, with the GDP per capita growing rapidly but still only representing 34% of the EU25 average (*NSI – Romanian Statistical Yearbook, 2006*). These gaps are diminishing as a result of the integration

into the EU. The Romanian economy is growing faster than the EU, and the GDP per capita is catching up. After significant falls towards late 90s, the Romanian economy vigorously resumed its

¹ The basic indicators of the current situation and the comparisons with EU Member States can be seen in Annex 1- “Basic indicators”.

growth starting with 2000 and registered an average rate of about 5% per year. The peak was reached in 2004, with a GDP growth rate of 8.5% against the previous year.

Rural areas have substantial growth potential but, most importantly, play a vital social role. According to the national definition², rural areas in Romania cover 87.1% of the territory, and include 45.1% of the population (as of the 1st of July 2005 indicators of National Statistical Institute³), i.e. 9.7 million inhabitants. The average population density in rural areas has remained relatively constant over the years (about 45.1 inhabitants/km²). The OECD definition of rurality⁴ results in slightly different figures, but allows for international comparisons. Though similar in territorial distribution, Romania's population is significantly more rural. The share of Romanian rural population reflects the high incidence compared to the EU countries with less densely populated, smaller-scale settlements as an alternative to urban concentrations. Many of these rural communities make a small contribution to economic growth but preserve the social fabric and the traditional way of life.



Rural population is not evenly distributed. There are significant differences in population densities across Romania. Most communes with less than 50 inhabitants/km² are clustered in the western part of the country, which contrast with the Eastern and Southern parts where communes with densities between 50 and 100 inhabitants/km² dominate. The most populated rural territories are in North East, where birth rates are high, and South, where a high degree of industrialization was achieved during communist times. There are important gaps, in particular as a result of the relief influence at regional and county level. In this context, the 24 communes and cities that are overlapping totally or partially with the Biosphere Reservation Danube Delta are to be remarked, where the population average density is of 28.7 inhabitants/km².

Major development opportunities can arise from restructuring the agriculture and from revitalizing the rural economy. The contribution of the agriculture to the national GDP has been traditionally high. The Gross Value Added (GVA) of agriculture accounted for 12.1% in the GDP, and for and for 13.6% in the total GVA (NSI, 2006). However, this remains low having in regard the unused resources. The population occupied in agriculture and forestry, for instance, accounts for a much higher share (32%), reflecting under-employment and low labour productivity. The restructuring of agriculture will have a tremendous impact on the wider rural economy, as farming continues to be

² From and administrative point of view, the Romanian territory is organized, at the NUTS5 level, in 319 localities (of which 103 cities – the most important towns) making up the urban area and 2851 communes, making up the rural area (on 31st of December 2005) according to Law 350/2001 regarding territorial planning and urbanism and Law no. 351/2001 regarding the approval of the Plan for the National Territorial Planning. In their turn, communes are mostly made up of more than one village (12,946 villages in total) without any administrative responsibilities. In order for a commune to become a town, a special law must be approved. Towns and communes are grouped in counties (NUTS3 level), with administrative functions. The 42 counties are grouped in 8 development regions (NUTS2), without administrative functions.

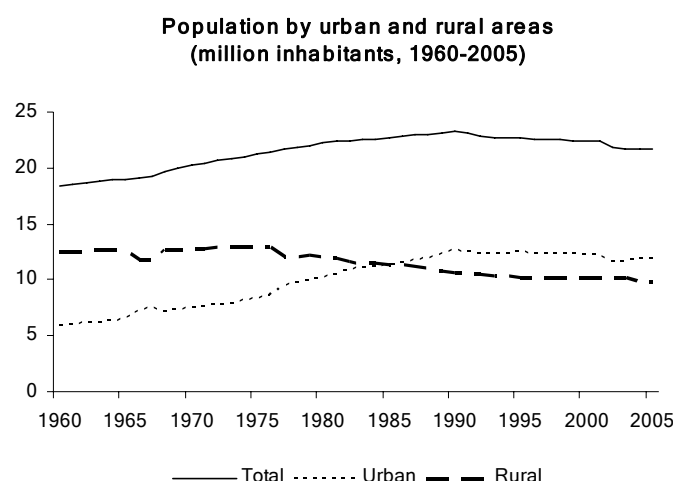
³ Today, Romania has a data base which includes the relevant indicators of rural areas, which are defined according to the national legislation. The analysis of the National Strategic Plan is based on these indicators and in the future the opportunity to apply the OECD methodology will be analysed.

⁴ The OECD definition, taking into account population density at the local level, considers as rural those local government units with less than 150 inhabitants/km². Then it identifies three categories of regions (NUTS3 or NUTS2 level): mostly rural (more than 50% of the population in the rural communities), intermediate (between 15 and 50% of the population in rural communities) and mostly urban (less than 15% of the population in rural communities).

the most important activity in rural areas, and an essential source of income for rural households.

The restructuring of the activities at farms' level and the capital intensification for commercial farms will definitively lead to using fewer work forces for improving the competitiveness. The experience of other agricultural systems, either of other EU Member States or of other countries represents a main testimonial on these lines.

Active population stands for 46.3% of the rural dwellers and can sustain rural growth if adequate incentives become available.



3.1.1.2. Overview of Rural Demographics

Romania's decline in population, most pronounced in rural areas, is a challenge for the economic development of these regions

Since reaching its peak in 1989, the total Romanian population has been declining rapidly ever since. This declining trend is sharpest in rural areas. Urban inhabitants exceeded the number of rural dwellers starting with the mid-80s, in response to the economic challenges Romania was facing at the time. With the recent economic boom, the urban population has increased to some extent, while the number

of rural inhabitants continues to drop.

Ageing and the corresponding natural decrease of population, due to this situation, drive the decline in rural population. Between 1998 and 2005, we can notice that: (1) the share of the 0-14 age group in the total rural population declined, (2) the share of the 15-64 year olds remained relatively stable, while (3) the share of those who are 65 and above increased, reaching 19% of rural population in 2005 (compared to 11% in the urban area). The natural decrease of the rural population accelerated significantly over the last five years, reaching rates close to -4 per 1,000 inhabitants. In contrast, the natural decrease rate in urban areas was much smaller, hovering around -1 before falling to near 0, and even becoming positive in 2005.

Though positive, the net urban to rural *internal* migration can not compensate for this decline.

In the early 90s, massive migration from rural to urban areas took place. This pattern was reversed during the 90s as economic restructuring and land restitution increased the attractiveness of rural areas, to an extent that, starting in late 90s, the net urban to rural migration became positive, though fluctuating in absolute value. Nevertheless, urban to rural migration remains insufficient to compensate for the natural decrease in rural population.

Net internal migration, towards the rural area, in Romania (selected years over 1990-2005)

1990	1991	1993	1995	1997	1999	2001	2003	2004	2005
-521422	-105789	-48910	-12500	12588	26620	9490	23485	39554	20537

Elderly domestic migrants are progressively replacing the younger rural population. In the early 90s, all age groups were migrating to urban areas. However, the trend changed in the second half of the decade with young people moving out of rural areas, and older age groups moving in. Rural areas became increasingly attractive for the population aged above 35, notably those aged 45-54 who are typically more vulnerable on the urban labour market and migrate to rural areas to undertake subsistence activities. However, for some people, living in rural areas simply constitutes a preferred alternative to urban agglomerations. The young active population moves to urban areas in search of better jobs and a more attractive lifestyle.

Net international migration rate is also significant and primarily concerns the rural younger group. External migration has become a significant issue for Romania, especially over the last few years. Although no comprehensive official data exist⁵, estimates indicate that over 2 million Romanians or about 10% of the total population are working abroad (e.g., Spain, Italy, Greece, and Germany; *Open Society Foundation, November 2006*). Most of them opted for temporary employment only. According to the same study, the incidence of international migration appears to be higher among men, as compared to women, and among the young, as compared to the adults and the elderly. Women in rural areas are more inclined towards temporary international migration at younger ages (18-29), as opposed to urban women.

The migration rate fluctuates as follows: in the centre of the country (19.8%), in the North-East region (17% of the total number of Romanian emigrants) (*NSI, Romanian Statistical Yearbook, 2006*).

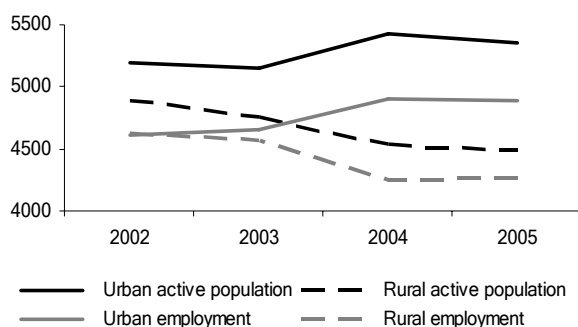
For the following decade, it is estimated that the number of migrant workers shall register a decrease, due to the fact that the Romanian economy develops and offers, gradually and certainly, many opportunities for occupation and personal performance to individuals.

International migration carries major economic and social implications, particularly in rural areas. Incoming *remittances* inject significant financial inflows into the rural economy. Remittances, in conjunction with *attitude changes* related to international migration, pave the way for rural modernization and development. The bulk of remittances goes into real estate (housing and land), in an attempt to improve the quality of life and to mitigate income risks. *Entrepreneurship* is also developing among those who have worked abroad (7% would start up a farm business, while 24% start non-agricultural businesses). However, international migration also entails *social costs*. The high migration dynamics outbalance the response capacity of the social assistance system. Families are dislocated and children are left with the remaining family members.

A study carried out by the SOROS Foundation reveals that approximately 170,000 children in secondary school have at least one parent working abroad. Among those, 80,000 have the father abroad, 55,000 the mother, while in the case of 35,000 of them, both parents are working abroad. The most affected regions are the West (Banat, Crisana, Maramures), with 27% of the secondary school parents working abroad, and the East (Moldova), with 25%

The ethnic diversity in Romania is rather low. The total population is dominated by Romanians (89.48%, according to the Population Census from 2002). The share of Romanians has been slightly increasing over the years (85.64% in 1956 or 88.12% in 1977). The major ethnic minorities include Hungarians (6.60%), Roma (2.47%), and Germans (0.28%). However, some of the ethnic minorities tend to more rural than others. The incidence of rural Roma is 61%, which is much higher than the incidence of rural dwellers within the German ethnicity (30%). Regionally, the highest ethnic diversity is visible in Transylvania, Banat, Bucovina and Dobrogea.

Active population and employment by area
(thousands, 2000-2005)



3.1.1.3. Labour Market

Increase urbanization of the active population. Recent economic growth, largely concentrated in the urban, non-agricultural sectors of the economy, is attracting the active population to urban areas. External-migration of young rural people together with the ageing of the rural population leads to a decline in the availability of labour resources in rural areas. The rural active population fell by almost 7% between 2002 and 2005⁶ to about 4.5

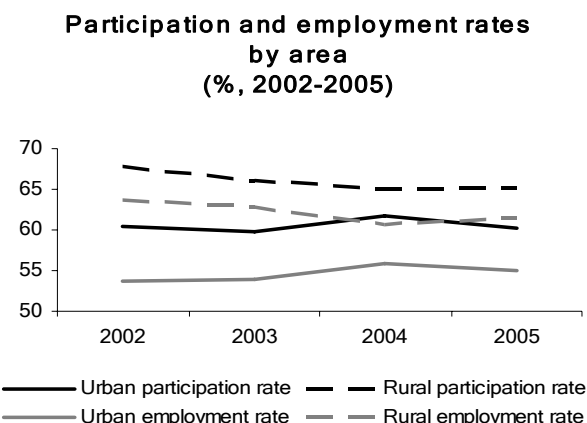
⁵ The National Agency for Employment provides the following statistics on international migration of labor force 2006 (as compared to 2002): (1) 53,029 (as compared to 22,305), based on bilateral agreements; (2) 14,742 (as compared to 369), based private employment agencies, and (3) 89,663 (as compared to 82,879), mostly to EU countries, based on information provided by diplomatic missions.

⁶ Due to change in statistical methodology, data is not comparable for previous years.

million, while the urban active population increased by 3% over the same period. Employment, in absolute figures, follows this trend closely, and about 4.2 million people remain employed in rural areas.

The occupation rate of the population in rural area referred to the total rural active population, aged between 15 and 64 years old, decreased by 6.8% during 1998-2005, reaching 61.6% at the level of the year 2005.

Higher participation and employment rates in rural areas mask hidden unemployment. The



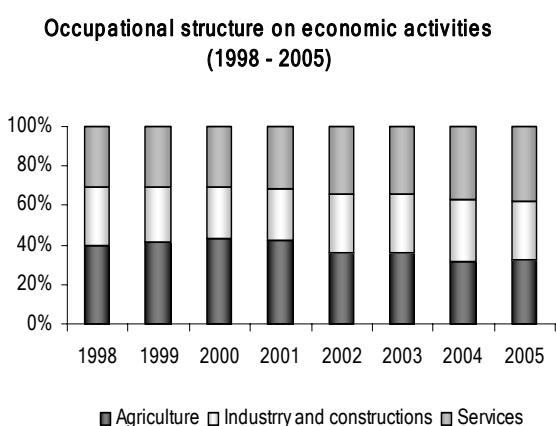
participation rate in rural areas remains 5 to 10 percentage points higher than in urban areas over 2002-2005, though on a declining trend. The resulting convergence between rural and urban participation rates was driven by the steady ageing of the rural population, and improved attractiveness of the urban labour market. The employment rate in rural areas is also significantly higher than in urban areas, resulting in unemployment rates much lower in rural (5.2%) than urban areas (8.8%). The current number of rural unemployed is of 232,000 people, representing 33% of the total number of Romanian unemployed. Instead of reflecting

better employment opportunities, the high rural employment rate reveals pervasive under-employment in rural areas. Most rural inhabitants are self-employed, mostly in agriculture where average productivity and income levels remain low, as indicated by the high share of employment (32.2%) relative to the sector's contribution to GDP (14%).

At regional level, the tendencies regarding the occupational degree of the total active population depend upon the areas' socio-economical specific and upon the complex changes occurring within the national economy, as a result of the restructuring process.

The regional characteristics of this phenomenon are:

- Decreasing the agriculture's weight, as an activity for the rural area's inhabitants in the Western, Nord-West, Centre and Bucharest and the orientation towards the industry and services sectors in these regions;
- Keeping the interest for the agricultural sector in the North-East, South- East, South and South-West, where the occupied population is either stable, either registers and increasing trend;
- Reorientation of the population towards the service sector, to the industry's sector detriment in the North-East, South- East, South and South-West regions, evolution determined, on one hand, by the upward dynamic of the service's sector, and on the other hand, due to the recession felt by the industry.



The situation of the active population's structure, on age groups and development regions presents important issues from the labour force potential point of view, namely:

- The maximum level of active population is represented by the age category between 35-49, for all the development regions except Bucharest, followed by the 25-34 age group, with values closed to the 35-49 age group;
- 50-64 age group presents a level comparable with the first two groups, but, in

certain cases, there are significant differences;

- 15-24 and above 65 years age groups occupy the last positions.

There are certain differences among developing regions within the same age category; the above mentioned are more obviously in the case of 15-24 and above 65 years boundary groups, and minor for the others age categories.

Thus, at national level, based on social status, the population is represented by 37,000 women-employers in comparison with 117,000 men-employers. A number of 521,000 women were registered as self-employers in comparison with 1,274,000 men, a number of 878,000 women as not paid family workers were registered as compared with 389,000 men, fact which leads to the conclusion that the presence of women in all those activities is much lower compared with the men's participation. ((NSI, 2005)

Furthermore, in rural area, the young between 15-34 years old are represented based on the social status as follows: employers 23.3% out of the total of 33,000 self-employers, 21% out of the total of 1,553,000 and 46% not paid family workers out of the total of 1,198, data that proves that the young segment has a poor representation in the business environment (NSI, 2005)

Until recently, the primary sector has been the largest employer in the economy. In 2005, agriculture, forestry and fishery (NACE classification) employed 2.9 million people, accounting for 32.2% of total employment (compared to 30.3% in industry and constructions, and to 37.5% in services). However, with the economic boom that started in 2000, agriculture has been losing its workforce to the benefit of both secondary and tertiary sectors. Nevertheless, the importance of the primary sector remains high in rural employment.

The majority of the rural dwellers are employed in agriculture, forestry and fishery (64.2%), while only 18.7% are employed in the secondary sector, and 17.1% in the tertiary.

Agriculture has a high importance in ensuring an income through self-employment, while rural diversification remains challenging. Most people engaged in agriculture are self-employed, and agriculture accounts for only 3.2% in the total number of the employees in the economy. The rural non-farm economy employs only 24.5% of the rural active population. Rural non-farm employment declined over 1998-2005. Explanations for this decline include the downsizing or restructuring of non-farm rural industries, increased external migration among the active population, and low average rural income levels that generate fewer employment and diversification opportunities. The diversification of rural activities remains challenging. For instance, only 457,000 rural inhabitants (i.e. 10% of the total rural employment) were working in the handicraft industry.

Employment statistics understate the number of people involved in agricultural activities. The structural survey in agriculture shows that, in 2005, no less than 8.5 million people contributed to the agricultural output. This figure includes those engaged in agriculture as a primary activity, but also those not captured in official labour statistics such as people involved in agriculture as a secondary activity. Most of them work on individual holdings (8.4 million persons), while a minority is employed on farms having legal personality (78,366 persons). On average, the persons involved in agricultural activities perform at only 30% of full-worker potential, either because agriculture is a secondary occupation or as a result of low productivity on the many small, individual holdings.

The restructuring of the activities at farms' level and the capital intensification for commercial farms will definitively lead to using less work force for improving the competitiveness. The experience of other agricultural systems, either of other EU Member States or of other countries represents a main testimonial on these lines. These changes with negative impact over the unemployment show once more the necessity of creating jobs in non-agricultural sectors, in order to absorb the labour force resulted from agriculture.

The rural labour market displays regional differences. Agriculture, as the main occupational activity has decreased in importance in the West, North-West, and Centre regions. The rural workforce in these regions became increasingly oriented towards industry and services. However, farming maintained or even increased its share in employment in the remaining regions. In turn, rural unemployment is highest in the South and lowest in the West and South-West of the country.

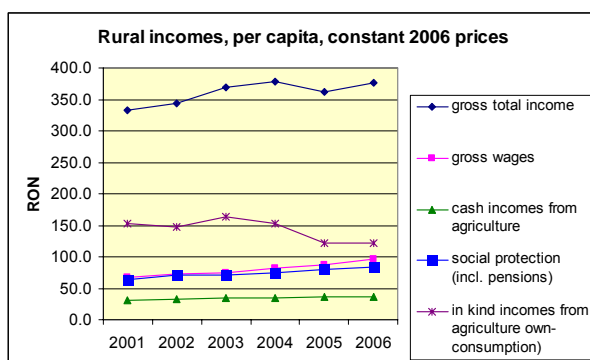
At regional level, it can be noticed that the most important weight in the non-agricultural sector in the rural area is registered in the Centre region, with 30.8% in the secondary sector and 24.6% in the tertiary sector, while the South-West region registers the lowest share (10.9%, respectively, 10.3%) (NSI, 2005)

However, the rural economy is poorly diversified and still depends upon the agricultural activities that has as consequence low incomes for the rural area entrepreneurs.

3.1.1.4. Income and Poverty

Rural incomes are relatively low and the gap with urban areas is widening.

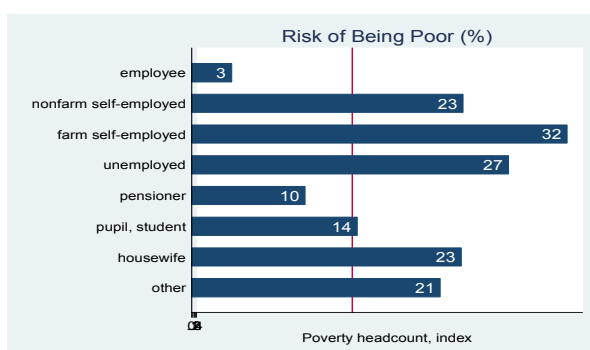
Concerning the households' incomes they vary from one household to another, thus in the rural area, the income average/person/month is of about 95 Euro, meanwhile in urban area is of about 135 Euro. The income at rural households' level come especially from the agricultural production and ensure about 45% of the total income, in comparison with urban area where 61.1% comes from wages. The income average from non-agricultural activities at household level was in the year 2005 of about 12 Euro/month, representing only 4.1% of the net income ("Social Trends" - NSI, 2005)



Rural incomes are diversifying away from the dominance of subsistence agriculture. The share of income (in cash and in kind) from agriculture still represents more than 40% of the total gross rural income, while wages now represent about 25%. Furthermore, the income from agriculture consists mainly (77%) of in-kind income - i.e., home produced food for own consumption, thus underlining the subsistence role of agriculture. Trends in the composition of rural incomes, however, indicate that

diversification is taking place, with incomes from both pensions and wages increasing in both real terms and as a share of total rural incomes, exceeding the importance of in-kind income from agriculture that register a certain decline.

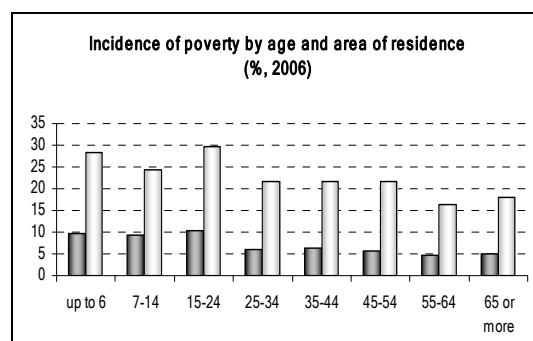
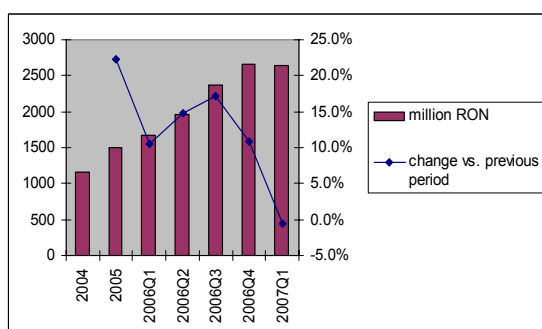
Monthly incomes of farmers' households are typically lower than the ones for average rural households (per capita RON 283 versus RON 376, in 2006). Furthermore, farmers' households rely heavily on non-monetary income sources. The share of in kind agricultural income from total income of farmers' households is high, to the detriment of money income.



Poverty incidence is significantly higher in rural areas and among those employed in agriculture. Over the recent years, the Romanian economy improved and poverty declined as well. However, while there has been significant progress in absolute poverty reduction, benefits of renewed growth are not reaching all segments of the population. Poverty⁷ in Romania is overwhelming rural: more than 70% of the poor are located in rural areas. The groups with the higher risk of poverty are the self-employed in

agriculture (32%), the unemployed (27%), non-farm self employed and housewives (23%). Judged by age, the incidence of poverty is the highest among the young (particularly those aged 15-24). (NSI&WB Poverty Monitoring 2007, based on Household Budget Survey 2006 data)

⁷ Using the national absolute poverty limit endorsed by Government Ordinance no. 488/ May 26th, 2005



Substantial differences exist in the incidence of poverty by regions. Eastern and South-Western rural areas are the poorest, while the rural population belonging to the region surrounding the capital and the Western region is better off.

3.1.1.5 Current situation of rural credit

Availability of credit at national level has boomed in the past 4-5 years, including in rural areas.

The level of liquidity in the banking sector is very high, thanks to the influx of foreign investments and increased level of confidence in the banking sector made possible by the privatization and financial sector reform program. The total credit to agriculture from the banking system has followed the trend of the total investment credits in Romania, more than doubling in size since 2004 (official statistics are not available for rural, non-agriculture credit).

Total credits to agriculture, including forestry and fishery, Romania (source NBR)

Despite many and significant improvements in the rural financial system, the depth of its coverage remains shallow. The financial system has been largely restructured, privatized and modernized and no longer suffers from liquidity problems. After severe contraction until the late 90s and early 2000s, the provision of financial services in rural areas and agricultural sector increased, but the outreach remains limited and based towards the large corporate farms, larger enterprises, and consumer lending. Access by the intermediate farm segment as well as Small & Medium Enterprises (SMEs) in rural areas remains difficult because of the risks and high transaction costs perceived by commercial banks, a weak collateral base, and embryonic micro-finance institutions.

This limited access to credit by the most populous segments of the farming and rural population reduces their capacity to invest, and also makes it particularly difficult for them to absorb EU funds (i.e., SAPARD) which require pre-financing from the beneficiaries.

Despite improved performance and liquidity in the financial system, including in rural areas, understandably, much of it goes to the "least risky" and more profitable segments on the financial market. Credit cards, leasing, consumer lending, including housing finance, and corporate lending absorb the bulk of the credit. It is still hard to get a loan if you are a small start-up enterprise or a farmer in Romania.

Risk and risk perception, rather than liquidity or interest rates, appear to be the main issue for accessing credit by the under-served segments of the financial market, in particular smaller farms and SMEs. On one hand, banks are obliged to manage the risk, and tend to shy away from the segments of the market which they perceive as more risky. On the other hand, a major constraint on lending is the fact that farmers or SMEs either lack, or do not want to pledge (given their small and unstable incomes), their collateral base (e.g. land, building, houses). Farmers and SMEs will often use remittances or wage incomes, when available, to finance their investments.

In the face of still difficult access to credit for the great majority of the Romanian rural population, it is important to develop the tools and mechanisms to reduce and mitigate the impact of risk-related issues.

A variety of complementary approaches can be developed to mitigate these risks. One first such avenue is to reduce the exposure to weather-related risks through insurance schemes, but also through improved agricultural and tilling practices, planting material, irrigation systems, etc. Risks related to markets can also be addressed through the development of agricultural commodity exchanges, market information systems, but also improvements in marketing channels and improved coordination between agro-processors or supermarket chains and farmers, through producer groups, contract-farming mechanisms, or structured financial transactions for example. Performance risks can also be addressed by improving the collateral base in rural areas by proceeding with the systematic registration of land, intra and extra-villa, as currently initiated under the national program implemented by the National Agency for Cadastre and Real Estate Publicity (NACRP). Formal guarantee facilities also offer options for reducing the perceived risks by the banking sector.

The Rural Credit Guarantee Fund (RCGF) was set up in 1994 under PHARE financing to facilitate access to credit and other financing instruments in rural areas, by covering a part of the guarantees requested by the commercial banks and other finance providers. The fund guarantees short, medium and long term credits and the amount guaranteed covers up to 100% of the credit.

Other credit guarantee facilities have been established such as the **National Guarantee Fund** for SME Loans, or the **Romanian Guarantee Fund for SME Loans**. Since not all people are likely to satisfy their credit needs through banks, there is also room to considerably strengthen the non bank financial sector: credit cooperatives, leasing companies, microfinance institutions which may be able to serve people who, as of today, are kept out of the formal banking sector.

The Ministry of Agriculture has introduced a number of schemes to facilitate credit to agriculture such as Law 150/2003, and more recently the “**The Farmer**” programme introduced in 2005 aiming to stimulate long-term investments in both agriculture and the agri-industrial sector, and to accelerate the absorption of SAPARD funds and implemented through **The Agricultural Investment Credits Fund**. The Farmer Programme offered additional liquidity to participating commercial banks at subsidized interest rates (5%), and also allowed the equipment purchased with the credit to be used as collateral.

3.1.1.6 Land Use

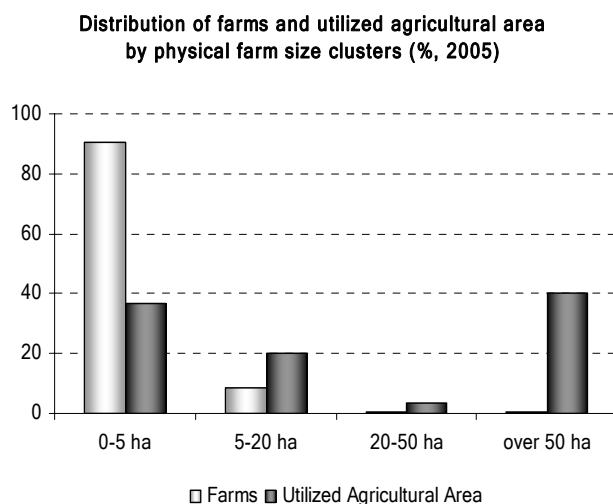
Large portions of the Romanian land endowment are favourable for farming.

With 14,741.2 thousand hectares of agricultural land (or 61.8% of the total country's surface) in 2005, Romania has significant agricultural resources in Central and Eastern Europe. While significant sections of the used agricultural land are classified as LFA, the soil conditions are very favourable to productive agricultural activities in the south and west regions of the country. Most of the agricultural land is arable (63.9%), but pastures and hayfields also have rather important shares (22.8%, and 10.2%, respectively). Vineyards and orchards, including nurseries, account for the remaining 1.5% and 1.4% of the arable land. (*NSI – Romanian Statistical Yearbook, 2006*).

The agricultural area has been dropping slightly over the years. Transfer of land to forests and construction were the main causes for agricultural land loss over the last two decades. Loss of land to urban usage is a challenge in more productive areas, while the conversion of land to forest is more likely to occur in less favoured areas.

Forests cover an important area but are still below potential. Forests and other wooded lands areas (6,742.8 thousand hectares) accounts for 28.28% of the total land in Romania. It is made up of forests (6,233 thousand hectares) representing 92.4% and other wooded lands areas. (*NSI – Romanian Statistical Yearbook, 2006*).

The share of forests in total Romanian land is under the European average and well below what researchers consider, given the country's natural conditions, the possible minimum threshold (32-35%).



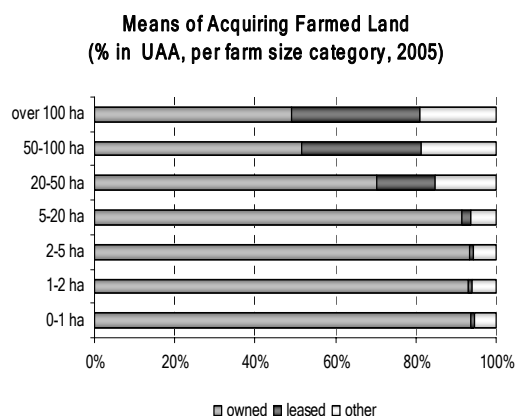
Almost all agricultural land and more than one third of the forestry land are privatized. Restitution and redistribution of land and forestry land started in 1991 and was carried out in several successive stages. As a result, 95.6% of the agricultural land and about 33 % of the forestry land has been given back to former owners or their legal successors by 2005. However, the property titles were issued without a proper cadastre check of corresponding land and without registering them in the registry (land book) system. The location and the boundaries of the restituted parcels oftentimes failed to be clearly identified and are therefore subject to many litigations and disputes.

Land under public-state ownership remains marginal in total: 0.5% out of total arable land surfaces (367.2 thousands ha), 0.7% out of the total pastures surfaces (231.2 thousands ha), and 0.2% out of the total hayfields surfaces (32.4 thousands ha). (NSI, 2004)

Farm distribution is highly dualistic. In 2005, there were 4,256,152 holdings, out of which 4,121,247 were farming an agricultural area of 13,906.7 thousand hectares. The average Romanian farm is 3.37 hectares and made up of 3.73 parcels, which places it well below the European average farm size. This low average, however, masks a wide disparity in farm size characterized by a bi-polar or dualistic distribution pattern. Close to 80% of the utilized agricultural area (UAA) is shared almost equally by two groups: a very populous group (80% of all holdings) of small farm units below 5 hectares, and a very small number of farms over 50 hectares (13,830 farm operating 40% of the UAA). The remaining 20% of UAA is farmed by an intermediate segment of 5 to 50 hectares farms, which is low compared to other EU countries and needs to be strengthened. (NSI – Romanian Statistical Yearbook, 2006).

Small farms are found primarily among individual holdings. There are 4,121,247 individual holdings that farm 65.45% of the utilized agricultural land (or 9,102,018.22 hectares), as opposed to only 18,263 legal holdings who operate the remaining land 34.55%, (or 4,804,683.06 hectares). Individual holdings average 2.15 hectares divided in 3.7 parcels, while holdings with a legal personality average 269 hectares split in about 9 parcels. Most legal holdings are large farms: 43% of all them operate more than 50 hectares, while only 30% operate less than 5 hectares. (NSI – Romanian Statistical Yearbook, 2006).

Most of the land farmed by holdings with legal personality belongs to public administration units, i.e. municipalities and communes (44.2%). The rest is split between privately-owned commercial societies (35.81%), private agricultural units (15.44%), publicly-owned commercial societies (1.25%), cooperatives (0.08%), and other (3.2%). (NSI – Romanian Statistical Yearbook, 2006).



Family associations and authorized natural persons are a particular type of holdings without legal personality. They are, however, listed in the Trade Register. There are 3,863 registered family associations and 9,935 authorized natural persons. Most of the latter produce cereals (1,449), other are growing or breeding vegetables, horticulture and greenhouse products (743), fruits (235), livestock for milk (498), sheep, goats and horses (368), pigs (68), poultry (109), while the rest are providing agricultural services. (The National Trade Register Office-2007)

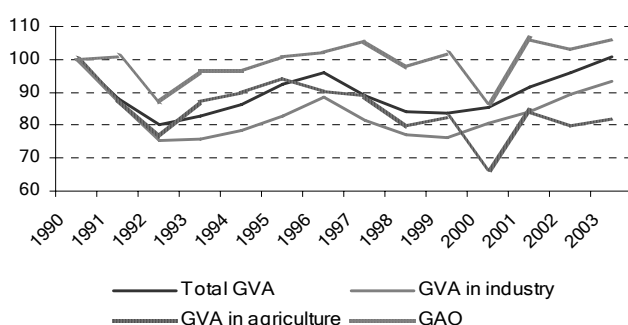
Ownership remains the dominant form of acquiring farm land. The excessive fragmentation of land use and lack of association among farmers impede agricultural competitiveness. In 2005, three quarters of the UAA was farmed by its owners (*Farm Structural Survey, 2005*), while only 14% was leased. Though developing, the land lease market remains limited and mostly benefits larger farms. The incidence of leased land in total farm land becomes relatively important only in farm holdings larger than 50 hectares where leased land accounts for about one third of their farm size.

3.1.2. Performance of the agriculture, forestry and food sectors

Agricultural performance has been weak, and becoming increasingly unstable. This is the result of (i) a dualistic and “old” farm structure, (ii) missing the markets which would support the restructuring and the modernization of the farm sector, and (iii) of a food industry that has not yet completed its restructuring and modernization process.

The analysis below will first provide an overview of the sector performance at the aggregate level, and then will provide insights into the structural disadvantages in agriculture and the food industry, and the causes, that stand in the way of improved performance and competitiveness.

Economic and agricultural growth in Romania, 1990-2003 (1990=100)



3.1.2.1. Competitiveness of agriculture, forestry and food sectors

Agricultural performance has been fairly weak. This lack of competitiveness is illustrated by low yields levels, low growth, and a worsening agri-food trade balances, as agriculture and the food industry can not keep up with increases in food demand driven by rapid overall economic growth, in the face of foreign, particularly EU, competition.

Agriculture is declining as a share in the national economy. Despite this, Romania was one of the Central and Eastern European countries with the least significant fall in agricultural production since the transition began. Agricultural output (as measured by Gross Agricultural Output, GAO), has remained relatively constant since 1980. The situation was particularly difficult in 1992, when the cooperative farms were broken up, and in recent years when the sector suffered from adverse weather conditions. During the first year of transition, the GVA in agriculture declined less than of the industry. But since 2000, the industrial sector has enjoyed continuous growth, while the agricultural sector has experienced significant fluctuations due to its sensitivity to droughts. Agriculture contributed 13.6% to the total GVA in 2004 (down from a 20% contribution in 1990), while the primary sector (agriculture, forestry and fishery) contributed 14.1%, down from 16.2% in 1998. (*NSI – Romanian Statistical Yearbook, 2006*)

A growing agri-food trade deficit mirrors the decrease of competitiveness. The structural changes that occurred over the transition period transformed Romania into a net importer of agri-food products. The agri-food trade deficit reached 1.3 billion euros in 2005, with exports of 673.3 million Euro and imports of 2,021.9 million Euro.

The deterioration of the agri-food trade balance is largely due to a poorly performing food industry. In 2005, the produce/products for which there was a positive balance of trade (totalling 430 million euro), were: barley, wheat, maize, livestock (cattle, sheep, horses), sunflower and soybean oil, wines, cheese, honey, canned meat and meat products, pressed sunflower seeds and nuts. Regarding the products for which there was a negative balance of trade (totalling 1,779 million Euro), more than half of that (1,041 million Euro) came from products from which the domestic production does not cover consumption, examples are: live pigs and pork, flowers, fresh vegetables out of season, orchard fruit, sugar, malt, lard, canned fruit and vegetables, hops, tobacco.

For major crops, output is unstable and well below potential. Roughly two-thirds (69%) of the cultivated area (NSI, 2006) is devoted to cereals, mostly **wheat** and **maize**. For both crops, the surface fluctuated greatly over the transition period, to reach now levels that are slightly higher than in the late 80s. Over 2000-2005, the average yield for wheat was 2,508 kg/ha, while for maize it was 3,150 kg/ha. This is below pre-transition levels and, according to experts, only reflects 40% of the wheat or 39.4% and the maize agronomic potential.

Industrial crops – mostly **oilseeds** – occupy the second largest share of the cultivated land (14.4% in 2005), after cereals. Oilseed production was equally subject to major variation over the transition period. After a fall in the early 90s, it took up again towards the end of the decade, driven by higher international prices and improvements in the processing sector. An improved relationship between independent farmers and oilseed processing plants allowed for growth in sunflower seed production among small producers. However, recent years have been marred by growing instability in terms of output and yields.

The developing bio-fuel market has the potential to drive future adjustments in crop production patterns. Although currently there is no notable bio-diesel production in Romania, EU membership comes with the common regulations of minimum domestic usage of bio-fuels. With the potential to increase domestic production of rapeseed and soybeans and the prevailing excess crushing capacity, the country increasingly captures foreign investors' interest in this field. Industry sources indicate that Romania has the potential for producing, by 2010, up to 2 million tonnes of bio-ethanol and up to 400,000 tonnes of bio-diesel (GAIN Report RO6020).

Valorising the renewable energy sources represent a main objective within the EU policy, being in the trend of gradually giving up the use of conventional fuels and of obtaining the energetic independence from foreign energy resources. Romania has an important potential of renewable energy sources, due to its geographical position, thus:

- **solar energy** – the exploitable potential of producing electric energy through photovoltaic systems is of about 1,200 GWh/year, most representatives being South Plains and Dobrogea areas;
- **aeolian energy** – the aeolian energetic potential is high in the Black Sea area, Moldovian and Dobrogea Plateaus and in the mountain area. In these areas, aeolian installation with a power up to 14,000 MW can be set up;
- **biomass** - the biomass energetic potential is high in the entire country, being assessed at about 7,594 thousands teo/year that represents almost 19% of the total consume of raw materials at the level of 2000. About 54% of the heat produced on biomass basis is obtained through burning forestry residues;
- **geothermal energy**- for the time being, about 70 plungers for hot water with temperatures over 60 degrees Celsius) are functioning in various geographical areas. The geothermal energy reserve with current exploiting possibilities in Romania is of about 167 thousands teo (7 PJ/year), most representatives areas being West Plain and South Plain

As far as **vineyards** are concerned, the surfaces cultivated with noble grape vines during 1998 - 2005, decreased by 16%. The productivity level of the noble vines is only 30 hl wine/hectare, well below the EU average of 50 hl wine/hectare. The area cultivated with hybrid wines in individual households also dropped by 20% over the same period.

The area covered with **orchards** also followed a downward trend, falling by 15% between 1998 and 2005. Many fruit growers are challenged by a lack of finance for renewing fruit trees, for purchasing fertilisers, pesticides and machinery, for the renewal of irrigation systems and for the creation of adequate storage capacities. All these impact on both the quality and quantity of the domestic fruit production.

On average, the surface dedicated to **vegetables** exceeded 260,000 hectares over 2000-2005, with a peak of 380,000 hectares in 2004. Despite fluctuations due to weather factors, the general trend is towards an increase in the surface cultivated. The output closely followed this tendency, reaching a maximum of 4,773 thousand tonnes in 2004 (or 220.3 kg/capita). The following year, 2005, was less

favourable, with production dropping to 3,624 thousand tonnes (or 113.7 kg/capita). However, there is a significant increase in comparison to 2000, when the production was of 112.7 kg/capita.

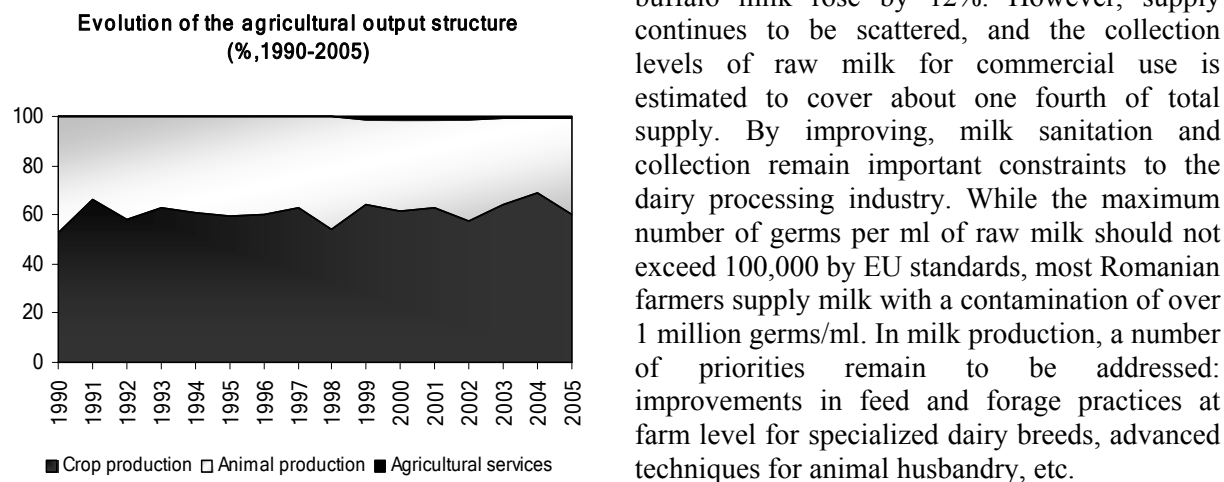
Livestock numbers decreased sharply over the transition period. The dissolution or privatization of co-operatives and state farms has resulted in significant structural adjustments. Livestock numbers dropped to meet the needs of the much smaller units that emerged. Unable to use the buildings and the technical equipment of the former intensive production units, the small-scale farmers relied on animal breeding mainly for self-consumption.

In recent years, though, herds have been fairly stable, and signs of recovery are also present. After a drop at the beginning of the decade, the cattle, pig and sheep herds have stabilized, though with some yearly fluctuations. The rising price of fodder also impacted on these changes. Public efforts in the **cattle** sector are now directed towards the introduction of specialized beef versus dairy production breeds, improvements in feed and forage practices at farm level, and advanced techniques for animal husbandry. Swine herd has decreased slightly, mainly because of the reduction in the reproduction stock in 2003 and 2004. Nevertheless, poultry and bee families increased significantly over 1998-2005, by 24.5%, and 43.2%, respectively.

Animal production tends to increase but small-size units limit its potential. During 2000-2005, total meat production expressed in thousand tonnes live weight increased by 4.2%, but there are differences by species: 23% for poultry, 16% for beef and 1.8% for mutton. However, pork production decreased by 9.8% over the same period. Total egg production increased by 37.5% and chicken eggs by 41%. Finally, honey production increased by 77% over the same period.

The **pork** industry is still facing high domestic costs, in spite of the relatively abundant maize production and cheap agricultural labour. Moreover, the quality of the domestic pork supplied to the processing industry is a challenge to be addressed. Most of the swine herds are held in individual households, with deficient feeding and husbandry practices, and generally poor genetics. (GAIN Report RO6018).

Total **milk** production (including calf consumption) increased by 14% over 1998-2005; cow and buffalo milk rose by 12%. However, supply continues to be scattered, and the collection levels of raw milk for commercial use is estimated to cover about one fourth of total supply.



By improving, milk sanitation and collection remain important constraints to the dairy processing industry. While the maximum number of germs per ml of raw milk should not exceed 100,000 by EU standards, most Romanian farmers supply milk with a contamination of over 1 million germs/ml. In milk production, a number of priorities remain to be addressed: improvements in feed and forage practices at farm level for specialized dairy breeds, advanced techniques for animal husbandry, etc.

The agricultural products resulted within the vegetable farms, but especially in the animal breeding farms, provide a low quality level, partially determined by the lack of consistency with the Community standards. **In recent years, agricultural performance appears to be increasingly unstable.** This is due to more frequent and more severe natural calamities (drought, floods) and animal disease events (avian influenza, swine fever). The former possibly reflects the impact of climate change on Romanian agriculture and inadequate infrastructure to mitigate related risks. Both the frequency and the magnitude of spring floods and summer droughts have been rising. In 2007, harvested wheat reached only 55% of the 2006 production, while corn and sunflower barely reached one third (GAIN Report RO7006, 2007). In turn, classical swine fever has been an endemic problem in Romania. To comply with EU requirements, in January 2003, Romania stopped vaccinations in individual households, while the same was done in January 2006 for commercial farms. However, the disease was not eradicated and outbreaks continued to occur in individual farms. As a result

vaccination had to be resumed in all farms (commercial included), Romania missing the EU market, its most important export opportunity. Avian influenza also strongly impacted the poultry market in 2005-2006. Data provided by the Romanian Association of Poultry Producers (GAIN Report RO6018) indicated a reduction in both inventories and broiler production in industrial operations in 2006.

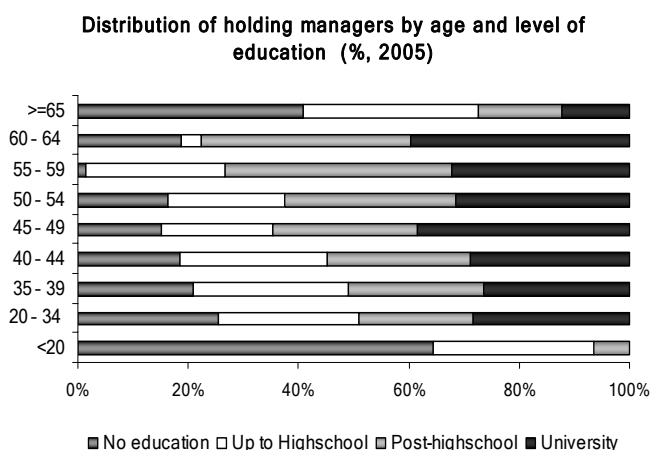
This is also reflected in the mixed production system. Given its natural conditions, Romania has a relatively balanced production mix, with crops covering around 60%, and animal production around 40%. Agricultural services are poorly developed still, and hold only a marginal share in the agricultural output (less than 1%). However, there were annual fluctuations, mainly caused by weather changes. For instance, the drop in crop production in 1992 was due to bad weather, while the opposite happened in 2004. Farmers' exposure to adverse weather conditions increased as the use of pesticides and fertilizers dropped, and the technologies used deteriorated.

- **Existing irrigation infrastructure systems and access to it need to be improved in order to mitigate climate change risks.** Analysing the situation of surfaces fitted out for irrigations and their level of utilisation, it can be ascertained that the total irrigated area in the period 1990-2007 was 7,635 thousands ha and the annual average 424 thousands ha. The annual level of usage of the 867 thousands ha prepared to function registered a variation from 10% to 67%.
- In the last 18 years, no investments for the rehabilitation/modernisation of irrigation systems were made. Only expenses for the maintenance and annual repairing were made for some systems in which water requests on farmers' behalf were registered. A recent study regarding the irrigation systems' viability has delimited the economic viable irrigations systems and the non-viable ones, the latest, for which the using degree being low or null are to be definitively disaffected. According to this study, the viable irrigation systems serve surfaces up to 1.5 millions hectares (half of the surface settled up for irrigation for the time being) In general, higher electricity prices combined with the low hydraulic efficiency of the infrastructure makes irrigation in Romania expensive. Continuing low levels of participation in users' organizations deters effective use of existing irrigation systems.

3.1.2.2. Structural disadvantages in agriculture

Romanian agriculture is confronted with a legal problem, stemming from the privatization process of agricultural land, which results in two main structural disadvantages: (1) too much land tied up with too many small farms, and (2) too much land tied up with too many farmers close or past the retirement age, in particular among the smaller farms.

Almost half of the land and livestock is tied up with subsistence holdings. For the purposes of the programming exercise, subsistence holdings are defined as smaller than 2 ESU. The group is thus more comprehensive than that defined by Eurostat (covering only units smaller than 1 ESU). Subsistence holdings cover 45% of the Romanian UAA and account for 91% of the total number of farms. Most of these units lack legal personality, though there are some exceptions. Surface-wise, the vast majority of them lie in the 0-5 hectare farm segment, with an average of 1.63 hectares.



Most of these subsistence holdings are not even regarded as farms. Farming at least 1 hectare made of parcels no smaller than 0.3 hectares is the pre-requisite for being listed in the Farm Register and for receiving Pillar 1 payments. Yet, out of the total number of agricultural holdings, only 1,237,358 (29%) were registered on 1 June 2007, operating 9,705,502 hectares (or 70%) of the UAA. The remaining almost 3 million units largely fall under the subsistence category

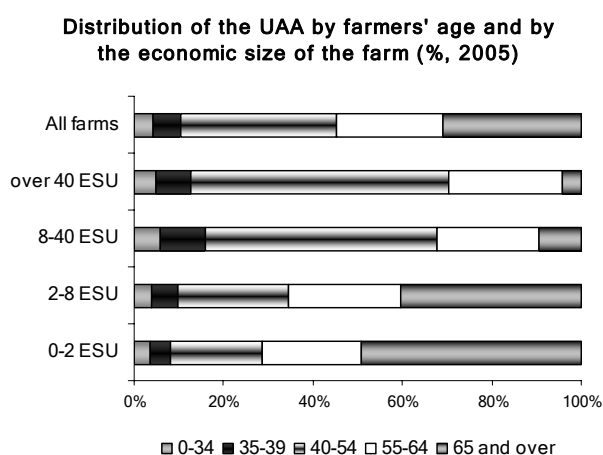
Subsistence holdings drag down aggregate agricultural performance.

Both land and labour are used below their economic potential. The labour per land ratio is 63.43 AWU/100 ha, which underscores the lack of competitiveness due to excessive farm labour force. Further, subsistence holdings lack capital and knowledge, which results in very low returns on their activity. Accordingly, subsistence farmers have practically no incentives or capacity to observe European standards, including those on environmental quality, animal hygiene and food safety. The latter is mainly relevant for the livestock sector, as animal disease outbreaks occur typically in these small holdings but may impact on the competitiveness of the entire sector.

By providing livelihood to vulnerable groups, subsistence holdings play an essential socio-economic function. Subsistence farms are typically owner operated by individuals either past or close to the retirement age. Most of these people are either not educated or have limited skills or knowledge. For them, farm and household activities become inseparable. They typically opt for mixed production patterns: granivores (poultry and pig) in combination with field crops. Given this production mix, and their very loose connection to the market, they remain immune to adverse price fluctuations.

The semi-subsistence farm segment suggests the need for targeted interventions. Due to the fact that in Romania there is an important number of small sized farms (of subsistence and semi-subsistence) for which no real restructuring possibilities exists, the number of farms taken into account for assistance in order to transform them into commercial holdings shall include only the semi-subsistence farms between 2 and 8 ESU (approximately 350 thousands of holdings).

The definition is derived from a policy paper carried out by the European Institute of Romania (2006). Based on iterative clustering, the study identified some specific features of this farm segment which ensures homogeneity within the segment and differentiates it from the rest. Thus, units in the 2-8 ESU group are typically individual holdings, while the percent of legal entities is low (0.5-2.1%). The difference in comparison with the economic size class of 8-16 ESU is obvious, their agricultural activity being oriented towards trading (legal entities having a percent of 10.9 % out of the total of holdings in this category). Supporting the medium-small sized farms, thus of farms having an economic dimension between 2 and 8 ESU, has the important advantage that it manages a segment of holdings relatively homogenous (with an average of 4.9 ha for the 2-4 ESU group and 9.4 ha for the group of 4-8 ESU). As it is not expected that the number of farmers that shall apply for support will be higher than a quarter of the total potential beneficiaries, this approach is considered as being the most realistic one. Specific for Romania, where the relation between the holdings and the market is less developed, the business plan shall stress on selling the production, and not on investments, the above mentioned representing the base that shall allow a change in the holdings' orientation, but the guideline shall remain the identification of production capitalising opportunities. Their production mix does not differ greatly from the subsistence farm segment (i.e. granivores and field crops) but they have a stronger market orientation. Furthermore, an analysis based on household incomes shows that a farm sized 2-4.3 ESU can meet the self-consumption needs of a household averaging 1 to 3 members. However, an additional 2 to 4 ESU is necessary for a farm to market a share of its output (MARD computation).



Almost half of agricultural land is operated by subsistence farms which keep aggregate agricultural performance low by offsetting the achievements of otherwise high performing large farms, and preventing the consolidation of semi-subsistence farms into viable and more competitive farm units. 45% of the Romanian UAA is operated by subsistence holdings (i.e. smaller than 2 ESU) which perform well below potential and keep the aggregate agricultural performance low. By locking significant agricultural land assets into a low performing agriculture, subsistence farms cancel-out the improvement in performance of the larger farms.

The semi-subsistence farm segment, remains small and underperforming. It accounts for 9% of the total number of farms, and about 16% of the UAA. To

further develop into commercially viable and competitive units, semi-subsistence farms will need to overcome several challenges or market failures. Public interventions have a central role to play in catalyzing this transformation and restructuring process of Romanian agriculture. First, the operations of the land market will need to improve, in order to enable semi-subsistence farms to consolidate and absorb land from the subsistence farming segment, through leasing, purchases or other arrangements such as farmers' associations. Second, technical and advisory services will play an important role in improving the capacity of intermediate farms to become competitive and manage this transformation process. Thirdly, semi-subsistence farms will need to become better integrated with the market through marketing channels. **Associative actions** will play here a major role.

The farming sector faces a severe generational problem, particularly in the semi-subsistence farm segment.

The statistical data presented in NSP, as well as in the National Reform Programme emphasise the fact that a relatively high percentage of young people with an age between 24 and 44 years old work in the agriculture sector.

This situation is due to the fact that not having other income's sources, the young in the rural area remain in the communities they belong to in order to help with agricultural activities. A main issue is that, in the total agriculture of labour force, the employees' weight is low, of about 6%. The self employers and not paid family workers have the higher weight (51.6%, respectively 42.0%) These categories include to a great extent also "other family members", respectively young people under 35 years old. (NSI 2005) Analysing the management age structure within the individual agricultural holdings bigger than 1 ESU, it is noticed that an important weight of 71 %, is represented by holdings managers having 55 years old or above, in comparison with the weight of managers between 35 and 55 years old, of 25%, and of young under 35 of only 4 %. (EUROSTAT, 2005). The tendency of holdings managers ageing can be also noticed within legal entities (under 35 years old only 11%, and over 45 years old 66%). (NSI, 2005) The agricultural holdings weight managed by young farmers under 35 years old registered a descendent trend during 2003-2005, from 9% to 7%, thus reflecting a low occupational degree in agricultural holdings, of about 4.5% in our country in comparison to 8.3% registered at EU-27 level (EUROSTAT, 2005). In comparison with the EU situation, the used agricultural surface in Romania by young people under 35 years old is lower compared to the one used by other age categories. (EUROSTAT, 2005)

Young farmers (below 40) account for only 10% of the total farmers' population and operate 10% of the UAA. At the other extreme, farmers beyond retirement age (over 65 years old) account for 43% of all farmers and operate 31% of the UAA. Farmers who will be past retirement age by the end of the programming period (aged 55-64 in 2005) represent another 22% of farmers and 24% of UAA. Half of the land held by subsistence farms is operated by heads of holdings past retirement age, while another 20% is held by farmers who, by the end of this programming period, will be close to or past retirement age. Together, these two groups occupy 32% of Romania's UAA. Nearly half of the semi-subsistence holding managers are beyond the retirement age and farm about 40% of the land in that segment. In contrast, only 1% are younger than 34, while another 7% are aged 35-39. The old age problem is much less pronounced among larger commercial farms.

Holding managers by age and by economic farm size clusters

(NSI, 2005)

Age	0-2 ESU	2-8 ESU	8-40 ESU	40 -100 ESU	Over 100 ESU	Total
< 34	210,056	13,902	1,983	185	100	226,226
35-39	246,853	20,962	2,436	267	151	270,669
40-54	905,500	81,394	9,785	1,602	1,050	999,331
55-64	849,094	90,505	5,939	762	532	946,832

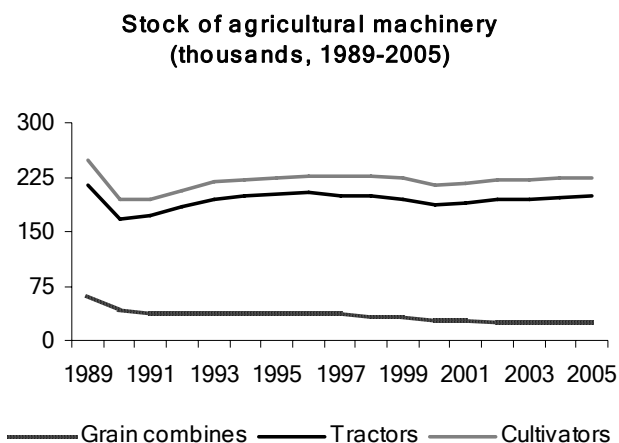
>=65	1,659,739	147,554	5,398	268	135	1,813,094
Total	3,871,242	354,317	25,541	3,084	1,968	4,256,152

18% of the UAA is concentrated with few large and mostly competitive commercial farms. 1969 holdings (or 0.04% of the total) are larger than 100 ESU. They take up 18% of the UAA and average 1,239 hectares. Surface-wise, they tend to operate over 100 hectares. They are mainly specialized in cereals, oilseeds and protein crops. Roughly three quarters of these farms have legal personality and are run by managers aged 40 to 64. The incidence of young farmers remains fairly low, 14% of the total number of large commercial farms.

Large commercial farms utilize resources efficiently although competitiveness gaps may still need to be closed. There is a limited number of farms which are efficient and competitive which aggregate good economic performance and access to capital and know-how. They may face adaptation challenges in respect to EU standards or may have further investment needs in farm technology and equipment. For those farmers, one way to grow and use capital effectively could be through associations as a way to avoid overcapitalization, increasing fixed cost and the problems of limited access to credit. However, neither statistical nor accounting data are available to allow for an assessment of their resource endowment and investment needs. Therefore no granular characterization is possible in terms of farm labour skills and productivity, capital intensity, research and development take-up, environmental expenditure or product quality. Through SAPARD, out of the 1,225 investments projects for vegetal production that were finalised within the Measure 3.1 “Investments in agricultural holdings”, representing modernising and new objectives, a number of 1,095 was for arable crops, 54 for horticulture, 31 for orchards, 27 for vineyards, 14 for green houses and 4 for other types of farms (strawberries, fruit bearing trees). To the above mentioned 17 objectives of finalised investments within the Measure 3.4. “Development and diversification of economic activities generating multiple activities and alternative income” were added representing modernisations and new objectives for other activities as follows: 11 mushroom farms, 5 unities for processing wild berries and 1 mulberry plantation.

Furthermore, the 133 investment objectives for animal breeding, within Measure 3.1. “Investments in agricultural holdings”, representing modernising and new objectives, comprised a number of 74 cow farms, 27 poultry farms, 17 pork meat, 5 sheep farms, 5 oxen slaughters, hog slaughters and 4 for other types of farms (rabbits, ostriches). To these 235 investments objectives finalised within the Measure 3.4. “Development and diversification of economic activities generating multiple activities and alternative income”, are added, representing modernisations and new objectives for other activities as follows: 183 beekeeping farms, 52 snails farms.

It is obvious that in Romania in order to consolidate the commercial agricultural holdings, investments are necessary, especially for the environment protection, animal welfare and hygiene, for applying new technologies that aim at improving the obtained products’ quality in order to reduce the production costs and increase their competitiveness, thus being able to produce at Community standards, under market and competition’ terms.



The stock of agricultural machinery remains deficient. The number of tractors and agriculture machines in Romania dropped at the beginning of the transition period but then started to gradually recover. Grain tractors and combines were the most affected. The tractors currently account for only 40% of the 1989 level, whereas the combines for 77%. In contrast, the number of tractors increased slightly and the tractor sufficiency ratio improved from 62 hectares of arable land per tractor in 1989 to 54 in 2005. Nevertheless, the current stock of agricultural machinery is

largely outdated, which leads to high losses in harvested crops, and fails to solve the problem of long harvesting seasons.

Key missing markets explain the poor performance of the agricultural sector: land market, advisory services and training, credit and marketing. Policy interventions to address these missing markets will be essential to modernize and restructure intermediate farms, and to help achieve both income convergence and agricultural competitiveness objectives.

A more active land market is needed to enable farm restructuring. Much of the land is tied up with elder farmers and used for subsistence purposes. 31% of the total UAA is farmed by persons beyond retirement age, as opposed to only 10% of the total UAA which is farmed by young farmers. 45% of the UAA is operated by subsistence holdings, smaller than 2 ESU and another 16% by semi-subsistence farms (2-8 ESU). Increased agricultural competitiveness requires that more land be managed by younger farmers. To facilitate such a transfer of land resources, the land market needs to be activated through actions both on the supply as well as the demand, and by reducing transaction costs. Public interventions to that effect are being put in place.

High transaction costs reduce the transfer of land to more competitive uses or make sales only available to larger investors who can afford it. Currently these transaction costs can reach up to 25% of the value of the land, and once land is registered in the land book it can command up to double its price (because it avoids the administrative procedures associated with registration). Transaction costs include those fees paid to notaries, surveyors, real estate agents, transfer taxes, registry fees, and in some cases intermediaries' fees. Additional lawyers' fees may be needed for inheritance and to process all required steps.

Land can not be collateralized with commercial banks, limiting access to credit. High land survey and registration costs limit smaller farmers' ability to formally register their property with NACIP. As most of the property titles issued are not yet registered, formal land sales (for which prior registration is mandatory) remain low, and also reduce the value of the land. Due to undervaluation and to uncertainties regarding parcel boundaries and land ownership, commercial banks do not accept land as collateral. This is particularly detrimental to farmers in the intermediate farm segment who would need investments to grow but whose collateral base is weak.

Public interventions are aimed at improving the functioning of the land market. A national program to ensure systematic land title registration in rural areas (intra and extra villa) is being launched by NACIP with the financial and technical support of the World Bank. By securing land tenure and reducing transaction costs, this program is expected to activate the land market and also facilitate access to credit. In addition, the Life Annuity Program (Law 247/2005) was introduced with the aim to catalyze farm expansion and inter-generational land transfer and therefore improve farm competitiveness. Through this program, farmers beyond the retirement age are encouraged to either sell or lease their land. The incentives consist in annual per hectare payments of 50 Euro for leasing and 100 Euro for sale. By December 2006, a total of 76,655 hectares benefited from the program, of which 62,855 hectares were leased-out and 13,800 hectares were sold.

Advisory and training services are still poorly developed and equipped to respond to the needs of farmers, to help them restructure and improve their agricultural performance (technical performance, EU food safety, hygiene and environmental standards) The National Agency for Agricultural Consultancy (NAAC) is a public institution subordinated to the Ministry of Agriculture and Rural Development. NAAC employs 1068 people in 2007. The territorial structure is represented by 42 County Offices for Agricultural Consultancy (COAC) with 407 advisors and 600 Local Centres for Agricultural Consultancy (LCAC) with approximately 600 field staff providing agricultural advisory and consultancy services to farmers; the headquarters in Bucharest employ about 60 people.

Most of the field staff of NAAC are university graduates with a technical background and experience in (large scale) farming, but technical knowledge is not always up to date. Moreover, the NAAC system lacks expertise in issues such as farm economics and management, marketing, project design and monitoring, as well as construction of farm facilities. Also, there is only limited knowledge on specific Community standards and regulations. On the positive side, in spite of low salaries and poor working conditions, field staff has a genuine commitment to serving farmers and to introduce innovations.

Regarding the private advisory system in Romania, advisory companies of all sizes, with professional background or specialization, can be found in most major cities of the country. Clients are generally larger farm holdings which need support in the preparation of investment projects or for specific farm management problems. It can be assumed, that the private consultants perform at present to the satisfaction of their clients and that they are able to react effectively and flexibly to the demands of this expanding market. Until now, MARD has not yet introduced a quality check or an 'advisor accreditation procedure' as regards the professional qualification of the individual private consultant.

For the time being, 17 COAC are authorised for training and 25 offices are on going to be authorised. In 2006, NAAC organised 2,926 training, qualification and specialisation courses. The total number of persons included in the training program for the own personnel and agricultural producers was of 170,791 persons. The consultancy/ design firms' distribution that drew up the projects for Measure 1.1. "Agri-food industry" on development regions is as follows: North-East 55 firms, West 23 firms, North-West 25 firms, Centre 52 firms, South-East 13 firms, South Muntenia 3 firms, Bucharest and Ilfov 74 firms, South West Oltenia 7 firms. (*data from SAPARD*)

According to the data supplied by NCAVT (National Council of Adult Vocational Training, <http://www.cnfpa.ro>) in Romania there are for the time being:

- 10 authorised suppliers of vocational training for supplying kick-off courses in the agriculture field;
- 18 authorised suppliers of vocational training for supplying courses in agriculture field;
- 12 authorised suppliers of vocational training for supplying speciality courses in agriculture.

3.1.2.3 Restructuring needs of the food industry and marketing

Performance in the food industry has improved significantly, but much more remains to be done in terms of restructuring the sector in order to remain competitive and meet EU food safety and quality standards, and in terms of establishing well-performing marketing links between the food industry and the large majority of farmers.

Traditional products are important in Romania and represent significant opportunities for growth, especially for remote or less favoured rural areas, if addressed through concerted policy actions. Starting with 2005, more than 1,500 Romanian traditional products were recognized by MARD, most of them in the milk, dairy products and meat sectors, as well as in the milling and beverage industries. They bear the specificities of the regions where they are produced.

The food industry is an important sector in the Romanian economy, accounting for about 17% of output of all processing industries, 9% of total national production and 7% of GVA in 2002. It also accounts for a relatively stable 10% of employment in manufacturing and 3.5% of total employment, respectively, although the absolute number of employees has almost halved between 1990 and 2003. The food industry has achieved robust growth since 1990, both in absolute and relative terms/total processing industry. Evolution in output between 1998 and 2005 varies across food products; while it increased for meat products (+55%), canned meat (+62.9%), fresh dairy products (+73.9%), edible oils (+34.4%), cheese (+39.3%), it declined for meat (-29.2%), canned fruit and vegetables (-2.7%), milk (-16.5%), wheat and rye flour (-69.0%), (*NSI, 2006*), hinting a shift toward higher value products in recent years in response to the increasing demand. The combination of greater and higher value output together with a shrinking labour force has led to significant improvements in aggregate productivity which more than tripled between 1990 and 2002, and grew another 12% between 2000 and 2005. Enterprises productivity differs across sub-sectors. Romania holds a top position as a producer of edible oils in Europe. The processing industry evolved rapidly towards high concentration around a few large players, domestic and international, which dominate the oilseed market in addition to the value of the 20,000 tones of oil crushed in small-scale rural units for household self-consumption.

Regarding the agri-food industry, we do not have statistical or operational data either concerning the using degree of existent capacities, either concerning certain disparities among the country's regions. In what concerns the investments made by SAPARD until June, 30th, 2007, the situation is as follows:

Out of 202 finalised investments objectives within the measure 1.1 „Improvement of processing and marketing of agricultural and fishery products”, representing modernisations and new objectives, a number of 85 belong to the “Meat and Eggs” sector, 48 to the “Milk and dairy products” sector, 27 to the “Cereals” sector, 24 to the “Wine” sector, 17 to the “Vegetable, fruits and potatoes” sector and 1 objective to the “Oilseeds” sector.

The analysis of the regional and sector finalised projects shows that:

- **in the “Milk and dairy products” sector**, the region with most finalised projects was the North-East region, followed by the Centre region. The regions with fewer projects were South-West Oltenia and the West region.
- **in the “Meat and Eggs” sector**: the Centre region benefited of more projects, while the West and South West regions of fewer.
- **in the “Vegetable-fruits and potatoes” sector**: in this sector the number of projects is low, existing areas without any finalised project (South-East, South-Muntenia, West).
- **in the “Wine” sector**: the disparities between regions are very important (while the South-East region finalised a number of 13 projects, other regions had no projects, i.e. North-West, Bucharest- Ilfov, or had only one project North-East, South-West and Centre regions).
- **in the “Cereals” sector**: the number of projects at national level was low, each region having 2 to 6 projects.
- **in the “Oilseeds” sector**: only one project was finalised in this sector, respectively in the South-West region.

Despite this success, the food industry still faces several challenges ahead:

- ***A dualistic industry still populated by too many small firms lacking economies of scale, for which capacity utilization results in low average productivity and competitiveness levels.*** The concentration of the food industry is low. Two thirds of the 11,000 food industry enterprises are small (less than 9 employees), and about 1% are considered large (more than 250 employees). The small processing plants which remain produce mainly for the local market, and their limited access to credit prevent them from modernizing and rationalizing their production. Relatively large companies (with more than 50 employees) dominate a few industries such as sugar, wine, and beer in particular. As a result, and despite significant improvements, the average labour productivity (GVA per employee) in the food industry remains low at about 5,000 Euro. It is twice as high in the beverage industry, three times as high in the tobacco industry, and 37% above average in oilseed processing industry. All other sub-sectors had productivity levels between 70 and 80% of average, with an even lower productivity in the dairy industry (61%).
- Raw material problems and under-investment in many Romanian agricultural and food processing plants lead to ***poor compliance with EU processing standards and inadequate food safety***. Food industry enterprises have significant problems because of their lack of compliance with European standards (including the ISO and HACCP standards), requiring significant investment in upgrading and modernization. The compliance level in meat production and processing in June 2007 shows that, out of a total number of 425 units, 123 are in line with the European Union norms and authorized for intra-Community trade, and the remaining 302 are approved for operation during a transition period until 31st of December 2009. In the milk and dairy industry, out of a total number of 259 units, 52 are in line with the European Union standards and authorized for intra-Community exchanges while 207 are approved for the transition period until 31st of December 2009.
- ***Wholesale trade and marketing channels that integrate the large number of small and medium size farms in the food economy are under-developed***, and face the following problems: (a) lack of standardised, large and homogenous batches of agricultural crops, in particular from the medium commercial farm segment, (b) considerable dispersion of the distribution system, (c) lack of modern storage spaces that would ensure the continuity of supplies of quality agri-food products, (d) high margins caused by low turnover and numerous intermediaries (this is particularly the case in the milk sector), (e) inadequate market

information systems about prices, supply and demand on individual markets. Some of the very large commercial farms have introduced their own wholesale trade system with convincing positive results. Storage facilities for agriculture commodities, particularly cereal storage, suffer high maintenance and conditioning costs, and many silos can not guarantee the standard storage conditions regulated by national legislation. As a whole, the Romanian processing industry is still poorly integrated with the large majority of agricultural producers and remains therefore sensitive to supply fluctuations and unstable quality of raw materials compared to the competing processing sectors of other Member States. Establishing stronger links between producers and processing plants through long-term contracts and the establishment of producer groups⁸ supplying the industry with uniform quality of raw materials, under the technical support of technical and management advisory services would help overcome these problems. Their better integration within the food industry would also go a long way towards raising and stabilizing farmers' income. Currently, there are no marketing organizations, such as producer groups or marketing cooperatives, that could provide for the vertical coordination between food industry and farmers.

3.1.2.4. Forestry

Forests in Romania are some of the best in Europe, having been historically managed to an excellent standard and having significant economic potential. Currently the sector contributes to over 9% of the country's exports, and accounted for 3.5% of GDP in 2005 (USDA – FAS 2006). Given that Romania's optimum forest cover is of 32% and the fact that the wood-processing industry is not operating at full capacity, the sector has significant potential to contribute to national economic growth and rural development. However, issues pertaining to land restitution, human capital, infrastructure, processing capacity, and the legal and regulatory framework may serve to limit this potential.

Currently, standing volume is about 1,341 million cubic meters, which is about 218 m³/ha. Of the 6.4 million hectares about 29 percent is coniferous, 71 percent broadleaves. At present, 65% of forests (i.e. 4.2 million hectares) is publicly owned and administered by the National Forest Administration, while the balance is in private ownership.

Forest land in private ownership is characterized by relatively small holdings, and fragmentation, posing a challenge to realizing their economic potential in a sustainable manner. This can partly be attributed to the manner in which restitution occurred, with initial 1ha caps being proposed for restitution, followed by a 10 ha cap, and finally the complete removal of caps. In some cases, the outcome could be ownership of three separate blocks of forest by one individual which were non contiguous. Despite this challenge, it is expected that up to 65% of the overall national forest area will be resituated to private individuals and local public authorities. The main initiative to address the problems associated with fragmentation and the small size of holdings has been the creation of private forest districts or through the fusion of forests for the purpose of sustainable management. Currently, private owners are required to associate and to organize themselves as forest districts, and either hire forest rangers, or contract that function to the National Forest Administration or other forest districts. So far, this has led to the establishment of 106 forest districts managing over 1,000,000 ha of forest.

The process of restitution also means that many private forest owners are relatively new to forest management, and may require significant amounts of training and advisory support in order to manage their forests in a sustainable manner. While the formal education sector offers a variety of courses in forestry and forestry industry at vocational, undergraduate and postgraduate levels, there appears to be a lack of specific training programmes or courses for new private forest owners. In addition, given the size and fragmented nature of many private forest holdings, operators may be reluctant to invest time and money in training (FAO 1997). However, the emergence of private forest associations may encourage greater investment in skill development, should training programs and courses be made available.

⁸ Up to now, a number of 56 producers groups were recognised in Romania, according to the legislation in force. Among them, 4 groups applied for SAPARD funds mainly in the vegetable- fruits, milk and dairy products, poultry meat and eggs, sheep and goat meat, honey and honey products' sectors.

The restitution of land to private individuals also poses significant challenges to the legal and regulatory framework, particularly in tackling problems such as illegal logging. Currently, it is estimated that 100,000 m³ being illegally logged per year. Responsibility for controlling illegal logging has been vested in the Territorial Inspectorates for Forestry Regime and Hunting, but while it is possible to regulate activity on the NFA's property or the property of private individuals located in national parks, extending regulatory control to private forest holders beyond national parks is a significant challenge.

The capacity to realize the economic potential of forestry is further limited by the poor accessibility of most forests. Forest roads cover less than 42,000 km (that is, about 6.5 m/ha, the lowest density Europe. As a result, more than 2 million ha of forests are practically out of reach both for the purposes of management and for economic use (USDA-FAS 2006). It also leads to over-logging in those areas which are accessible along with the use of inefficient and unsustainable technologies in inaccessible areas. Furthermore, poorly maintained roads pose an environmental problem, contributing to soil erosion while forests are being exploited. A reasonable increase of road network and its periodical maintenance is necessary in order to diminish these effects.

The wood processing sector also has significant growth potential, even though there are significant capacity constraints. The ready availability of raw material, relatively low labour costs and proximity to important western European markets underpin the development potential of the wood processing sector in Romania (USDA-FAS 2006). Most (75%) of the 15,761 m³ harvested in 2005 was sold on the market, while 25% being used for own consumption (NSI 2006). The main user of this raw material is the primary wood processing sector (including furniture) which employs over 84,000 people (NSI 2006). Labour productivity in the sector is increasing, and was estimated as having grown by 43% between 2000 and 2005 for manufactured wood and wooden products, and by 33% in the furniture industry (NSI 2006). The performance of the furniture industry has been particularly impressive, having a strong export orientation, and output exceed 1 billion euro in 2004 due to a growth rate of 23% (one of the best in the national economy) and the afore mentioned gains in labour productivity (USDA-FAS 2006).

However, despite these gains, concerns remain regarding the sectors capacity. Equipment used in the wood processing sector is said to be obsolete and inefficient resulting in inconsistent product quality. About half of domestic lumber is produced by numerous, largely unregulated small operators, who will need to invest in the operations in order to comply with environmental regulations. Significant investment is also required in the furniture industry in order to ensure compliance with EU environmental standards, with total investment estimated at over 100,000 million Euro. Recently, there has been a good deal of foreign investment in the processing sector by Western European companies. In the medium to long term this could potential pose a challenge of ensuring a sustainable supply of wood to the processing sector, especially if capacity increases among domestic operators.

Beyond their economic value, forests in Romania have significant potential as a multifunctional land use providing important social and environmental advantages. Indeed just over half (52%) of Romania's forest are classified for special protection functions (soil protection, water protection, climate protection, wildlife conservation and leisure functions) while the remainder can be exploited for production and protection purposes. Other important functions of Romanian forests are recreation and hunting, flood protection (through regulating water flows), biodiversity conservation (especially wildlife habitat), mitigating climate changes (through carbon sequestration), and providing non-timber forest products (such as berries, seeds, mushrooms etc).

3.1.3. Environment conditions

3.1.3.1 Main Characteristics

The Romanian rural area is characterised by natural resources that are generally, in a good preserving status, having a high level of biodiversity associated to a diversity of habitats, ecosystems, forests and valuable agricultural landscapes, but in the same time, the future brings important challenges ahead: maintaining these natural values and mitigating climate changes.

The Romanian territory consists in three types of relief, in relatively equal proportion- lowlands, hills and mountains, with a high level of pedo-climatic and geographical diversity.

Romania has a diverse natural environment which integrates many rural areas which are generally characterized by a good conservation status of the natural resources of soil and water, traditional landscapes and a remarkable biological diversity. Also, Romania has a unique natural heritage, mainly represented by the Carpathian Mountains (65% of the Carpathian eco-region), as well as by one of the most important wetlands in Europe, the Danube Delta (the second largest delta in Europe). It is estimated that natural and semi-natural ecosystems represent 47% of the entire national territory and 52 distinctive eco-regions have been identified.

It is worth mentioning that 30% of European population of large carnivore and about 300,000 ha of virgin forests are also to be found in Romania. The Carpathian Mountains and the Danube Delta host many endemic species, including several of Community interest. The diversity of species and habitats and the variety of traditional rural landscapes resulted from the agriculture restructuring (passing in the last 16 years from a limited number of very large commercial farms to millions of small family households), of the return to more traditional types of agriculture and implicitly to more extensive practices.

On the other hand, although there was an overall extensive trend, and low use of chemical products in agriculture, some agricultural lands had been affected by an improper use of chemical fertilisers and pesticides, by irrigations, drainages, or by applying inadequate mechanical works, reasons for which the environment components (especially soil and water), were seriously damaged on reduced surfaces.

Furthermore, the abandonment of agricultural land and use of unsuitable farming practices, which occurred due to the lack of knowledge or limited financial resources, had a negative influence upon biodiversity and determined the occurrence or accentuation of soil erosion phenomenon. The decrease in livestock led to the abandonment of grazing causing the degradation of large areas of grassland due to the occurrence of ecological progression characterised by the encroachment of many invasive species.

On the basis of a grassland inventory carried out by Royal Dutch Society for Nature Conservation in collaboration with various national institutions, it was calculated that out of the total permanent grassland surface, about 15% suffers from an agricultural activities abandon. These data are obtained by extrapolation, due to the fact that this inventory was only carried out in 6 localities (representatives from biodiversity point of view) covering only 15% of the total national grassland surfaces.

Without having concrete data, it is difficult to estimate the weight of abandoned agricultural land for agricultural activities, but some areas where this phenomenon has a higher intensity can be identified. Thus, in Romania, the abandonment affects especially: the traditional grazing areas - lately also as a consequence of a sudden obtrusion of the sanitary-veterinary standards that affect those grazing systems' viability, the arable land-especially in lowland areas that lack humidity and functional irrigation systems, areas with high level of poverty, characterised also by a high emigration rate and areas bordering the big towns- where some agricultural lands are usually removed from the agricultural circuit in order to subsequently respond to projects for the extension of the residential or commercial areas. At the same time, the sustained economic growth recorded over the last seven consecutive years now threatens many species of plants and animals through intensification of farming leading to the deterioration of the natural resources and the modification of the rural landscape.

Less Favoured Areas (LFA) for Agricultural Activities

Large areas of Romania are characterized by natural limitations of agricultural productions. These areas are related especially to the Carpathian Mountains and Danube Delta, but also to other areas with soil and climate specificities. These Less Favoured Areas for agricultural production are generally associated with a high level of biodiversity.

Romania holds large areas that can be considered less favoured (according to (EC) Regulation no.1257/1999), due to unfavourable natural conditions that considerably limit the use of agricultural land and thus leading to lower yields.

Among those are to be remarked especially the Carpathian Mountains – where high values of altitude and slope are met, and Danube Delta – due to the fact that this area presents an accumulation of climate and soils restrictive factors that limit the agricultural activity, and other areas – more compact in South – East Romania and more scattered in Moldavia Plateau, Oltenia (both lowland and hilly area), Transylvania Plateau – where natural specific conditions lead to lower natural yields.

Therefore, a large area of the Carpathian Mountains, due to altitude and slope conditions, encounter obstacles in farming, obstacles having as a consequence the shortening of the vegetation period and additional costs caused by sloppy terrain (details - *Annex 4A*).

Apart from Carpathian Mountains, there are also other areas characterized by a low productivity due to restrictive natural conditions.

Hence, with a natural agricultural productivity significantly lower in comparison with the rest of Romania, the Danube Delta is to be observed, due to a compound effect of natural factors related to soil (sandy and with low values of humus) and climate (low precipitations – in average below 400 mm/year). This potential is emphasised by the Land Quality Index at commune/city level, in comparison with the national average. Thus, in this area, the Land Quality Index (LQI) has a value of 16 points, meaning 46% of the national weighted average, and the maize yields (the main culture of the area) are only 39% compared to the national averages. It is to be noticed in this area, the low density of the population, fact that has a negative impact over the human capital afferent to maintain the agricultural activities (details - *Annex 4A*).

Furthermore, many other areas are characterized by certain specificities of soil (clay or sandy soils – leading either to water logging or to water very fast drainage), climate (low precipitations and high temperatures during the summer, amplifying the water deficit), relief (slope) etc, specificities that are reflected in a LQI values below 80% as compared to national weighted average and thus, as a result of specific natural conditions, the agricultural natural productivity is affected (maize yields are in average 60% compared to national averages) (details - *Annex 4A*).

Due to the fact that these low agricultural potential areas are usually agricultural lands supporting less intensive agriculture and thus richer in biodiversity, an analysis of those areas was performed. This analysis confirmed important overlapping with HNV and IBA areas, thus the Carpathian Mountains are in a high proportion covered by HNV areas, and the other areas affected by low agricultural productivity due to natural restrictions, are highly overlapping with Important Bird Areas (IBA). (details - *Annex 4A*).

3.1.3.2. Biodiversity Conservation in Agriculture and Forestry land

General characteristics of biodiversity

Romania is characterised by a high level of biodiversity- both as regards the number of species, habitats and ecosystems, that are formed and also from the owned surfaces point of view. The recent changes of landscape highlight serious threats: the intensification of agricultural activities that mainly affect the more productive areas and the abandonment of agricultural activities that take place especially in less productive areas.

Romania is characterized by a high biological diversity, both as regards the actual number of species, and the number of individuals at each species level, as well as having a notable number of ecosystems and species. However, in the present conditions many plants and animals are endangered and the landscape modifications are the first sign of environmental deterioration.

Regarding the flora, 3,700 species of plants were identified in Romania, out of which 23 are declared under protection, 74 are extinct, 39 are endangered, 171 are sensitive and 1,253 are rare. A significant number (~ 60%) of the estimated taxa in Romania are represented by the species that are typical for alpine and sub-alpine permanent grasslands, grasslands and mountain meadows.

In regard to fauna, 33,792 species of animals have been identified, of which 33,085 non-vertebrate and 707 vertebrate species. Out of 191 species of fishes, 38 register an unfavourable preserving status (11 endangered species, 16 sensitive species, and 11 rare species). Out of the 20 species of amphibian, 12 are in an unfavourable status (3 endangered species, 9 sensitive species). Out of the 30 species of

reptiles, 5 are in an unfavourable preserving status (4 endangered species and 1 sensitive specie). Out of the 364 species of birds, 35 are in an unfavourable preservation status (18 endangered species, 17 sensitive species), out of 102 species of mammals, 58 register an unfavourable preserving status (19 endangered species, 26 sensitive species and 13 are rare species).

Regarding wild animals, the counting indicated the number of Brown bears at approximately 5,600 (60% of the total European population of Brown bears – *Ursus arctos*), approximately 3,000 wolves (40% of the total European wolf population – *Canis lupus*), as well as 1,500 Lynx (40% of the total European population of Lynx – *Lynx lynx*). These species are a symbol of wild life and natural habitats and can be used to repopulate other areas in Europe that face a decrease of these species. The aurochs, a rare animal, disappeared from the Romanian forests from more than a century and lives today only in reservations.

Natural and semi-natural ecosystems cover some 47% of Romania's national territory. A total of 783 types of habitats have been identified and characterized (13 coast habitats, 143 habitats specific for wet areas, 196 habitats specific for pasture and hayfields, 206 forest habitats, 90 habitats specific for dunes and rocky areas and 135 habitats specific for agricultural land) in 261 areas analyzed in the entire country.

The habitats in Romania are characterised by a certain composition of flora and fauna, components of the bio-coenosis and are influenced by various climate and soil factors. The climate influences of the drought areas in the Eastern part, up to the oceanic influences in the Western areas, as well as the climate differences between the lowland and mountains due to the relief altitude have determined the appearance of an important number of habitats. The chemical composition of sub layer rocks (soil and under-soil) is another factor that determines the important variety of habitats in Romania.

Protected Areas

Among the 27 member states of the EU, Romania has the highest bio geographical diversity (with 5 bio geographical regions out of the 11 at European level) and most of these are in a good conservation status.

The total surface of the natural protected areas in Romania is approx. 1,886,705 ha, covering about 7.83 % of the country's territory. It includes the "Danube Delta" Biosphere Reservation – 576,216 ha; 13 National Parks – 318,116 ha; 13 Natural Parks – 772,128 ha; 981 Natural Reservations – 179,193 ha, and 28 Important Birds Areas – 21,052 ha.

Several of these protected areas are of very great interest at both national and international level because of their multiple status. These are:

- Danube Delta Biosphere Reservation – Biosphere Reservation (UNESCO Biosphere MAB Committee – „Man and Biosphere”), Wetland of International Importance (Secretariat of the Ramsar Convention), and World Heritage Site (UNESCO);
- Retezat National Park – Biosphere Reserve (UNESCO Biosphere MAB Committee – „Man and Biosphere”);
- Rodnei Mountains National Park – Biosphere Reserve (UNESCO Biosphere MAB Committee – „Man and Biosphere”);
- Brăila Small Marsh National Park – Wetland of International Importance (Secretariat of the Ramsar Convention).

Besides the national interests protected areas, in Romania, through the IBA Programme (Important Birds Area/ Special Environmental Protected Areas), the most important areas were identified, in order to maintain the populations of wild birds, including the ones presenting international importance or priority at Community level, as well as the migrating species. In Romania, the programme is carried out by the Romanian Ornithological Society (Birdlife partner in Romania) and the Association for Birds and Nature Protection "Milvus Group". Based on the data gathered in the last 10 years, 132 IBA were identified at the level of the entire country, covering about 17% of the country's surface.

Natura 2000

A large surface of the national territory is covered by the Community Network for Protected Areas Natura 2000.

Among the 198 types of European habitat, out of which 65 are priority habitats, 94 types of habitats can be found in Romania, from the above mentioned 23 are priority habitats at EU level and require the designation of Special Areas of Conservation (SAC).

Until now, the following were identified as Natura 2000 sites:

- 108 sites SPA (Special Protected Areas), representing about 11.89% of the Romanian territory,
- 273 sites pSCI (Sites of Community Importance), representing about 13.21% of the Romanian territory.

The protection regimes for the Community interest sites was imposed at national level, according the prevision of Emergency Government Ordinance no. 57/2007 regarding the regimes of natural protected areas, preservation of natural habitats of wild flora and fauna, through the following norms:

- MESD Order no. 776/2007 for declaring pSCI and
- Government Decision no. 1284/2007 for declaring SPA.

The area of the sites included within the Natura 2000 European network, covers approximately 17.84% of the national territory.

Biodiversity Conservation on Agricultural Land

Regarding High Natural Value (HNV) farm lands in Romania, these are still present in a significant share of Romanian UAA, but both the abandonment of agricultural activities, as well as the intensification, threaten their proper preservation.

Although in Romania's case (even at European level) there is few experience in using this concept, an important step forward was made in order to identify the high natural value farm lands, using in this purpose methods offered by the studies currently developed. It was foreseen to identify the areas characterised by affluent presence of semi-natural grassland, generally associated with the existence of high diversity of species and habitats. The result of the classification shows the fact that for the time being about 2.4 millions hectares of semi-natural grasslands can be classified as agricultural lands with high natural value.

Semi-natural grasslands represent the most valuable ecosystems of the agricultural land surfaces, however the abandonment occurring in some regions of the country of traditional-type agricultural activities (grass mowing, grazing) is leading to the degradation of habitats and landscape modifications. In particular, there is a tendency appearing in the mountain areas to abandon agricultural activities on semi-natural meadows. At the same time in some other regions of the country, the meadows are threatened by the intensive agriculture in which compacted agricultural land exerts pressure on the environment elements especially on the biodiversity.

Moreover, in certain areas of the country classified as IBA, birds that have a main weight of the EU-27 level are present, such as *Lanius minor* (about 97%), *Falco vespertinus* (about 50%), *Crex crex* (about 28%) etc., and in some IBA some birds that are vulnerable, endangered or rare are present, the number of individuals of these bird species being very rare.

The bird flu is a danger of the last years, affecting wild birds, especially in areas with high presence of migration birds such as Danube Delta.

In general, it can be said, that populations having farmland and forest as habitats are well preserved and they are not threatened by major pressure and risk factors. This is generally due to the large extensive farming present in Romania. However, there are also areas on which the pressure of the human activities is leading to an unfavourable impact as regards preservation of wild species.

Agri- biodiversity

Romania has an important genetic basis, both as regards the culture plants, as well as the domestic animals, with a close connection with the traditional agri-systems.

Regarding Agri-biodiversity, Romania is one of few European countries where traditional agri-systems represent significant pools which preserve the genetic diversity of crop plants and animals at the place of formation and development (i.e. *in situ*).

Regarding the genetic diversity, Romania is interested to preserve some rare local species indigenous to specific regions which are in danger of being lost for farming. The catalogue of breeding mammals includes 79 species (out of which 26 are still active, 19 are endangered and 34 are extinct). It has to be mentioned that many local species (Țurcana, Țigaia, Carpathian Goat etc.) have a reproduction system in local communities (reproductive isolation on a certain area) but are without a genealogic register and official control of production, the selection being done by the owner. In regard to plant varieties there are also many local endangered species distributed within several regions. Within this, orchards are of key importance.

Biodiversity Conservation on Forestry Lands

Romania has an important forests' diversity and is one of the few European countries that still holds virgin forests. Many of these forests play important environmental roles and represent leisure areas, but in the same time, they present an important economical value.

Regarding the relationship between forestry and biodiversity management, Romania is one of few European countries that still have virgin forests – approx. 300,000 ha, mainly located in the mountain areas. All forests have multiple functions, including as wild life habitats (especially those situated in potential Natura 2000 sites), soil and water conservation in torrent basins and other protection functions and also ensure important environmental services with a positive impact for human communities. Where these values are considered to be of high or critical importance, forests may be classified as forests with high conservation value.

At the end of 2005, some 1,119.7 thousand ha of Romanian forest have been certified under the Forest Stewardship Certification (FCS) System.

Over 9% of forestry area (574,878 ha) are located in the protected areas where the management approaches target biodiversity conservation. (*source: Romsilva National Forest Administration 2006 – Management of forest area within National Parks*).

3.1.3.3. Natural Resources Management in Agriculture and Forestry

Soil

Romania has good quality soils, especially in the plains areas, but phenomena such as soil erosion, drought, negative balance of water in soil or gleisation, salinization, acidification, alkalinity and compaction affects a lot their fertility.

The agricultural land quality expressed by the Land Quality Index, although does not totally express the quality of humus in soil, also reflecting other environment factors (especially climate) influencing plants cultivation represents a good indicators for soils having high quantities of humus. From this point of view, the agricultural lands can be classified in 5 quality classes, being differentiated after the Land Quality Index average (classes I- 81-100 points up to classes V – 1-20 points). It is to be noticed the fact that in the case of arable lands, that occupies 63.34% of the chartered surfaces, most of the lands are grouped in the II and III quality classes. Practically, the arable first class land includes only 8.77% of the total agricultural land, the remaining classes presenting various restrictions. Most of pastures and grasslands are included in III - V classes, most of the vineyards are included in II-IV classes, while the orchards in III-V classes. Most of agricultural lands having a high level of the Land Quality Index are in Romanian Plain (in an relatively compact area that has as central place Bucharest) and in Western Plain.

The water erosion is one of the biggest problem of Romanian soils and is present in different degrees on the 6.3 millions ha, out of which about 2.3 millions benefit from anti-erosion works, most of them

having for the time being a high level of degradation; this together with the landslides (about 0.7 millions ha) causes up to 41.5 t/ha/annually soil losses. The aeolian erosion is present on about 0.4 millions ha, presenting an extension threat, taking into account the fact that in the last years, some forests and shelter belt from areas with sandy soils were deforested, susceptible to this degradation process.

The periodical soil humidity excess affects about 3.8 millions ha, out of which most are areas with drought-drainage works. Some of the perimeters from areas with old or inefficient or not maintained damming works are periodically flooded, thus being important losses registered through the destruction of households, agricultural cultures, livestock, communication systems and human losses.

The excessive content of stones in the upper side of the soils affects about 0.3 millions ha. The soils salinization is present on about 0.6 millions ha, having tendencies to deteriorate in irrigated or drained and irrationally exploited areas or in other areas having a secondary salinization potential that totalise other 0.6 millions ha. The deterioration of the structure and the compaction of soil ("plough base") manifests on about 6.5 millions ha; the primary compaction is present on about 2 millions ha arable lands, and the tendency of forming the crust at the soil surface on about 2.3 millions ha.

Water

Romania's sweet water resources are low in comparison with the European average and do not have an uniform territorial and temporary repartition. Their quality is less affected for the time being by the consume of fertilisers in agriculture and more by the poor infrastructure of the sewage and water clearance in rural area.

The largest resource of fresh water comes from the Danube and other rivers, but the Romanian hydrological resources are not spread uniformly across the entire territory. Except the Danube's water supply, Romania's water resources accounts for an average of only 2,660 m³ water/inhabitant/year, compared to the European average of 4,000 m³ water/inhabitant/year, Romania therefore belongs to the category of countries with limited water resources.

According to a detailed study of nutrient losses in the Danube River Basin average losses of nitrogen and phosphorus to ground and surface waters due to diffuse (non-point source) pollution are relatively low (6.1 kg N/ha/year and 0.4 kg P/ha/year) in Romania compared to other EU Member States, including those upstream in the Danube river basin. This represents a significant reduction in ground and surface water pollution caused by agriculture compared to the former socialist period and is a reflection of a decline of the excessive fertilizer use. In the future, on the medium and long term, it is estimated that more widespread intensive agricultural practices will reappear following accession to the EU. Similar trends can be anticipated in chemical fertiliser (*Annex 2.20 Technological consume of chemical fertilisers* to the National Strategy Plan) and pesticide use. The worst quality of groundwater is in the rural areas, where the sewerage network is underdeveloped or missing and the waste water directly reaches the underground (through permeable latrines or street dikes) or indirectly (from stable manure dumps, garbage dumps).

Romania has implemented from a legal point of view the (EC) Directive 2000/60 – Water Framework Directive (WFD) – the national Water Law (107/1996) being amended with the general objective of reaching "good status" for all waters by 2015, through Law no. 310/2004. For each basin/hydrographical area a management plan shall be drafted until December 22nd, 2009. The management plans shall consist in: a general presentation of the basin/hydrographical area, a characterisation of the surface waters, a characterisation of the underground waters, the identification and mapping of the protected areas, the economical analyses, the integrated monitoring of the waters, the environmental objectives, the measures programmes, special measures' programmes for underbasins, water categories and types, as well as the informing, consultation and public's participation. Through the reporting of the years 2003 and 2004, Romania has informed the European Commission regarding the responsible authority and hydrographical basins, the characteristics of the hydrographical basins, the human activities' impact, the economical analyses, as well as information regarding the protective areas and public's consultation, thus responding to the requirements of the article 3 (8) and Annex 1, article 5, Annex 2 and Annex 3, article 6 and Annex 4 of the Directive. The report for 2006 consisted in information regarding the water monitoring system, according to article 8

(1), this report including a summary of the monitoring programmes for each hydrographical basin. Setting up the measures programmes for reducing the chemical and hydro morphological pressures is currently on going.

Concerning the implementation of the (EC) Directive 91/676/EEC (Nitrates Directive) at the end of the year 2004, an inventory was carried out at administrative territorial unities level (NUTS 5) in order to identify the nitrates vulnerable zones (the map of communes assigned as nitrates vulnerable zones resulted out of activities specific to agriculture-Annex 2.2.1 from the National Strategic Plan). On the basis of this inventory, 251 communes were identified with a total surface of about 1.6 millions ha, that represent 6.7% from Romania's surface, out of which agricultural land about 1.1 millions ha, representing 7.6% out of the total agricultural land, arable land about 0.7 millions ha, representing 7.8 from the total arable land, grasslands about 0.3 millions ha, representing 6.7% of grasslands. The assigned categories of nitrates vulnerable zones are: a).potential vulnerable zones, as a result of nitrates driving towards surface waters through flowing on slopes; b) potential vulnerable zones through nitrates leaching under the soil towards water bearing beds; c) zones with high degree of nitrates vulnerability through nitrates leaching under the soil towards water bearing beds. In order to ensure the monitoring of the pollution from agricultural sources and activities was organised the *Integrated National Support Monitoring for Supervising, Control and Decisions in order to reduce the polluters' from agricultural sources contribution in surface waters and underground waters*, that belongs to the National System of Waters Integrated Monitoring. This monitoring system envisages the supervision of nitrates concentration in sweet waters, as well as the periodical checking of the sweet and costal waters' eutrophisation.

The actions programmes are elaborated on the basis of the elements specified in Annex 2 and Annex 3 of the Nitrates Directive. It can be estimated the for the time being, many farms from the nitrates vulnerable zones do not have adequate abilities for depositing the farmyard manure, not yet totally fulfilling the requirements for water protection.

Several areas of the country are affected by excess moisture and floods risk. These areas are important for the management of biodiversity conservation and are present in various regions of the country.

Flooding occurs frequently in Romania, especially in spring, due to snow melting and blockage of rivers by ice and in summer due to heavy torrential rains, when the rivers exceed the average levels. Over the last 16 years the flood occurrence has increased as a consequence of the climate change combined with illegal deforestation and the lack of maintenance of flood prevention infrastructure. The frequency and scale appears to be on the increase shape.

Droughts is presented on about 7.1 millions ha, surface on which previously was most of the 3.2 millions ha agricultural land having irrigation systems.

3.1.3.4. Organic Farming

Organic farming has the potential to significantly contribute to the protection of the water and soil resources, conservation of biodiversity and mitigating climate changes, thus offering public goods and meanwhile serving a European market in full development.

The sector is in growing in Romania (about 0.8% out of the total UAA at the level of the year 2005), but in the same time is under the European average (about 4% of the total UAA at the level of the year 2005). Although, there is no synthetic information regarding the domestic demand, it can be estimated that this had an important contribution at the overall growth of the sector, together to the already existing demand on the European market. However, a relatively young domestic market, presents a higher degree of risk for the farmers that practice ecological friendly production methods, and this could be noticed in long term prices fluctuations, thus leading to potential in/outs from the system of the above mentioned.

The operators' number of the organic farming registered at the Ministry of Agriculture and Rural Development in 2005 was of 2,920. Theirs inspection all over the production chain and the certification of the organic products is carried out by private control organisms, accredited by a certified body in this purpose and approved by the Ministry of Agriculture and Rural Development. The list of the organisms for control approved to perform the inspection and certification of organic

agri-food products on Romania's territory in 2007 is published in OJ of European Union no. 35 of 19/02/2007.

3.1.3.5. Climate Changes

Greenhouse Gas and Climate Changes

Romania has low greenhouse gas emissions. Both the agriculture, as well as the Romanian forests fund can play an important role in the fight against climate changes, long felt in the recent years, in particular through floods, high temperatures and long droughts. These phenomena affect both the yield of agriculture and forestry, as well as valuable habitats and ecosystems.

Romania is the first European country to sign the Kyoto Protocol and thereby show its commitment to the fight against climate changes by agreeing to reduce greenhouse gas emissions by 8% by 2012. It is now one of the leading new EU Member States in achieving this objective with a reduction of more than 30 % of gas emissions since 1989. Although it should be noted that this is not solely due to environmental policy, but mainly the general economic decline during the period 1990 – 1999 and the restructuring of the industrial sector.

The main sources of air pollution and greenhouse gas emissions in Romania are the energy production, transportation, and to a lesser extent, agriculture. The low level of mechanization in Romanian agriculture, in contrast with European average, together with small areas covered by greenhouses, are also significant aspects is respect to minimising the sector contribution to climate change.

However, the old stock of tractors and other agricultural machinery require renewal in order to maintain a low level of emissions.

It is expected that agriculture and forestry can make an important contribution to the further climate changes mitigation through:

- The use of afforestation for the absorption and retention of greenhouse gases. The role that forests have in reducing CO₂ and purifying the air is widely acknowledged. Changes in land use (including afforestation of agricultural and non-agricultural land) directly affects the carbon balance – especially the planting of new forests, with rapid growth, which absorb more CO₂ than older forests;
- The use of biomass as a renewable energy source.

Impact of Climate Changes upon Agriculture and Forestry

The observed and anticipated effects of climate change on Romania's agriculture and forestry are as follows:

- ⇒ during the last decade, the incidence of both droughts and floods has become more frequent with a negative impact on agricultural yields (especially for wheat and corn) and an affect upon flora and fauna species. In some cases, human activities such as the deforestation of mountain areas have further increased the incidence and intensity flooding by accelerating the flow of torrential water to streams and rivers;
- ⇒ more than a quarter of the Romanian territory is covered by forested land which comprise a large number of species and ecosystems. The impact of climatic changes on the Romania's forests has been analyzed with the support of several global climate models. For the forests situated in plain or hill regions a considerable decrease of forest productivity is forecasted after 2040 because of the temperature increase and the decrease in the volume of precipitation.

As forms of adapting to this climate changes, the agriculture has to take into account varieties of plants that resists to new climate parameters, parameters at which the calendar of agricultural activities has to be well correlated. Furthermore, the agricultural activities can be better protected through the concentration of the afforestation activities in lowlands (more exposed to the phenomena associated with climate changes), through rehabilitation of dikes and through the irrigation systems rehabilitation.

Other forms of air pollution caused by agriculture

Agriculture can also impact negatively upon air quality through the emission of various nitrogen compounds including nitrous oxides and ammonia. These generate important changes in the concentration of greenhouse gases, resulting mainly from the decomposition of chemical fertilizers and the combustion of biomass. The most significant emissions of ammonia come from intensive livestock farming and from the inappropriate use of organic fertilisers. Agriculture accounts for approximately 80% of ammonia emissions in Romania. When excess ammonia is re-deposited to the soil, it has a soil acidifying effect that can damage flora and fauna.

In accordance with the Gothenburg Protocol a total ammonia ceiling will be set for Romania from 2010. It is not anticipated that this will be a problem as the present total annual emissions are relatively low due to the reduced number of livestock and disappearance of large intensive livestock production units during the last 10-15 years.

Forestry

Forest development and management should become an important element of the national flood prevention strategy. Forests can play a higher role in regulation of water flows, in ensuring water quality and the protection of water sources with a unique character for local communities that have no alternative water resources. This is the case of the forests situated in the protection perimeter of underground or barrier water resources, as well as of forests located on the flanks of natural and artificial lakes.

Forests play an important role in securing soil stability, including the control of soil erosion, landslides or avalanches. The afforestation with native tree species will be directed primarily toward agricultural lands with erosion problems and the high risk of landslides.

3.1.4. Rural economy and quality of life

3.1.4.1. Structure of the Rural Economy

The Rural economy has somewhat differencing features depending on the regions, set by the demographic and social features and the economic specifics. This is especially true in respect to poverty in Romanian rural areas which is reflected in a low living standard of the population and lack of alternative revenue sources.

Specific activities other than agriculture/farming and forestry in rural areas are mostly connected to territory distribution/trade and other supply chain activities. Therefore, it can be said that activities are basically related to the available local natural resources, and to the geography and the traditions of that area. According to statistical data, as earlier stated, the agriculture, food industry and forestry sectors are vital to rural economy; while non-agricultural activities also exist especially those connected to the primary sector, mostly natural resource exploitation and processing, they are at a low level.

Generally, the non-agricultural activities in the rural area include: mining, energy industry, and forestry, the processing of food products, small trade activities, services and crafts. Except for mining and energy industry, non-agricultural activities are carried out by micro, small and medium-sized enterprises (SME's). In summary, the rural economy is less diversified and highly dependant on agricultural activities, leading to low revenues and incomes for rural dwellers.

At the national level, the ratio of GVA in the primary sector dropped by 2.1% in 1998, to 14.1% in 2004; a less significant drop was recorded in the secondary sector, 34.3% in 2004, while in the tertiary sector (services) it increased from 48.4% in 1998, to 51.6% in 2004.

At the regional level, the GVA rate in the tertiary sector varies between 42.4% in the South and 50.9%, in North-West, in 2004. (*NSI - Romanian Statistical Yearbook 1999/2005*)

Comparative statistical data concerning GVA is not available for the rural economy.

3.1.4.2. Micro Business formation and Tourism

Micro Business formation

In Romania, the development of business presents significant differences between regions in terms of the **national economic activity in 2005**, there are 450,666 companies most of which are **small and medium-sized enterprises**, representing 99.5% of the total number of enterprises. In regard to their density, there is an average of 20.38 SMEs/1000 inhabitants (almost 3 times lower than the European average) in Romania and in rural area the average of those SMEs was 6,4 SMEs/1000 inhabitants. **Business development** in Romania shows important differences between the regions, in terms of micro-enterprises, the highest rate being registered in the North-East, 13.8%, and the lowest in the South-West, 7.6%, whereas Bucharest-Ilfov holds 23.6 %. (NSI, *Romanian Statistical Yearbook*, 2006)

The entrepreneurial development is weak represented in the rural areas as an effect of limited material resources, educations and utilities, and also to the temporary migration phenomenon to urban area or abroad.

The analysis of **micro-enterprises in rural area** shows their relatively low capacity of meeting the requirements related to job creation for the population in rural areas, the total number of employees from rural micro-enterprises being 113,332; in 2005 rural micro-enterprises represented 13% of the total of micro-enterprises at national level, meaning approximately 4,2 micro-enterprise/1000 inhabitants. More than 50% (21,316 numbers of micro-enterprises) of total number of micro-enterprises⁹ from the rural area (40,714 micro-enterprises) are involved in trade activities. (NSI, *Romanian Statistical Yearbook*, 2006)

An explanation of this strong orientation phenomenon towards trade is represented by low resources, a shorter return on investment term, skills and abilities. In this sense, appears at a necessity, the objective to support micro-enterprises in other fields, which may have a more positive impact on the rural economy level. For this, it is a discrepancy regarding the abilities which must be covered through vocational training and other measures such as support for the economic activities, training and guidance of entrepreneurs. One of the specific target groups is the group of agricultural workers with a low education level. It is need of training in few domains, from technology and business to general interest problems, such as environment, health and occupational safety. Currently, according to the NOTR of 2007, the number of natural authorised person is 145,609 and 39,433 authorised family associations which carry out economic activities in rural area and are established as micro-enterprises¹⁰. Although, the number of those is relatively low, having a rate by approximately 70% of total number of economic agents from rural area identified as micro-enterprises, the annual net turnover of natural authorised persons and family associations is very low, which explains the reduced financial capacity of those. (Source: results based on NOTR data)

At regional level the current situation prove that the greatest number of natural authorised persons and family associations are in the North-East and North-West regions and the smallest in South - East and South-West.

Regarding the share on gender, at national level, is underline a lower rate of female persons established as natural authorised persons and family associations, representing 33% from the total number of natural authorised person and a rate of 41% from the total number of family associations. (Source: Available dates from National Office of Trading Register, in 2007)

In rural areas, the rate of women with entrepreneurial initiatives is even lower.

The analysis of **trade, crafts and services** shows the fact that despite appearances; there actually are very few inhabitants in rural areas who are involved in these activities. The reality is that such activities are part of an informal labour market in the rural area. However, the income which may be

⁹ NSI data's regarding the number of micro-enterprises comprise only the number of units with 1-9 employees, developing economic activities and which was identified based on balance sheet, document not required in the case of natural authorised persons and family associations carrying out free-lance economic activities. These dates are not including the number of natural authorised persons and family associations.

¹⁰ According to the Commission Recommendation (EC) no. 361/2003 and the national legislation in force Law no. 346/2004, in line with the European legislation.

obtained from such sources is generally low, being only adequate for subsistence and there is an acute need for developing these activities which can help to develop the rural economy as a whole. The small crafts sector, which was developed in cooperatives in the communist period, dropped severely after 1989. However in other member states, it was noticed the fact that there is an important potential within the sector, if is granted enough support and this support is developed. Regarding the location of activities, crafts, are concentrated in the North-East and South, and less in the West. Hereby, there are important disparities in the regions, even more so between counties and communes.

The distribution of services sometime doesn't exist in communes and villages. The situation of this sector, also the infrastructure's ones, impede the development of other rural localities, in order to create alternative occupational activities. The support of providing services in rural communities represents an important factor for improving the quality of life and for increasing the attractiveness of rural areas.

Tourism

Although, rural tourism has registered an increasing, this represents a significant potential which is not sufficient valorised. The tourism sector in 2005, as against 1998, showed an increase of the number of accommodation structures (+35.4%) and actual accommodation capacity (+0.95%) and the actual number of pensions reached 22,061 beds in 2005, of which 50.5% in rural areas. (*NSI - Romanian Statistical Yearbook, 2006*)

The development of rural tourism in pensions in rural areas, depends on the specific traits of each region, folklore, ethnographic regions and agricultural products.

At regional level, in 2005, the development of rural tourism, depends very much on the existence and the quality, of the tourist pensions and also by the presence of different type of activities, by the existence of ethnographic regions and practising agriculture and winegrowing (agro-tourism).

The specific tourism for Bucovina (North East) is religious tourism, in Maramures (North West) it is the architecture or ethnography tourism, in Transylvania (Centre) the focus is on recreational and cultural tourism, food and wine, and in the Carpathian foothills there is fishing. The mountain and forestry areas in Romania ensure opportunities for practising of tourism, in particular eco-tourism.

Another important tourist area is the Danube Delta (East), which presents also high natural value due to the biodiversity and offers the possibility of practising different type of tourism (leisure activities, fishing, culinary art)

Regarding the share of number of pensions in rural area by regions, at 2005 level, is as follow: Bucharest-Ilfov 0.5%, West area 4%, South - West area 4%, South - East area 8.9%, South area 10.3%, North – East area 14%, North – West area 14.8%, Centre area 43.7%, which reflects a different development.

Rural tourism and agri-tourism (specific linked by the farming activities) are potential alternative income-generating activities which offer potential for development in rural areas, due to the unique landscapes, large semi-natural areas, and native hospitality of rural inhabitants. Conservation of traditions, culture, and food and beverage specialities as well as the general diversity of rural tourist resources, also offer potential for this sector's development.

Significant modernization, development and innovation are necessary for Romanian tourism together with the creation of modern and competitive tourism products. The sector suffers from a general lack of organisation, promotion and dissemination of information as well as actual operating tourism centres at local levels. The rural tourism is not developed in a manner to respond to the qualitatively and quantitatively market requirements, both at national and international level, in particular, the existence of tourism infrastructure does not respond to the tourist requirements regarding the accommodation places and recreational infrastructure.

The need of identifying and promoting of rural tourist potential led to the setting-up of some promoting networks (such as ANTREC)

Although, in the last period the number of accommodation places increased, the number of promoting centres is still limited, reason for which is necessary the focus on the support of promoting rural tourism.

There are few methods for measuring the success and profitability of tourism investments, due to the semi-informal nature of the activities, poorly developed marketing and promoting, especially at county and local level, which makes it difficult for the entrepreneurs/operators to enter the market and properly develop their businesses. However, through an adequate marketing and other types of coordinated support, the Romanian unique tourism products will have a great potential due to their diversity and attractiveness.

Cultural heritage

An important component is represented by the cultural life of the village which can contribute in a specific way to the increasing of attractiveness of village for young people.

The means of bringing culture to rural areas are: community centres, libraries, cinema halls, radio, TV and Internet.

In the last 10 – 15 years there has been a continuous deterioration of the Romanian cultural element by reducing the financial support granted to this domain, both by public budget as well as by private investors.

This situation has reached an alarming level, in many rural areas where most of the culture houses (approximately 97%) have their own headquarters but their endowment is generally unsatisfactory (for 80% of them) or are closed or used for other purposes.

Libraries have declined, more or less along the same lines as other cultural aspects of the villages, even though in 2005 there were 8,239 libraries were registered, only a few of these libraries actually serve as such. (NSI 2005)

The cultural patrimony of the Romanian village is an important source for development at regional and local level, the symbolic capital being essential for the cultural identity, represented by values, attitudes and skills, faiths and symbols shared by the community.

The cultural identity, traditions and customs are influenced by region, representing more than just a geographical location. Because of these factors, maintaining cultural identity must also include education and culture consumers.

The preservation and **conservation of the rural heritage** is essential for the development of rural tourism, as a means to promote Romanian villages, with a positive effect for attracting tourists and for the local population. Preserving the traditions, cultures and customs in rural area, promoting traditional food and drinks represents methods for increasing the tourism potential. Romania has significant cultural activities which are not enough used because of the lack of organization, promotion and development.

3.1.4.3. Description and gap analysis of provision of services in rural areas

The rural areas from Romania are affected by the significant lack of the infrastructure of its deficiencies which impede both the economic development and the quality of life. The most important needs are linked to:

Roads

In rural areas, the roads are the most important transportation routes, but the quality and, generally the development of rural roads and traffic is far from the European standard. Only half of the communes have direct access to the road network, meaning that the current road network only serves 3/5 of the total rural population. More than 25% of the communes cannot use the roads if there are precipitations. (*World Bank Study, 2004*)

In 2005, public roads in Romania covered 79,904 km, and 80% of these are county and commune roads. The work undertaken in recent years has focused mainly on repairing and upgrading the network of national roads. Limited financial resources have therefore meant that county and

communal roads have been seriously neglected and their usage degree and quality has declined. Only 10.6% of the county and commune roads have been modernized, of which 30.7% with light road covers. (*NSI, Romanian Statistical Yearbook, 2006*)

Regarding the situation of communal roads, at county level (NUTS 3) is registered a low level of modernization (only 3.41% from communal roads are modernised), fact which impede the development of productive activities and trades. The share of communal roads in the total public roads at county level is between 11% in Călărași county and 53% in Buzău county. From the total number of communal roads a very low percent is represented by the modernized communal roads, varying between 0.28% in the Harghita county and 25.15% in the Olt county (five of the counties – Botoșani, Buzău, Covasna, Tulcea and Vrancea have none of the communal roads modernised). (Source: Results obtained based on NSI 2006 dates).

Other difficulties in rural areas are linked to the access to medical and educational services since the access of the rural population to basic education and healthcare services is often hindered by the poor transportation services, which impedes the medical and teaching staff's commuting opportunities.

The proper roads represent the key element for the economic development among the other fields of human and social development.

Water supply

Adequate **networks for drinking water** are a key **the quality of life** problem as well as in relation to the development of economic activities in rural areas. Only 33% of the rural inhabitants (3.4 million inhabitants) have access to the public water networks and for the supply of hot water the situation is even worse. (*MESD 2004*). Because of this situation, most households (70%) are forced to get their water from wells.

In 2003, 43.6% of the total length of drinking water distribution networks was located in the rural area and 56.4% in the urban area.

Public sewerage network

The public sewerage network is still in the incipient stages in rural areas; at the end of 2004, 373 communes (10% of the total rural population) had sewerage networks (*NSI- Romanian Statistical Yearbook 2006*). The differences between the rural and the urban area are also important in terms of sewerage infrastructure, with 93.2% of the pipes length being situated in the towns in 2003 and only 6.8% in the villages.

Waste management

Generally, in rural area the services regarding the management of waste are poor developed or, in some localities, even inexistent. Usually, the transportation of waste to dumping sites is made individually by each generator. Only a limited number of rural localities are covered by organized services for waste management, and in particular rural localities situated in the neighbourhood of urban centres. Apart from the landfills in urban areas in Romania there are 2,686 dumping sites in rural areas, the most having a surface of 1 ha. The closure and cleaning of these spaces will be done until 16th of July 2009, in parallel with the extension of collection services in rural areas, the organization of transport and transfer systems and construction of zonal landfills.

Electric heating

In the rural area, the connecting at the public network for electric supply still remains a problem. In Romania, there are a number of 37,977 households situated in 1,772 partially electrified rural localities and 3,327 households situated in 121 non electrified rural localities (*MIAR, 2007*).

District heating

The heating supplying services are limited in rural area, only 0.5% out the total heating energy being distributed in those areas, due to the fact that many of the factories that produced and distributed this energy to the boundary villages reduced their activities or renounced supplying those services.

Currently, as a result, only 26 rural localities at national level benefit of this service. (Results based on NSI data, 2005)

Regarding the thermo heating only 2.4% of the rural households benefit of this service, while 89% of the households use wood, coal and oil based stoves. (NSI, 2005)

Internet access

Internet access in rural areas is limited, mostly, to some public institutions.

Due to the fact that the competitiveness is needed to be improved in almost all the activities fields and because there are productivity's problems in rural economy, as well as problems regarding the market penetration and information, is essential to be ensured the access to Internet in as many as possible rural areas. The broadband infrastructure is an interdependent issue with other basic communication infrastructures.

Education and training

The human capital is essential for the regional development potential. The diversification of rural economic activities also depends on education, knowledge and skills. Although improving and maintaining a proper level of basic infrastructure is essential for the social and economic development of the rural areas, the vocational training is the engine for a good development.

Education and training are essential for the rural communities, but there are obvious gaps in what regards the school infrastructure. Although there are more schools than necessary in rural areas, the quality of education is poor, because of the poor infrastructure and low training level of the teachers. Most schools need new buildings, furniture, utilities and teaching materials. The infrastructures and related facilities for vocational training and elementary education are key instruments for agricultural labour force conversion into non-agricultural labour force.

The vocational and elementary educational structures are essential for agricultural workers professional re-conversion, due to the fact that most of the agricultures have only elementary knowledge of mechanics or from other technical fields.

The low education level is reflected in the quality of the labour force in the rural area and it is highly restrictive for the economic development in these areas. The diversification of economic activities is not supported by training or the specific experience of various types of activities, due the fact that the educational system was not adapted to specific requirements of rural area.

Rural schools units, represented mostly by **kindergarten**, the primary and secondary schools, have insufficient technical and other necessary equipments. The IT technology and hardware and software equipments are scarce in schools from the rural area and the equipment necessary for apprentice training is old or missing. An additional issue is constituted by the difficulty to attract skilled staff in rural areas. Generally speaking, the quality of education in rural areas is poorer than that in cities because of the difficulties in funding raising.

Concerning the number of **kindergarten**, this was at the level of the year 2005 of 1.526 out of which 218 were situated in rural area. (NSI, Statistical Notebook- Attended School 2006).

In addition, **the elementary and secondary school** in rural area represented 73.9% out of the total number of school at national level (Results based on NSI data, 2005)

During the analysed period the number of **education units** in rural area decreased as a result of education system's restructuring and of lack of qualified staff. The education level is low due to reduced attendance level, fact that led to small school regrouping and to the decrease of their number.

Regarding the **attendance to the education system** in 2005 -2006, 31.3% of the total school population went to rural schools. Higher education in rural areas represents 1.8% of the total population, (15 years old and above), because of poor access and low incomes. (NSI 2005)

The percentage of life long learning graduates aged 25 – 64 increased from 0.2% in 1998 to 0.5% in 2005. Although, in comparison with the urban average that registered in 2005 a weight of 2.3%, this indicator is lower. In terms of regional approaches, this indicator fluctuates between 0.3% in the South-West and West regions and 0.8% in the Centre. (NSI 2005)

The average rural population aged 25 – 64, **graduates of secondary or higher education** is of 55% (NSI 2005).

Regarding the **Roma community, this is the least educated in Romania**. The children that begin school, seldom do not make it up to gymnasium and this is why they find difficult a job latter. About 12% of the population between 7-16 years old has left the school before graduating compulsory education and about 18%¹¹ does not attend any education form. Only 1.04% of Roma people make it to high schools. To the above mentioned fact, it is also added that in the schools attended by Roma people the degree of not promoting pupils is of about 11.3%, being above the national average. It is appreciated that 38.6% of the Roma people are illiterates¹². Furthermore, the Roma people is one of the most exposed group to the risk of leaving school in early stages, all the above mentioned fact lead to a poor representation on the labour market.

The **incomes'** stability in households has a strong effect over **the participation at education**. The children of workers' families with low incomes or from retiring families are twice as exposed to the school abandonment, in comparison with the children of the families having a stable income source.

In addition, in the rural area, the situation is more dramatic due to the **high abandonment risk** appearance of school, by the children mentioned above. Other reasons for the school abandonment, observed especially among children in mountain rural communities are extreme poverty, lack of vehicles, and reduced motivation for economical gain as an education result. **Low quality of education** in rural areas, due to lack of qualified staff, also acts as an impediment factor.

Other services

The suppliance and access to health services represents a key issue in order to ensure a better quality of life in rural communities and for the economical and social development of rural areas. Meanwhile, rural areas especially the ones with scattered population, represents unique challenges for managing and using services. It is also needed to be improved the community support for vulnerable groups, such as elderly, especially those that live in remote areas.

The elderly issue in rural area did not enjoy a special attention of the stakeholders; as happened in other countries, this group needs a special care for which does not exist qualified available staff. Furthermore, the low economic development raised issues connected to the existence, quality and availability of social assistance services and especially within the temporary or permanent care services in **elderly care centres**. Thus, in the year 2005, at national level out of a total number of 168 unities for adults assisting only 19 of them represented elderly care centres. (NSI, 2005)

At the level of the year 2001, only 81 **children care centres** existed in rural area. (MARD Study)

In the year 2005, the total number of **nurseries** registered at national level was of 291 out of which 2 located in rural area, the low number of those reflecting the critical situation in which this sector is confronted with.

Regarding the possibility of **sport activities** carrying out, this is limited, taken into account the low presence of proper spaces for practising those activities. (26 sports clubs- year 2001, MARD Study).

In addition, the parks, playgrounds, cycles path etc. in rural area are poor represented, the same situation is also in the case of markets and parking areas.

In summary, the current situation of services and infrastructure has a strong negative impact on the quality of life in rural areas and hinders the economic development of these areas.

¹¹ Ministry of Education and Research, Institution for Education Science, Institution for Life Quality Research, UNICEF, "Participation of Roma Children at Education", Bucharest, 2002

¹² Ministry of Education and Research, Institution for Education Science, Institution for Life Quality Research, UNICEF, "Participation of Roma Children at Education", Bucharest, 2002

3.1.5. LEADER

Even if in the previous programming period 2000-2006, Romania did not implement Leader actions, some local development initiatives have been identified at country level such as: Local Initiatives Groups (LIG), Micro region and other Leader-like partnerships. All of these are partnerships between NGOs, local public administration, church, school, medical and dental offices, micro regions, etc. Micro regions unlike the LIGs are legally registered as associations. Some LIGs have reached an organizational maturity so that they have transformed into Community Associations with legal status, and others have dissolved after they have accomplished their objective.

Actions implemented by these partnerships include: drawing up local strategies, restoring schools, local hospitals and cultural facilities, improving the roads and bridges, analysis and promotion of the rural environment, setting up of Tele Centres to inform citizens, training courses for their members, developing projects with the aim to solve specific local problems.

The Ministry of Agriculture and Rural Development selected in 2006, 120 representatives of sub-regional territories (areas) with a population between 10,000 and 100,000 inhabitants, territories which covered 37 of the 42 Romanian counties in order to develop Leader - like structures and activities.

These representatives have been designated by the informal partnerships between public, private and civil society sectors in order to be trained on the following topics: building partnerships, diagnostic analysis, local development strategy, action plan of the territory, animation activities, action plan monitoring and evaluation, all of these skills being necessary for the preparation of the Leader axis implementation in Romania. (A map with the selected territories is enclosed in the Annex 2 – “The map with the territories selected for the training of public-private partnerships representatives (LEADER)”).

During the training sessions, the representatives of these territories have acquired the knowledge necessary for the elaboration of local development strategies. Even if a significant part of them have started the activity of drawing up the strategy they can not finalise it due to the lack of financial resources and, if they have finalised it, they can not implement it. In the same situation there are also, other public-private partnerships and not just those selected by the ministry in order to be trained, thus the European funds represent an opportunity in this way.

Nevertheless, the potential of our country regarding partnerships is much higher than the aforementioned initiatives, the main obstacle in their setting up being the mentality formed in the communist age which generated mistrust of local actors related the to institutionalised forms of association and cooperation.

3.1.6. Local development

In Romania, the administrative capacity at local level is still inadequate in what concerns the various local communities' needs, being limited by the low number of qualified personnel acting in the administrative field. Due to the lack of necessary experience in local development strategies' elaboration and in the human resources management, but also to improper endowments, have been solved in a slow manner as regards social and economic problems, the activities carried out within the local administration being in an insufficient manner practised. As a result of all those factors, a net gap between Romania and the other Member States exists.

Regarding the administrative organisation, accordingly to the article 3 of the Romanian Constitution, the territory is organised in communes, towns and counties. The communes and towns are managed by local councils and mayors, while the counties by counties councils and prefects.

According to the article 23 of Local Public Administration Law no 215/2001, with the subsequent modifications and completions, the local and county councils are authorities having deliberative role, while the towns and communes' mayors have an executive role. The prefect represents at local level the government, being named by the above-mentioned.

The local public administration has a main role within public-private partnership for elaborating the local development strategy and establishing the development needs.

Thus, the position of local development agent was brought into existence in some mayoralities in the country (the interface between the public administration and community), which has as main responsibilities: to analyse the local situation in order to identify proper solutions for solving problems that impede the local development, to elaborate and implement local development strategies, to supply informing, consultancy and promoting actions at local level.

On the other hand, fostering cooperation between territorial- administrative units, as legal entities of private law, without patrimony purposes and public utility unities, was taken into account, thus making possible their association according to the Law no 215/2001 of local public administration- republished under the name of **inter-community developing associations**. These were created as a necessity, due to the excessive administrative fragmentation (about 3,000 communes), lack of territorial-administrative units' own incomes, low financial capacity for accessing the European funds. The benefit of establishing such inter-community development associations is the possibility of accessing structural funds, social progress conditioned upon the recognizance and admittance of each person needs, efficient environment protection, natural resources rational use, keeping a high and certain level of economic growth and labour force occupation, cultural developing and tradition preserving, valorising the area's tourism potential.

The inter-community development associations are financed by local budgets' contributions of the members' territorial administrative units, as well as by other sources and have the possibility of an active involvement, together with other civil society's structures in order to realise other common interest tasks that are specific to local collectivises.

3.17. SWOT Analysis

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
Agriculture, Forestry and Food Industry			
<i>Agricultural Production Potential (primary production)</i>			
<p>Significant agricultural endowment (6 % of the EU-27 UAA)</p> <p>Large areas with good farming conditions for agricultural production, which also allow for crop diversification</p> <p>Much of the UAA (28%) is already farmed by large commercial holdings which are mostly competitive</p> <p>Dynamic introduction of organic farming in Romania</p> <p>Wide range of sources of renewable energy from agriculture (biocrops, biogas)</p> <p>Irrigation infrastructure covers a significant portion of the agricultural area</p>	<p>Agricultural productivity below potential (food and non-food use)</p> <p>A significant share of the UAA is operated by underperforming subsistence and semi-subsistence farms (45%, and 16%, respectively)</p> <p>The medium commercial farm segment (11% in the UAA) is also operating below potential</p> <p>Low level of crop diversification (e.g. dependence on cereals)</p> <p>Low level of compliance with EU standards</p> <p>Low level and quality of farm equipment on smaller farms</p> <p>Low level of utilization of energy from renewable sources</p> <p>Inadequate agricultural infrastructure, including inefficient irrigation structures</p>	<p>Availability of a large and growing domestic and EU market, which can be tapped (including organic products)</p> <p>Bringing under-performing farming sector up to its potential, by facilitating its modernization and restructuring</p> <p>EU priority of using energy from renewable sources</p> <p>Improve energetic and hydraulic efficiency of irrigation infrastructure through rehabilitation</p>	<p>Inability to address the missing markets for the commercial farms (land market, credit, advisory services, marketing)</p> <p>Weak absorption capacity of EU funds</p> <p>Foreign competition (including for organic products)</p> <p>Climate change</p> <p>Natural hazards</p> <p>Animal disease events</p> <p>Increasing electricity price, as well as the infrastructure's low hydraulic efficiency raises the cost of irrigation</p>

<i>Labour Market</i>			
<p>Availability of rural labour force</p> <p>Increase in the number of graduates from agricultural universities</p>	<p>Surplus of agricultural labour concentrated in the smaller farms</p> <p>Low levels of labour productivity leading to low level of income</p> <p>Average low levels of (agricultural) education and skills</p> <p>A significant share of the UAA is operated by elderly farmers of the smaller farms</p> <p>Low share of young heads of agricultural holdings</p>	<p>Labour shortages in non-farm economy will facilitate movement out of agriculture</p> <p>Diversification of activities in rural areas can be supported</p> <p>Good social assistance programs and pensions in place</p> <p>Rejuvenation of generation of farm managers</p> <p>Vocational training can improve the skills of farmers</p>	<p>Declining and aging rural population</p> <p>Migration out of rural areas of younger and skilled rural population</p> <p>Rising wages expenditure</p>
<i>Land Market</i>			
<p>Quasi-totality of land has been recessed to the owners</p> <p>Well-functioning institutional and legal framework for cadastre and agricultural land registration</p> <p>Increasing foreign financial inflows into the sector through the land market</p> <p>Nascent land lease market</p>	<p>Lack of systematic land title registration keeps transaction costs high on the land market</p> <p>Land ownership fragmentation keep farms small and in the hands of farmers beyond retirement age</p> <p>No land consolidation law</p>	<p>National program for systematic land registration in place</p> <p>Market-driven land consolidation can be supported by targeted measures and actions</p> <p>Market-driven farm expansion can be supported by targeted measures and actions</p>	
<i>Rural Finance</i>			
<p>Financial system mostly privatized</p> <p>Available liquidity in the financial system</p> <p>Adequate national coverage</p>	<p>Limited outreach of banking system in rural areas, particularly to smaller farms and SMEs</p> <p>Limited development of specialized financial institutions,</p>	<p>Recent Central Bank regulations on NBFIs</p> <p>MFIs are registering as NBFIs</p> <p>Large opportunities to develop</p>	

Legal framework for rural finance developed Existing guarantee funds	(MFI and cooperative banks) particularly for smaller farms and SMEs Weak collateral base (e.g. land can not be collateralized) due to lack of land registration	SME and micro-lending Increasing FDI in SME lending facilities	
<i>Advisory and Training Services</i>			
Availability of a dedicated public structure (NAAC) Rapid market driven development of private consultants Emerging well-performing NGOs in some regions	Public services are not prepared to meet the needs of smaller farms Private advisory and training services are still not reaching the smaller farms	Pilot advisory service approaches Introduction of socio-economic guidance services	Inadequate qualification and no systematic accreditation of advisors
<i>Marketing of Agri-food Products</i>			
Existing marketing channels for larger holdings Development of supermarket chains	Marketing channels are not developed for smaller farms	Programs to support setting-up of producer groups Vertical coordination between agri-processors, supermarket chains and farmers	Risk from the agri-processors to link up with smaller farmers
<i>Food Industry</i>			
Improving competitiveness over recent years Increased foreign and national direct investment Wide range of traditional products	Large number of small firms, with low economies of scale, low capacity utilization, low compliance with EU standards	Further increase of FDI following EU accession Speed-up restructuring (for milk, meat, and eggs) Scope for further modernization	End of the transition period for meeting the EU standards (2009) Foreign competition Inability to improve the quality of raw materials

(1.500 nationally registered)		and restructuring Increased demand for traditional, quality and organic products	
Forestry			
Existence of large tracts of high value forests historically managed to excellent standards	Fragmented and small size of holdings resulting from restitution process	Forest area has potential to expand from 27% to 32%	Lack of clear title to forest lands reduces incentive to manage reduces incentives to manage forests in a sustainable way
Diversified supply of wood products (hard woods and soft woods)	Lowest density of Forest Roads in Europe	Harvesting costs can be reduced due to investment in road expansion and rehabilitation	Continued illegal logging contributing to environmental problems of soil erosion and flooding
Long tradition of communal management in some areas being built on by Forest districts	Limited capacity of new private forest owners to manage their forests in a sustainable way	Markets for certified timber in Europe are growing	Fall in forest productivity due to climate change
Well developed legal and regulatory framework	Enforcement problems among private forest holders resulting in illegal logging	Exploiting forests multifunctional role through eco-tourism, recreation, harvesting non-timber products, payment for environmental services	Certain markets (especially in Asia) do not have certification requirements
Significant growth in processing sector due to productivity gains, adequate supply, market proximity and the growing presence of modern, well equipped foreign owned companies	Small scale domestic processors use old and inefficient equipment leading to inconsistent quality, and poor compliance with environmental codes	Increased efforts in order to modernize & restructure wood processing industry	Demand may outstrip available supply in the medium to long term
Forests management based on forestry planning	Low activity at private nurseries level		

High level of legal protection for forests' sector			
<i>Biodiversity Conservation in Agriculture and Forestry</i>			
<p>Very high levels of biodiversity associated with farmland , including large areas of semi-natural grasslands – therefore large areas of HNV farmland</p> <p>High weight of agricultural land classified as having limited productivity due to unfavourable natural conditions, generally associated with high biodiversity.</p> <p>Existence of the national network of Protected Areas as a functional system</p> <p>Traditional, extensive farming practices on large areas of farmland – therefore the existence of HNV farming systems</p> <p>Existence of farmland that supports high priority habitats and species of national and international significance (e.g. bird species of conservation concern)</p> <p>Low use of chemical inputs in</p>	<ul style="list-style-type: none"> ▪ Numbers of livestock have declined significantly leading to under grazing and scrub encroachment on semi natural grasslands including areas with importance for conservation ▪ Traditional farming practices, important for biodiversity conservation are labour intensive and are not a guarantee for the economic viability. ▪ Farmers have poor awareness regarding the importance of environmental sound management practices for biodiversity protection. 	<p>Growing awareness of the concept and importance of High Nature Value farming</p> <p>Potential to support HNV farming within a range of policy and practical interventions, including the development of markets for traditional food products, support for agri-tourism etc.</p> <p>Forthcoming implementation of the Natura 2000 network in order to meet the obligations of the Bird and Habitats Directives</p> <p>Potential to improve biodiversity conservation on farms through targeted training and advisory services</p> <p>Potential to work with local communities to raise awareness of biodiversity conservation</p> <p>Potential to increase the national forests area by means of afforestation</p>	<p>Increasing tendency towards land abandonment (especially in areas with limited productivity) and a high risk of biodiversity loss from HNV farmland</p> <p>Trends in farming modernisation, including increased use of chemical inputs (e.g. high pesticides' consume)</p> <p>Risk of losing important surfaces of pasture, due to sanitary veterinary standards recently imposed which affects the traditional shepherding systems unable to comply in due time</p> <p>Impact of disease events (such as avian flu) on wildlife</p> <p>Impact of illegal logging on forest biodiversity</p> <p>Microclimate destabilisation due to climate change</p> <p>Impact of natural disasters on forest biodiversity</p> <ul style="list-style-type: none"> ▪

<p>agriculture which is beneficial to biodiversity</p> <p>A significant area of forests contribute significantly to the limitation of natural damages and the conservation of biodiversity</p>			
<i>Natural Resource Management (water and soil) in Agriculture and Forestry</i>			
<p>Low use of chemical inputs in agriculture which is beneficial to water quality</p> <p>Many intensive livestock production complexes have closed which led to the reduction of nitrate pollution.</p> <p>Existence of a growing organic farming sector with potential for further development</p> <p>Good quality of soils especially in the lowlands</p>	<p>Poor facilities and equipments for manure management (especially storage) on livestock farms</p> <p>Lack of sewerage and domestic waste management infrastructure in many small rural settlements</p> <p>Limited hydrological resources which are unevenly distributed throughout the country and during the seasons and years</p> <p>Significant areas of agricultural land affected by unfavourable climate, (poor water balance in soils), and soil degradation phenomena, particularly soil erosion and landslides</p> <p>Farmers have poor awareness of environmental management practices for reducing the risk of agricultural pollution and improving soil conservation</p> <p>Organic farming sector is</p>	<p>Potential to improve water quality through investments in water infrastructure for rural settlements</p> <p>Potential to improve compliance with environmental standards (including improved manure management) through investment in farm modernization</p> <p>Potential to improve water and soil management by supporting environmentally sound farming practices</p> <p>Potential to improve natural resource management on farms through targeted training and advisory services, including for cross-compliance</p> <p>Potential to make greater use of forestry for soil protection and flood prevention through the afforestation of agricultural and non-agricultural land</p>	<p>Trends in farming modernisation, including increased use of chemical inputs (e.g. fertilizers)</p> <p>Trend towards specialisation and intensification of livestock production among private operators</p> <p>Impact of illegal logging on protection of soil and water resources by forestry</p> <p>Increased occurrence of phenomena associated with climate change (e.g. floods, intensive heat and drought) with negative impact on soil and water resources</p> <ul style="list-style-type: none"> ▪

	<p>underdeveloped compared to EU average and the domestic market is young</p> <p>Widespread soil erosion problems on large areas</p>	<p>Potential to work with local communities to raise awareness of soil and water management issues</p> <p>Development of the national network of forestry belts</p>	
<i>Air Quality and Climate Change</i>			
Romania is meeting the requirements related to GHG emissions established for 2010	<p>Poor facilities and equipments for manure management (especially storage) on livestock farms leading to ammonia emissions</p> <p>Increased impact of climate change in areas with reduced surfaces of forests</p>	<p>Potential to mitigate against greenhouse gas emissions through afforestation of agricultural and non-agricultural land</p> <p>Potential to tackle climate change through the development and increased use of renewable energy sources, including bio fuels from agriculture and biomass production from forestry</p> <p>■ Potential to improve compliance of livestock farms with standards (e.g. in order to reduce ammonia emissions)</p> <p>Potential to work with local communities to raise awareness of climate change issues and to stimulate community-led action</p>	<p>Increased contribution from agriculture to climate change due to changes in farming patterns (e.g. increased demand for chemical inputs, increased mechanization)</p> <p>■</p>

DEVELOPMENT OF RURAL AREAS			
<i>Labour market</i>			
Availability of labour Traditional skills for handcrafts products	Low Education and Job skills Low degree of labour force employed in non-agricultural activities High rate of unemployment within youth Weak representation of women on labour market	Change in mentalities and increased skills of returned emigrants Benefit from access to Vocational Training and Skills Qualification Programmes	Low cost of labour which determine migration Urban and trans-border migration Lack of investments
<i>Business and tourism development</i>			
Natural resources and local products Presence of rural amenities Diversity of tourism type and location that can be visited ▪ Inherited Craft traditions – ceramics, wood, wool ▪ High levels of biodiversity associated with farmland Specific hospitality ▪ Low cost of labour force	Low average income level Dependency on subsistence agriculture ▪ Alternative economic activities are on low base Weak entrepreneurial culture ▪ Poor enterprise supports ▪ Poor market access of craft products ▪ Low level of quality tourism infrastructure and services	Benefit from access to entrepreneurial training Programmes High share of rural population Agri- tourism/ extensive farming Development of Nature Heritage and related rural tourism products Development of traditional and organic agri-food Development and upgrading of Craft activities Services development Benefit from LEADER approach	Long term needed to develop rural infrastructure Relatively low purchasing power of rural inhabitants for few further years ▪ Tendency of aging population ▪ New imposed sanitary standards which limits to access of traditional products to the agri-tourism sector ▪

<i>Quality of life (Infrastructure /basic services/ cultural heritage)</i>			
<p>High share of rural areas</p> <p>Rich rural heritage (traditions, nature, traditional architecture)</p> <p>Rural identity/traditional life style</p> <p>High levels of biodiversity associated with farmland</p>	<p>Weak developed rural basic infrastructure (roads, water, /waste treatment , energy and gas networks)</p> <p>Limited access to basic services (child care, elderly, leisure activities and outdoor areas)</p> <p>High level of degradation of cultural establishments/villages</p> <p>High incidence of poverty in remote villages</p>	<p>Synergies between existing plans for rural development (NRDP, ROP, SOP Environment and other national and local plans)</p> <p>Foreign remittances largely invested into increasing the quality of life</p> <p>Rich rural heritage and traditions</p> <p>Using integrated approaches to concurrently address several related project areas.</p> <p>New created public utility associations (Intercommunitary Development Associations)</p>	<p>Depopulation of rural areas</p> <p>Natural hazards</p> <p>Disappearance of rural heritage and traditions</p>
<i>Local development</i>			
<p>Existing community structures (association, NGOs, etc.) to lead local development project</p> <p>New public utility associations (Intercommunitary Development Associations)</p>	<p>Lack of financial resources to invest and co-finance projects</p> <p>Lack of collaboration between public and private actors</p>	<p>Valorisation of the EU financial support in order to improve the capacity building and to implement local strategies</p>	<p>Incapacity to set up strong local partnerships and to promote the endogenous potential of the territories</p>
LEADER			
<p>Existing local development strategies or in progress</p> <p>Development of partnerships active in the field of local development</p> <p>Members of these partnerships are prepared to elaborate viable projects</p>	<p>Lack of financial resources</p> <p>Fragility of partnerships (some partnerships dissolved after they have accomplished their objective)</p> <p>Mistrust in the associative</p>	<p>Valorisation of the financial support granted by NRDP for the implementation of local development strategies</p> <p>Valorisation of financial support granted by NRDP in order to</p>	<p>Low absorption of financial allocations</p> <p>The existence of non- representatives partnerships</p>

Courses organised for the training of potential territory representatives – potential LAGs in order to implement Leader axis	structures	improve the local governance	
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3.2. The strategy chosen to reach strengths and weaknesses

The National Strategy Plan is centred on three key challenges:

1. Facilitate the transformation and modernization of the dualistic structure of agriculture and forestry, as well as its agro/wood-processing industry to ensure their competitiveness, contribute to growth and income convergence in rural areas (where possible), while ensuring the living conditions and environmental protection of these areas.
2. To maintain and enhance the quality of the rural environment in Romania, by promoting the sustainable management of both agricultural and forestry land.
3. Manage and facilitate the movement of labour out of agriculture into other sectors that can ensure a adequate economic and social living standard.

This requires a multi-facet approach which ensures the complementarity of the NRDP, including close coordination and coherence between its Axis 1, 2 and 3, with other SOPs (Regional Development, Human Development, Environment, etc.) and national programs (e.g., pension and social assistance programs, national land registration program).

To meet the first challenge the primary focus of the NRDP will be to address and mitigate the structural disadvantages in the agricultural sector as well as the forestry sector, to modernize, consolidate and restructure in order to ensure a high level of competitiveness and sustainability from an environmental point of view. This will provide a powerful mechanism for preserving rural life, expanding viable employment opportunities both on and off the farm, thus contributing to the income convergence objective while maintaining the social fabric. It is further intended to support associative actions of farmers in order to avoid excessive capital intensity and high fixed costs while allowing for the capture of scale economies along with the effective use of scarce capital and EU grant resources.

To meet the second challenge, the NRDP will encourage a better balance between the economic development of rural areas and the sustainable use of the natural resources, by maintaining and enhancing the attractiveness of rural areas as the basis of farm diversification and other alternative economic activities. In order to achieve this, it is foreseen to continue the support for farming in those areas that are less favoured, thereby tackling the threat of land abandonment, as well as providing support to farmers for maintaining/introducing environmentally sound farming practices. Further on, a special attention will be given to help the farmers and foresters to address the specific disadvantages and obligations caused by the implementation of the Natura 2000 network.

To meet the third challenge, the NRDP should address the needs of two broad groups in rural areas: the population beyond retirement age, and the active but under-employed or unemployed population. In respect to the first group, the NRDP complemented by national programs will play an important role in facilitating the inter-generational market-based land transfer from old farmers currently holding 31% of the land to younger farmers. For the active but under or unemployed, NRDP and its Axis 3 and 4 in particular, will play a vital role in facilitating the diversification of the rural non farm economy and the development of part-time¹³ farming.

The strategy presented will require investment across the four axes of the NRDP (a) Axis 1 – Improving the competitiveness of the agriculture and forestry sector (43.95% of EAFRD allocation for the 4 axes), (b) Axis 2 – Improving the environment and the countryside (26.05% of EAFRD allocation for the 4 axes), (c) Axis 3 – The quality of life in rural areas and the

¹³ Category comprising a group of farmers who most likely will remain in subsistence agriculture, but whose income will be mostly derived from non-farm (rural and urban) sources, but who may contribute to the volume of production-commodities.


diversification of the rural economy (27.40% of EAFRD allocation for the 4 axes) and (d) Axis 4 – LEADER (2.6% of EAFRD allocation for the 4 axes).


3.2.1. Establishing the priorities of the objectives and measures related to Axis 1

Measures supported under Axis 1 focus on increasing the competitiveness of the agri-food and forestry sector in Romania. This is in recognition of the need to:


- Build the potential of large areas of land with good farming conditions in order to realize the opportunities presented by a growing domestic and EU market through bringing the underperforming farming segment up to its potential by way of modernization and restructuring.
- Address the problem of low levels of labour productivity and low levels of education and skills in agriculture through rejuvenating generation of farm managers, improving skill levels through vocational training, and supporting the public advisory agency and emerging private consulting sector in meeting the needs of the farm segment either individually or through associations.
- Address the challenge of underdeveloped marketing channels for farm products through supporting the establishment of producer groups and ensuring a vertical coordination between agri-processors and market chains.
- Address the challenge of the large number of small firms in the agri-food and forestry processing sector with low scale economies, low capacity utilization and low compliance with EU standards through facilitating their modernization and restructuring.

The need to address these important challenges resulted in three strategic objectives being identified for Axis I under the NSP, each of which is broken down further into specific objectives. The relationship between the NSP strategic objectives for Axis I, the specific objectives, and the measures to be co-financed through the NRDP is presented in the following table.

General objective		
Improving the competitiveness of the agri-food and forestry sectors		
		
Strategic objectives		
Improving the skills of farmers and other persons involved in the agri-food and forestry sectors as means of encouraging a better management of agricultural holdings, forests and processing units.	Improving the competitiveness of the commercial and semi-subsistence farms and their associations, while observing the principles of sustainable development	Restructuring and modernizing the agricultural and forestry products processing and marketing sectors, while observing the principles of sustainable development.
Indicative balance between priorities		
277.7 mil Euro	2,281.2 mil Euro	1,408.4 mil Euro



Specific objectives		
Supporting farmers and persons carrying out their activity in the agri-food and forestry sectors to improve human capital and capacity to adapt to the new context.	Accelerating the structural adaptation of agriculture and encouraging semi-subsistence farms to enter the market. Modernizing agricultural and forestry holdings. Increasing farms' adaptation from an economic and environmental point of view.	Supporting the agri-food industry Improving the forests' management and developing the forestry products



Specific Measures		
Vocational training, information actions and diffusion of knowledge Providing farm advisory and extension services Using Advisory and Extension Services	Setting up of young farmers Early retirement of farmers and agricultural workers Modernisation of agricultural holdings Supporting semi-subsistence agricultural holdings Improving and developing infrastructure related to the development and adaptation of agriculture and forestry	Adding value to agricultural and forestry products Setting up of producer groups Improving the economic value of forests

The choice of the objectives presented above and the financial balance between them was formed based on a table computation and a SWOT analysis presented in the NRDP. This analysis resulted in the identification of three priorities: knowledge and skills (7%), the competitiveness of the primary agriculture and forestry (57.5%), and the need to modernize and restructure the agri-food and forestry processing and marketing sector (35.5%).

In financial terms the most important priority - improving the competitiveness of commercial and semi-subsistence farms and their associations, is articulated in strategic objective 2 of the NSP. This is addressed in the NRDP through investment measures (modernization of agricultural holdings, improving and developing infrastructure) and non-investment measures (setting up young farmers, supporting semi-subsistence, early retirement). The priority status of strategic objective 2 is consistent with the large levels investment and

restructuring needs in primary agriculture and forestry which have been identified in the situational and SWOT analysis. The measures in Strategic Objective 2 pay special attention to the activities necessary to address the structural disadvantages facing Romania's agriculture, which were also identified in the situational and SWOT analysis: too much land unproductively tied up with (a) too many small farms, and (b) too many farmers close to, or past retirement age for all farms.

In the vegetal production, priority shall be given to the most defective sectors: vegetables, nurseries and orchards, strawberries, arable crops, nurseries and vineyards (exclusively planting and re-planting) and grapes, as well as to the animal breeding sector. The selection criteria take into consideration the semi-subsistence farms, the young farmers, the associative forms' members etc. Regarding the agricultural products processing, the support shall be granted to the defective sectors: milk and dairy products, meat and eggs, cereals and bakery products, vegetables, fruits and potatoes, obtaining and using bio-fuels, oilseeds, honey and wine. The selection criteria take into account the priority sectors, fostering the traditional products, using renewable sources energy etc. The non-investment measures, contribute to the sustainable development of the agricultural economy. Farmers are encouraged to adapt to market and consumers' needs. Training and information actions will promote the dissemination of procedures. In this way, farmers are encouraged to increase the quality of products. Selection criteria shall be applied regarding the support for young farmers, semi-subsistence farms and producers' groups, as follows: less favoured areas, number of members, performing investments, etc.

Investments in agricultural infrastructure and farm modernization are necessary in order to increase competitiveness, comply with community standards, and mitigate exposure to external threats such as climate changes.

The primary production calls the need to improve the competitiveness and modernisation within the farm. Investments aiming to the bio-fuel production and use of biomass, energy of renewable sources will be encouraged due to the need to reduce greenhouse gas emissions. As regards climate changes mitigation, the investments into farms related to meeting Nitrate Directive requirements envisage to reduce the ammonia emissions.

Taking into consideration the fact that the SWOT analysis reveals the dualistic structure of the Romanian agriculture, as well as the fact that the small size agricultural holdings record a difficult access to credits and that the individual investments carried out within them are not economically viable and do not lead to the increase of competitiveness, it is necessary to reduce the gaps, by developing the medium sized agricultural holdings. Therefore, through the Measure 121 "Modernisation of agricultural holdings" the associative forms that are constituted according to the legislation in force, shall be encouraged by granting a higher support ceiling.

Farm modernization measures will not only provide support to individual farmers, but would also target farmer associations in order to encourage economies of scale along with effective use of scarce capital and EU grants and improve the living and working conditions on the farm by fostering a culture of mutual support among farmers. Such actions will help realize the opportunity presented by a growing domestic and EU external market by bringing an under-performing sector up to its potential through modernization and restructuring.

Among the measures envisioned under strategic objective 2, the measure for setting up young farmers deserves special attention. This measure is needed to address the acuteness of the inter-generational land transfer problem in the farm segment between 6 and 40 ESU. This problem stems from the fact that there are only about 12,000 farmers who could be considered young (4,000 are 40 years old or below) and those could not absorb the land that will be gradually released by the ageing or elderly farmers who will be encouraged to leave agriculture. Without sufficient numbers of young farmers, there is a significant risk that land could be abandoned or

used unproductively, or that younger farmers would acquire holdings that are bigger than their capacity to manage or invest in. It is therefore necessary to increase the number of young farmers operating in agriculture, so that the land which will be made available by the farm population that is expected to retire –or leave agriculture—can be used productively, and in a way that will contribute to overall economic growth, and sustainable rural development. The support for setting up of young farmers shall aim to the labour force already active in the agriculture field, such as agricultural workers in family agricultural holdings, semi-subsistence farms of above 6 EDU, agricultural holdings that belong to an associative form. The measure concerning the setting up of young farmers shall not encourage the persons outside the sector to take over agricultural activities, being oriented towards the priority beneficiaries, as resulted from the analyses. The farm demographics also strongly suggest that such a need is not inconsistent with the need to encourage and facilitate a much larger movement of labour out of agriculture

Thus, the Young Farmer scheme together with the Early Retirement and Semi-Subsistence measures should facilitate the transition out of agriculture of a large number of producers and agricultural workers dependent on subsistence production. This group will either benefit from social assistance payments funded under national programs (in the case of retirees) or from non-farm rural economic development stimulated under Axis 3 measures (for subsistence producers and under-employed agricultural workers not of retirement age, but also who are not likely to become viable commercial farmers given their levels of skill and experience). As a result, measures such as the Young Farmer scheme, Semi-Subsistence Support and Early Retirement working in tandem with Axis 3 measures are likely to result in a more rational, restructured, productive and modernized commercial farm segment on the one hand, and a dynamic rural non farm economy for those moving out of agriculture on the other.

The second largest priority is articulated by strategic objective 3 of the NSP which focuses on the need to restructure and modernize the agri-food and forestry processing and marketing sector. Measures designed to achieve this objective include the establishment of producer groups, investments for adding value to forestry and agriculture products and for improving the economic value of forests. Measures to establish producer groups are designed to tackle the problem of underdeveloped marketing channels for the smaller farms in a manner that will realize the opportunity for vertical cooperation between farmers, processors and retailers. Investments in the food and forestry processing sector will address the challenges facing sectors characterised by large numbers of small under-equipped firms, while at the same time experiencing increases in foreign direct investment.

As also specified in the analysis, the associative forms play an important role in the quantitative and qualitative adapting of raw materials to the agri-food industry requirements. Thus, through Measure 123 “Adding value to agricultural and forestry products” a higher support ceiling is granted for the investments belonging to associative forms.

Thus, by supporting the associative forms, both through the Measure 121 “Modernisation of agricultural holdings” as well as through the Measure 123 “Adding value to agricultural and forestry products” the integration of the agri-food chain and the programme’s coherence are ensured.

Investments to improve the economic value of forests will serve to enhance and expand the already large tracts of high value and well managed forests in Romania in order to realize the opportunity of growing markets for certified timber in Europe. The rationale behind the priority status of this objective stems from the fact that large investments are necessary in order to restructure, modernize, and increase the competitiveness of the agri/wood processing sector and ensure the successful market integration of the holdings. Also, the competitiveness of the primary

agricultural and forestry sector is depending on the competitiveness of its market channels (inputs and outputs) and the processing industry.

The third priority is articulated in strategic objective 1 and is focused on skills and knowledge in the farming and forestry sector. Measures designed to achieve this objective include support for vocational training, information, dissemination and diffusion of knowledge, as well as support for the provision of farm advisory and extension services. These measures address the low levels of education and skill among individuals working in the farm and forestry sector \ and the need to orient the dedicated agricultural advisory service (public-NAAC and the emerging private and NGO) consulting and advisory sector towards the needs of small farmers. These measures will not only serve to improve the competitiveness of the farms, but will also play a key role in diffusing knowledge on agriculture's role in protecting nature and the ability of farmers to use the provision of environmental services as a means of generating income. While achieving this objective is an essential component of increasing the overall competitiveness of the agri-food and forestry sector, the activities involved are not as expensive as those envisioned under measures designed to increase the competitiveness of commercial and semi-subsistence farms or restructure and modernize the agri-food and forestry processing and marketing sectors.

The sequencing envisaged for the Axis 1 measures is designed to maximize the synergy and complementarity between the different measures and to enhance the capacity developed under SAPARD and other funding programs. It is anticipated that most measures will be implemented in tandem. It is particularly important that measures related to strategic objective 2 and 3 are implemented at the same time. This is so, as in order for the farmers to invest in their holdings, they need the incentive new marketing channels will offer through associative forms as well as a dynamic agri-food processing and marketing sector generating a strong demand for their products. Likewise, the modernization and restructuring of the agri-food processing and marketing sector is dependent on efforts to modernize and restructure primary production. Furthermore, investment in farm modernization is dependent on non-investment measures such as vocational training, advisory and extension services, support for semi-subsistence producers, and support for young farmers. In the case of support for young farmers and semi-subsistence farmers, these payments do not require access to credit or pre-financing facilities, targeting the farms between 2-40 ESU, that have the most potential to become commercially viable. This category of farmers can further be encouraged to associate and to invest in farm modernization. Furthermore, supporting the establishment of young farmers and semi-subsistence farmers should be accompanied by non-financial support in the form of vocational training and advisory field. The obvious importance of these non-investment measures justifies the large amount of funding they are allocated under the NRDP.

Many of the measures that are programmed to be implemented simultaneously at the start of the programming period will build on capacity already developed during previous funding programs. For example, the experience with investments in farm modernization and agri-food processing under the SAPARD programme has laid the foundation for measures supporting these investments under the NRDP. Furthermore, MARD projects, are already supporting investments related to irrigation and forests roads and have served to establish the policy, legal and environmental frameworks that will greatly enhance capacity to implement the measure for agricultural and forest infrastructure. While there is little experience with initiatives such as those supporting young farmers or semi-subsistence farmers, these measures are of such great importance that we can not afford to delay their implementation. However, it is understood that these measures may experience relatively slow up-takes initially, but would grow in importance over time. It is further anticipated that a good deal of capacity building will be targeted at the institutions responsible for managing and supporting these measures, and that a

strong emphasis will be placed on learning from international best practice, as well as networking and sharing of experience.

Two measures whose implementation will be delayed include the early retirement measure and the measure supporting the provision of farm advisory and extension services.

The provisions laid down in Section I, II, III of Annex VIII to the Accession Treaty will apply for the period of 2007-2009, with the exception of Section I point D of that Annex which will apply for the period 2010-2013 as regards the provision of advisory services to farmers receiving semi-subsistence support. The specific financial provisions laid down in Section IV of Annex VIII will apply throughout the programming period 2007-2013.

The Measure 143 “*Providing farm advisory and extension services*” will be available between 2007-2009 when advisory services will be financed 100%. Starting to 2010 the measure will be available with a support rate of 80%.

Due to the fact that for some measures, there is no sufficient experience (setting up of young farmers, assisting semi-subsistence farms, agri-environment), the potential beneficiaries of those measures shall benefit, within the Measure 143, both from consultancy, as well as from support for filling in the necessary documentation in order to access them.

The rationale behind delaying the implementation of the early retirement measure stems from the fact that there are already a large numbers of farmers who are past retirement age, and who can in the short-term make a good deal of land available to younger farmers. Furthermore, the complex nature of this scheme will require a good a deal of capacity building within the institutional unit responsible for its implementation.

Take together, the Early Retirement and Advisory and Consulting measures account for just over 4% of the expenditure programmed under Axis 1

3.2.2. Establishing the priority of the objectives and measures related to Axis 2

Measures under Axis 2 are focused upon maintaining and enhancing the quality of the rural environment in Romania, by promoting the sustainable management of both agricultural and forestry land. This is in recognition of the need to:

- Encourage a better balance between the economic development of rural areas and the sustainable use of the natural resources upon which present and future economic growth will be built and maintained;
- Address the problem of unproductive land in less favoured areas in a manner that mitigates the threat of land abandonment;
- Give financial support for farmers and forest owners for providing environmental services by supporting the conservation and protection of wild flora and fauna, soil and water in accordance with EU environmental objectives relating to agriculture and forestry, including the maintenance of High Nature Value (HNV) farming systems, management of Natura 2000 sites, obligations of the Water Framework and Nitrate Directives, and the mitigation of climate changes;
- Maintain and enhance the attractiveness of rural areas as the basis of farm diversification and other alternative economic activities;
- Addressing the challenge of poor levels of farmer awareness of environmental management extensive practices of agricultural lands.

General objective		
Improving the environment and rural area		
Strategic objectives		
Continuing the use of agricultural land in less favoured areas and promoting sustainable farming	Preserving and improving the status of natural resources and habitats	Promoting the sustainable management of forestry lands
Indicative balance between priorities		
<i>1,100.9 mil. Euro</i>	<i>963.2 mil. Euro</i>	<i>229.4 mil. Euro</i>
Specific objectives		
To contribute in mountain areas with handicaps to the continued use of agricultural land, thereby maintaining the countryside, as well as maintaining and promoting sustainable farming systems.	To contribute to the sustainable rural development by encouraging agricultural land users to introduce or continue methods of agricultural production compatible with the improvement of the environment, including biodiversity, water, soil and rural landscape.	Extension of forested areas in order to contribute to the protection of water, soil, against harmful natural and human factors, as well as to ensure leisure activities, based on its multifunction role.
To contribute in other areas with handicaps to the continued use of agricultural land, thereby maintaining the countryside, as well as maintaining and promoting sustainable farming systems.	To support farmers by compensating for the specific disadvantages resulting from the implementation of the Natura 2000 network on the basis of the obligations incumbent from the directives on the protection of birds, the preservation of natural habitats and wild species.	To support forest owners by compensating for the specific disadvantages resulting from the implementation of the Natura 2000 network on basis of the obligations incumbent from the directives on the protection of birds and the preservation of natural habitats and wild species
Measures		
Support for mountain areas	Agri-environment payments	First afforestation of agricultural lands
Payments to farmers in areas with handicaps, other than mountain areas	Natura 2000 Payments for agricultural lands	First afforestation of non-agricultural lands

The choice of such objectives and the financial balance between them is based on the strengths and weaknesses identified based on the analysis of the current situation of environment.

The first priority for the implementation of Axis II in the Romanian context is the conservation of biodiversity on agricultural and forestry land.

Large areas of Romania are limited from natural productivity point of view. These areas are usually associated with high biodiversity, but threatened by land abandonment, which can affect both biodiversity and rural area viability, therefore the LFA support will have an important contribution. This contribution will be vital especially in the short term, whilst other measures like agri-environment support and Natura 2000 payments will create a fully functional system for responding to the objective of improving the environment and the countryside.

Romania holds a large variety of valuable habitats and many species of wild animals and plants. A great part of such biodiversity is associated with the sustainable use of agricultural and forestry land. This extensive use includes large areas of valuable semi-natural grasslands found mostly in mountain and hill areas. The majority of these semi-natural grasslands are under an increasing pressure due to the abandonment or intensification of agricultural activities, therefore it is a priority to use appropriate measures to provide the proper support necessary to maintain and improve their natural value by encouraging extensive agricultural practices. Although the concept of *High Natural Value (HNV)* farm land is newly developed in Romania, it is highly relevant and must be promoted since there are many traditional farming systems used by farmres and large areas of extensively managed agricultural land that support a diversity of wildlife species and habitats. Also, the support for high natural value farming and forestry has the potential to offer the basis for further sustainable development of rural areas including the promotion of traditional food products and diversification through sustainable tourism.

A large proportion of the population of farmland birds breeds in Eastern Europe. In Romania, many species of European concern can still be found in abundant numbers, (e.g. *Crex crex*, *Lanius minor*, *Falco vespertinus*). Although these populations appear to have remained stable during the last 25-30 years, there is a risk that new trends in agricultural intensification and land abandonment will have a negative impact upon them. Romania therefore has a responsibility to promote a proper management through appropriate Axis II measures to target the protection of farmland bird species protected at European level, although this will initially only be on a pilot basis until the necessary experience the proper capacities shall be developed for the implementation at a large scale of those birds protection schemes.

To support of farmers and foresters to compensate for the specific disadvantages resulting from the implementation of the Natura 2000 network and the obligations of the Bird and Habitats Directives will also contribute to the conservation of many natural and semi-natural habitats of national and international significance. However, the implementation of the measures available under Regulation (EC) No. 1698/2005 will be delayed for 2010, until the Natura 2000 network will be fully functional and the necessary management plans for these areas will be completed. Despite the fact that data is missing regarding area that will be eligible for Natura 2000 payments, specific management requirements and therefore value of payments, Axis II has the financial availability of approximately 5% of its budget to support Natura 2000 measures starting from 2010.

The forestry sector development as well as fostering its sustainable management are key elements in order to prevent floods, as well as for soil preserving. The afforestation of agricultural and non-agricultural lands presents a main importance in the achievement those objectives.

It is also to be mentioned the fact that the non-agricultural land represents a land source that has the following categories of usage: arable, pastures and grassland, orchards, vineyards, other permanent cultures, family gardens and that were not used for the last 2 years.

The surfaces that are set up as permanent pastures are not the subject of the first afforestation measures, and the agricultural and non-agricultural lands located in the Natura 2000 sites are eligible only if the afforestation projects are in line with the objectives of the sites' management plans.

The second priority for the implementation of Axis 2 in Romania is the protection and sustainable management of natural resources, notably water and soil.

Although, in the present, water resources are generally in a good status, the trends in consumption of chemical inputs in agriculture are showing a real threat. Therefore, there is a range of actions included in Axis 2, which have the potential for reducing this threat (e.g. agri-environment requirements to completely reduce chemical fertilization, organic farming, as well as other practices for preventing nitrate leaching like in case of the green cover crops package) thereby contributing to the achievement of the Water Framework Directive objectives. Along with these actions under Axis 2 there are other interventions supported under both Axis 1 and 3 that will add a valuable contributions for water resources protection (e.g. support under Axis 1 to achieve standards under the Nitrate Directive and support under Axis 3 for sewerage systems).

Soil degradation (especially through water erosion) is a major environmental issue in Romania. Although GAEC contains requirements that are contributing to preventing soil erosion on large areas, there is a need to encourage farmers to adopt more efficient practices for soil conservation (e.g. setting up of green crops). Also, afforestation of agricultural and non-agricultural land will have an important impact by preventing soil erosion through water and landslides and also to reduce the risk of floods.

The third priority for the implementation of Axis 2 will be the mitigation of greenhouse gas emissions and climate changes.



Climate changes are a major threat to human society, as well as to the survival of global and local ecosystems therefore, the fight against climate changes represents an important priority for Romania. Under Axis 2, this will be undertaken through the encouragement of afforestation and the expansion of the forest resource onto agricultural and non-agricultural land. Interventions under other Axis are also contributing at this priority through the development and increased use of renewable energy sources, including bio fuels from agriculture and biomass production from forestry and through improved compliance of livestock farms with standards (e.g. in order to reduce ammonia emissions).

Finally, the purpose of Axis 2 will be better achieved through targeted training and advisory services and also by stimulating work within local communities in order to raise awareness of environmental needs.

3.2.3. Establishing the priorities of the objectives and measures related to Axis 3

The support granted through Axis 3 aims to encourage the diversification of the rural economy and through this and otherwise to improve the quality of life in the rural environment. The economic, spatial and demographic national profile outlined in the opening section, provides a context for setting out priorities under Axis 3. The relation between the strategic objectives

corresponding to the priorities of Axis 3 with the specific objectives and measures co-financed through NRDP is described, as follows:

General objective		
Encouraging diversification of the rural economy and improving the quality of life in the rural area		
		
Strategic objectives		
Maintenance and development of economic activities through the increase of number of jobs	Increasing the attractiveness of rural areas	Developing the abilities and raising the awareness of local stakeholders regarding the importance of local governance ¹⁴
Indicative balance between priorities		
<i>752 mil Euro</i>	<i>1709.3 mil Euro</i>	<i>12.4 mil Euro</i>
		
Specific objectives		
Diversification of non-agricultural economic activities within agricultural households and the encouraging the small entrepreneurs in the rural area.	Creation and modernizing the basic physical infrastructure in rural areas	
Creation, improvement and diversification of tourism facilities and attractions.	Improvement of the quality of the social, natural and economic environment in the rural area	Development of competencies of the local stakeholders in order to stimulate the territory organization
	Protection and conservation of the cultural and natural patrimony	
	Creation, improvement and diversification of tourism facilities and attractions	
Specific measures		
Support for the creation and development of micro-enterprises (Measure 312)	Village renewal and development, improvement of basic services for the economy and rural population, conservation and upgrading the rural heritage (Measure 322)	Skill acquisition, animation and implementation of local development strategies (Measure 341)
Encouraging the tourism activities (Measure 313)	Encouraging tourism activities (Measure 313)	

¹⁴ This strategic objective is foreseen to be applied starting with 2010.

The strategic objectives clearly outline the priorities and the required actions which are detailed under the specific objectives leading to the proposed measures. The choice and indicative balance of these objectives is based on the identified **weaknesses** such as: low incomes, reduced number of jobs, dependence upon subsistence agriculture, low entrepreneurship capacity, unfavourable demographic situation, **poorly developed physical and social infrastructure**.

It also reflects the **perceived strengths**, such as available natural resources with a high potential for tourism, the existence of handicrafts skills and tradition, rich material and immaterial cultural patrimony reflecting the social and economic situation from the rural environment.

(i) The first priority (strategic objective) for the implementation of Axis 3 in the Romanian context is the maintenance and development of economic activities through the increase of number of jobs.

Development and diversification of the economic activities in the rural areas and increasing employment through enterprise development and the associated job creation forms an essential ingredient for the maintenance and well-being of the rural population. Responding to the Strategic objective this will be achieved at two levels (corresponding to the specific objectives).

Support for the creation and development of micro-enterprises and diversification of non-agricultural economic activities within agricultural households.

One of the **most fundamental** challenges facing **rural economies** is the impact of **restructuring in agriculture and the associated need for diversification and growth in the non-farm rural economy**.

Diversification of existing farm and other enterprises to non-agricultural economic activities is not only a logical response to the demands of the changing market but will also help to **absorb the expected reduction of employment in agriculture**.

Achievement of this objective will require significant linkage and support with the vocational training and qualifications activities of the “SOP Human Resources”.

As already stated, the increase of the competitiveness of the agricultural and forestry sectors will lead also to significant **loss of jobs making a high requirement** for absorption of labour **especially among the young and women and others from subsistence farms**. This can be assisted by encouraging **the establishment and development of micro-enterprises** which will launch economic activities in the rural areas and orient themselves towards small non-agriculture production and services or they will be absorbed as employees.

In order to ensure the consistency with operation supported by Axis 1, the transfer of labour force from agriculture to non- agricultural activities will not focus on the young farmers with specialized agricultural professional skills which are the target of setting-up young farmers measure.

Sectors based on natural resources such as tourism, agri-food and forestry are well known but there **is a need to focus of creative and innovative approaches** in other areas such as the knowledge economy, **light engineering, fabrication, assembly, services, storage, logistics** etc.

This can be achieved through supporting innovation in existing indigenous industry- such as **crafts and other traditional activities and encouraging new business set-ups** in rural regions to enable them to contribute to the rural economy.

Rural tourism represents an employment alternative for rural labour and a way of diversifying the rural economy and providing a source of income for rural inhabitants.

An important aspect of the Romanian rural tourism is represented by agro-tourism, which is usually practiced by small farm owners/rural households as a secondary activity and primarily involves women. Therefore, the support of rural tourism, **in particular agri-tourism** and also related leisure activities, are not only supporting diversification activities but also helps to create opportunities to integrate women in the labour market.

On the other hand, measure 313 will contribute at promoting and tourists' access to traditional products and at other organic products that are a fundamental part of the diversity of rural tourism and the related specific cuisine. In addition, this measure will focus also on the climate change issue by encouraging projects which use energy from renewable resources.

The precarious condition of incomes from the rural environment fully arguments the need of **developing a diversified rural economy**, focusing on the current development potential in the non-agricultural sector as a sustainable source for the living standard of the population from the rural area and for the development of the rural economy.

The analysis of micro-enterprises from the rural area highlights their relatively **low capacity to develop** in order to meet the needs of the population from the rural area and this is due both to a poorly developed entrepreneurship spirit, but especially as the result of an improper basic infrastructure.

The specific measures- 312, 313- financed within Axis 3 will help to provide the conditions for realizing the enterprise development within the non-agricultural business environment and create employment opportunities for **rural residents**.

(ii) The Second priority of the Axis 3 concerns increasing the attractiveness of rural areas.

The construction and modernization of a suitable infrastructure are essential both for the economic and social development of the rural areas, as well as for a **balanced regional development**.

The attractive natural landscape that is common throughout Romania also provides excellent opportunities to practice rural tourism and to carry out leisure activities in a rural setting.

Creation and modernization of the rural infrastructure

A modern infrastructure represents the key-starting point to change the rural areas into attractive areas to live in and carry out economic activities.

The main specific areas requiring attention are in (i) **Basic physical Infrastructure** – streets/rural roads, water supply and sewage /waste water treatment, - energy and gas/heating supply (ii) **Basic Community Services**- facilities for childcare and the elderly, of public transport services, of leisure and sports facilities etc. community centres, culture establishments and other cultural facilities (iii) **Maintaining and preserving rural heritage and cultural identity**, traditions and customs.

Village renewal and development and in particular, the improvement of the infrastructure, improving air and water quality **is not only an essential requirement for improving the quality of life** and for increasing the attractiveness of rural areas but is **absolutely critical to the development** of the economic activities envisaged under Axis 1 and to the environment protection.

Villages and rural areas need to position themselves to compete effectively for investment while providing adequate community and related social services for the local population. In addition, according to the **territorial needs**, the support through this measure will be addressed, in particular, those **areas with higher incidence of poverty**.

Approaching the implementation of support activities (measures) in an **integrated manner**; provides a **significantly better opportunity** to rapidly address the different problems and deficiencies.

The lifestyle of the rural population is in line with a rich material and immaterial patrimony and renders a specific identity of the village that must be preserved and concurrently capitalized. The support thereof needs to be supplemented by the efforts to improve the natural and social environment, services, as well as the actions carried out in view of a better trading of specific traditional products.

Using Intercommunity Development Associations

Special attention will be given to **encouraging investments initiated by intercommunity development associations**, whose role in the development of rural communities has come to be more and more important. According to the regulations in force: “Within the limits of competence of their decision-making and executive authorities, two or several administrative and territorial units have the right to cooperate and associate with each other, by law, to form associations of intercommunity development.” This form of association represents an **important tool to solve problems** that have been extremely challenging lately to local administrations in Romania.


(iii) The Third priority of the Axis 3 concerns development of the competencies of the local actors to stimulate the territory organization and developing the abilities and raising the awareness of local stakeholders regarding the importance of local governance.

This objective is mainly targeted to raise awareness, understanding and motivation in rural communities so as to enable their full participation and input into the preparation of local development strategies.

3.2.4. Establishing the priority of objectives and measures specific to Axis 4

The support granted through Axis 4 has as purpose the improvement of the local governance and promotion of the endogenous potential of the rural area.

The relation between the strategic objectives corresponding to the priorities of Axis 4 with the specific objectives and measures co-financed through NRDP is described, as follows:

General objective	
Starting and operating the local development initiatives	
	
Strategic objectives	
Promoting the endogenous potential of territories	Improving the local governance
Indicative balance between priorities	
178. 7 mil. Euro - Implementation of local development strategies, inclusively the cooperation projects	Ensuring the implementing of local developing strategies: <ul style="list-style-type: none"> ▪ 11. 8 mil. Euro - Building public-private partnerships ▪ 44.7 mil. Euro - Running costs



Specific objectives	
Participation of the rural communities members at the local development process and encouraging the innovative actions	Fostering partnerships, preparing and ensuring the implementation of the local development strategies
Encouraging the stakeholders at local level to work together with representatives of other communities inside the country or from abroad	
Measures	
Implementation of local development strategies (41)	Building public-private partnerships (431.1)
Implementing cooperation projects (421)	Running Local Action Groups, skills acquisition and animation (431.2)

The development of local communities can not be accomplished without an active involvement of citizens in the decision-making process. Thus, the need arises to create local level structures that should join representatives of the public, private sector and of the civil society from an established territory to identify the weaknesses and strengths and establish the priorities of the territory, to implement the corresponding actions and then share their experience and good practices with similar partnership structures.

For such purpose it is necessary that in the future support will be granted for:

- Institutional building at local level by mobilizing the local stakeholders, representatives of the rural population to deal with and take over the control of the development of rural areas by elaborating strategies focusing on the issues identified in their communities and by capitalizing local resources, knowledge and the skills of representatives forming the base of the local action groups;
- Collaboration between rural areas in order to share and transfer experience;
- Balanced territorial development by implementing strategies. Implementation of the local development strategies and cooperation projects is closely linked to all the measures from Axes 1, 2 and 3 of EAFRD Regulation so that LAGs shall implement those measures which best fit in the strategies elaborated by them;
- Acquiring and development of competencies from the local level by training and animation actions.

3.3. The ex ante evaluation

This chapter summarises the conclusions and recommendations resulted from the Ex ante Evaluation of the Romanian National Rural Development Programme, which has been elaborated by the Ministry of Agriculture and Rural Development.

Through the PHARE Programme, the "Technical Assistance project for the elaboration of the Ex ante Evaluation for the Rural Development National Programme 2007-2013" was financed, as required by art.85 of Council Regulation (EC) no. 1698/2005, regarding the support for rural development granted through the European Agricultural Fund for Rural Development (EAFRD) and the Ex ante Guidelines from the Common Monitoring and Evaluation Framework.

Following the tender, the contract has been awarded to the Scanagri Denmark Consortium which comprises ADE s.a.-Belgium, AGROTEC S.p.a. - Italy, BRD Ingérie- France, EXCORYS-Holland, Halcrow Group Ltd -Great Britain, Oceanic Development- France, TYP SA Ingenieros Consultores-Spain. The initial period for the project was September 2006-February 2007 and was extended until June 2007.

At the same time, the consultant elaborated an Environmental Assessment Report according to the provisions of Directive (EC) no. 42/2001.

The entire report elaborated by Scanagri Denmark Consortium is enclosed as Annex 3A- "The Ex-ante Evaluation Report of NRDP" and Annex 3B "Report regarding the Strategic Environmental Assessment (SEA)".

Objectives of the ex ante evaluation

As stipulated by Article 85 of (EC) Regulation no.1698/2005, Ex ante evaluation shall form part of drawing up each rural development programme and aim to optimise the allocation of budgetary resources and improve programming quality. It shall identify and appraise:

- the medium and long term needs;*
- the goals to be achieved;*
- the results expected;*
- the quantified targets particularly in terms of impact in relation to the baseline situation;*
- the Community value-added;*
- the extent to which the Community's priorities have been taken into account;*
- the lessons drawn from previous programming;*
- the quality of the procedures for implementation, monitoring, evaluation and financial management.*

The programming logic behind (EC) Regulations no.1085/2006 and 1698/2005 as well as all supporting guidelines and instructions prepared by the EC Commission, can be illustrated as in the figure below. This EU programming logic has been elaborated and improved over the years, however the basis logic is the same. This logic is inserted below as an illustration of the basic steps to take and the elements to include in the NRDP.

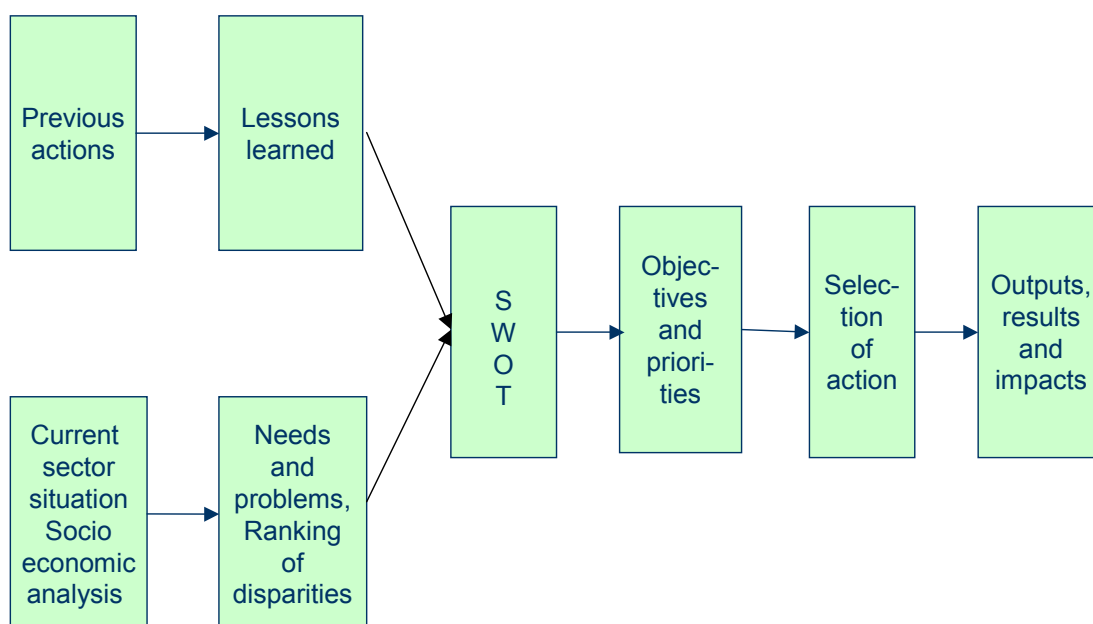


Figure 1: Programming logic

The figure underlines the sequential logic and the issues to cover during the programming process. In the following the ex ante evaluation will assess, to what degree the NRDP draft does comply with the requirements of the logic programming.

The ex ante evaluation has been carried out as an iterative process between the MARD and the ex ante evaluation team started in September 2006. The ex ante evaluators have been in close dialogue with MARD and several missions. Despite of this iterative approach, the external evaluators are fully responsible for the result of the evaluation and the content of the ex ante report.

The structure of the report

The report is structured in line with the ex ante evaluation guidelines. Chapter 3 assess the NRDP analysis of the current situation at the moment of programme's evaluation, presents the SWOT analysis and the ranking of needs and disparities. Chapter 4 contains an assessment of the objectives of the programme, while chapter 5 evaluates the individual NRDP measures. Chapter 6 answers the evaluation questions related to cost-effectiveness of the programme and addresses the expected positive and negative impacts of the NRDP. Chapter 7 covers the question of added value of the intervention. Chapter 8 covers the administrative set-up including the monitoring and evaluation system and the rural network is evaluated in chapter 9. Chapter 10 outlines the consultation process with the stakeholder and chapter 11 is intended to the main findings of the Strategic Environmental Assessment. The full SEA report is attached to the present document (Annex 3B - "Report regarding the Strategic Environmental Assessment SEA").

The evaluators consider that the needs for resources and measures that could be used to solve identified problems are neither outlined in a substantial way nor quantified. Nevertheless, SWOT analysis showed the following needs:

- to provide people leaving farming with proper training in developing new business and employment opportunities ;

- to support people remaining in farming to improve their incomes through increased efficiency by providing effective knowledge and technology transfer;
- to develop competitiveness of the agri-food sector by encouraging investment in new sectors and new products;
- to develop the agri-food sector to increase value added;
- to promote environmentally friendly initiatives and conservation;
- to promote environmental awareness by farmers;
- to encourage and facilitate farm diversification into non-agricultural activity, such as tourism;
- to improve provision of services to rural areas, especially less accessible areas;
- for village development;
- to target job creation to rural areas;
- to encourage local partnerships.

The evaluators considers that the needs covered are adequate and in line with the realities in rural Romania.

The expected results of the NRDP are:

- A more competitive, knowledge-led agriculture sector, using new technology and focused on developing markets
- A more competitive agri-food sector, focused on added value and innovation for domestic and international markets
- Environmentally friendly farming
- Diversification of farming activities in order to provide services and products for rural dwellers and tourists
- Creation of new rurally based businesses which respond to new markets
- Improved services and rural infrastructure to support the economy

What are the general, specific and operational objectives and expected results and impacts?

The NRDP 2007-2013 will be implemented in a period of significant change for Romanian agriculture as it takes its first steps into the EU market and under full effect of CAP reforms during this period. Also, the economic growth has a significant impact on the agricultural and rural economy sector and presents them with opportunities and threats.

Until the end of 2006, support was provided to Romanian farmers from national programmes (e.g. the Farmer Programme, the Life Annuity Programme) and from the EU co-financed SAPARD programme. Given the increasingly competitive environment after the EU accession, issues as competitiveness and scale economy will become even more critical for Romanian agriculture.

The overall economic and social context of elaborating the NRDP 2007-2013 is thus more complex than that which prevailed in 2000. The new NRDP is focused on enhanced competitiveness and scale economy and at the same time taking into considerations the need for protection of nature, environment, land and water resources in rural areas and an improved quality of life for the rural dwellers.

The current Romanian National Programme for Rural Development has thus sought to emphasis on issues such as competitiveness, environment, and rural quality of life, having as general objectives:

- Increasing the competitiveness of the agricultural and forestry sector;
- Improve the rural environment;
- Improve the quality of life and diversification of rural economy;
- Starting and functioning of local development initiatives (LEADER).

The overall objectives are broken down into a number of strategic objectives reflecting the given local and regional economic situation in rural areas and the challenges ahead.

Quantified objectives at programming level

Most of objectives and basic indicators related to the context were defined and quantified for all the measures of the programme. The evaluators consider that the database should be identified, as possible, for all the others indicators and inserted according to the recommended model of the fiche, for each measure included.

Added value of Community involvement including state aid

According to the (EC) Regulation no.1698/2005 the NRDP and the NSP must to ensure coordination with other common agricultural policy instruments, the EAFDR, the ESF, the CF, the Community support instrument for fisheries and the EIB.

The submitted NRDP draft for Romania is clearly complementary to other EU interventions under the structural funds. The overall objectives of the NRDP are in line with the (EC) Regulation 1698/2005 and it is in principle in compliance with the CSG outlining the general principles of assistance. The complementarity and conformity are spelled out in the NSP in general terms.

From the evaluators' assessment of the individual measures it is clear that the demarcation lines are not clearly indicated, and it is not clear, whether the demarcation lines actually are prepared making it possible for the potential beneficiary to see where to apply for a specific project, either in the NRDP or in other programmes. The evaluators recommend an enhancement of the demarcation lines in the NRDP as such and in the description of the measures.

Monitoring and evaluation

Assessment of programme implementation and administrative framework

Administrative framework

In conformity with requirements of (EC) Regulation no.1698/2005, an administrative framework has been set up and it is described in chapters 11 and 12 of the NRDP. The system is based on existing structures of the MARD, including the Paying Agency for Rural Development and Fishery (PARDF - former SAPARD Agency), the Paying and Intervention Agency for Agriculture (PIAA) and the Directorate General for Forest Development and Property Consolidation (DGFDP). Although that experience from previous SAPARD Programme has been taken into consideration, the evaluators believe that high attention should be paid to the measures for which tasks delegated by the Managing Authority (MA) to PARDF are delegated by PARDF to PIAA and DGFDP.

As learned from the previous SAPARD Programme, delegation of tasks can induce delays in financial application and payment request processing. In order to avoid this thing, the controls done by MA and PARDF on tasks performed by PIAA and DGFDPC should be very well procedural defined from the point of view of document processing timing.

Before launching the new NRDP, the MA should have insurance that PARDF, PIAA and DGFDPC has prepared and simulated the IT based implementation system, and that all necessary procedures are applicable, functional and well defined.

In the implementation system, the MARD through GDRD, will play the role of MA, responsible for implementing and managing the Programme, having delegated specific attribution to the task for all measures, excepting Measures 111 and 143, technical assistance operations, inclusively National Rural Development Network, sub-measure 431.1 and the selection of LAGs, to the accredited Paying Agency - PARDF. PARDF, responsible for the paying function, will perform day-to-day NRDP measures implementation task, including call for applications, projects selection and approval, controls, for all measures excepting:

- all the implementing and paying tasks for the Less Favoured Areas schemes and agri-environment payments – delegated to PIAA;
- control tasks of the good agricultural and environmental conditions (GAEC) and the surfaces measurement for the forestry measures of Axis 2 – delegated to PIAA;
- assessment of the application forms and the on the spot control regarding the specific requirements for the forestry measures of Axis 2 – delegated to DGFDPC.

Regarding the implementation the measures of Axis 4 – LEADER measures, due to the fact that there is a lack of experience in Romania for this issue, 120 local experts had been selected in order to be trained. When the 80 LAGs will be selected by the MA the responsibility of project selection will be given to them, eligibility checking, approval, implementation of payments being the responsibility of PARDF.

From point of view of the territorial responsibility of the administrative structures, the following situation is noticed:

- MA – national level and represented at county level by Directorates of Agriculture and Rural Development
- PARDF – national, regional and county level
- PIAA – national and county and local level
- DGFDPC – national level and represented at county level by Territorial Inspectorates for Forestry Regime and Hunting

In order to simplify the fund accession it is important to limit as much as possible the contact of the potential beneficiaries and beneficiaries with the national and regional administrative structures. It is recommended that financial and payment requests are to be submitted at the county level. It is also recommended that all correspondence with beneficiaries to be done by county level, national and regional level should take place between the beneficiaries and the county level. This fact is already established in the procedures, it could be useful to mention it in the administrative chapter.

In order to have more information regarding the efficiency of the proposed implementation system, it would be recommended also to describe in Chapter 11 of the NRDP the call of proposal organisation and the evaluation/processing envisaged time for each type of application.

According to the provision of article 74 of Council Regulation (EC) no. 1698/2005 regarding the support for rural development granted through EAFRD, in order to ensure that the European Community's financial interest are protected in an efficient manner, Romania has set up also a Certifying Body. The Certifying Body is represented by the Audit Authority, set up within the Romanian Court of Accounts and is responsible for certifying the truthfulness and accuracy of the accredited Paying Agency's accounts.

The coordination of both paying agencies PARDF and PIAA is ensured by a Coordinating Body. The Coordination Body is within PARDF, the Directorate for Coordinating the Paying Agencies and is acting as a sole correspondent with the European Commission. Although that it is mentioned that the attributions of the Directorate for Coordinating the Paying Agencies are exercised independently from all the Romanian institutions involved in the implementation of the CAP, as well as from their management, the Directorate is represented as *subordinated* to the general manager of PARDF.

In order to avoid confusion, if the procedure of the Coordinating Body mentions that the management of PARDF does not interfere at all in its activity, some details could be added to Chapter 11.

Competent Authority was set up as an MARD Unit and is directly subordinated to the Minister of Agriculture being responsible for transmitting, to the Commission, the Accrediting Certificate for PARDF, PIAA and for the Coordinating Body, as well as the documents describing its functions according to Article 8.1 (a)(i) and (ii) of Council Regulation (EC) no. 1290/2005. In the administrative chapter are the tasks of the Competent Authority described, but no information is provided regarding the legal framework for its functioning.

In order to ensure the readiness of the Competent Authority to perform the required tasks, more details are recommended provided in Chapter 11, as is done for all the others bodies.

Monitoring and evaluation system

A description of the monitoring and evaluation system is made in Chapter 12 of NPRD. The general description is in accordance with requirements of Council Regulation (EC) no. 1698/2005. Previous experience from SAPARD Programme is taken into consideration. The system proposed is similar to the previous. PARDF being in charge to collect data/indicators from projects and beneficiaries, monitoring the progress of programme implementation. For carrying out this task in good condition it is very important to collect and process all the necessary data in due time and in the right form.

In order to have the necessary relevant information, the content of financial application/payment request forms and monitoring questionnaires should be in accordance with monitoring needs, following all the categories of indicators established in programme and in strategy.

As for the moment, the IT system is not finalized, attention should be paid to its design, in order to permit data collection for all implementation levels and bodies and to be able to automatically generate different types of reports. An application could be developed also for beneficiaries, to allow them to submit monitoring data in electronically form.

Generally, for each axis and measures are established context and horizontal indicators for measuring financial allocation, outputs, results and programme's impact. A methodology was established and used in order to determine indicators, where national statistic sources were not available.

In order to be able to correctly measure the result/impact of the programme, it is necessary to follow the same methodology during implementation period, to have comparable figures.

Regarding the reporting system, the evaluators consider that it is in accordance with Council Regulation (EC) no. 1698/2005, including all necessary annual and strategic evaluation reports. Programme evaluations will be done under the responsibility of MA and will examine the degree of resource utilization, the effectiveness and efficiency of the EAFRD programming, its socio-economic impact as well as its impact on the Community priorities. The evaluations will be performed by evaluators, independent from all institutions involved in the implementation of the Romanian NRDP, selected through a public tendering procedure.

Information plan

In accordance with Council Regulation (EC) no. 1698/2005, an Information and Communication Plan was prepared by MA and PARDF. The plan was done based on previous experience gained through SAPARD Programme and will in the future be correlated with communication plans for structural funds, in order to improve the synergy between programmes financed by Community funds.

The Information Plan addresses both public and private beneficiaries and will be implemented using different media, including information letters to potential beneficiaries.

In order to obtain maximum results, the plan will be improved based on implementation results, upon proposal presentation to the Monitoring Committee.

As observed from previous SAPARD Programme, there is a need to have very good structure of the information and a coherent approach in the entire country. County level implementation structures should be prepared to give more support in publicity issues. If considered opportune to develop more the specific skills of county experts in order to improve the contact with beneficiaries/potential beneficiaries, to advise them on Programme opportunities in the context of agri-business environment development at county, national and European level.

For the LEADER axis and for the vocational training programme, information regarding financing support will be provided also by contracting authorities or training providers. In order to ensure the transparency of funds, special actions are established for public, not beneficiaries of the programme.

Administrative framework and implementation at measure level

The evaluators consider that experience gained on previous programmes represents a major advantage, if used, for the results of the implementation of NRDP.

Declaration regarding the process of strategic environment assessment of NRDP 2007-2013

Introduction

The Environmental Assessment was elaborated according to the provisions of article 9 (1)(b) of the (EC) Directive no. 42/2001 (SEA) regarding the assessment of the effects of some plans and programmes over the environment (SEA). The evaluation registers the way in which SEA improved the elaboration of the programme, inclusively the manner in which the expressed opinions regarding the Environmental Report and NRDP were taken into consideration in finalising the programme.

SEA methodology and phases

NRDP was the subject of Strategic Environment Assessment (SEA) accordingly to the provisions of GD no. 1076/2004 regarding the establishment of the procedure for realising the environment evaluation for plans and programmes, which transposes in the Romanian legislation the (EC) Directive no. 42/2001 (SEA).

NRDP Strategic Environment Assessment consisted in the following phases:

1. **The decision of carrying out the NRDP environment evaluation procedure.** SEA procedure for NRDP started to be applied in November 2006 when the Ministry of Environment and Sustainable Development was notified by MARD concerning the elaboration of the first draft of NRDP 2007-2013. MESD responded in the same month with a letter that mentioned the component of the working group for the phase of finalising the Programme.
2. **Establishment of a working group that consists in relevant ministries representatives.** This special working group consists in representatives of: Ministry of Agriculture and Rural Development (MARD), Ministry of Communications and Information Technology (MCIT), Ministry of Public Health (MPH), Ministry of Development, Public Works and Housing (MDPWH), Ministry of Education, Research and Youth (MERY), Ministry of Economy and Finance (MEF), Ministry of Environment and Sustainable Development (MESD), as well as EPC- Environment consultancy. 7 meetings of the inter-institutional working group were organised.
3. **Establishment of the purpose and of detailed degree (content) of the Environment Report-** was realised based on the proposals made by the environment expert responsible with the report elaboration and agreed upon by the above-mentioned group.
4. **Preparing the Environment Report** regarding the possible effects of NRDP over the environment, inclusively consideration concerning:
 - a. Environment current stage and probable evolution unless NRDP implementation;
 - b. Objectives regarding the environment protection, established at international, Community or national level, that are relevant for NRDP and the way in which these objectives were taken into consideration;
 - c. NRDP's probable effects on environment;
 - d. Measures for monitoring the effects on the environment.
5. **Public debate regarding the Environment Report and NRDP draft of June 28th, 2007.** A first draft of the Environment Report was elaborated in May 2007, when it was also launched the public debate regarding SEA Report and NRDP. The documents were made public and could be downloaded from the MARD website and at ministry's registry. The public was informed using mass-media about the opportunity of expressing opinion over the document within 45 days, inclusively at the meeting for public debate held on June 28th, 2007.
6. **Taking into consideration the Environment Report and the results of the consultation in finalising NRDP.** The public and working group comments, opinions and suggestions were taken into consideration in the elaboration of NRDP and Environment Report. The Environment Report was taken into account when elaborating the NRDP 2007-2013 and also it will be had in regard when implementing the Programme.

Non-technical Summary and Declaration regarding the process of NRDP 2007-2013 Strategic Environment Assessment

Non-technical Summary of the Strategic Environment Assessment

Within non-technical summary of the SEA procedure were analysed in a succinct manner the relations established between the NRDP general objectives and other relevant programmes or plans and are shown:

- The possible evolution of the relevant issues of the environment current situation in the case of non-implementing NRDP;
- The relation between NRDP and Natura 2000 sites;
- Environment national, community and international objectives relevant for NRDP and the way in which the above mentioned, as well as other environmental issues, were taken into consideration in the period of NRDP elaboration;
- Considerations regarding the choice of the alternatives in the Programme;
- Difficulties arisen in realizing SEA procedure;
- Description of the monitoring measures requested by article 10 of the SEA Directive.

Relations established between NRDP general objectives and other relevant programmes or plans

The general objectives of NRDP are:

1. Increasing the competitiveness of the agri-food and forestry sectors;
2. The improvement of the environment and of the rural area by a sustainable use of the agricultural and forestry lands;
3. Improving the quality of life in rural areas and encouraging the diversification of the rural economy;
4. The launching and functioning of local development initiatives (LEADER).

The above mentioned objectives will be accomplished by NRDP through its measures, measures that foreseen the exact ways for applying EARDF as a financial instrument in Romania. Thus, for a good territorial coverage for the type of actions and potential beneficiaries point of view, inclusively of facilitation their access at different funds, and on the other hand, for ensuring an efficient implementing system that lead to a good management and in the end at a balanced and sustainable development in NRDP elaboration, it was also ensured the demarcation and the complementarity between EAFRD and structural funds. In this purpose, NRDP measures as well as the operational programmes ones contribute to the horizontal Community priorities regarding the equality of chances, the sustainable development and the informational society.

Possible evolution of the relevant issues of the environment current situation in the case of non-implementing NRDP

Regarding the possible evolution of the relevant issues of the environment current situation (issues regarding the environment current situation are presented in NRDP) in the case of non-implementing the NRDP, MA for NRDP assumes the analyze regarding the environmental impact in the above mentioned situation, foreseen in the Environmental Report for NRDP and emphasis the importance of this Programme in bringing positive effects for the environment. In this purpose, is to be appreciated also the positive impact of NRDP over the Natura 2000 sites, the compensatory payments measures in the Natura 2000 sites playing a main role.

In order to avoid any possible negative environment effects through implementing the measures that aim investments, PARDF will ensure that the financed investments have all the necessary notices (inclusively the environment one), and before the last payment it will be checked if the

investment was realized or not accordingly to the legal requests regarding the environment protection.

Environment national, community or international objectives that are relevant for NRDP and the way in which the above mentioned, as well as the environment issues, were taken into account in the period of NRDP elaboration

In the inter-ministerial working group that realized the phase of finalizing the strategic environment assessment, the following environmental objectives were established as relevant:

Environment issues	Relevant objectives
Air	Decrease of polluting emissions
Water	Limiting punctiform pollution and diffusion of water
Soil	Limiting punctiform pollution and diffusion of soil
	Protection of soil against aeolian and hydric erosion
Climatic changes	Decrease of greenhouse gas emissions
	Raising the degree of absorption and retention of GGE
Biodiversity	Maintaining the high natural value of agricultural lands
	Preserving the favourable state of preserving the habitats and flora and wild fauna species (inclusively avoiding habitats' fragmentation)
	Preserving biological diversity in the protected areas (included in national network or Natura 2000)
	Maintaining the organic functions of the running water (Framework Water Directive)
Human health	Improving the human health status through implementing some measures for preventing pollution and ameliorating the current problems (e.g.: drinking water quality, sewer system, waste products depositing, phonic pollution)
Environment risk management	Raising the population protection against natural risks
Preserving/efficient use of natural resources	Facilitating the usage of renewable resources
	Decreasing waste products generation, raising the degree of waste collecting, raising the degree of valorising the waste products
Landscape and cultural inheritance	Maintaining human activities in rural area through encouraging the usage of traditional agricultural practices
	Ensuring natural and cultural landscape protection by revitalising degraded areas
Energetic efficiency and renewable energetic sources	Improving the efficiency of using energetic resources

	Facilitation of energy generation from renewable resources
Raising awareness over the environment issues	Improving the behaviour through fostering sustainable agricultural praxis
Sustainable transport	Modernising transport infrastructure in rural area
Sustainable tourism	Promoting rural areas through sustainable tourism, especially through fostering agri-tourism

Considerations regarding the choice of alternatives in NRDP

The above-mentioned objectives were the basis of the analysed made by SEA environment experts regarding the environments effects generated by the Programme's implementation, fact that allowed interventions in the Programme's elaboration, having as purpose to reduce to minimum the environment negative effects and to add environmental positive effects. The environmental alternatives (presented in the Environmental Report) aim exactly such interventions, these involving all the 4 axes of the Programmes. For instance, it is worth to be mentioned the fact that the Axis 1 measure have extended the financial support also for investments in order to obtain organic fuel from forestry biomass and that allow to be granted 50% of the eligible value of the investment and a maximum ceiling of the non-refundable public support of 2,000,000 euro/project for the unities acting in milk and meat sectors, that have restructuring programmes until 2009, elaborated together with NASVFS (that are included in the annex agreed by DG Sanco). The measures foreseen by Axis 2 aim better the environment issues, prioritising the high biodiversity areas, while the measures of Axis 3 have higher support intensity for the investments targeting the production and the usage of renewable energy. The Axis 4 facilitates reaching of the environment objectives of the entire Programme through actions based on local strategies.

Difficulties faced when realising SEA procedure

In realising SEA some difficulties aroused, most of them due to the novelty elements brought by such an assessment, and especially to the lack of data and analyses regarding the environmental issues of the rural area, to which should also be added the poor involvement of the public, although many ways of involving them were used.

Description of monitoring measures requested by article 10 of SEA Directive

In order to identify in an incipient stage the possible negative environment effects determined by the application of NRDP, (through the Environment Report of NRDP it is appreciated that no significant effects will be produced by the implementation of this programme) with the purpose of a quick feed back for mitigate them and taken into consideration also the existence of the Common Monitoring and Evaluation Framework, but also of the recommendation of the Environment Report for NRDP, the Managing Authority for NRDP shall apply additional measures for monitoring, based on the following indicators:

- Ammonia emissions from agriculture;
- Technologic consume of fertilisers used in agriculture;
- Used surfaces of pasture;
- Surface water quality;

- Death rate and morbidity at national level.

These additional measures add to the following relevant indicators presented in NSP:

- UAA/ national total area;
- Forestry surface/ national total area;
- %UAA classified as less favoured area;
- %UAA classified as less favoured mountain area;
- %UAA for extensive pasture;
- Average yearly increase of surfaces with forests and other wooded areas (1000 ha/year);
- Evolution of bird population specific to agricultural lands (2000=100);
- UAA in areas with high natural value (millions ha);
- Ammonia balance (kg/ha) - evolution of nitrate concentration in the surface waters;
- Areas with soil erosion risks (tones/ha/year);
- %UAA of the organic farms;
- Production of renewable energy obtained in the forestry sector (TEO);
- UAA for cultures afferent to energy production (thousands ha);
- Emissions of GGE resulted from agriculture (1000 tones equivalent CO2).

Once the NRDP implemented, environment monitoring reports of the Programme will be send yearly to MESD.

The way in which the environment issues from the Environment Report were taken into consideration in NRDP

SEA report for NRDP identifies especially positive and neutral effects over the environment as result of implementing the programme. Regarding the negative effects over the environment that can result after specific investigations foreseen in the programme, the report contains some measures that prevent, reduce or mitigate them. The effects of NRDP implementation over the environment will be yearly monitored by a set of indicators.

With the purpose of NRDP environmental assessment, a relevant number of environmental issues and objectives was selected and formed, having as starting point the national and international obligations (European and global) which Romania has in environment field.

The Environment Report offered useful recommendations that were taken into consideration in the NRDP final draft.

The proposed recommendations from the Environment Report that were taken into consideration in improving NRDP are presented in the table below:

Recommendations	How they were taken into consideration in NRDP
Elaboration of financing guides- must clearly show the importance of environmental protection issues consideration in the elaboration of projects/ financing proposals	In elaborating the financing guides, issues regarding the environment protection in drafting the projects/financial proposals will be taken into account.
The proposals for projects must be accompanied by impact assessment	Projects that need impact assessments will be accompanied by them when submitting the

	necessary documents for the financing requests. The impact assessments will be made accordingly to the requests of the national legislation in force.
During the projects' implementation must be ensured the carrying out of the monitoring programme with some intermediary sessions for assessment. This monitoring programme must comprise the provisions of the environment assessment.	Managing Authority of NRDP will send yearly towards MESD a report regarding NRDP monitoring relevant environment issues, inclusively theirs analysis.
When finalising the investment project, the beneficiaries must launch the authorisation procedure from the environment protection point of view during which must exist the additional possibility to identify the probable impact issues and the conformity with the provisions of environment legislation.	Before the last payment it will be checked if the investments was made or not accordingly to the legal requests regarding the environment protection. Thus, the investment projects submitted at PARDF are checked if they could have significant effects on the natural protected areas (in a direct or indirect manner, individual or together with other projects), having in mind the objective of their preservation, as foreseen by the legislation concerning the protected natural areas and taking into consideration the objectives of preserving the natural habitats, flora and wild fauna.

The way in which were taken into account the public and other relevant authorities' comments

The Environment Report was prepared after the consulting process, being made by Mr. Marius Nistorescu, expert for NRDP ex-ante evaluation. In order to consult the relevant authorities (ministries), an inter-ministerial working group for SEA was created.

NRDP, the Environment Report and SEA methodology could be accessed for consultation to all stakeholders on MARD website (www.mapam.ro), according to all legal requests regarding the public information. Starting with November 2006, the first draft of NRDP, followed by the subsequent ones was made public on MARD website. In addition, according to relevant national legislation regarding SEA process, on June 28th, 2007 a public debate was organised.

The public was informed regarding the NRDP strategic environment assessment, thus:

- On November 11th, 2006 and November 14th, 2006, the public was informed through two announcements made in a national newspaper, regarding the launching of the framing phase of NRDP in order to issue the decision of submitting the NRDP to the strategic environment assessment. In the announce, information were supplied regarding the possibilities for consulting NRDP (this was made at public disposal for consultation both on MARD website, as well as at the institution's registry). The period for submitting the suggestions, comments and observations was of 15 days from the day of first announcement's publications;
- On May 11th, 2007 and May 14th, 2007, the public was informed through two announcements published in a national newspaper regarding the finalisation of the Environment Report for NRDP, regarding the location and schedule of NRDP

consultations and also of the Environment Report for this programme (on MARD website and institution's registry) and also regarding the fact that the public can submit suggestions, comments and observations at MARD and MESD headquarters in 45 days from the day when the last announcement was published. Through these announcements, the public was invited to participate at the public debate held on June 28th, 2007, being mentioned the hour and the location of the above mentioned debate.

- On September 3rd, 2007, the public was informed regarding the issuance of the environment notice for NRDP. **This was issued by MESD on July 12th, 2007** and was received by MARD on August 28th, 2007. In addition, the public was informed with this event regarding the possibility of consulting NRDP and the Environment Report (on MARD website). MARD also published on its own Internet page the present declaration concerning the course of the strategic environment assessment of NRDP, together with this programme and the Environment Report.

At the public debate held on June 28th, 2007 participated representatives of: Ministry of Agriculture and Rural Development (MARD), Ministry of Development, Public Works and Housing (MDPWH), Ministry of Economy and Finances (MEF), Ministry of Environment and Sustainable Development (MESD), EPC Environment Consultancy, Ministry of Interior and Administrative Reform, Ministry of Communications and Information Technology (MCIT), WWF – Romania, Romanian Ornithological Society, Bucharest Agricultural Directorate for Rural Development, Ministry of Public Health (MPH) - Public Health Institute, Bucharest. 2 natural persons representing civil society also participated.

Relevant authorities expressed their opinion and formulated comments regarding the Environment Report during the working group meeting, thus the final draft includes their contributions. These comments, as well as the one received during the public debate process, the offered answer and the way in which these comments were taken into consideration are presented in the table below:

Questions and comments received on participants' behalf at the Inter-ministry Working Group		
Name/Organization	Question/Comment	Answer/How it was taken in consideration in NRDP
Mr. Dorin Dorian/ Ministry of Economy and Finance	Mentioned the importance of infrastructure development in rural area and raised the issue of complementarity between NRDP and Sectoral Operational Programme - Environment	For the water and sewage system, NRDP will finance the investments for the localities with less than 10,000 inhabitants equivalent, while the SOP Environment will grant finance for the other localities.
Mr. Constantin Pulbere/ Ministry of Environment and Sustainable Development	Asked how NRDP can lead to the biodiversity preservation especially referring to Natura 2000 network	Through NRDP, it will be granted payments for agriculture and forestry lands of Natura 2000 sites in order to compensate the environment restrictions imposed by the protection regime. The payments in the less favoured area and the agri-environment

		ones, being also conditioned by environmental demands, will contribute to preserving biodiversity in Natura 2000 sites.
Mr. Constantin Pulbere/ Ministry of Environment and Sustainable Development	Proposed that improving the competitiveness of farms and developing the economic activities and aim to increase the number of jobs be realised according to sustainable principles.	Thus, the specific objectives were reformulated as follows: <ol style="list-style-type: none"> 1. “Improving the competitiveness of semi-subsistence and commercial farms” was replaced by “Improving the competitiveness of commercial and semi-subsistence farms complying with the sustainable development principles” 2. “Maintaining and developing economic activities that aim to increase the number of jobs” was replaced by “Maintaining and sustainable development of economic activities that aim to increase the number of jobs”
Mr. Ionut Sandu/ Ministry of Development, Public Works and Housing	Proposed as Local Actions Groups to take into consideration in the analyses of the territories that animates the environment characteristics	The Local Actions Groups have the possibility to create their own strategy taken into consideration also the relevant environment issues for the territories they animate.
Mr. Ionut Sandu/ Ministry of Development, Public Works and Housing	Raised the issue of the animal rearing farms that need investments in environment infrastructure, being know the fact that agriculture is the main issuant of ammonia in atmosphere	For investments in animal rearing farms that do not aim the production, but only environment issues, the public support will be higher
Mr. Dorin Dorian/ Ministry of Economy and Finance	Emphasis the importance of promoting and offering consultancy for supporting the implementation of the Axis 2 measures in order to reach the	Axis 1, through the Measure 143 “Providing farm advisory and extension services” will grant support for the applicants of Axis 2 measures

	environment objectives	
Questions and comments received on participants' behalf at the public debate		
Name/Organization	Question/Comment	Answer/How it was taken in consideration in NRDP
Lavinia Raducescu/ Romanian Ornithological Society	Was the methodology of the Environment Report based only on specific objectives or were also taken into consideration the NRDP measures?	An analysis both on measures, as well as on specific objectives was made.
Kiss Iosif / natural person	What is the quantum of the support and the lagging in time of the NRDP 221 and 222 Measures?	The financial support is up to 70% of the total eligible expenses of the projects, while the lagging in time will be realised during 5 years for both measures.
Kiss Iosif/ natural person	Is there a term when can be applied for the Measure 221 "First afforestation of the agriculture lands"?	This measure will be implemented once the NRDP is approved.
Lavinia Raducescu/ Romanian Ornithological Society	Did the analyse take into consideration only the draft of the measures from November version?	The report is the result of a collaboration process between the representative of MARD and the assessors; the last mentioned received the versions of the measures each time when they were modified.
Lavinia Raducescu/ Romanian Ornithological Society	Were taken into consideration the cumulated effects of the measures?	The Environment Report took into consideration the cumulative effects of the environment. Their assessment was realised by adding the assessment grades given to each measure.

Note: During November 2006 - June 2007, different comments / recommendations were received from the relevant authorities (especially during the meetings of the working group), from the ex-ante assessors (inclusively SEA assessors) and from the public (during the public debate). Those positions and remarks were analysed by the Managing Authority and were taken into consideration in the official proposal of NRDP.

On public behalf, except the public debate meeting held on June 28th, 2007, there were no other comments, suggestions or observations received during the strategic environment assessment process. The public intervention of the June 28th, 2007 did not show the need to made changes in NRDP, thus the above mentioned document could be submitted to the European Commission on June 29th, 2007. It is to be noticed that, despite using different communication channels, the public's interest for NRDP's environment issues remained low. An explanation in this purpose can be the incipient stage of the associative forms in Romania, the low degree of interest being due to the fact that the field was considered a very technical one, sectoral, without having any

direct and immediate incidence over the activities of some organisations that do not have in the activity's field the environment protection.

MARD will maintain on its own website at least until the final approbation all the NRDP drafts, NRDP Environment Report and the declaration regarding the process of consultation, the process of strategic environment assessment of this programme. This remains open during the entire elaboration period of NRDP for any observations, comments and suggestions.

NRDP alternatives

The relevant legislation – (EC) Directive no. 42/2001 and the Government Decision no. 1076/2004 request as acceptable alternatives of the Programme to be taken into consideration within SEA.

The following alternatives at NRDP were elaborated during SEA process:

- **Zero alternative** – NRDP non-implementation
- **First alternative** – NRDP draft issued in October 2006
- **Second alternative** – NRDP issued in March 2007
- **Third alternative** – NRDP alternative issued in April 2007
- **Forth alternative** - NRDP draft issued in June 2007

The zero alternative, analysed in the Environment Report showed that unless NRDP elaboration and implementation, unfavourable consequences over most of the environment relevant issues will appear. Thus, it was noticed the fact that most of the environment indicators of NRDP will face negative trends, and for the ones that register positive trends can not be foreseen the reaching of the proposed or assumed targets by Romania. In conclusion, the “0” alternative, the Environment Report shows that this is unacceptable taking into account the needs and demands of Romanian rural area.

All the Programme's drafts register environment progresses. The most important are presented below:

- NRDP draft of March 2007, foresees for the Measure 121:
 - for the agricultural producers from less favoured mountain area and from less favoured area – other than mountain area, the public support is 60% of the investment's eligible value;
 - for the investments necessary for the implementation of the Council Directive 91/676/EEC for a 4 years period since the adhesion's date, accordingly with the (EC) Regulation no. 1463/2006, the public support is of 75% from the investment's eligible value;
 - for the investments necessary for the implementation of the Council Directive no. 409/1979 and (EEC) Directive no. 43/1992 regarding Natura 2000, the public aid is of 75% of the investment's eligible value;
- NRDP draft of June 2007 includes in the Measure 214, two new packages during the sub-measure of pastures extensive management: package 2.4. “reconditioning of pastures with wooded vegetations” and package 2.5. “preserving wet pastures habitats”. The measure aims better the environment objectives by prioritising the areas with high natural value.
- In comparison with the previous drafts, the Measure 312 of NRDP draft of June 2007 allows for those projects that include investments for producing energy from renewable sources, to be raised the intensity of the support for purchasing specific equipments and

- their assemblage up to 70%. In the Measure 313, for the tourism projects that include also investments for producing energy from renewable sources, the intensity of support for purchasing specific equipments and their assemblage increase up to 70%;
- NDRP draft of June 2007 foresees in the Measures 312 and 313 prioritisation of the activities through a higher intensity of the public aid in less favoured area;
 - NRDP draft of June 2007 foresees for the Measure 322 investments in the extension of the water supply network only together with the sewage network;
 - The Measure 123, in the version of June 2007 includes the following additional elements in comparison with the previous versions, with a positive effect over the environment relevant objectives:
 - extension of the financial support for investments with the purpose of obtaining organic fuel from forestry biomass;
 - including in the requests regarding the general performances improvement of the companies the following provisions: decrease of the polluting emissions and of waste products in order to protect the environment and to raise the production and the usage of energy from renewable energy;
 - acceptance of investments for compliance with environment standards and for producing organic fuel;
 - granting 50% of the investment's eligible value and a maximum ceiling of the non-refundable public support of 2,000,000 euro/project for the unities in the milk and meat sectors, that have restructuring programmes until 2009 made with NAVSFS and are included in the annex advised by DG Sanco.

3.4. Impact from the previous programming period and other additional information

Objectives of the current section

As a new European Union member state, Romania has no experiences from rural development programmes under the 2000-2006 programming period, similar to EU 25. Thus, the Romanian experiences are primarily from the implementation of the SAPARD pre-accession instrument.

The objective of this section consists in an inventory of the experiences and lessons learned from the effective implementation of the SAPARD programme during 2002 -2007, as well as from other relevant programmes and projects, in particular PHARE projects targeting issues related to the rural development sector. The lessons learned are used in the preparation of the National Rural Development Programme 2007-2013.

PHARE

From 2000 and until today, more than 75 projects have been implemented or started under the PHARE programmes, targeting issues related to agriculture and rural development. The total sum of these projects exceeds 60 million Euro. The content of the projects is primarily twinning, technical assistance and capacity building in relation to the CAP, pillar 1 as well as pillar 2.

Having in regard that PHARE projects are not comparable to the majority of measures within the NRDP, aiming mostly capacity building, MARD concentrated its efforts to collect the experiences from the SAPARD programme, as the NRDP, for many measures, is an extension of the SAPARD programme. However, it is the experience from the PHARE projects that it has contributed significantly to the development of the capacities and competences of the staff on all levels responsible for preparing and implementing the CAP, including the NRDP 2007-2013 programming, as well as from valuable acquired experience regarding the preparation and implementation of training, vocational training and technical assistance projects.

In preparing and carrying out PHARE projects that were implemented or in progress, in Romania, the involved authorities faced problems related especially to:

- **Unclear or restrictive selection criteria:**
 - using some expressions such as “relevant”, “comparable”, “good communication skills”, the term of “task” instead of “project”, terms that raise subsequent difficulties in the projects’ assessment,
 - too specific selection criteria that properly fit to the project’s scope and that can limit the number of tenders that can be included in the short list, that lead to a decrease of the competition,
- **Excessive requirements for key experts**
 - demands such as experience in new Romanian legislation, taken into account the fact that one can not acquire experience in a new field, or doubling a criterion, e.g. experience expresses both in years, as well as in projects’ number
- **Fees or global price approach**
 - uncertainty regarding the particularities of the contract that can be concluded based on fees and of those that involve a global price. Thus, the projects that are finalised through a study involve a global price, while the technical assistance projects are based usually on fees.
- **Incidental expenditures**
 - there were situations where the Terms of Reference showed the incidental budget value and the fields covered by this. Despite this, an estimation of the beneficiary regarding the manner to establish this value was not included. This estimation is important for the Contracting Authority in order to determine if the amount is a reasonable one or not.
- **Conflicts of interests**
 - each possible conflict interests shall be dealt separately. A declaration on tenders’ behalf is necessary in order to prove the lack on any involvement with the team in charge and in establishing the Terms of Reference.
- **Differences as a result of reallocation of budgetary lines**

Within the vocational training, the main resulted issues from PHARE projects implementation were about the quality of the training, due to deficiencies regarding the offers’ selection manner and the selection criteria used, the calendars’ permissiveness, as well as regarding the training topics that had not always had a high relevance, due to the fact to within some training sessions the topics were known partially or totally by the participants, an improper selection of the participants.

Regarding the technical assistance projects, the main problems were concerning the long periods necessary for preparing the dossiers and tenders’ instrumentation, as well as elaboration of unclear terms of reference that foster the supply of improper services by the contractors.

Taken into account those lessons learned from the PHARE projects implementation in Romania, in implementing the Measures 111, 143 and of Technical Assistance Operations, MA shall have in mind the acquired experience for the elaboration of the terms of reference, of projects’ budgets, planning of activities, contractors’ selection and contracts’ management.

SAPARD programme 2000-2007

The objectives of SAPARD programme are specified in the Council Regulation (EC) no. 1268/1999. The basis for the implementation of the SAPARD Programme in Romania is the National Plan for Agriculture and Rural Development (NPARD), approved by Commission Decision no. 3742 form the 12th of December 2000.

The Programme includes 11 measures having a total allocation 2000-2006 of 1,522 million Euro (public expenditure), of which Measure 2.1 on development and improvement rural infrastructure is planned to take the largest share of funds with approximately 33.85%, Measure 1.1 on processing and marketing of agricultural and fishery products is the second largest with 21.37 % , while Measure 3.1 on investments in agricultural holdings is the third largest in the financial plan with 17.14% of the funds.

The implementation of these NPARD measures started on the 31st of July 2002, following the approval by the European Commission of Decision (EC) no. 638/2002 granting the management of SAPARD aid to the Romanian implementing authorities for the first three measures, namely Measure 1.1 "Improvement of processing and marketing of agricultural and fishery products", Measure 2.1 "Development and improvement of rural infrastructure", Measure 4.2 "Technical Assistance".

On the 5th of December 2003, the European Commission issued Decision (EC) no. 846/2003 for the granting of SAPARD financial aid management for three more measures, namely Measure 3.1 "Investments in agricultural holdings", Measure 3.4 "Development and diversification of economic activities generating multiple activities and alternative income" and Measure 4.1 „Improvement of vocational training”.

Through Decision (EC) no. 298 of April 20th 2006 the last four measures have been accredited, namely 1.2 "Improving the structures for quality, veterinary and plant health -control, for the quality of food stuffs and for consumers protection", 3.2 "Setting up producers groups", 3.3 "Agricultural production methods designed to protect the environment and maintain the countryside" and 3.5 "Forestry". As regards Measure 2.2 "Management of water resources" the measure has been dropped and its corresponding allocations were transferred to Measure 2.1.

The SAPARD programme has been amended and adjusted several times during the implementation in order to adapt to specific problems and issues identified during implementation and to the Commission requirements, concerning compliance with environmental, hygienic and animal welfare standards. All changes were approved by the Monitoring Committee and are presented in the annual reports from the SAPARD programme, 2003, 2004, 2005 and 2006.

The main amendments of the programme envisaged:

- Including within the specified beneficiaries the commercial societies with private capital equal or larger than 75%, thus allowing mix capital firms, private and public, to implement SAPARD projects;
- Within Measure 1.1 „Improvement of processing and marketing of agricultural and fishery products” the total eligible value was raised from 2 to 4 million Euro along with the public financial support for investment projects for cereals and oil seeds from 30 to 50% for investments with an objective of environmental protection;
- For Measure 2.1 the technical fiche was adjusted for the contracts of on-going projects for localities which became cities after the conclusion of the financing contract, and a new sub-measure was included "Infrastructure for prevention and protection against floods" for a number of 24 land consolidation projects;

- For Measure 3.1 the total eligible value for animal raising and poultry farms was raised to 2,000,000 Euro, in the following conditions:
 - for farms benefiting from projects with a value smaller or equal to 500,000 Euro, the investment carried out with SAPARD funds must observe the EU sanitary – veterinary, plant health, animal hygiene and welfare and environmental legislation while the entire farm must observe the national standards;
 - for farms benefiting from projects with a value larger than 500,000 Euro the entire farm must observe the EU sanitary – veterinary, plant health, animal hygiene and welfare and environmental legislation;
- For Measure 3.1 the size limit for holdings was eliminated, the minimum threshold was reduced from 10,000 to 5,000 Euro and the list of eligible investments was extended. Also the requirements for the projects' justifying documentation were relaxed, the initial requirement for a business plan being replaced by a simpler economical – financial analysis.
- For Measure 3.4 the list of eligible beneficiaries was expanded and a new sub-measure was introduced, namely “Processing at farm level certified traditional and/or ecological products” with the condition that minimum 50% of the raw materials come from the beneficiaries own production.

All changes have facilitated the implementation of the measures, contributed to target the investments on core issues such as acquis related problems and are approved on the background of requests and observations articulated by the stakeholders.

Evaluations of the SAPARD Programme

The SAPARD Programme has been subject to two evaluations. First Midterm Evaluation started during 2002 and finalized in 2003. This evaluation was accomplished when only a few measures were accredited and implemented for a short period of time: “Investments in processing and marketing” and “Rural infrastructure”. The results of the evaluation were limited due to these circumstances, having a low relevance for the purpose of this document, thus being excluded from analysis in this context.

Midterm Evaluation Update

In order to complete the midterm evaluation an up-date was implemented from October 2005 to March 2006, covering a significant part of the implementation period. The conclusions from this evaluation are summarized below.

The Programme implementation demonstrated considerable effects on all relevant indicators used to measure the results and the impacts. These effects include important contributions to economic growth of the supported beneficiaries especially in agriculture and food processing, far beyond average Romanian national economic growth rates, creation of numerous jobs in primary production and in processing, and improved competitiveness and productivity achieved in compliance with EU standards for product quality and safety, environment, working conditions and animal welfare.

The Programme has contributed significantly to improve the living standards in rural areas through investments in rural infrastructure and through creation of new alternative income possibilities. The Programme has made the rural areas a considerable better place to live than what would have been possible without the Programme support.

The administration of the programme is accomplished in a cost effective way and with a very high degree of users' satisfaction. However, the interviews and case studies carried out with the involved actors revealed differences between the counseling and instructions provided to the beneficiaries by the personnel of Regional Offices for Implementing the SAPARD Programme. These differences were caused by personnel fluctuations during 2005-2006 which hardened the efforts of the SAPARD Agency to ensure the training and competences quality for new employees.

However, the Programme contributed to the build up of relevant competences and qualifications to administer EU programmes in the SAPARD Agency (central, regional and county) and in the MARD, and it did contribute to the development of the competences among stakeholders and beneficiaries in general, providing good promises for future development of the sector.

The conclusion is that the financial absorption until the end of 2005 was relatively limited, except for Measure 2.1. "Development and improvement of rural infrastructure". The primary causes to the relatively low absorption of funds were the late accreditation of important measures, such as Measure 3.1. "Agricultural holdings", Measure 3.4 "Development and diversification of economic activities generating multiple activities and alternative income" and Measure 3.5 "Forestry", but also lack of risk willingness among the banks as well as among the potential applicants. Measures taken to reduce risks without compromising additionally of investments were needed.

According to the NPARD more than 20,000 projects were anticipated during the programme period. It was the conclusion of the evaluation that the quantified targets were beyond what could be expected from a realistic point of view. The low effectiveness by the end of 2005 was therefore not only due to low financial uptake, but was also caused of the very high targets set in the NPARD. The experience is that adequate links between needs, absorptive capacity, quantified targets, unit investment costs of projects and allocations are needed for the 2007-2013 programming period.

Reported to the set out objectives, the financial and technical effectiveness was disappointing even through the programme were demonstrated very good results and positive impacts for the implemented activities.

The programme is highly relevant and coherent with other national and EU interventions leading to creation of many jobs, higher competitiveness, income and yearly turnover growth rates easily outmatching the general growth rate of the economy as well as several positive effects concerning EU standards (food quality, hygiene, animal welfare) and environment protection.

More specifically the Measure 3.1. and Measure 3.4. are both targeting rural dwellers, while both Measure 1.1 and 2.1 are considered to have a positive effect regarding stabilization of the rural population due to improved infrastructure facilities as well as an enhanced opportunity for job keeping or creating of new jobs. More than 19,000 jobs in total are generated as an effect of the programme up to the finalization of its evaluations, so far, of which 8,000 are jobs for women. Extrapolating these figures to the programme level we find that around 45,000 jobs are generated of the programme, of which 17,000 are jobs for women.

➤ *Measure 1.1 "Improving the processing and marketing of the agriculture and fishery products"*

The large majority of the investments under the measure are targeting investments in new capacities and improved and rational processing as 90% of the allocations have these objectives.

Two eligibility criteria have - according to the beneficiaries and stakeholders - contributed to the initial low effectiveness: One project at a time and two projects in total during the programme period - these aspects were criticized as restricting financial up-take. Also, was criticized the criterion introduced in September 2004 that full compliance with EU standards must be achieved in one project implementation step. On the other hand, the increase of the limit for eligible investments (project size) has been appreciated.

Lack of access to sources for co-funding the public support has also been mentioned as a reason to the low effectiveness. Dependency of public support for accomplishing the investment presents a low level of deadweight (21.8% in average, equal to 29 million Euro in total) indicating that only an acceptably low share of the investments would have been carried out also without the programme support. The deadweight level is equal to the level in countries such as Czech Republic and Slovakia.

The evaluators found that the beneficiaries finance their co-financing with bank loans counting for 63% of the co-funding, while private savings count for 36% in average, but at the same it was found that investors able to co-finance the investment with own private money typically do it 100%. Other sources are rare and count only for 1% or around 1.5 million Euro, of which only a few hundred thousands come from foreign investors.

The effects (outputs, results and impacts) of the projects actually implemented under the measure have been very positive. 87% of the project holders find that their competitiveness has increased “to a large extent” due to the investment, as well as they have experienced increasing average turnover growth in percent from 2000-2004. Positive real growth rates were observed in 2003 and 2004 among the beneficiaries. Thus in 2003 the average real growth rate was equal to 8% in compared to the 5% real growth of the Romanian economy in general.

The figures indicate that the Measure 1.1 beneficiaries have been able to increase their turnover far beyond the average of the economy reflecting a general increase in productivity.

It can be argued that the beneficiaries experiencing the very high growth rates would have experienced these rates also without the SAPARD support. The evaluators have therefore analysed the relationship between the beneficiaries with high real growth rates and the beneficiaries depending on SAPARD support assuming that high growth rates would correlate with low SAPARD dependency (high dead weight). The figures do not show a clear picture of this correlation leading to the conclusion that high growth rates have been achieved of beneficiaries with low dependency on SAPARD support to the same degree as of beneficiaries with higher dependency of SAPARD support.

In addition to the increased competitiveness the evaluators also see many other significant effects of the investments of relevance for the project, the programme and for the sector such as improved product quality, working conditions and of the environmental situation. One particular important effect of the programme is the job creation effect. In total it is estimated that between 13,000 - 22,500 jobs have either been maintained or generated under Measure 1.1 due to the support, hereof is between around 6,000 - 10,000 jobs for women.

➤ *Measure 2.1 “Development and improvement of rural infrastructure”*

Additional funds were allocated to this measure in order to fulfil the demand. It can be concluded that the number of applications outmatching the allocations 3 times confirms the need for investments in rural infrastructure in Romania, and emphasises the relevance of the measure. The coherence with other measures and other policies is also satisfactory to a very large extent, as the measure contributes to ensuring the infrastructure needed for the rural population as well as for the farms and firms in rural areas.

In terms of eligibility and selection criteria the measure's structures is considered satisfactory by the beneficiaries and the stakeholders also leading to the high financial and technical effectiveness. The deadweight for Measure 2.1 is calculated to be 4.4% equal to 21 million Euro, comparable to the level in Slovakia and very low compared to the levels in Czech Republic and Slovenia.

The evaluators conclude that there is a strong dependence on the support in rural areas for infrastructural investments. The programme support represents a high level of additionally and is complementary to local investments. The flood damages during 2005 prove to some extent the need for proper maintenance as well as the consequences of the absence of the required resources.

Measure 2.1 has contributed to the increase of competitiveness of the rural areas, fact that would not have happened without support from the SAPARD programme. 87% of the beneficiaries have stated that the quality of life of the rural population has improved to a large extent due to the support and a less – but still very positive result – can be identified on the ability of the rural areas to withhold the population.

The investments are benefiting and are being used of large shares of the rural population in the project areas.

Furthermore it is estimated that 2,400 - 15,000 jobs are maintained or created, of which 800 - 3,450 are jobs for women. Consequently, the investments in maintaining and developing rural infrastructure and support facilities will hopefully ensure that the rural population has fewer incentives to migrate, than otherwise without the support.

➤ *Measure 4.2" Technical Assistance"*

The conclusion of the efforts under Measure 4.2 is that the initiatives taken were reasonable in the light of the requirements of the MA on the one hand and of the current needs to facilitate programme implementation on the other. However, the evaluators also conclude that the initiatives were taken too late and in too small a scale to influence the programme implementation in full. The latest big information initiative of 600,000 Euro represents a very big scale of investment, but it came rather late in order to have a significant impact on the financial uptake up to the end of the evaluation. The effort has materialized in the 2006-2007 implementation period of the SAPARD programme.

➤ *Measure 3.1 "Investments in agricultural holdings"*

The measure targeting the development and modernization of agricultural holdings is a cornerstone in the programme, strategically and economically. The relevance of modernizing the agricultural production in Romania is evident taking into account the extremely fragmented land and ownership structure of the sector as well as the relatively low technological level. The development of agriculture and rural areas of Romania is to a very large extent depending on various types of support facilities and the relevance of SAPARD is obvious.

The measure structure, from the eligibility and selection criteria point of view, is generally considered as satisfactory. However, the beneficiaries have criticized the criteria which limit their possibility to access the programme's funds, such as the limitation of specific types of investments such as the prioritization (through the selection criteria) of investments within the limits of 50,000 – 200,000 Euro. The beneficiaries' opinion is more positive if the access is less limited.

The initial low financial and technical effectiveness might to some extent be caused of the restrictions on investment types and other criteria limiting the options for the potential

beneficiaries, but it is probably not the primary reason. Lack of access to capital co-funding the investment is on the contrary often mentioned as a key problem. The evaluators calculated the deadweight to be 14 million Euro equal to 13.6% of the total investments. This figure is at the same level as comparable figures from other countries. This confirms that the Programme support has been very important for the investments in agricultural holdings and supports the viewpoint that access to capital is a problem for the potential beneficiaries.

On the other hand the evaluators have experienced that the private co-financing of the investments is composed in another way than for Measure 1.1. Here the private saving counts for 43.6% (21.6 million Euro), the banks for 47.4% (23.5 million Euro) and others for 9% (1.3 million Euro) of which foreign investors counts for around 0.5 million Euro. This means that the beneficiaries under Measure 3.1 to a larger extent than beneficiaries under Measure 1.1 co-finance their investments with their own money. This can be caused by the fact that the beneficiaries do not want to take the risk of being involved with the banks, as is stated during several case study interviews, or it can be caused of lack of willingness to co-finance the investments from the side of the banks. The evaluation shows that 43% of the beneficiaries find the access to national funding improved to a large extent because of the SAPARD Programme, while only 15% of the beneficiaries do not experience any improvement or only limited improvement in access to national funding.

Besides the effects on turnover and income many other positive effects on product quality, environment and working conditions are observed. Concerning job creation the evaluator's results indicate that the projects have maintained or created between 2,500 - 6,000 jobs.

➤ *Measure 3.4 "Development and diversification of economic activities generating multiple activities and alternative income"*

The measure on development and diversification of economic activities in rural areas accounts in the financial plan for 13% of the over all financial plan. The needs for diversification of economic activities in rural areas are evident in order to contribute to new job and income possibilities in the rural areas parallel with the modernization of the agricultural sector. Although considerable job effects have also been observed in other measures, the need is envisaged to increase over the years as modernization and structural development of the primary sector takes force.

The deadweight is calculated to be 19.4% equal to 9 mil. Euro, which is on line with the deadweight in other countries, where the evaluators have comparable data. Private savings counts for 54.3% of the private co-financing and only 28.5% are from the banks. 17.2% are financed from other sources, such as family members and other private investors. Concerning access to other sources of national funding the evaluators found that a quarter of the beneficiaries (25%) find that the SAPARD Programme to a large extent has improved the access to other national funding. On the contrary a little more than a quarter (27%) of the beneficiaries did not experience any improvement - or only a limited improvement- in access to national funding. The evaluators experienced an initial low absorption of funds under this measure and that the banks played a relatively low role in the co-financing of the projects. Own and family/friends financing the private co-funding is far more frequent here than in the other measures.

The effects from the projects are generally positive. The proportion of project holders with no income from non-agricultural activities decreased from 46.9% in year 2003 to 35.5% in 2006, and only 26.2% are estimated in 2007 to have no income from non-agricultural activities. Based on these findings the evaluators conclude that the investments contribute to diversify economic activities to a large extent. They also find better standard of living as important effects for the rural population but only some effects on the local economy.

On the other hand almost 3 quarters of the investments (72.6% representing 33 million Euro) of the investments in average are used on products and services produced in Romania. This is a high share due to the character of the investments (accommodations, modernized motels etc). This feature of the measure contributes to a positive multiplier effect in the national economy.

The job generating effects are acceptable but is rather modest compared to the other measures. Between 900 and 2,200 jobs are generated as a consequence of the projects, of which between 500 - 1,100 are women's jobs.

➤ *Measure 4.1 "Improvement of vocational training"*

The evaluators have observed a low financial effectiveness due to a late start and slow action to initiate projects after accreditation, although the expected results in terms of training courses and the impacts of these activities are positive hopefully providing the rural dwellers with up-dated and relevant knowledge. The impacts of the increased competences and qualifications are expected to contribute to the overall objectives of the programme in terms of jobs, income and economic growth in rural areas. It must however also be concluded that the late accreditation and the slow opening of the measure have led to loss of facilitating power of the measure compared to what could other wise have been achieved. Finally, it must also be added that the impacts of the measure will be expected to materialize under the new programming period, where the new knowledge can play a significant role in the utilization of that programme.

The implementation of SAPARD Programme during after the conclusion of the Midterm Evaluation Update

During 2006 after the finalization of the Midterm Evaluation Update a number of new measures were accredited and launched. These measures were Measure 1.2 "Improving the structures for quality, veterinary and plant-health controls, for the quality of food stuffs and for consumer protection", Measure 3.2 "Setting-up producer groups", Measure 3.3 "Agricultural production methods designed to protect the environment and maintain the countryside" and Measure 3.5 "Forestry".

The experiences from these measures are still very scarce and no formal evaluation was made for the results and impact of each measure.

➤ *Measure 3.2 "Setting up producers groups"*

The measure was implemented from May 2006 and by 31st of July 2007 only 4 applications have been approved. The low up take was due to several factors:

- Lack of knowledge among potential beneficiaries and advisors about the content of the concept of producer groups, including a negative perception of the character of common marketing arrangements in the shadow of communism experiences;
- Changes in the administrative framework: the recognition of producer groups, done through Minister Order, was implemented based on Government Ordinance no. 37/2005 and corresponding Law no. 338/2005. In August 2007, Order no. 684/2007 was issued requiring the producers from the fruits and vegetables field to be organized in Producer Organizations (observing Regulation (EC) no. 2200/1996 and Regulation (EC) no. 1432/1996), thus requiring the producer groups from this sector to reorganize according to the new legal provisions;
- The link between premium and production pursued potential beneficiaries to build up production before applying for support under the measure delaying their participation.

➤ *Measure 3.3 “Agricultural Production Methods Designed to Protect the Environment and Maintain the Countryside”*

The measure was designed as a pilot action in accordance with European Community guidance and consequently included the general objective to “develop experiences, skills and abilities for implementing agri-environment measures, at both administrative and farming level”.

However, there were considerable difficulties with the implementation of the measure which limited uptake and the opportunity for administrative staff and farmers to build capacity through the planned process of “learning by doing”. The main obstacles to greater absorption included:

- Insufficient dissemination and promotion – the measure was accredited very late and this limited the opportunity for the National Agricultural Consultancy Agency and county level Directorate for Agriculture and Rural Development offices to fully and effectively promote the available measures to farmers in the designated pilot areas;
- Complexity of application process – although the application form was relatively straightforward, the number of supporting documents was a significant obstacle to participation. One of the most troublesome documents was the land title of ownership;
- Insufficient support for farmers during the application process – uptake of the available pilot agri-environment measures was limited several specifically designated regions, and only one region that was animated and supported by a local NGO applied for the soil protection sub-measure. Although this effectively highlighted the insufficient support for farmers from other pilot regions, it also illustrated the effectiveness of well-targeted support for farmers during the critical process of application – including the appropriate selection of measures, collection of supporting documents and completion of electronic forms;

➤ *Measure 3.5 “Forestry”*

The forestry measures were implemented from May 2006 and many applications outmatching the available resources were received under the first call for applications, indicating that the beneficiaries were ready for the measure after a long waiting time.

However, there were big variations among sub-measures and there was no compliance between applications and sub-measure allocations. Most applications were for forest roads, where communes took advantage of experiences from Measure 2.1 concerning the infrastructure. The difficulties consisted of problems with ensuring the private co-financing especially for forestry roads where public access is mandatory.

Some problems were faced among beneficiaries due to changes in the administrative structures of the forestry sector, for example concerning transfer of state owned land to private and commune ownership.

The measure had as beneficiaries’ only forest owners, while in Romania the forests are usually managed by specific administrative structures (public or private forest regimes). The owner are not usually involved in the daily management activities and expressed a low interest for this measure while the managers could not apply. Thus, no application was registered for the forest management sub-measure.

As regards the general issues which affected the SAPARD Programme implementation it must be mentioned that they were much more severe in the first part of the programming period as both the administrative capacity and the lack of experience of the Romanian Authorities involved in the programme’s implementation as well as the economic context and lack of a coherent beneficiary incentive policy lead to a difficult implementation of the Programme. However, these problems were dealt with gradually.

The main difficulties were:

- The Romanian authorities' lack of experience in implementing rural development programmes;
- The concentration, in the beginning of the programming period, of almost all activities at central level and the late setting up of an institutional framework adequate for ensuring the efficiency of implemented activities;
- Rigid implementing procedures, the large amount of supportive documents solicited to applicants as well as their insufficient counselling by competent authorities lead to a difficult application submitting process;
- The long procedural dead-lines for the evaluation and selection of projects and authorisation of payments;
- The low information level among the general public due to the insufficient publicity regarding the Programme's contents;
- The difficult access to consultancy services for projects elaboration and implementation, their high cost and many times lack of quality, together with the low functionality level of the National Agricultural Consultancy Agency;
- The high cost of credits needed for co-financing in the general context medium rentable agricultural and agricultural related activities, as well as the lack of guarantees for accessing these credits especially for small and medium enterprises and small farmers;
- The lack of interest and of viable strategies among commercial banks and other types of crediting bodies regarding agriculture and rural development financing;
- Due to the existing economic down point the economic actors registered state debts which blocked access to SAPARD financing;
- Difficulties in proving ownership or usage rights concerning immovable goods (land, constructions facing modernisation) due to on-going legal regulation of property and instability in this field which lead to numerous legal trials.

It must be mentioned that all these difficulties were resolved in time by Romanian authorities who found solutions for the institutional problems, and together with the potential beneficiaries' raising interest regarding the programme the result was the de-blocking of the implementation process, the positive aspects being mostly sensed between 2006-2007.

Thus, through a comparative analysis of the commitment and payment degrees of the SAPARD funds when the last evaluation of the programme was carried out and those registered in September 2007, a substantial growth can be noticed of both contracted amounts as well as payments, as is presented in the following table.

Measure	Total public allocation 2000-2006 (mil. Euro)		Committed public funds (mil. Euro),		Committed public funds, against actual public allocations %		Payments against actual public allocations %	
	December 2005	September 2007	December 2005	September 2007	December 2005	September 2007	December 2005	September 2007
1.1 "Improving the processing and marketing of agricultural and fishery products"	325.2	379.5	144.61	374.8	44.47	98.8	18.72	64.67
1.2 "Improving the structures for quality, veterinary and plant health -control, for the quality of food stuffs and for consumers protection"	41.2	37.8	0.0	38.0	0.0	100.5	0.0	1.12
2.1 "Developing and improving the rural infrastructure"	515.2	678.2	477.07	670	92.61	98.8	65.91	64.04
2.2 "Management of water resources"	20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.1 "Investments of agricultural holdings"	260.9	259.1	56.96	255.2	21.83	98.5	11.05	70.24
3.2 "Setting up producer groups"	13.0	1.0	0.0	0.2	0.0	19.0	0.0	0.0
3.3 "Agricultural production methods designed to protect the environment and maintain the countryside"	39.0	1.9	0.0	0.9	0.0	47.0	0.0	0.54
3.4 "Development and diversification of economic activities generating multiple activities and alternative income"	150.3	84.2	27.73	78.2	18.45	92.9	3.4	49.20
3.5 "Forestry"	127.2	74.5	0.0	74.4	0.0	99.9	0.0	6.99
4.1 "Improvement of vocational training"	21.0	3.9	4.94	3.7	23.47	94.8	7.0	30.38
4.2 "Technical Assistance"	5.8 3.2(TA EC)	1.4	1.64	1.5	28.09	107.0	11.43	97.02
Total	1,522.0	1,521.4	712.95	1,496.8	46.84	98.4	29.02	59.90

Thus, during the 2006-2007 period the most important experience was the high increase in the number of project applications. The following reasons, structured mainly by sectors, are identified as causing this increase.

Approaching the 2007 accession

During 2005 and 2006 a lot of information was available in the media regarding the moment of accession in 2007 and the farms and factories needed to adapt to conditions in compliance with EU standards.

The Sanitary and Veterinary as well as the Environmental Protection Authorities progressed considerably regarding the harmonization of Romanian legislation with the EU legislation, and several units from the food industry were sanctioned for non compliance and were facing the threat to be closed.

Private co-financing

Private banks became increasingly concerned about the risk of losing clients and/or not being able to have refund for on-going production credits due to the risk of close down of activities.

The MARD's Farmer Programme encouraged banks to invest their own money into agriculture business.

The years 2004 and 2005 were very good for agriculture and the financial figures of farms were promising for banks, and the general attitude to financing agricultural businesses changed dramatically from the beginning of 2006.

Processing industry

For the milk, meat and fish and fishery sector there was a big need of adoption of EU standards in order to continue activity. New factories replaced on the market the old factories not able to accomplish the required modernization. In fruits, vegetable and potatoes sectors there was also the need for adoption of standards. The sector also represented a market niche, where most products available on the market were imported and very expensive, and the few existing Romanian products on the market were poor of quality due to old capacities.

In wine sector, the submission of projects was speeded up by adoption of legislation and need to modernize the old existing capacities.

The primary textile sector in Romania did not work properly due to old technologies and to general problems on the European market due to non European competitors.

Investments in the cereals sector were animated by increasing the financing rate from 30% to 50% and by standard compliance.

For all sub-measures, the programme change increasing the total support from 2 to 4 million Euro was important.

Agricultural holdings

Lack of information about the programme in the rural area was dealt with through intensive information campaigns. 60% of submitted project were in the field crops sector, mainly machineries, and due to good results in 2004 and 2005, resources were available to meet the competitive challenges in the market. Many beneficiaries were encouraged by what can be labelled the "neighbourhoods" experience in receiving SAPARD funds in previous year. Horticulture, Vineyards, Fruit bearing trees and Greenhouse sectors were encouraged to be developed by the market, as available products in the market mostly were imported products, very expensive and with a different taste than Romanian people are used to and like. The dairy sector was animated by quota repartition and standards. For the cattle-rearing and fattening, sheep/goats breeding, young mutton fattening and other vegetal and animal poultry breeding farms the number of project increased only with a slow rates. The poultry sector was animated by the bird flue, increased need to adopt standards and quality management procedures. The pig sector was influenced by increase of imports, therefore opportunity for local

business, as Romania is a big pig meat consumer and the old capacities were destroyed after 1990. Also the need to adopt standards and quality management procedure due to pig illness represented an important factor.

Diversification

65% of the projects represent investments in rural tourism and other tourism activities. The interest for this type of investment was experienced from the beginning of the programme, and the type of projects is considered relatively easy to manage of people from other businesses. The support was considered very attractive. The bee-keeping sector was also relevant and progressed, as there was a lot of publicity given to examples of feasibility projects such as bee-keeping, handicraft, aquaculture, frogs, mushrooms etc.

Rural infrastructure

The need is bigger than the financing capabilities. The reallocation of funds to this measure was relevant, as is important also for private investment in rural area to benefit from infrastructure.

Conclusions on lessons learned

The experiences from the SAPARD programme implementation show that the overall issues to address in the future program is the financial engineering issue and to lift unnecessary restrictions on the potential uptake of projects. Hence, the financial system must be upgraded to meet the needs of the potential beneficiaries. This will include the utilization of advance payments, contributions in kind and leasing arrangements.

During the SAPARD programme implementation period, it has only been allowed for beneficiaries to have two projects during the programme period. The rationale for this has been to ensure a broad dissemination of project funds and to avoid monopolization of funds among the largest and richest beneficiaries. For the new programming period it has been decided to remove this restriction, while observing the legal provisions regarding the “de minimis” aid.

The lessons learned during the implementation of the SAPARD programme especially as regards the difficulties in implementing were taken into consideration in the elaboration of the new programme.

Thus, for the measure regarding the producer groups a high level of support will be ensured in accordance with relevant regulations. In the applicant’s guide the need for collaboration between beneficiaries and consultants/NGOs will be emphasized in order to stimulate accumulation of know how. Also, the application form is as simple as possible and the requirement for the justifying documentation are minimum.

For Measure 214 of the NRDP, the agri-environmental actions envisaged the combination of simple management requirements which can be easily understood and applied by farmers with efficient environmental protection. In order to reduce the risk of a limited absorption, complex requirements regarding the project management were avoided. The land for which the commitment is signed will be verified via the IACS system in order to no longer require the land register papers, which reduced the absorption within the SAPARD programme.

The forms for the agri-environmental sub-measures will be simplified and combined with the SAPS payments, including the payment claims. The advisory for completing the forms and collecting the justifying documentation is included as eligible activity/cost under Measure 143 “Farm advisory and consultancy services”.

The agri-environment sub-measures will be launched in a timely fashion ensuring more attention to the promoting activities, addressed to farmers, through simple messages. The first step will be to train the staff of the regional, county and local departments involved in the NRDP implementation. The agri-environmental training for farmers will be eligible under Measure 111 “Vocational training, information actions and diffusion of knowledge” and Measure 143 “Farm advisory and consultancy services”.

For the forestry measures the DARD personnel and potential beneficiaries will be trained in order to be up to date with the modifications occurring within the regulating agencies and administrative structures as well as with the content of the new measures.

The possibility of implementing projects which ensure a proper functioning of roads of neighboring agricultural and forestry lands is foreseen within Measure 125, regarding the improvement of the agricultural and forestry infrastructure.

Within the NRDP focus will be on small scale investments primarily in agro tourism, but also in rural tourism in areas with a tourism potential not yet developed. Priority will also be given to tourism investments where the investors have more than 1000 m² of land available in order to avoid over-concentration of the buildings (Measure 313).

For Measure 312 micro-enterprises priority will be given to investments with job generation effects and selection of projects with more than 1 new job/25,000 Euro.

Under the measure concerning the village renewal priority will be given to integrated projects combining water supply, sewage and waste water treatment, and projects with regional operators involved in order to ensure appropriate technical solutions on local level in compliance with regional systems.

Further investment sustainability is ensured through the obligation of the communes to guarantee maintenance of investments. Selection criteria include priority to poor areas, projects integrated in local strategies and inter-commune projects. For all measures advance payments will be available to facilitate the private co-financing.

Having in regard the that the private co-financing remains a key issue for the new programming period also, it is necessary to continue the measures which lead to the increase of Community funds absorption, namely the Farmer programme which represented a stimulus both for the beneficiaries by subsidizing the credit interests as well as for the banks by guarantying the rural credits.

Also, having in regard the accumulated experience, respectively the difficulties of the first implementation period of the SAPARD programme, namely the rigid procedures and the complexity of procedure requirements faced by potential beneficiaries, it has been decided to simplify the implementation process by simplifying the justifying documents needed at project submission as well as the implementation of the NRDP on three level: central, regional and county/local-where the direct contact with beneficiaries will be ensured .

These monitoring indicators collected on the SAPARD programme implementation are used in the 2007-2013 programming to define average unit investment costs for various types of projects under the relevant measures. This means that experiences from the SAPARD programme is used in order to define more precisely the quantification of targets at the operational level in particular, and at the specific level where possible. The experiences are used to improve the links between the experienced project unit investment costs, the quantified targets and the financial allocations for the individual measures.

Chapter 4

Justification of the priorities chosen having regard to the Community Strategic Guidelines and the National Strategy Plan, the expected impact according to the ex-ante evaluation

4.1. Justification of the priorities chosen having regard to the Community Strategic Guidelines and the National Strategy Plan

4.1.1. Justification of the priorities chosen having regard to the Community Strategic Guidelines

The Community's Strategic Guidelines are based on a series of priority policies, laid down by the Gotheborg and Lisbon agreements, and especially on the principle according to which a strong economic performance must go hand in hand with the sustainable usage of natural resources. These priorities of the Community formed the base of selecting the priorities for the Romanian National Rural Development Programme.

The CSG for Axis 1 identify the potential of the Member-States' agricultural, food and forestry sectors, of obtaining products with high quality and value, in order to meet the various and increasing needs of European consumers and those of worldwide markets.

Developing the Romanian food, agricultural and forestry sectors' abilities in order to achieve a competitive capitalization level in this new commercial environment constitutes an enormous challenge requiring important restructuring and modernization efforts. Therefore, Axis 1 constitutes the most important priority within the National Rural Development Programme laid down for Romania.

Nonetheless, the accent on competitiveness must be viewed in the more extended context of sustainable rural development, and this fact means taking into consideration the environment as well as social aspects.

Agriculture and forestry represent decisive factors for the quality of the rural areas and natural environment. The efforts to increase competitiveness must therefore take into account the need to: a) reduce the negative effects on the environment and b) increase the benefits on environment. CSG highlight the importance of using Axis 2's measures in order to achieve some environment objectives, including those specific to the Natura 2000 protected areas' network and Water Framework Directive. The CSG require that the financial resources intended for the environment to consider the environment objectives and to contribute to the approach of three European priorities: biodiversity, water and climate changes.

The NRDP responds to these requirements, but, considering Romania's incipient experience in promoting friendly environment agricultural practices – inclusively for the domain of surface payments for environment services by farmers and foresters – the intervention of Axis 2 is limited to the minimum financial allocations foreseen by Regulation (EC) no. 1698/2005.

As well, the quality of the environment from the Romanian rural area is not affected as much as in the EU states with a higher industrialization degree.

However, this minimum allocation for Axis 2 is compensated by a considerable “green” side with the other axis – especially for Axis 1, its purpose being that to: a) avoid any possible negative effects on the environment, which may appear due to possible contradictions between the measures, and b) encourage where possible, an proper mixture of the measures in order to maximize the synergic effects in order to obtain benefits for the environment (this approach is consistent with CSG no. 5, referring to the implementation of the priorities into (solid) programmes).

The CSG for Axes 3 and 4 establish as priority aspects the setting up of jobs and the conditions favourable to the economic growth, as well as the importance of the local governance and the

exploitation of the rural areas' inherent potential. Taken together, these axes form the category of measures from the second position as importance level, as concerns the financial allocation. The excessive level of labour force in agriculture and the probability of a massive exodus of this sector's workers, following its restructuring, as well as the need to help the guiding of this exodus towards viable economic activities that shall need the development of the rural non-agricultural economy through the support offered by Axes 3 and 4. These activities shall be assisted by a considerable support for the infrastructure and basic services, within Axis 3.

Regulation (EC) no. 1698/2005	European Union – Community Strategic Guidelines (CSG)					
	CSG 1		CSG 2		CSG 3	
	CSG 4		CSG 5		CSG 6	
	-Transfer of knowledge -Modernization, innovation and quality in the food channel Investments in human and physical capital in the priority sectors.		-Biodiversity -Preserving and development of high natural value agricultural and forestry systems, as well as of the traditional agricultural landscapes - Water -Climatic changes.		-Creating conditions for economic growth and for labour opportunities - Mobilising the endogenous potential for developing the rural areas	
Axis	Strategic objectives					
National Strategic Plan	1	SO1: Improving the skills of farmers and other persons involved in the agri-food and forestry sectors, as means of encouraging a better management of the agricultural and forestry holdings and processing units.	Vocational training and consultancy services shall support the technical and managing competencies from the agri-food and forestry sectors, as well as the coordination between primary producers and the agribusiness sector		Preserving/protecting the environment through the improvement of agricultural and forestry practices Vocational training and consultancy services shall support the passing of friendly environment agricultural practices, inclusively the passing of the Community norms regarding the eco-conditionality requirements.	
		SO 2: Improving the competitiveness of the commercial and semi-	Bringing up the un-performing agricultural sector to its real potential, by		The measures focused on the modernization and restructuring of	
			Contribution to increase the labour productivity and setting up viable jobs in the agri-food and forestry sectors.		Development of the vocational training sector and information and consultancy services shall contribute to the integration of the farmers into the local governance activity and using the local endogenous potential	
			The support measures for the modernization		The accent on improving the farms' competitiveness	

		subsistence farms and their associations, while observing the principles of sustainable development	facilitating the modernization and restructuring activities	the agricultural and forestry holdings shall encourage: (a) the maintenance and the sustainability of many agricultural HNV systems; (b) complying with the environment norms and sustainable usage of production and processing technologies; (c) using renewable energy sources at farmland level.	n and restructuring of the agri-food and forestry sectors shall contribute to the increase of labour productivity and access on the market.	s and associative structures shall contribute to the consolidation of the local capacity to collect local endogenous potential.
		SO 3: Restructuring and modernizing the agricultural and forestry products processing and marketing sectors, while observing the principles of sustainable development.	Improving the quality and availability of raw materials; Support for the modernization and restructuring of the forestry and agri-food processing sectors in order to become competitive.	Creating added value for the agricultural and forestry products shall: (a) support the viability of friendly environment processing systems; (b) contribute to gas emission reduction by promoting and using bio-fuel; (c) encourage the enforcement of many environment protection measures, in the processing sector.	The improvement of the commercial and processing sectors' competitiveness is essential for the economic and sustainable growth and the set up of some viable employment possibilities in the rural areas.	The accent on improving the commercial and processing sectors' competitiveness by a better coordination of the producers' groups, shall contribute to the consolidation of the local capacity to collect the local endogenous potential.
	2	SO 4: Contributing to the continuous use of agricultural lands in less favoured areas and promoting sustainable farming.	Transfer of knowledge through GAEC	Contribution at maintaining the biodiversity and the landscape	Maintaining the rural population and the quality level of rural areas, as basis of the economic growth and employment opportunities.	x
		SO 5: Preserving and improving the	Agro-	The agri-	Agri-	x

		status of natural resources and habitats	environment payments shall support the growth of the offer of products resulting from friendly environment production systems, which shall create new processing and commercial opportunities of quality products	environment payments shall contribute to preserving the biodiversity of agricultural HNV lands, protecting water and soil resources and development of the ecologic agricultural sector. The Natura 2000 payments shall support the preservation of natural habitats and priority species, from agricultural areas.	environment and Natura 2000 payments shall help the preservation of biodiversity and traditional landscapes, as basis for the diversification of rural economy by sustainable tourism activities.	
		SO 6: Promoting the sustainable management of forestry lands	The first afforestation works of the agricultural and non-agricultural lands shall contribute to the extension of forest area, as economic resource with an important function of protecting the environment.	The first afforestation works of the agricultural and non-agricultural lands shall contribute to the protection of water and soil resources and to the attenuation of the climate changes' effects. Natura 2000 Payments shall support the preservation of natural habitats and priority species afferent to the forestry areas.	The Natura 2000 payments shall help the preservation of the forests' value as mean of diversifying the rural economy by sustainable tourism activities.	x
National Strategic Plan	3	SO 7: Maintenance and development of economic activities through the increase of number of jobs	Non-agricultural activities	Renewable energy, climate change.	New jobs, economic growth.	Endogenous potential
		SO 8: Increasing the attractiveness of rural areas	Facilitating the investments in rural areas	Investments in infrastructure, preservation of water and air resources	Conditions of economic growth	Conditions of local rural development
		SO 9: Developing the abilities and	Transfer of knowledge,	Protecting the environment,	Entrepreneurship	Support for creating local

		raising the awareness of local stakeholders regarding the importance of local governance	innovation	raising awareness		partnership
	4	SO 10: Promoting the endogenous potential of territories	Transfer of knowledge, innovation	Protecting the environment, raising awareness	Entrepreneurship	Support for creating local partnership
		SO 11: Improving the local governance	Transfer of knowledge	Protecting the environment, raising awareness	Economic sustainability	Improving local administration

Improvement of the agri-food and forestry sector

Community Strategic Guidelines

CSG 1 Knowledge transfer, modernization, innovation and quality of the food channel, priority sectors.

According to CSG no.1, the resources from Axis 1 shall contribute within the three European priority objectives to: knowledge transfer, improving the modernization level, innovation and quality of the food chain and priority sector for investments in human and physical capital.

The first strategic objective concerns the improvement of the competence of farmers and other stakeholders from the agri-food and forestry sectors. The measures covered by this objective shall directly contribute to the CSG no.1 priorities, referring to the knowledge transfer and investments in human capital. The vocational training, information and extension services shall support the development of technical and management competencies from the agrifood and forestry sectors and shall sustain the coordination between the primary producers and agribusiness sector. Through the fulfilment of this objective shall be facilitated the adoption of the friendly environment agricultural practices and the fulfilling of the eco-conditionality requirements (CSG no.2). This objective shall contribute, in the same time, at increasing the labour productivity from the agrifood and forestry sectors, simultaneously with the security of labour for the workers within the agricultural, agrifood and forestry holdings. These measures are oriented towards a series of weaknesses resulting from the SWOT analysis, especially towards the low level of education and technical skills of the workers from the agrifood and forestry sectors, which also determines the low labour productivity level (CSG no.3). These measures shall contribute to the improvement of the farmers' training and setting up collaboration between the agrifood processors and supermarkets (CSG no.4).

The first strategic objective, referring to the knowledge transfer, is complementary to the transfer knowledge transfer actions foreseen in Axis 4 (Functioning of the Local Action Groups –acquisition of skills and animation of the territory).

The second strategic objective endorses increasing the competitiveness of the commercial holdings, the semi-subsistence ones and their association, once with the compliance of the sustainable development principles. This fact shall contribute directly to the priority objective of CSG no. 1 regarding the improvement of the modernization level and innovation within the food chain and the investments in physical capital through the measures endorsing the set up of young farmers, early retirement, modernization of the agricultural holdings, supporting the semi subsistence holdings and improving the agricultural and forestry infrastructure. These measures do not envisage the increase of the population active in agriculture. All these shall contribute at attaining the real potential of under performing farms, facilitating their modernization and restructuring. Moreover, shall be encouraged: (a) the maintenance and sustainability of many HNV agricultural systems; (b) complying with the environment norms and using sustainable production and processing technologies; (c) using renewable energy sources at farmland level (CSG no.2) and (d) increasing the labour productivity and access to the market (CSG no. 3). Although the competitiveness of the commercial and semi-

subsistence holdings shall be improved, still an important accent shall consist in supporting their associative structures. This shall contribute also to the consolidation of local capacity to reach the local endogenous potential (CSG no.4). The necessity to apply the measures, covered by this strategic objective, results from the SWOT analysis, which has shown, as weaknesses, the low agricultural productivity, under performing level of the semi-subsistence sector, the low efficiency of the commercial farms segment, the low degree of conformity with the EU standards, low level-quality and amount-of the farms' technical endowment and the improper agricultural and rural infrastructure.

Attaining the strategic objective titled „Restructuring and modernization of the processing and commercial sectors for the agricultural and forestry products, simultaneously with the complying with the sustainable development principles” shall contribute also to the support of the CSG no.1 priorities, referring to modernization and innovation of the food chain and investments in physical capital.

A more competitive agrifood and forestry processing and commercial sector shall encourage farmers to improve the quality and availability of raw materials, depending on the request and necessity for common distribution of the products on the market. Increasing the added value of agricultural and forestry products shall have the following consequences : (a) Support the viability of friendly environment processing systems, (b) contribute to greenhouse gas emission reduction, by promoting production and using bio fuel; (c) encourage the application of efficient environment protection measures, within the processing sector (CSG no.2). Increasing competitiveness represents the key of sustainable economic development and leads to creating viable jobs in the rural area.

This is due to the fact that through the competitiveness of the agrifood and forestry processing sectors an important increase of jobs is ensured as well as the development and creation of jobs in the primary production sector (CSG no. 3).

To conclude, the component for improving the competitiveness of the processing and marketing sector, together with the development of producers' groups, shall contribute to the consolidation of local capacity to capitalize the local endogenous potential (CSG no. 4). The necessity to apply the measures covered by this strategic objective, was identified in the SWOT analysis, which highlighted as weaknesses the issue of weakly developed marketing networks, the great number of small enterprises with low scale economy, sub using of the capacities and low degree of conformity with the EU standards, both in the agrifood processing sector as in the forestry one.

The support offered for the improvement of the modernization and innovation level within the food chain and investments in physical capital, completes the support granted under Axis 3, regarding the assurance of a direct supply of the traditional food products and ecologic – natural products, by correlating with their promotion possibilities, and improvement of the basic economic services.

Improvement of the environment and rural area

Community Strategic Guidelines

CSG 2 Biodiversity, preservation and development of high natural value agricultural and forestry systems, as well as traditional agricultural landscapes, water and climate change

According to CSG no.2, the resources foreseen in Axis 2 must contribute to attaining the three Community priority objectives, namely: biodiversity and preservation of the HNV agricultural and forestry systems, water and climate changes. In order to attain these objectives, many of the NRDP measures participate, such as:

Biodiversity and preservation of the HNV agricultural and forestry systems. Taking into account that between the less favoured areas, the agricultural areas identified areas with extensive household/HNV agricultural lands and those designated as Natura 2000 sites there is a high degree of overlapping, it is foreseen that combining the payments for less favoured areas with the agri - environment payments and Natura 2000 shall significantly contribute to supporting the viability of farms from these areas and preserving the HNV agricultural systems, including numerous types of habitats and various species associated with those. The agri-environment measure has special importance, particularly to support the HNV meadows, meadows important for birds and maintaining traditional house holding practices of meadows.

An additional support for the HNV agricultural systems can be provided under Axis 1 – especially by vocational training, consultancy services, support for the semi – subsistence farms, farm modernization and increasing the added value of the agricultural products.

Although for the time being there is no reference definition of HNV forestry surfaces, this concept can be found within CSG no. 2 and the measure that shall contribute the most to this aspect are Natura 2000 payments for forestry lands. This measure shall directly contribute to the preservation of natural habitats and priority species present on the forestry surfaces within the areas designated as Natura 2000 sites.

The most important measures for **protecting the water and soil resources** endorses agri environment (especially through the support for green cultures) and first afforestation of the agricultural and non – agricultural lands. These measures are complementary, in the way that the support offered for setting up green cultures shall be accessible to farmers who own arable lands and shall contribute on big scale to the reduction of nutrient loss, soil erosion and the afforestation has the ability to solve the severe issues of soil erosion, including on strongly degraded surfaces.

The agri – environment measure contributes (through its requirements) also to the reduction of fertilisers in agriculture, thus participating at the protection of water resources.

An additional support for the preservation of water and soil resources shall be provided under Axis 1 (vocational training, consultancy services, modernization of the holdings, increasing the added value of agricultural and forestry products) and under Axis 3 (investments in the rural infrastructure e.g.: water supply and sewerage systems).

Climate changes are approached by NRDP through the afforestation measures. Still, being a very important priority, other measures within Axes 1, 2 and 3 shall contribute to the fight against climate changes. Thus, the high degree of using renewable energy sources – inclusively the production of bio – fuel and increasing the biomass offer resulting from sustainable agricultural and forestry systems – are aspects encouraged by Axis 1 (modernization of holdings, increasing the added value of agricultural and forestry products) and Axis 3 (setting up and developing micro enterprises). Although increasing the absorption degree of green houses' gases (especially of CO₂) is encouraged through Axis 2, by: a) first afforestation of agricultural and non-agricultural lands and b) support of the meadows with HNV and meadows important for birds – there are no concrete measures to specify requirements of adapting to the climate changes, but this aspect remains a possible work theme, benefiting the local communities and under their initiatives through Axis LEADER.

Improvement of the quality of life and the diversification of rural activities

Community Strategic Guidelines

CSG 3 Creating the conditions for economic growth and employment opportunities

According to CSG no.3 the resources allocated for the diversification of rural economy and improvement of life quality within the rural areas must contribute to attaining the major objective regarding the set up of jobs and favouring economic development conditions. The NRDP measures shall be thus combined to achieve this objective, as follows:

Supporting the micro-enterprises. The economic function of rural areas must be diversified by redirecting the agricultural activities towards the sectors outside the recent domination sphere. The penetration degree of the activities developed by the micro-enterprises from Romania is fairly reduced and covers a limited range of productive activities and services and does not properly capitalize the local resources.

CSG 3 endorses the **economic increase and the set up of new jobs**, and in the recent Romanian context an acute need of diversifying the existent rural activities is imposed.

The measure proposed within the strategic objective *“Maintenance and development of economic activities through the increase of number of jobs”* from Axis 3 shall help **small entrepreneurs to promote new activities, at small scale, by widening the range of services**, through productive non-

agricultural activities, that offer also a possible **partial solution for the unemployment issue in the future**. This fact shall be accomplished both by highlighting the attainment of entrepreneur spirit and new skills as well as providing a larger range of services for the rural population. A special attention shall be granted to the women and young people from the rural area, which **shall be encouraged to take part at the economic activities at small scale** – thus being offered an efficient solution for their penetration into the rural economy.

Supporting the tourism activities. Rural tourism is a sub – sector with **development potential**, constituting at the same time a potential **alternative source of jobs for the rural population**, a manner of **diversifying the rural economy** and a **stabilization factor of this population**, situating itself into priority of CSG 3. Also, the tourism activity could represent an opportunity for diversifying the activities of small holdings/house holds land owners, offering the possibility for secondary or main activities involving mostly women, to develop.

The support endorsed shall help the setting up and **promotion of a competitive tourism** in the rural area, **setting up local networks**, **promotion of the agri-tourism sub-sector** and **encouragement of the active involvement of women and young people**. Within this measure, it was emphasised the **climate changes** issue, by including the **acquisition of equipments** for the production of energy from renewable sources, into the category of operations to be qualified for this support within a project. Sustaining the food sector is an objective covered under Axis 1 (CSG 1), but also under Measure 313, by setting up a platform for the promotion and **direct connection with the offer chain** for **traditional food products** as well as for **ecologic and natural products**.

The measure entitled “**Village renewal and development, improvement of basic services for the economy and rural population, conservation and upgrading the rural heritage**”, suggested within the **strategic objective “Increasing the attractiveness of rural areas” from Axis 3**, endorses the support of physical rural infrastructure, basic services and rural patrimony. In this context, the **sustainable economic and social development of rural areas** depends on the improvement of infrastructure and existing basic rural services. Only if these sectors are brought to an acceptable level of development, the investors and entrepreneurs shall analyse the possibility to settle in this areas.

Supporting rural areas, for the set up and development of activities to contribute at **the improvement of water supply and sewage/ treatment of residual water**, as well as of rural heritage protection activities, could **contribute to the efforts of reducing the impact factors on environment, fact endorsed also by the objectives of CSG 2**.

The assurance of a proper base of Community and afferent social services represents an aspect which is not directly related to the priority of CSG 3, referring to the creation of jobs, but a necessity, if the purpose is **to attract and maintain the labour force and population on local plan**.

The support endorsed by this measure shall facilitate the connection and complementarity with the activities of bigger infrastructure at national level, financed through the Operational Programmes.

The additional support endorsing **the adaptation of skills to the specific requirements** foreseen within the strategic objective “*Developing the abilities and raising the awareness of local stakeholders regarding the importance of local governance*”, contributes in a sustained manner to the development of new competencies and kick off of small businesses, within the context of the objectives of CSG 1 and 3. Concerning this fact, the SOP-HRD (ESF) and NRDP (EAFRD) take into account, in a complementary manner, the setup of vocational trainings courses and of acquiring skills in the non-agricultural domains.

All the strategic objectives of Axis 3 shall contribute in a sustained manner to the creation of the local capacity and local communal identity (CSG 4), by assuring a proper infrastructure, promoting small entrepreneurs and preservation of the traditional and cultural patrimony.

LEADER

Community Strategy Guidelines

CSG 4 Improving the local administrative capacity, animating the endogenous potential for the development of rural areas.

The support in the LEADER Axis for the Local Action Groups offers the possibility to combine the three objectives of NRDP – competitiveness, environment and quality of life/diversification – within a local development strategy elaborated by the local communities, based on the local needs and potential.

The implementation of the integrated local development strategies associating farmers, foresters and other rural stakeholders can valorise the local patrimony by promoting local products and tourism.

The LEADER approach shall contribute to the improvement of the local governance and promotion of the endogenous potential of the territories. The involvement of the local actors in the development of territories they represent through the identification of local needs and establishing the priorities, shall contribute to the improvement of the local governance. By promoting the endogenous potential of territories, LEADER shall increase the quality and the attractiveness of the rural areas, shall stimulate the joint projects between rural local communities and those at national or European level and shall reinforce the image and cohesion of Romanian territories.

The actions foreseen to be implemented through Axis 4 comply with the Community Strategic Guidelines and at the same time take into account the specificity of the Romanian rural area and the current situation of public-private partnerships' development.

All of these interconnecting activities, proposed through the rural development strategy, are included in a logical, integrated and sustainable approach, compliant with the Community Strategic Guidelines.

4.1.2. Justification of the priorities National Strategy Plan

Starting from the analysis presented in the National Strategy Plan and the interconnection between agriculture and rural development, the NSP provides a complex approach of this two sectors. This requires a close coordination and cohesion between the four Axes of Pillar 2, interventions foreseen in Pillar 1 and other national and operational programmes. The main idea of this approach is that rural development passes beyond the development of the agrifood sector itself and implies the promotion of agricultural functions which are not related to the products, alternative, multifunction usage of lands for forestry or other economic activities and the improvement of life's quality in general. This approach is deeply reflected in the NRDP, which acknowledges the need for an ample restructuring of the agri-food sector, that shall also require many investments through the measures focused on environment protection and management of agricultural and forestry land (Axis 2), but also on the development of the non-agricultural economic sector that shall facilitate the foreseen exodus of labour force from agriculture (Axis 3).

As well, according to the Council Decision of 19th of June 2006 for adapting Annex VIII of the Accession Act of Bulgaria and Romania, point E, Section 1, Romania has decided to transfer a ceiling of 20% of the allocation corresponding to Pillar 2 towards Pillar 1. The transferred amount is of 625,136,100 Euro.

The justification of this decision consists in the necessity of supporting the agricultural restructuring and farm developing in a balanced manner, by complying with the CAP objectives of realising the decoupling and farmers' market orientation.

As Romania will receive 100% of the direct payments only starting with 2016, the Romanian farmers have the possibility to improve farm standards by making use of these additional payments transferred from Pillar 2.

The farmers must also be supported in order to improve the level of production, both in what concerns the qualitative perspective and the quantitative one, while respecting the environment norms and the norms regarding the competitiveness in agriculture established by the European Union.

Strategic objectives	Specific objectives	Measures	Financial allowance (public expenditure for the measure in Mil. Euro)	Estimated contribution of each measure to the specific objectives	Public expenditure estimated per “objective” (Mil. Euro)	Estimated weight of the objective in the total public financing / axis	Estimated weight of each axis in total financing EAFRD for the four axes
Improving the skills of farmers and other persons involved in the agri-food and forestry sectors, as means of encouraging a better management of the agricultural and forestry holdings and processing units.	Supporting farmers and persons carrying out their activity in the agri-food and forestry sectors to improve human capital by supporting them in order to adapt to the new context.	111 – Vocational training, information action and diffusion of knowledge	119.0	100%	277.7	7.0%	43.95%
		143 – Providing farm advisory and extension services	63.5	100%			
		114- Using advisory and consultancy services*	95.2	100%			
Improving the competitiveness of the commercial and semi-subsistence farms and their associations, while observing the principles of sustainable development.	Accelerating the structural adaptation of agriculture and encouraging semi-subsistence farms to enter the market.	112 – Setting up of young farmers	265.8	100%	813.3	20.5%	
		113- Early retirement of farmers and agriculture workers*	71.4	100%			
		141 – Supporting semi-subsistence agricultural holdings	476.1	100%			
	Modernization of agricultural holdings	121 - Modernization of agricultural holdings	991.8	100%	991.8	25.0%	
	Increasing farms’ adaptation from economic and	125 – Improving and developing infrastructure	476.1	100%	476.1	12.0%	

* It is foreseen as this measure to be implemented starting with 2010.

	environmental point of view	related to the development and adaptation of agriculture and forestry					
Restructuring and modernizing the agricultural and forestry products processing and marketing sectors, while observing the principles of sustainable development.	Supporting the agri-food industry	123 – Adding value to agricultural and forestry products	1,071.2	80%	995.8	25.1%	
		142 – Setting up of producer groups	138.9	100%			
	Improving and developing the forestry products	122 – Improving the economic value of forests	198.4	100%	412.6	10.4%	
		123 – Adding value to agricultural and forestry products	1,071.2	20%			
Total Axis 1			3,967.3			100.0%	
Continuing the use of agricultural land in less favoured areas and promoting sustainable farming	To contribute in mountain areas with handicaps to the continued use of agricultural land, thereby maintaining the countryside, as well as maintaining and promoting sustainable farming systems.	211 – Support for mountain areas	607.8	100%	607.8	26.5%	26.05%
	To contribute in other areas with handicaps, to the continued use of agricultural land, thereby maintaining the countryside, as well as maintaining and promoting sustainable farming systems.	212 - Support for less favoured areas-other than mountain areas	493.1	100%	493.1	21.5%	

Preserving and improving the status of natural resources and habitats	To support farmers by compensating the specific disadvantages resulting from the implementation of Natura 2000 network, on the basis of the obligation incumbent from the directives on the protection of birds and preservation of natural habitats and wild species	213- Natura 2000 Payments for agricultural land (2010)*	100	100%	100	4.4%	
	To contribute to the sustainable rural development by encouraging the agricultural land users to introduce or continue methods of agricultural production compatible with the improvement of the environment, including biodiversity, water, soil and rural landscape	214 – Agri-environment payments	863.2	100%	863.2	37.6%	
Promoting the sustainable management of forestry lands	Extension of forested areas in order to contribute to the protection of water, soil, against harmful natural and human factors, as well as to ensure leisure activities based on its multi-functional role	221 – First afforestation of agricultural land	137.6	100%	137.6	6.0%	
	Extension of forested areas with protection purpose for water, soil, against harmful natural and anthropic factors, as well as for ensuring	223 - First afforestation of non – agricultural lands*	75.7	100%	75.7	3.3%	

* It is foreseen as this measure to be implemented starting with 2010

	recreational functions based on the multi-functional role of the forest						
	To support the forestry owners by compensating for specific disadvantages resulted from the implementation of the Natura 2000 network, on the basis of the obligation incurred from the directives on the protection of birds and the preservation of natural habitats and wild species	224- Natura 2000 payments for forestry lands (2010)*	16.1	100%	16.1	0.7%	
Total Axis 2			2,293.4			100.0%	
Maintenance and development of economic activities through the increase of number of jobs	Diversification of non-agricultural economic activities within agricultural households and encouraging the small entrepreneurs in the rural area	312 – Support for the creation and development of micro-enterprises	371.1	100%	752.0	30.4%	27.40%
		313 – Encouraging of tourism activities	544.2	70%			
Increasing the attractiveness of rural areas	Creation, improvement and diversification of tourism facilities and attractions Creation and modernization of the rural infrastructure Improvement of the quality of the social, natural and	322 – Village renewal and development, improvement of basic services for the economy and rural population, conservation and upgrading the rural heritage	1,546.1	100%	1,709.4	69.1%	

* It is foreseen as this measure to be implemented starting with 2010.

	economic environment in rural areas Protection of the rural cultural heritage	313 – Encouraging of tourism activities	544.2	30%			
Developing the abilities and raising the awareness of local stakeholders regarding the importance of local governance	Development of competencies of local stakeholders in order to stimulate the territory organization	341 Skill acquisition, animation and implementation of local development strategies (2010)*	12.4	100%	12.4	0.5%	
Total Axis 3			2,473.7			100.0%	
Promoting the endogenous potential of territories	Implementation of local development strategies, inclusively of cooperation projects	411.Competitiveness	57.6	100%	178.7	76%	2.6%
		412. Environment	22.3	100%			
		413. The quality of life/ diversification	94.0	100%			
		4.21 Implementing cooperation projects	4.7	100%			
Improving the local governance	Ensuring the implementation of local development strategies	431-1. Public-private partnerships building	11.8	100%	56.4	24%	
		431-2. Local action groups functioning, skills acquisition and animation	44.7	100%			
Total Axis 4			235.1			100.0%	

* It is foreseen as this measure to be implemented starting with 2010

Axis 1 comprises three strategic priorities: human resources; competitiveness of the holdings; modernization of the processing and marketing sectors of agri-food and forestry products. These strategic priorities are approached as strategic objectives corresponding to those specified in the NSP.

- A central strategic objective (strategic objective no.2) from the NSP endorses the improvement of competitiveness of the commercial and semi-subsistence farms and their associations, while observing the principles of sustainable development, so these farms could become viable commercial entities. This strategic objective is of high importance in the Axis 1 of NRDP, due to the necessity of important investments for the restructuring and fusion of holdings, renewing the generation of head of holdings and modernization of the holdings so they can become competitive, compliance of the Community standards and over passing the essential structural issues. These needs are stipulated in the Analysis section of NSP. The measures of Axis 1 of NRDP for attaining the strategic objective no.2, regard the set up of young farmers, early retirement, modernization of agricultural holdings, support for semi-subsistence and improvement of the agricultural and forestry infrastructure. Replacing the current generation of heads of holdings with a younger generation, represents an important objective which requires the “Setting up young farmers” measure to be applied and which shall implicitly lead to: (a) improving the competitiveness of the agricultural sector and (b) improving the social life from the rural communities. The young farmers promote a large range of activities (rural tourism, preservation of traditions and cultural patrimony) and get involved in the activity of local associations.

The NSP also mentions the need for restructuring and modernization of the processing and marketing sectors of agricultural and forestry products (strategic objective no.3). This constitutes the second important priority of Axis 1 from the NRDP and shall be performed under the measures addressed to the increase of the added value of agricultural and forestry products, setup of producers groups and increase of the economic value of forests. The priority status of this objective and the afferent measures, are based on the aspects observed in the basic analysis within NSP. First of all, there is a great need for investments in order to conclude the process of restructuring, modernizing and the improving of competitiveness of the agri-forestry processing sector and to ensure the entering on market of medium size holdings. Second, the competitiveness of the primary sector of agriculture and forestry shall depend on the competitiveness of the own market networks (inputs and outputs) and the processing industry.

The association of the agricultural producers, in order to perform the investments within the measure of modernization of agricultural holdings shall play a decisive role in decreasing the dual character of agriculture and increasing the competitiveness of the sector.

Another important strategic objective of the NSP, is improving the skills of the farmers and other persons' involved in the agricultural and forestry activity, in order to stimulate the management of agricultural and forestry holdings. This is the third priority, as financial importance, of Axis 1 from the NRDP. Although the Analysis section from the NSP highlights the importance of increasing the human resources base for sustainable development of the agrifood and forestry sectors, attaining this objective does not imply high costs as in the case of restructuring and rehabilitation of the physical capital from the two sectors.

This objective shall be performed through measures of vocational training, information actions and diffusion of knowledge and providing agricultural advisory and extension services.

Regarding the period of application, there are two measures that can not be implemented until 2010. One of them refers to the payments for early retirement. This measure has been postponed due to the fact that there are enough farmers close to the retirement age or which shall soon retire and shall release a great part of the agricultural land for the young farmers.

As well, the complex nature of this scheme of measure shall require a sustained effort for the setup of the administrative structure, which shall be responsible for the implementation. The same steps shall be necessary for the measure of support which endorses the usage of private consultancy services, whose implementation shall begin in 2010.

Axis 2 from the NSP presents three strategic priorities: **(a)** avoiding the abandonment of agricultural activities in less favoured areas; **(b)** preservation and improvement of the natural resources and biodiversity; **(c)** softening the effects of climatic changes. These priorities took the form of strategic objectives corresponding to the strategic objectives from the NSP.

Within the NSP, the objective entitled “Continuing the use of agricultural land in less favoured areas and promoting sustainable farming”, that aims to avoid the abandonment of agricultural activities in less favoured areas, has been identified as strategic objective no. 4. This priority benefits from the largest part of funds allocated to Axis 2 (48%) and sustains the support measures of agricultural activities from areas less favoured agriculturally. This support aims to compensate the issues related to the natural capacity of the agricultural lands’ low production and the additional costs involved by the preservation of agricultural activities in these areas, thus reducing the risk (higher in these areas) of abandoning agricultural activities. The less favoured areas hold an important weight of Romania’s territory and include large HNV areas. Continuing the agricultural activity in these areas has also an important role in preserving the traditional landscape – issue resulting also from the compliance with GAEC. Also, the environment and cultural importance of the less favoured agricultural areas can serve as economic development base through rural tourism.

Another strategic objective of the NSP (strategic objective 5) is “Preserving and improving the status of natural resources and habitats”, objective which shall be attained by introducing or continuing the friendly environment agricultural practices and through the support offered to the farmers, for surpassing the disadvantages resulted following the implementation of Natura 2000 network. This represents an important priority of Axis 2 from the NRDP, being directed towards the measure of agri –environment payments benefiting from the second largest allocation of funds within this axis (42%). This measure shall contribute to the protection of biodiversity associated to the agricultural lands of Romania, and at the same time meeting the increasing need for organic or traditional products, supporting the eco and agri-tourism development. It shall also help the increase of the farmers’ awareness level concerning the agricultural practices that protect the water and soil resources. These key points have been marked out within the NSP.

The sixth strategic objective of the NSP is represented by “Promoting the sustainable management of forestry lands”, by expanding the forest surfaces on agricultural and non-agricultural lands and through the support offered to foresters regarding the surpassing of the disadvantages resulted following the implementation of the Natura 2000 network. This objective is focused on the strategic priority referring to softening the impact of green house gas emission and the impact of climatic changes but also on the one referring to biodiversity. Within Axis 2 from the NRDP, this objective is sustained through a 10% allocation from the available funds. This level of allocation, relatively modest, is justified by the fact that the efforts to soften the effects of climatic changes shall be supported through a series of various operational programmes, this measure representing only a part of the solution.

Concerning the implementation period, there are three measures within Axis 2 which shall not be implemented earlier than 2010. Two of those are the Natura 2000 payments on agricultural, respectively forestry lands. They can not be applied until, the Natura 2000 network is completely functional and the management plans necessary for the protected areas are not finalized. The third measure refers to the first afforestation of the non– agricultural lands.

The NSP emphasis a series of issues referring to the rural areas (Axis 3), such as: economic dependence on agriculture, the increase of unemployment having as cause the

structural issues/ tendencies of increasing the competitiveness of holdings, lack of diversification of activities in enterprises, orientation towards the primary sector, lack of added value, low level of incomes, low level of labour force absorption among women, social instability determined by migration, unexploited potential of rural tourism, less developed infrastructure at all levels of the rural area, unprotected rural patrimony, disregard of the rural heritage, and in general, low level of the quality of life.

In this context, the priorities established in the NRDP, **within Axis 3**, meet the needs of the Romanian rural communities. Thus, an important emphasis is put on **“Increasing the attractiveness of the rural areas”**, which benefits from **69.1% of the total of public expenditures for Axis 3**.

The current situation of the Romanian **villages presents a poorly developed infrastructure**, that determines, on one hand, the lack of attractiveness for investors, and on the other hand, the continuous decrease of the population, by migration, especially among young people and women. Thus, in order to reduce the phenomenon, elements such as the diversification of the non – agricultural activities, development of tourism, renewal and development of the villages, are essential.

As a result, the **“Village renewal and development, improvement of basic services for the economy and rural population, conservation and upgrading the rural heritage”** measure tackles issues from the NSP, suggesting an integrated approach that shall meet the various issues affecting the quality of rural life. The activities detailed within the measure endorse a large range of aspects, whose main purpose is improving the life conditions of the rural population.

Having regard to the approach of rural development in Romania, on the basis of a special programme, the renewal and development process of the villages covers three sub-measures: **the development of the basic infrastructure, the improvement of the quality of the social, economic and natural environment from the rural areas, as well as the preservation of the natural, cultural and architectural heritage**. Given the fact that such sub-measures are identified and implemented within an integrated approach, certain significant synergic effects are anticipated.

30.4% from the public expenditures related to Axis 3 were assigned to **“Maintenance and development of economic activities, by increasing the number of jobs”**.

The assuring of new jobs in the non-agricultural sector – within the farm and outside the farm shall contribute to the improvement of the structure of farms, of the structure of the rural economy and the creation of new jobs.

Measure 312 **“Support for creation and development of micro-enterprises”** meets the necessity of promoting the non – agricultural activities, which can lead to **the increase of rural incomes, creation of jobs and reduction of the gaps between the rural and urban areas**.

Also, through this measure are intended the stimulation and support for **the diversification of rural activities**, by acquiring new competencies characteristic to the entrepreneurial spirit, new skills and widening the range of services for the rural population. These factors shall contribute to the economic increase and to the improvement of the standard of life in the rural area, as well as at attaining a stable territorial, social and economic balance in the rural area.

The experience of other EU Member-States demonstrates that the diversification of activities brings significant benefits in the process of increasing employment for women. The same phenomenon is valid also for the development of tourism projects that aim at increasing the attractiveness of the rural areas.

As well, under measure 313 **“Improving tourism activities”** shall be offered financial support for the creation and promotion of a competitive tourism in the rural area, of rural networks

providing and promoting tourist services, involving at the same time the active participation of the rural population and especially of youths and women.

In this context, measures supporting **the creation of new jobs** are correlated with programmes of training and developing skills. The acquiring of skills/competencies is an essential condition to develop the social capital and adapt skills to the specific requirements of new economic activities. For such purpose, on basis of an agreement concluded between the Managing Authority for SOP HRD (ESF), and the Managing Authority for NRDP (EAFRD), the Ministry of Labour, Family and Equal Opportunities elaborating and implementing SOP HRD shall be responsible for the measures regarding the vocational training of the population from the rural area in order to gain skills to reorient itself to non-agricultural activities.

Concurrently, Measure 341 ***“Skill acquisition, animation and implementation of local development strategies”*** that endorses the training and forming of partnerships and implementation of local development strategies represents an especially significant importance in the context of further promoting and facilitating the implementation of local strategies which will be initiated both by Local Action Groups (LAG) and other partnerships (CSG 4).

Hence, the success of the diversification strategy shall depend to a great extent on the intensity (0.5%) and quality of coordination among the involved authorities. Given the fact that Romania is undergoing an initial stage of creating and developing public – private partnerships and implicitly of the local development strategies, such measure is expected to be implemented starting with the year 2010.

The rural development process from Romania shall be supported, as indicated in the National Strategy Plan, also by the improvement of the local governance and the promotion of the endogenous potential of the rural area, strategic objectives of **Axis 4**.

The first strategic objective aims at improving the local governance by setting up and the functioning of local action groups. As shown in the analysis comprised in the NSP, the fragility of partnerships, lack of financial resources, as well as the mistrust in the associative structures represent the main obstacles in the way of the development of local communities. For this purpose, a 24% out of the total of axis 4 was assigned to this objective on which depends the implementation of local development strategies.

The second strategic objective is represented by the promotion of the endogenous potential of territories, through the implementation of the integrated local development strategies which contribute, on the basis of a “bottom up” approach at attaining the objectives of Axes 1 (Improving the agricultural and forestry sectors), 2 (Improving the environment and rural area) and 3 (Improving of the quality of life and diversifying the economic activities) and encourages innovative actions.

The achievement of this objective depends also on the cooperation between LAGs and other existing partnerships set up on the LEADER principle, due to the fact that the rural areas are confronted with similar problems and is important that they learn one from another and perform a permanent exchange of good practices. In order to achieve this objective, a 76% out of Axis 4 has been allocated (out of which 74% for the implementation of local development strategies and 2% for the drafting and implementation of cooperation projects).

4.2. Expected impact deriving from the ex-ante evaluation with regard to the priority chosen

4.2.1. Executive summary of the ex ante evaluation

Analysis of the current situation

The NRDP is based on a comprehensive analysis of the current situation in Romanian rural areas. The dramatic development of the country during the past years made it difficult to prepare a recent analysis reflecting the rapid development process. The report recognises and appreciates the effort done to use as new data and statistics as possible.

However it also finds that some improvements might be useful concerning issues of central importance for the NRDP. These issues relate to the description and analysis of the competitiveness of Romanian agriculture and food industry, innovation activities, Research and Development and the transfer of results to users in the industry and agriculture.

Also **the analysis is based on common indicators** and the evaluators find that statistical data are provided for almost all indicators. It is recommended that an additional effort is made to ensure that all baselines are included and measured. Furthermore it would be useful, if comparisons with selected international benchmarks are included in order for the analysis to provide a clear picture of the relative relations between Romania and EU 15 and EU 27.

Furthermore, the analysis of the current situation should be supplemented with reflections of the new CAP regime and the effects of this regime on the NRDP and the rural development policies in general.

Finally, the evaluators considered that not enough attention was granted in the NRDP to disparities in the rural areas compared to urban areas, or regionally vs. nationally, as well as to the causes generating them. The disparities play an important role in the elaboration of development policies.

SWOT

The presented SWOT analysis is generally considered to be good. However this tool is not utilized to its full potential.

The SWOT analysis follows only to some extent the logic of this tool in order to facilitate the strategy formulation. In order to make the strategy-building potential of the SWOT even more obvious, it could be considered including a section that reflects upon how the identified internal Strengths and Weaknesses on one hand and external Opportunities and Threats on the other can be turned into possible strategies ensuring that strengths are utilized and weaknesses eliminated in order to take advantage of the external opportunities and to meet the external threats.

NRDP Objectives and Financial allocations

The NRDP 2007-2013 will be implemented in a period of dramatic change for the agriculture and rural areas as Romania takes its first steps into the EU market and the full effect of CAP reforms will take place during this period. Also the economic growth of the EU economy has significant impacts on the agricultural and rural economy sectors in terms of opportunities as well as threats.

Up to the end of 2006, Romanian farmers have been supported through national programmes (e.g. the Farmer Programme, the Life Annuity Programme) and through the EU co-financed SAPARD Programme. Having in regard the post-accession increased competitive environment, issues such as competitiveness and scale economy shall become critical for the Romanian agriculture.

The overall economic and social context of elaborating the NRDP 2007-2013 is thus more complex than that which prevailed in 2000. The new NRDP focuses on enhanced competitiveness and scale economy and at the same time taking into considerations the need for protection of nature, environment, land, water and natural resources in rural areas and an improved quality of life for the rural dwellers.

The current NRDP will focus on issues such as competitiveness, environment and quality of life, having as general objectives:

- Increasing the competitiveness of the agricultural and forestry sectors;
- Improving the rural environment;
- Improving the quality of life and diversification of rural economy;
- Starting and operating local development initiatives (LEADER).

The overall objectives are broken down into a number of strategic objectives reflecting the given local and regional economic situation in rural areas and the challenges ahead.

Axis 1-expected objectives and impact

Axis 1 measures are primarily intended to improve the efficiency of agriculture and forestry sectors to enable them to confront the competitiveness issues resulting from an open external trading environment. The expected results will be a better trained agricultural workforce, with an improved age structure, a better land utilisation, semi-subsistence farms entering the market, modernized commercial agriculture, increased value added and product quality, which will further enhance the productivity and competitiveness of agricultural and forestry sectors.

The support will be oriented towards the micro-enterprises and small and medium enterprises, considered to be better able than big enterprises to develop new products, to valorise the local resources through innovation and adaptation. The priorities chosen inside this axis take into consideration both the development needs and also the needs to continue some of the pre-accession measures.

Axis 2-expected objectives and impact

The objective of Axis 2 measures is to improve the rural environment, enhance biodiversity through a sustainable management of the agriculture and forestry land.

The measures include LFA, Natura 2000 and the afforestation programme. The LFA scheme is intended to support continued agricultural activity in Less Favoured Areas (LFAs) thus maintaining the countryside. The Natura 2000 scheme is aimed at farmers in areas of high value natural habitats. The main element of the forestry programme – the support for afforestation - is also included in this Axis. The programme will endeavour to maintain planting at a level sufficient to achieve economic and environment targets.

Axis 3-expected objectives and impact

Improving the quality of life in rural areas, diversification of the rural economy, promoting knowledge and improving human potential represent the strategic objectives of this Axis.

The measures are centred on the wider rural community through the development of rural enterprises based on local natural resources, tourism, village renewal and environmental initiatives in order to complement on-farm measures and provide alternative and suitable employment opportunities for people living in rural areas. These measures were chosen according to the rural area weaknesses (such as low income, over dependency on subsistence agriculture, low entrepreneurial skills, inadequate infrastructure) and strengths (high natural resources, rich cultural patrimony, etc). Thus, through this approach, rural areas should approach the quality of life as in urban areas.

Axis 4-expected objectives and impact

The axis 4 measures aim to support the sustainable rural development by improving the local governance and promoting the local potential. The Leader approach will contribute to the accomplishment of Axis 1, 2 and 3 objectives through local integrated development strategies and innovative actions.

In conclusion, the evaluator considers that the NRDP is in line with the NSP and that the NRDP represents a well structured programme with clear overall objectives, strategic and specific objectives leading down to the level of measures. The evaluator appreciates the use of tables and schemes in order to illustrate the intervention logic. However, it is also recommended that the tables are supported with comprehensive text explaining and justifying the interventions.

In total, the NRDP will represent almost 10,000 million Euro in public support to the investments in the sectors compared to 1,278 million Euro in total public expenditures under the SAPARD Programme. It is an amount, which is almost 8 times higher reflecting the needs in rural Romania on one hand, but also a big challenge in order to ensure an adequate use and uptake of the funds on the other hand. A total of 12,316 million Euro are expected to be invested under the programme from 2007 to 2013.

The allocations are in compliance with the strategy and emphasize on the modernization and restructuring of Romanian agriculture reflecting the urgent needs of the sector. The evaluator appreciates the relatively high allocations for Axis 3 making the overall balance of the programme in line with the intentions of the regulation. Also the allocations for Axis 4 are in line with the requirements.

Lessons learned

The NRDP is prepared taking relevant experiences from previous and on going programmes into consideration. This is in particularly the case in the quantification of targets and estimation of unit cost for projects and actions, where SAPARD experiences are used.

However, the evaluator finds that some issues could deserve even more attention in the NRDP: the experience from the SAPARD Programme implementation shows that the overall issues to address in the future Programme are the financial engineering issue and lifting unnecessary restrictions on the potential uptake of projects. Hence, the financial system must be upgraded to meet the needs of the potential beneficiaries. This will include the utilization of advance payments, contributions in kind and leasing arrangements. The evaluator recommends that these experiences are used to the largest extent possible in the future programme.

Selected measures

The NRDP frames 24 measures, expressing a big challenge for the administration responsible for the implementation of the programme. The selected measures are adequate and are addressing urgent needs of the rural society, although some more than others. The individual comments to the measures must be read in the main text of the report. Here, only a few generic issues are taken into consideration, in this section.

Generally the evaluator considers that the justification of the measures is in place in the measure descriptions and in the general strategic chapters of the NRDP, but the intervention logic is often very loose and not as precise as could be wished. Intervention logic (overall, specific and operational objectives reflecting the expected output, results and impacts of the intervention) is not described in a detailed and coherent way.

Indicators are elaborated for the output level and the targets are quantified on output level as well, but indicators for results and impact are only scattered and not quantified in the measure fiches. The presentation of indicators is done in chapter 5 of the NRDP. The measures fiches

presented in the NRDP deserve a great deal of attention in order to reflect the intentions of the measure and the planned administration of the implementation.

Expected impacts

The NRDP contains a good and very rarely seen attempt to estimate the expected impacts of the programme. The evaluator appreciates the effort done in order to try to provide an image of the results and impact referring to the CMEF guideline indicators.

The latest developments recorded concerning the development regards core macroeconomic indicators, showing a very dramatic increase in investments from 2000 with 357 million Euro to 2004 with almost 1,300 million Euro. These investments have influenced the GVA and the output from the agricultural sector. The average investment of 100 Euro in the sector generates 1,200 Euro in production output and 700 Euro in GVA. This relationship between investments and production and GVA is constant per year, starting with 2000. Parallel to the development in investments, the number of employees in the sector has decreased from 3.6 million in 2000 to 2.6 million in 2004. This tendency represents an average yearly reduction of 8%. With increased GVA, an increase in labour productivity has been registered from 712 Euro/FTE in 2000 to 3,412 Euro/FTE in 2004. The annual growth in labour productivity is 18.29%. This link between investments and production, GVA and labour productivity can be used to estimate the expected impacts of the investments under the NRDP Programme for the 2007 –2013 period.

The total investment under the programme is expected to be 12,316 Million Euro. These investments will generate a production in the sector of almost 150,000 Million Euro during the programme period or a GVA of 85.000 Million Euro. This production will be made possible with only 1.7 million jobs in average per year from 2007 to 2013, and at the end of the period there will be only 1.5 million jobs left out of estimated 2.3 million jobs in 2006 and factual 2.6 million in 2004. This is based on the precondition that only labour productivity increases, while we see no dramatic contributions to the total factor productivity from capital input beyond the effects on labour productivity. Labour productivity will increase to 9,000 Euro/FTE by the end of the period from 3,400 Euro in 2004. Average labour productivity will be 5,000 Euro / FTE.

The contribution to the growth in the key indicators is the result of combining the allocations on the measures under the programme. The evaluator started from the assumption that each Euro allocated to each measure contributes with the same impacts. This assumption is not generally applicable in practice, but it is used in order to simplify the reasoning.

Having in regard that not all the measures are productive measures the impact will be lower. If the evaluator bases his reasoning only on the measures with private contribution, the total volume of the investment is not of 12,316 million Euro, but about 7,158 million Euro, representing 58% of the total envelope. Thus, the impact will be lower. For the agricultural production we can observe an increase with 11% from 2003 until 2007, equivalent to an increase of 12,300 million Euro to 17,500 million Euro. For the GVA, the annual increaser will be of 7% form 8,988 million Euro to 10,817 million Euro, and the labour productivity will decrease from 18% to 11%.

One dramatic consequence is the loss of jobs. There is no doubt that job losses will come due to the restructuring and modernization of the sector taking place these years and being intensified during the coming programme period, but some jobs will also be generated. From SAPARD it is known that investments under measure 1.1 provided 50 jobs for 1 million Euro investment, measure 3.1 provide 25 jobs per 1 million Euro and diversification - 20 jobs per 1 million Euro in total investment costs. A total of around 175,000 jobs can be expected of the investments under the programme.

Complementarity

The NRDP is clearly complementary to other EU interventions under the structural funds. The overall objectives of the NRDP are in line with the EC Regulation no. 1698/2005 and are in principle in compliance with the CSG outlining the general principles of assistance. These complementarity and conformity are spelled out in the NSP in general terms.

From the assessment of the individual measures the evaluator finds that the demarcation lines are not clearly indicated. It is not clear, whether the demarcation lines actually are prepared making it possible for the potential beneficiary to see where to apply for a specific project, either in the NRDP or in other programmes. It is recommended enhancing the demarcation lines in the NRDP as such and in the description of the measures.

Administrative set-up

In conformity with requirements of (EC) Regulation no. 1698/2005, an administrative system has been set up, and it is described in chapters 11 and 12 of the NRDP. The system is based on existing structures of the MARD, including the Paying Agency for Rural Development and Fishery (PARDF), the Paying and Intervention Agency for Agriculture (PIAA) and the Directorate General for Forest Development and Property Consolidation (DGFDPC).

Before launching the new NRDP, the MA should be sure that PARDF, PIAA and DGFDPC have prepared and simulated the IT based implementation system, and that all necessary procedures are applicable, functional and well defined. As for the moment the IT system is not finalized, attention should be paid to its design, in order to allow data collection for all implementation levels and bodies and to be able to automatically generate different type of reports. An application could be developed also for the beneficiaries, to allow them to submit monitoring data in electronically form.

Furthermore the evaluator finds that the described monitoring and evaluation is in compliance with requirements, but emphasizes that the system is depending on adequately developed application forms, reporting templates and an IT system supporting the use of these forms.

The Information Plan included in the NRDP addresses both public and private beneficiaries and will be implemented using different media, including information letters to potential beneficiaries.

In order to obtain maximum results, the plan will be improved based on implementation results. As observed from previous SAPARD Programme, there is a need to have a very good structure of the information activities and a coherent approach in the entire country. County level implementation structures should be prepared. The objectives and activities of the National Rural Development Network are described in the NRDP providing information on the design of the rural network and its organizational set up. The amount of money allocated for the network is realistic. 7.5 million Euro shall be granted for the setting up and functioning of the network as well as for the implementing of the action plan.

Consultation with stakeholders

The evaluator considers that the described and experienced consultation process with stakeholders is adequate. The process has generally been useful and the input from the working groups has been taken aboard the measures. The evaluators believe that the process has contributed in a positive way to the formulation of the individual measures. However, the evaluator considers that some important stakeholders are missing on the list of participants and we would find it appropriate to include in the chapter of the NRDP why some of these stakeholders not did participate.

Strategic Environmental Assessment

The Strategic Environment Assessment (SEA) of the National Rural Development Programme (NRDP) was prepared in conformity with the requirements of the European

Directive SEA 2001/42/EC as well as of Government's Decision no. 1076/2004 transposing the provisions of the above-mentioned directive.

The assessment revealed the different contribution of axes to reaching the relevant environmental objectives. Thus: Axis1 significantly contributes to the improvement of the population's pro-active behaviour and the improvement of the population's health condition; Axis 2 will greatly contribute to conservation of wild species habitats, maintaining the ecologic functions of rivers and maintaining the biodiversity on the protected areas; Axis 3 will generate positive effects on sustainable tourism development, improvement of the population's health condition, facilitating the use of renewable resources and the utilization of traditional practices; Axis 4 will have a direct positive contribution to the improvement of pro-active behaviour by encouraging the sustainable agricultural practices.

In conclusion, the evaluator assesses that NRDP implementation will have a positive effect upon the environment, mainly upon the Romanian rural area, with a significant contribution to sustainable development in this area. It can be stated that this programme will permit the social and economic development of the Romanian rural area.

The recommendations of the ex-ante evaluator and their transposition within the NRDP are presented in the following table.

4.2.2. Recommendation of the ex ante evaluator and their transposition in NRDP

General recommendations

No	Executive summary chapter	Subject	Recommendations	Reference to report page	Comments and page to be included in NPRD
1	1.1.	Analysis of the current situation	We suggest that an additional effort is made to ensure that all baselines indicators are included and measured. Furthermore, we find that it will be useful, if comparisons with selected international benchmarks are included in order for the analysis to provide a clear picture of the relative relations between Romania and EU 15 and EU 27, if relevant.	1	Recommendation accepted. At NPRD was enclosed Annex no.1 that shows all base indicators quantified with available data from official sources.
2	1.1.	Analysis of the current situation	Finally, we do not see much attention in the NRDP of disparities and causes to disparities in the rural areas compared to urban areas, or regionally vs. nationally. We are aware that regional disparities play an important role and that the development potentials are important.	1	Recommendation accepted. The requested information was added in the Chapter 3.

No	Executive summary chapter	Subject	Recommendations	Reference to report page	Comments and page to be included in NPRD
3		SWOT	In order to make the strategy-building potential of the SWOT even more obvious, it could be considered including a section that reflects upon how the identified internal Strengths and Weaknesses on the one hand and external Opportunities and Threats on the other hand can be turned into possible strategies ensuring that internal strengths are utilized and internal weaknesses eliminated in order to take advantage of the external opportunities and to meet the external threats.	2	Recommendation accepted. It was filled in the SWOT table.
4		NRDP Objectives and financial allocations	We consider that some references could be done concerning the economic efficiency of targeting a relatively large share of the Axis I allocations on semi subsistence farms. We must expect that competitiveness, modernization and restructuring are core issues under this axis, but we do not expect that this particular measure will contribute to this overall objective.	3	Recommendation partially accepted. The support for the semi-subsistence farms is a social one, but also having effects over the restructuring of this segment.

No	Executive summary chapter	Subject	Recommendations	Reference to report page	Comments and page to be included in NPRD
5		NRDP Objectives and financial allocations	However, we also recommend that the tables be supported with comprehensive text explaining and justifying the interventions. This is not a crucial issue, but can facilitate the reading of the NRDP also contributing to transparency.	4	Recommendation accepted. Justification for each axis was added that sustain the logical schema suggested in the Chapter 4.1.

No	Executive summary chapter	Subject	Recommendations	Reference to report page	Comments and page to be included in NPRD
6		NRDP Objectives and financial allocations	The balance in the Programme is in line with the regulative requirements, although Axis II with 24.5% is very close to the lower limit of 25% of public expenditures, excluding the complementary direct payment.	4	Recommendation not justified. The financial allowance for Axis 2, after excluding the complementary direct payments is of 25%. The percent of 24.5% is the result of taking into consideration the total public amount what is contrary to Regulation EC no. 1698/2005 which foresees that only total EAFRD should be taken into account, thus the request is accomplished the percentage being of 25%.
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No	Executive summary chapter	Subject	Recommendations	Reference to report page	Comments and page to be included in NPRD
7		NRDP Objectives and financial allocations	However, we find that one issue could deserve even more attention than so far showed in the NRDP. The experiences from the SAPARD programme implementation show that the overall issues to address in the future program is the financial engineering issue and to lift unnecessary restrictions on the potential uptake of projects. Hence, the financial system must be updated to meet the needs of the potential beneficiaries. This will include the utilization of advance payments, contributions in kind and leasing arrangements. We recommend that these experiences be used to the largest extent possible in the future programme.	4	Recommendation accepted. It can be found in the Chapter 3 and in the technical fiche of the measures.
8		Selected measures	Generally, we find that the justification of the measures is in place in the measure descriptions and in the general strategic chapters of the NRDP, but the intervention logic is often very loose and not as precise as could be wished. Intervention logic (overall, specific and operational objectives reflecting the expected output, results and impacts of the intervention) is not described in a detailed and coherent way.	5	Recommendation accepted. It was introduced in each measure of each axes these general, specific and operational objectives.

No	Executive summary chapter	Subject	Recommendations	Reference to report page	Comments and page to be included in NPRD
9		Complementarity	From our assessment of the individual measures we find that the demarcation lines are not clearly indicated. It is not clear to us, whether the demarcation lines actually are prepared making it possible for the potential beneficiary to see where to apply for a specific project, either in the NRDP or in other programmes. We recommend an enhancement of the demarcation lines in the NRDP as such and in the description of the measures.	6	Recommendation accepted. Changes were made and detailed were given, both in Chapter 10, as well as at each measure level in Chapter 5.
10		Administrative set up	As for the moment the IT system is not finalized, attention should be paid to its design, in order to permit data collection for all implementation levels and bodies and to be able to automatically generate different type of reports. An application could be developed also for beneficiaries, to allow them to submit monitoring data in electronically form.	7	Recommendation accepted. Additional information were given in the Chapter 11, being mentioned also the implementation manner.

No	Executive summary chapter	Subject	Recommendations	Reference to report page	Comments and page to be included in NPRD
11		Administrative set up	If considered opportune to develop more the specific skills of county experts in order to improve the contact with beneficiaries/potential beneficiaries, to advice them on programme opportunities in the context of agri-business environment development at county, national and European level.	7	Recommendation accepted. Trainings were mentioned through PHARE Programme in Chapter 13, Subchapter 13.1. and Chapter 11.1 a, b
12		Consultation with stakeholders	However, we find also that some important stakeholders are missing on the list of participants and we would find it appropriate to include in the chapter of the NRDP why some of these stakeholders not did participate.	8	Recommendation accepted. The lists of participants was fulfilled, being clarified the raised issues.

Specific recommendations for different chapters of NRDP

No.	Chapter RDP	Subject	Recommendations	Reference to report page	Decision/Added in NPRD in Chapter/Subchapter
General and cross-cutting issues					
1.	3.2	Current situation	Inconsistence in the current situation description concerning GVA indicator level is observed, see pages 7, 8 and 25. It is recommended that this is aligned.	11	The recommendation does not justify. In the Chapter 3.1.1. reference is done at gross value added of the agricultural and forests sectors, and in the Chapter 3.1.3 is mentioned about gross value added in the primary sector (agricultural, forestry and aquaculture), from the above mentioned resulting the percent difference.
2.	3.2	Current situation	The analysis situation chapter does not contain a description of the expected effects of the Common Agricultural Policy. It would probably be useful for the Programme to include a short presentation of the context in witch NRDP is realized (fast growing economy, main changes in farming due to the effects of CAP, Pillar 1). This would prepare for a better understanding of the chosen strategy.	12	Recommendation partially accepted. Introduction of such description in this chapter might lead to a combination of concrete data with estimation of some evolutions that might generate misunderstanding. In the Chapters 4, 5 and 10, these aspects are already included.
3.	3.2	Current situation	It is recommended clearly to define and emphasize that innovation is something different from modernization and is as such a new element in the 2007-2013 programme compared to previous programmes. Innovation and research and development systems should be described.	12	Recommendation partially accepted. This information can be found in Chapter 4, but additional information was also offered in Chapter 3.1.

No.	Chapter RDP	Subject	Recommendations	Reference to report page	Decision/Added in NPRD in Chapter/Subchapter
4.	3.2	Current situation	The statistic data regarding the economic dimension of the holdings don't refer to the categories chosen for support in the framework of the measure (2-16 ESU) stating that "the holdings segment taken into consideration for support will include holdings with dimensions between 2-6 ESU". This should be corrected.	13	Recommendation accepted. The exploitation segment had in mind for support will include exploitation with sized between 2-8 ESU.
5.	3.2	Current situation	Aspects referring to the use of consulting services are not explicitly mentioned neither in the SWOT analysis (although they are indirectly connected to the low level of farmers training) nor in the current situation description chapter. There is a well-made description for this type of intervention in the rationale of the measure (including aspects referring to the new CAP context), which should be included in both SWOT analysis and in the current situation description in order to ensure coherence. This is recommended to be done.	13	Recommendation accepted. Information was added in Chapter 3.1.1.1.
6.	3.2	Current situation	Enclosure of aspects regarding the new context created by the effects of the new CAP (cross-compliance, GAEC, SAPS etc) both in SWOT analysis and in the current situation description chapter in order to achieve the coherence with the Measures 121 "Modernizations of agricultural holdings"; 112 "Setting up young farmers", etc.	13	Recommendation accepted
7.	3.2	Current situation	The interpretation according to which the highest population percentage within the age limits 30-34 years (in 2005) would be due to finding better perspectives in the rural areas should be maybe corroborated with the demographic policy effects that came with the communist regime (1967, 1968).	14	Recommendation accepted. Information was added for sustaining and understanding the text in Chapter 3.1.3. at „Demographic situation”
8.	3.2	Current situation	Information on the insufficient basic infrastructure or even the lack of it, should be provided such as information about the IT (internet) infrastructure and the promotion of its development. This should be considered in the context of all Axis 3 and 4 measures (selection criteria, etc) as one of the most important tool especially for the remote areas.	14	Recommendation partially accepted. Information was added in Chapter 3.1.3.

No.	Chapter RDP	Subject	Recommendations	Reference to report page	Decision/Added in NPRD in Chapter/Subchapter
9.	3.3	SWOT	It is recommended that the lists presented in the context of SWOT be checked with the purpose of ensuring consistency with the chapter outlining the current situation.	16	Recommendation does not justify. Weaknesses and strengths of SWOT analyses reflect exactly the current situation.
10.	3.3	SWOT	For increasing the utility of the SWOT analysis we recommend the creation of a weaknesses and strengths hierarchy, according to their importance. This will be very helpful further on in NRDP, in formulating the strategy in a transparent way, choosing the most urgent and important aspects that are to be solved.	16	Recommendation does not justify. The hierarchy of strengths and weaknesses of SWOT is realised taking into consideration the importance and the objectives.
11.	3.4	Regional disparities	We recommend improving the description of disparities and their causes: urban – rural, national – regional, national – international.	17	Recommendation accepted. In this purpose, information was added in the Chapter 3.1.
12.	4.1	Objective hierarchy	We find that the NRDP is in line with the NSP and that the NRDP represents a good structured programming document with clear overall objectives, strategic and specific objectives leading down to the level of measures. We appreciate the use of tables and schemes in order to illustrate the intervention logic. However, we also recommend that the tables are supported with comprehensive text explaining and justifying the interventions. This is not a crucial issue, but can facilitate the reading of the NRDP.	25	Recommendation accepted. Justification will be added that sustain the logical schemes in Chapter 4.1.
13.	4.3	Consistency of programme objectives with the SWOT analysis	The objectives reflect the weak and strong points presented in the SWOT, but the link between them could be more explicitly stated. The chosen strategy will be made clearer and transparent by including the opportunities, threats and the driving forces at the end of the 3 rd chapter. The link from the measure sheets to the programme objective hierarchy is satisfactory to a great extent, but it could be improved for some measures (i.e. Leader measures) taking into consideration the comments of the next chapter. It is recommended the analyses of the above mentioned considerations.	25	Recommendation accepted

No.	Chapter RDP	Subject	Recommendations	Reference to report page	Decision/Added in NPRD in Chapter/Subchapter
14.	4.3	Consistency of programme objectives with the SWOT analysis	We will like to point to the fact that the SWOT analysis only to some extent follows the logic of this tool in order to facilitate the strategy formulation. In order to make the strategy-building potential of the SWOT even more obvious, it could be considered including a section that reflects upon how the identified internal Strengths and Weaknesses on the one hand and external Opportunities and Threats on the other hand can be turned into possible strategies ensuring that internal strengths are utilized and internal weaknesses eliminated in order to take advantage of the external opportunities and to meet the threats.	25	Recommendation accepted. The necessary information was added accordingly to the recommendations in Chapter 3.1- SWOT analyses
15.	4.4	Baseline and impact indicators	Objectives and context related baseline indicators were defined and quantified for all the programme measures and based on the CMEF, but they are nevertheless not presented in the measure fiche according to the Guidance pattern recommended. It would - of course if possible - be recommendable that baseline data is identified for the remaining indicators and inserted according to the recommended measure sheet pattern for each measure.	26	Recommendation accepted. In each technical fiche of measure will be added the indicators for quantification.
16.	5.1	Lessons learned	The experiences from the SAPARD programme implementation show that the overall issues to address in the future program is the financial engineering issue and to lift unnecessary restrictions on the potential uptake of projects. Hence, the financial system must be upgraded to meet the needs of the potential beneficiaries. This will include the utilization of advance payments, contributions in kind and leasing arrangements. We recommend that these experiences be used to the largest extent possible in the future programme.	34	Recommendation accepted. It can be found in Chapter 3 and also in the technical fiche of the measures.

No.	Chapter RDP	Subject	Recommendations	Reference to report page	Decision/Added in NPRD in Chapter/Subchapter
Axis 1 Measures					
17.	5.2	Vocational training, information and diffusion of knowledge	In the rationale of the measure, there is no reference to the level of education of the population occupied in the agricultural and forestry sector. There are no references to the new environment, with a decoupled direct payment, encouraging a market focused business regime and requirements to a broadened range of management and economic skills. We recommend building in this rationale in the justifications of the measure.	35	Recommendation accepted. This reformulation was done in the Measure 111.
18.	5.2	Vocational training,, information and diffusion of knowledge	It is recommended to prepare a clear presentation of the objective hierarchy for the measure.	35	Recommendation accepted. This reformulation was done in the Measure 111.
19.	5.2	Vocational training, information and diffusion of knowledge	In the section describing the actions, there is a inconsistency: in the first paragraph it is stated, that the measure will contribute to improving and perfecting the knowledge (2 types of courses); in the second paragraph it is said that the actions will be initiatory, specialization/improving and perfecting (3 types of courses).	35	Recommendation accepted and will be done in the Measure 111.
20.	5.2	Vocational training,, information and diffusion of knowledge	We have also noticed some hesitations in defining clearly who the beneficiaries of this measure are. It is recommended to be defined.	35	Recommendation accepted and will be done in the Measure 111.
21.	5.2	Vocational training,, information and diffusion of knowledge	Also, there are no quantification of the impact indicators, meaning net additional added value and labour productivity. It is recommended to improve the objective hierarchy and to apply the quantified targets in the indicator table. Perhaps additional quantification will be necessary.	36	Recommendation accepted, except the recommendation regarding the additional quantification because this one is not foreseen in the common framework for monitoring the indicators.

No.	Chapter RDP	Subject	Recommendations	Reference to report page	Decision/Added in NPRD in Chapter/Subchapter
22.	5.2	Setting up young farmers	The main problem addressed by the measure is as such not described in the rationale for the intervention. We recommend including a justification of the measure into the measure fiche.	37	Recommendation accepted. It is done in the Measure 112.
23.	5.2	Setting up young farmers	It would have been useful to define more clearly the operational indicators and to specify whether the measure will compensate the cost of setting up or partly co-finance the modernization of the farms? We recommend that to be done.	37	Recommendation accepted
24.	5.2	Setting up young farmers	The objectives of the measure are not quantified, except for input and output in terms of numbers of assisted young farmers. It is recommended to be done.	37	Recommendation accepted It is done in the Measure 112.
25.	5.2	Setting up young farmers	There are no defined targets for the impact and the result indicators. Also, there are no numerical data about the types of the agricultural sectors affected by the implementation of the measure. Probably, this explains why there is no quantification for the expected growth of GVA in assisted holdings, nor for the expected economic growth or the growth of labour productivity. If possible, it is recommended to be done.	38	Recommendation accepted. It is done in the Measure 112
26.	5.2	Early retirement of farmers and farm workers	The objectives are rather general presented and is described in a way, which could be considered to be beyond the scope of the measure. For example, it is doubtful that a significant structural change in Romanian agriculture will be the result of the measure, and it is also doubtful whether the measure contributes to diversification (and innovation) for farms in the future. We recommend reconsidering these formulations.	38	Recommendation accepted. This reformulation will be done in the Measure 113.
27.	5.2	Early retirement of farmers and farm workers	The objectives presented in the objective hierarchy are not quantified. It is recommended to be done.	38	Recommendation accepted. The quantification will be found in the fiche of the Measure 113.

No.	Chapter RDP	Subject	Recommendations	Reference to report page	Decision/Added in NPRD in Chapter/Subchapter
28.	5.2	Use of farm advisory and extension services	The objective hierarchy doesn't respect the terminology (overall, specific, operational), and it could be considered to revise it in order to present the intervention logic better and in accordance with the indicators proposed in the last section of the measure fiche, which is recommended.	39	Recommendation accepted
29.	5.2	Use of farm advisory and extension services	The objectives presented in the objective hierarchy are not quantified.	39	Recommendation accepted. The quantification will be found in the fiche of the Measure 143.
30.	5.2	Modernisation of agricultural holdings	As the structure and terminology of the intervention logic are crucial in many aspects of the programme implementation (formulation of quantified targets, indicators, monitoring and evaluation), it is recommended to reorganize the description of the objectives in line with this logic - overall, specific and operational objectives.	40	Recommendation accepted. These general, specific and operational objectives were added in each measure of all axes.
31.	5.2	Modernisation of agricultural holdings	It is recommended that the objectives presented in the measure be quantified.	41	Recommendation accepted. The quantification will be found in the fiche of the Measure 121.
32.	5.2	Modernisation of agricultural holdings	It is recommended to quantify results and impact indicators.	41/42	Recommendation accepted. The quantification will be found in the fiche of the Measure 121.
33.	5.2	Increase the Value Added of agricultural and forestry products	it is recommended to make the objective hierarchy respect the usual terminology (overall, specific, operational).	43	Recommendation accepted. These general, specific and operational measures were added in each measure of all axes.

No.	Chapter RDP	Subject	Recommendations	Reference to report page	Decision/Added in NPRD in Chapter/Subchapter
34.	5.2	Adding value to agricultural and forestry products	It is recommended that the objectives presented in the measure be quantified.	43	Recommendation accepted. The quantification will be found in the fiche of the Measure 123.
35.	5.2	Adding value to agricultural and forestry products	It is suggested to go through the indicators once more and to quantify those that are not quantified yet.	44	Recommendation accepted. The quantification will be found in the fiche of the Measure 123.
36.	5.2	Improving and developing the infrastructure related to the development and adaptation of agriculture and forestry	The objectives presented in the not so clearly described objective hierarchy are not quantified. However, the indicator table of the measure fiche includes some targets, which could be assimilated to the objectives of the measure. It is recommended that the objective hierarchy be quantified.	44	Recommendation accepted. The quantification will be found in the fiche of Measure 125.
37.	5.2	Improving and developing the infrastructure related to the development and adaptation of agriculture and forestry	The indicators and the targets are not quantified at all, except for the output indicator, the number of actions supported (2,401) and the total amount of investments (634,769,915 Euro). The experience gained through national and World Bank programs should be used in order to quantify the indicators. To be taken into account the quantification.	44	Recommendation accepted. The quantification will be found in the fiche of Measure 125.

No.	Chapter RDP	Subject	Recommendations	Reference to report page	Decision/Added in NPRD in Chapter/Subchapter
38.	5.2	Support for semi-subsistence farms	The objective hierarchy is not complete in the sense that the measure fiche specifies only the overall objectives of the measure being to support semi subsistence farms in order to be economically viable and competitive farms, which will be difficult to achieve, see above. The distinction between the objectives a) and b) is not clear, and objective b can be deleted as it is covered of objective a. No specific objectives, as well as no operational objective are presented, although the expected numbers of beneficiaries are indicated. The section scope of action introduces new objectives, but it is not clear how these new objectives relate to the overall objectives described in the section <i>Objectives</i> of the measure. There seems to be some overlap between the various objectives.	46	Recommendation accepted. These general, specific and operational objectives were added in each measure of all axes.
39.	5.2	Support for semi-subsistence farms	It is indicated that a package of support actions will be available for the beneficiaries comprising measures under Axis 1 in particularly. It is not clear how this package should be utilized or administered. This is urgently needed and recommended.	46	Recommendation accepted
40.	5.2	Support for producer groups	The objectives presented in the objective hierarchy are not quantified. This is suggested to be done.	47	Recommendation accepted. The quantification will be found in the fiche of Measure 142.
41.	5.2	Support for producer groups	The result and impact indicators are not quantified. This is recommended to be done.	47	Recommendation accepted. The quantification will be found in the fiche of Measure 142.

No.	Chapter RDP	Subject	Recommendations	Reference to report page	Decision/Added in NPRD in Chapter/Subchapter
Axis 2 Measures					
42.	5.2	Natura 2000 payments and payments linked to Directive 2000/60/EC	The measure contains output, results and impact indicators. None of the indicators are quantified. It is recommended to be done if possible.	50	For the moment, the recommendation can not be realised. In lack of eligible surfaces and of management plans for sites Natura 2000, the quantification of those indicators is impossible.
43.	5.2	Natura 2000 payments and payments linked to Directive 2000/60/EC	The expected result and the impact are presented in the table of indicators. They are not quantified and it is recommended to do this.	50	For the moment, the recommendation can not be realised. In lack of eligible surfaces and of management plans for sites Natura 2000, the quantification of those indicators is impossible.
44.	5.2	Agri-environment payments	We recommend including an analysis of organic farming from a market point of view in the NRDP.	51	The recommendation does justify. But, for the time being, there are no synthetic data referring to the domestic market size or regarding the exports volume for organic farming. The domestic market is a relatively new, dynamic one, but, in the same time, can present a higher degree of risk.

No.	Chapter RDP	Subject	Recommendations	Reference to report page	Decision/Added in NPRD in Chapter/Subchapter
45.	5.2	Agri-environment payments	There is apparently an overlap to investments under Measure 121 concerning conversion into organic farming. It could be considered to avoid this overlap by taking out for the support for conversion to organic farming from Measure 121. It is recommended to consider this issue.	51	There is no overlapping. The 214 Measure has a compensatory character granting payments on surface for losses from products' value and additionally payments occurred as a result of practising organic farming. The Measure 121 has a investment character.
46.	5.2	First afforestation of agricultural lands	No targets and no quantification of the objectives are presented. It is recommended to be done.	52	In the measure fiche will be added the following text: the forests surface and other lands covered by forests vegetation is of 6,742,800 hectares (NSI 2006). During 2007-2013 is desired an increase of this surface with 1.32%.
47.	5.2	First afforestation of agricultural lands	We recommend including indicators for impact on environment and landscape.	52	The indicators were introduced from CMEF.
48.	5.2	First afforestation of non agricultural lands	No targets and no quantification of the objectives are available at the moment. It is suggested to deal with these issues.	52	In the measure fiche will be added the following text: the forests surface and other lands covered by forests vegetation is of 6,742,800 hectares (NSI 2006). During 2007-2013 is desired an increase of this surface with 0.7%.

No.	Chapter RDP	Subject	Recommendations	Reference to report page	Decision/Added in NPRD in Chapter/Subchapter
49.	5.2	First afforestation of non agricultural lands	The measure has no indicators and outputs, and we find the need for impact on environment and landscape indicators.	52	The indicators were introduced from CMEF.
50.	5.2	Natura 2000 payments	It is not clear how Natura 2000 and forestry coverage comply to each other. The argumentation could be improved to make the reader understand the connection better.	53	We estimate that this measure will be implemented starting with 2010.
51.	5.2	Natura 2000 payments	There is no objective hierarchy. The objective is formulated within a large paragraph giving information about the eligible area	53	We estimate that this measure will be implemented starting with 2010.
52.	5.2	Natura 2000 payments	The measure contains output, results and impact indicators. None of the indicators is quantified. It is recommended to be done.	53	For the moment, the recommendation can not be realised. In lack of eligible surfaces and of management plans for sites Natura 2000, the quantification of those indicators is impossible.
Axis 3 Measures					
53.	5.2	Diversification into non agricultural activities; Support for the creation and development of micro-enterprises	The objective hierarchy does not respect the terminology (on overall, specific, operational objectives), and this could be useful to describe the intervention logic better. Furthermore, the objectives are not quantified.	54	Recommendation accepted. It was added in the Measure 312. The quantifying indicators were also included in this measure.

No.	Chapter RDP	Subject	Recommendations	Reference to report page	Decision/Added in NPRD in Chapter/Subchapter
54.	5.2	Diversification into non agricultural activities; Support for the creation and development of micro-enterprises	Under demarcation with Axis 1 of the NRDP, reference is made to integrated projects. What are those and how should they be managed? Clarification is needed and recommended.	55	Recommendation partially accepted. The intern demarcation was revised and it will be foreseen more clearly both in the Measure 123 of the Axis 1, as well as in the Measure 312 of the Axis 3 in the Chapter 5 of NPRD.
55.	5.2	Encouragement of rural tourism activities	The objectives are not quantified and it is recommended that this be to be done.	56	Recommendation accepted. The objectives were quantified in the field for common indicators of each measure of Chapter 5 of NPRD.
56.	5.2	Encouragement of rural tourism activities	The second result indicator presented in the measure description is “gross number of jobs created “. We suggest it is replaced with the indicator “increase of tourism income” for two reasons: One similar indicator is also presented as impact indicator; the indicator concerning the growth in income on tourist per day is very relevant in appreciating the attractiveness level of an area and would correspond better to this measure objectives.	56	The recommendation does not justify. The indicators are the ones foreseen in CMEF.
57.	5.2	Village renewal and development, improvement of basic services for the economy and rural population, conservation and upgrading the rural heritage	The objectives are not quantified. It is recommended to be done. Indicators are developed for the measure (output, result and impact). The indicators are not quantified, but are suitable for monitoring and evaluation. It is recommended to quantify the indicators.	57	Recommendation accepted. The objectives were quantified in the field for common indicators of each measure of Axis 3 of Chapter 5 of NPRD.

No.	Chapter RDP	Subject	Recommendations	Reference to report page	Decision/Added in NPRD in Chapter/Subchapter
58.	5.2	Animation and skills acquisition and implementing of the local development strategy	The objectives presented in the objective hierarchy are not quantified. However, the indicator table of the measure fiche includes some targets, which could be assimilated to the objectives of the measure.	57	Recommendation accepted. The objectives were quantified in the field for common indicators of each measure of Axis 3 of Chapter 5 of NPRD.
Axis 4 Measures					
59.	5.2	Implementation of local development strategies	There is a need for an improved presentation of this new approach in the rational of the measure fiche in order to present in a better way its basic ideas. The LEADER approach is a novel procedure for Romania and for the moment, little is known about the application, and this could be an obstructive factor for its implementation.	14	Recommendation partially accepted. According to the model of CIRCA, the fiche of the Measure 41 does not contain a motivation. If necessary, a motivation will be made in which shall be presented the requested issues.
60.	5.2	Implementation of local development strategies	The objective hierarchy is not respecting the terminology (overall, specific, operational) and is not quantified. We recommend that this be aligned.	58	Recommendation accepted.
61.	5.2	Implementing cooperation projects	Indicators are developed for the measure (output, result and impact). Only the output indicators are quantified. It is recommended to ensure this issue.	60	Recommendation accepted.

No.	Chapter RDP	Subject	Recommendations	Reference to report page	Decision/Added in NPRD in Chapter/Subchapter
62.	5.2	Implementing cooperation projects	The result indicators consist in “Gross number of jobs created”. The cooperation process provides both tangible and intangible results, and employment generation could be indeed one of the tangible results. But we could also add: new technologies of development (no.), improvement of the market access, increase in labour productivity.	60	We consider that the indicators foreseen by the model of CIRCA fiche are suffice, not being necessary to add other indicators.
63.	5.2	Running the Local Action Groups, acquisition of skills and animation of the territory	The objectives are not quantified, which is recommended to be done.	61	Recommendation accepted. The recommended information was added in all the fiches of Axis 4 measures.
General and cross-cutting issues					
64.	7	Demarcation lines	We recommend an enhancement of the demarcation lines in the NRDP as such and in the description of the measures.	101	Recommendation accepted. Information was detailed in Chapter 5 and 10.
65.	7.3	State Aid	The NRDP contains explicit reference to the state aid and competition rules, but no list of authorised aid schemes is appended to the programme. If state aid schemes are planned, this should then be notified and justified.	103	Recommendation accepted. Annex 5 will be enclosed that will offer additional information.
66.	8.1	Monitoring and Evaluation	It is recommended that financial and payment requests are to be submitted at the county level. It is also recommended that all correspondence with beneficiaries to be done by county level, if this is already provided in the established procedures, it could be useful to mention it in the administrative chapter	105	Recommendation accepted. The recommended information was added in Chapter 11.

No.	Chapter RDP	Subject	Recommendations	Reference to report page	Decision/Added in NPRD in Chapter/Subchapter
67.	8.1	Monitoring and Evaluation	In order to have more information regarding the efficiency of the proposed implementation system, it would be recommended also to describe in Chapter 11 of the NRDP the call of proposal organisation and the evaluation/processing envisaged time for each type of application.	105	The recommendation does not justify. These recommendations are the object of implementation procedures and as a result we do not consider necessary to add them in this Chapter, due to the fact that Regulation (EC) no. 1974/2006 does not require the description of the implementation procedures within the NRDP. Furthermore, the paying agencies are subjected to an accreditation process and all their procedures are included for the accreditation, also the measures that were delegated to them were included in the packet going through the accreditation. In addition, the procedures shall be finalised after the final form the measures and adopting of NRDP.
68.	8.1	Monitoring and Evaluation	In order to avoid confusion, if the procedure of the Coordinating Body mentions that the management of PARDF does not interfere at all in its activity, some details could be added to Chapter 11.	105	Recommendation accepted. The recommended information was added in Chapter 11.
69.	8.1	Monitoring and Evaluation	In order to ensure the readiness of the Competent Authority to perform the required tasks, more details are recommended provided in Chapter 11, as is done for all the others bodies.	106	Recommendation accepted. The recommended information was added in Chapter 11.

No.	Chapter RDP	Subject	Recommendations	Reference to report page	Decision/Added in NPRD in Chapter/Subchapter
70.	9.1	Rural Network	We recommend the MARD to ensure that all regions have representations in the network, and not only some of them.	114	The recommendation does not justify. The Chapter 16.2 of NPRD foresees the fact that in the Rural Development Network are represented local actors from all regions.
71.	10.3	The results of the consulting process	Generally, we consider the description of the consultation process as better and more detailed and recommend adding the ToR (Terms of Reference) to the NRDP for the working groups and for the coordination group.	118	Recommendation accepted. The manner of setting work groups, the agenda and the lists of participants at consultations was included in Annex 6.
72.	10.3	The results of the consulting process	The program does not report on the comments resulted via public debates to what extent the views and advices received were accepted and included in the program. We recommend that these issues be reported in the chapter.	118	Recommended accepted. The comments concerning the measures submitted to debate were included in Annex 7 and it was also made the mention of their acceptance or rejection.

Chapter 5

Information on the axes and measures proposed for each axis and their description

5.1. General requirements

Within the National Rural Development Programme for the programming period 2007-2013, in a first stage the following measures will be financed:

➤ **Axis 1 “Improving the competitiveness of the agricultural and forestry sector”:**

The EAFRD non-refundable support corresponding to this axis is of 80% from the public support and regards the measures:

- 111-Vocational training, information actions and the diffusion of knowledge
- 112- Setting up of young farmers
- 121 - Modernization of agricultural holdings
- 122 - Improving the economic value of forests
- 123 - Adding value to agricultural and forestry products
- 125 -Improving and developing infrastructure related to the development and adaptation of agriculture and forestry
- 141 - Supporting semi-subsistence agricultural holdings
- 142 - Setting up of producer groups
- 143 - Providing farm advisory and extension services

➤ **Axis 2 “Improving the environment and the countryside”**

The EAFRD non-refundable support corresponding to this axis is of 82% from the public support, for the following measures:

- 211 - Support for mountain areas
- 212 - Support for less favoured areas-other than mountain area
- 214 - Agri-environment payments
- 221 - First afforestation of agricultural land

➤ **Axis 3 “The quality of life in rural areas and the diversification of the rural economy”**

The EAFRD non-refundable support corresponding to this axis is of 80% from the public support, for the following measures:

- 312 - Support for micro-enterprises creation and development
- 313 - Encouragement of tourism activities
- 322 - Village renewal and development, improving basic services for the rural economy and population and upgrading of rural heritage

➤ **Axis LEADER**

- 4.1. Implementing local development strategies
 - 411. Improving the competitiveness of the agricultural and forestry sector*
 - 412. Improving the environment and countryside*

- 413. The quality of life in rural areas and the diversification of the rural economy*
- 4.21 Implementing cooperation projects
- 4.31 Running the Local Action Groups, acquiring skills and animating the territory
- 431-1. Public-private partnership building*
- 431-2. Running costs, skills acquisition and animation*

➤ **Measure 611 Complementary direct payments**

The detailed content of the measures that will be implemented starting with 2007 it is presented on axes and objectives, in accordance with the Regulation EC no. 1698/2005, chapter 5.3.

General requirements of the Programme

Romania, **through the National Rural Development Programme, foresees several objectives which support** the competitiveness increase of the agri-food and forestry sectors, the improvement of the environment and the countryside, the improvement of the quality of life in the rural areas, the diversification of the rural economy, the running and the functioning of the local development initiatives. The objectives of these three axes of the Programme are being achieved through the implementation of the measures foreseen for each axis.

The reason of combining several measures

In order to improve the quality of life from the rural areas, objective corresponding to Axis 3, an **integrated approach** has been proposed, approach that combines 3 measures in one: “Basic services for the rural economy and population”, “Village renewal and development” and “Conservation and upgrading the rural heritage” – granting, thus, the opportunity of combining several actions in order **to make a progress in the current problems and deficiencies of the rural area**, having in regard the local potential and needs.

Such an **approach** is grounded on **two major reasons**, the first being the **high degree of interdependency of actions**, the urgent necessities of the rural population for **modernising, renewing and revitalizing the villages**, combining the interventions in order to make them efficient and in harmony with the landscape.

All these needs imply, equally, emergencies for the three types of activities; the improvement and creation of the basic physical **infrastructure** (especially the road infrastructure and water/waste water infrastructure), the **basic public services** and **upgrading the rural heritage**. Due to the need of an important volume of investments in order to create and develop the basic physical **infrastructure** (roads, water/waste water infrastructure) which imply an important financial effort, the measure 322 “Village renewal and development, improving basic services for rural economy and population and upgrading of rural heritage” has been chosen to be the **priority** one. In the context of these kinds of investments, if each measure and activity would be individually approached, the period of the approval and implementation process **would be considerably prolonged**, thus their integration represents a solution.

More over, from an **economic point of view**, the **integrated approach of the actions will be much more efficient** for **solving the problems** and simplifying the procedures, than through the individual implementation of each measure. This measure will be implemented starting with 2007.

The launch of the second stage for the implementation of the NRDP measures

In order to efficiently implement the Programme, having in regard the current administrative capacity, some measures of the NRDP will be implemented starting with 2010. This stage keeps in mind the complementarity of some measures as well as the necessity for preparing the implementation system before being started. Thus, starting with 2010 will be implemented:

➤ **Measure 113 - Early retirement of farmers and farm workers** it is a complementary measure for measure 112 – *Setting up of young farmers* and its implementation will be possible only after finalising the legislative framework for improving the retirement system for the farmers and the elaboration of the recording system for farmers and farm workers;

➤ **Measure 114 – Use of advisory services** it is a complementary measure for measure 143 - *Providing farm advisory and extension services*, which is a transitory measure for Romania and Bulgaria, according to Commission Regulation (EC) no. 434/2007. The Measure 114 will be implemented starting with 2010, will extend the agricultural consultancy activities and will continue the elaboration of the business plan for the semi-subsistence farms;

➤ **Measure 213 – Natura 2000 payments on agricultural land** and **Measure 224 – Natura 2000 payments on forestry land** are foreseen to be implemented starting with 2010 because, currently, there are no managing plans for the Natura 2000 sites (implicitly, there are no information regarding the restrictions for the farmers and the forestry land owners) and the used agricultural and forestry lands included in these sites are not yet known. Thus, the budgets available for these measures are being submitted to some large estimations due to the lack of information regarding the level of the payments/ha, the restrictively level of the requirements and the potential eligible surfaces.

➤ **Measure 223 – First afforestation of non-agricultural land** will be implemented starting with 2010 because the manner of identifying the non-agricultural lands is not yet finalized;

➤ **Measure 341 – Acquiring skills, animating and implementing the local development strategies** it is complementary with the measures of axis LEADER and its implementation will be possible after the last stage of the LAG's selection.

The indicative allocation for the rural development measures which will be promoted starting with 2010

Axis/Measure	Application date	Indicative allocation (public) Euro	Measures which comprise the financial allocation
AXIS 1 “Improving the competitiveness of the agricultural and forestry sectors”			
113 - Early retirement of farmers and farm workers	2010	71,411,608	Measure 112
114 – Use of advisory services	2010	95,215,478	Measure 143
Total Axis 1		116,627,086	
AXIS 2 “Improving the environment and the countryside”			
213 - Natura 2000 payments on agricultural land	2010	100,000,000	Measure 214
223 – First afforestation of non-agricultural land	2010	75,682,641	Measure 221
224 – Natura 2000 payments on forestry land	2010	16,053,894	Measure 221
Total Axis 2		191,736,535	
AXIS 3 “The quality of life in rural areas and the diversification of the rural economy”			
341- Acquiring skills, animating and implementing the local development strategies	2010	12,368,699	Measure 312
Total Axis 3		12,368,699	
GENERAL TOTAL AXES 1, 2, 3		320,732,320	

For the measures that will be implemented starting with 2010, the detailed content as well as the corresponding financial allocations according to Article 19 of Council Regulation (EC) no. 1698/2005 will be presented at that date.

5.2. Specific requirements for some/all measures

The farmer definition for the measures of Axis 1

The farmer is a natural or legal person, who has the holding placed on the territory of the country and the size of the holding being larger than 2 ESU and who practices, mainly, agricultural activities.

The economic size unit (ESU) represents the unit that expresses the economic size of an agricultural holding determined on the basis of the standard gross margin of the holding (Commission Decision no. 85/377/EEC). The value of one economic size unit is of 1,200 euro.

The payment in advance

The beneficiaries of the measure may solicit the Paying Agency for an advance up to 20% of the public support for investments, according to Article 56 of Commission Regulation (EC) no. 1974/2006 regarding the implementing rules for Council Regulation (EC) no.1698/2005 on granting support for rural development from EAFRD, and this payment is conditioned by ensuring a banking guarantee or an equivalent guarantee of 110% from the value of the advance.

In the case of the public beneficiaries, the Paying Agency may accept from the beneficiary as guarantee, a written commitment, emitted by the superior hierarchic authority, through which the authority undertakes to pay the guaranteeing amount if the conditions for which the support has been granted are not fulfilled.

The submitted guarantee shall only be released if the Paying Agency decides that the amount of the expenditures made for investments, in line with the public support, is higher than the value of the advance payment.

Measures for which the beneficiaries can benefit from a payment in advance:

Axis 1

- 121 “Modernization of agricultural holdings”
- 122 “Improving the economic value of forests”
- 123 “Adding value to agricultural and forestry products”
- 125 “Improving and developing infrastructure related to the development and adaptation of agriculture and forestry”

Axis 3

- 312 “Support for micro-enterprises creation and development”
- 313 “Encouragement of tourism activities”
- 322 “Village renewal and development, improving basic services for rural economy and population and upgrading of rural heritage”

For the measures 41 and 421 of Axis Leader, the payment in advance is being granted to the beneficiaries who submit projects for the above mentioned measures.

Contribution in kind

According to Article 54 of Commission Regulation (EC) no. 1974/2006 for the measures which involve investments in kind, contributions of the beneficiaries, respectively the provision of goods or services for which no cash payment supported by invoices or equivalent documents is made, may be eligible the expenditures that fulfil the following conditions:

- a) The contribution consist in the provision of land or real estate, equipments or raw materials or unpaid voluntary work;
- b) The contributions are not made in respect of financial engineering actions referred to in Article 50 of Commission Regulation (EC) no. 1974/2006;
- c) The value of the contributions can be independently assessed and verified.

In the case of unpaid voluntary work, the value of that work shall be determined taking into account the time spent and hourly and daily rate of remuneration for equivalent work.

In the case of provision of land or real estate, the value shall be certified by an independent qualified expert or duly authorised official body.

The public expenditure co-financed by the EAFRD, contributing to an operation which includes contributions in kind, shall not exceed the total eligible expenditure, excluding contributions in kind, at the end of the operation.

Because, currently, we don't own an evaluation system for goods and services, based on a standard calculation system regarding the unpaid voluntary work and the contributions in kind, it will be afterwards decided for which measures this provision will be applied.

Minimum investment ceiling

All the investment measures from NRDP must observe the total minimum eligible value of the project in amount of 5,000 Euro.

Specific requirements for Measures 121, 123

The measures 121 and 123 shall not support the investments which do not comply with the provisions of Article 2(3) of Commission Regulation (EC) no. 1974/2006 and which would increase production beyond the restrictions or limitations foreseen by a Common Market Organization.

Specific requirements for Measures 211, 212 and 214

The beneficiaries of the measures 211, 212 and 214 are the farmers. For these measures, the beneficiaries are being defined as natural or legal persons or groups of natural or legal persons, regardless of the legal status of the groups or of their members, which carry on agricultural activities with productive purposes or which maintain the agricultural lands in good agricultural and environmental conditions.

Provisions for limiting the impact on the environment in the case of the public or private investment projects

For all the public or private investment projects, financed through the Programme, it is necessary to obtain the environment agreement, in accordance with the national legislation in force.

The investment projects which can significantly affect the environment due to, among others, their type, size or localization represent the subject of the strategic environmental assessment (SEA) before the issuance of the environment agreement. SEA establishes the measures for preventing, reducing, and where possible, compensating the significant adverse effects of the project over the environment factors and contributes to the decision making process for issuing/ rejecting the environment agreement.

The procedure for issuing/ rejecting the environment agreement includes a stage for submitting the project to the SEA procedure. Within this stage, the public or private investment projects are being divided in three categories, the ones from the first category being directly submitted to the SEA, for the ones from the second category the need to include them in the SEA procedure is being established and for the projects from the third category there is no need for SEA.

Thus, the projects included in the first category of public or private investment projects are being directly submitted to SEA (ex. Pigs and poultry intensive rearing units). Also, this category includes all the projects proposed to be realized on sites situated within the hydro-ecological protection areas.

The second category of public and private investment projects is the one that can have significant effects on the environment (ex. projects for restructuring the agricultural holdings, projects which foresee the intensification of the agricultural activities, afforestation, irrigation, drainage projects, etc.), for this the necessity of applying the SEA procedure being established by the authorities responsible with the environment protection. **Also, the category includes all the projects carried up within the natural protected areas (including Natura 2000) or the coast area.** In order to identify the characteristics of the investment projects we take into consideration aspects like: the size of the project, the cumulation with other projects, the use of natural resources, waste production, polluting

emissions, etc. All these are balanced with the environment sensitivity from the geographical area possibly affected by the project, having in regard, especially, the existent use of the land, the abundance of the natural resources from the area, the absorption capacity of the environment, with special attention granted to the wet areas, coast areas, the mountain and afforested areas, the parks and natural reservations, the areas protected by the legislation in force, the special protection areas, natural protected areas, the areas with dominating landscapes with historical, cultural and archaeological significance, etc. For establishing the potential impact, different factors are taken into account, like: the extension of the impact, the geographical area and the number of the persons affected, the cross-boundary of the impact, the size and complexity of the impact, the impact probability, the duration, frequency and reversibility of the impact. Thus, in order to obtain the environment agreement and the environment authorisation, the public and private projects for which the SEA is necessary will be submitted to SEA by the authorities responsible with the environment protection. The SEA reports have to be submitted to the comments of the interested audience and their comments and recommendations have to be taken into account in the stage of analyzing the quality of the reports. The authority responsible with the environment protection in cooperation with the group for technical analysis, takes the decision of issuing/rejecting the environment agreement after analyzing the SEA report, the comments and recommendations of the interested audience and other relevant information.

The third category comprises all the investment projects unforeseen by the first two categories, for these being unnecessary the SEA procedure.

In order to ensure the fact that through the implementation of the Programme's measures will not be financed activities within some projects that can negatively affect the environment a protocol with the Romanian Authority responsible with the environment protection, with the settlement and elaboration of the procedures for assessing the environment impact for several public and private projects, with the authorisation of the activities with significant impact over the environment, as well as with the issuing of the environment agreements and environment assent has been concluded. Also, this protocol has been concluded with the public authority responsible with the inspection and control regarding the environment protection, in order to check the conformity of the projects financed through NRDP with the compulsory environment standards established through the national legislation.

5.2.1. Transition from the programming period 2000-2006 to 2007-2013

According to Council Regulation (EC) no. 1268/1999 the Community financial assistance addressed to the pre-accession measures for agriculture and rural development in Romania (the SAPARD Programme) has been implemented.

The SAPARD Programme includes three measures that are financed on a five years period, thus the financing for the applications submitted in 2006 shall be continued during 2007-2008 from the SAPARD fund and during 2009-2011 the applications shall be financed through the support for rural development granted from the European Agricultural Fund for Rural Development. These measures are:

- Measure 3.2. “Setting up of producers groups”
- Measure 3.3. “Agricultural methods of production designed to protect the environment and maintain the countryside”
- Measure 3.5. “Forestry”, submeasure “Afforestations”

Thus, Article 29 of the Accession Treaty of Bulgaria and Romania foresees that, if the multiannual commitments concluded within the SAPARD Programme, in connection with the above mentioned measures, exceed the deadline allowed to perform the payments within SAPARD, the unspent commitments shall be included in the National Rural Development Programme 2007-2013.

The manner of applying this provision has been detailed by Commission Regulation (EC) no. 248/2007 on the measures concerning the multiannual financing and the annual financing agreements concluded on the basis of the SAPARD Programme, as well as on the transition from the SAPARD Programme to the rural development programmes, mentioning that Romania shall notify the Commission about applying these dispositions, before the end of 2007.

The correspondence table of the measures foreseen by the Council Regulation (EC) no. 1268 /1999 and the Council Regulation (EC) no. 1698/2005:

Measures provided by Council Regulation (EC) No. 1268 /1999	Lines and measures foreseen by Council Regulation (EC) No. 1698/2005	Codes foreseen by the Council Regulation (EC) No. 1698/2005
Agricultural production methods that aim at protecting the environment and preserving the natural environment, Article 2, fourth line	Article 36 (a) point (iv) and Article 39: Agri-environment payments	(214)
Setting up of producer groups, Article 2, seventh line.	Article 20 (d) point (ii) and Article 35: Producer groups	(142)
Forestry, including afforestation of agricultural lands, investments in small forestry properties held by private owners and processing and marketing of forestry products, Article 2, the fourteenth line.	Article 36 (b) point (i) and Article 43: First afforestation of the agricultural land	(221)

The number of projects and the corresponding amounts committed to these measures are as follows:

- Measure 3.2. “Setting up of producer groups”– 4 projects have been accepted for financing, with a total value of 187,234 Euro;
- Measure 3.3. “Agricultural methods of production destined to protect the environment and maintain the countryside”– 47 projects have been accepted for financing, with a total value of 869,645 Euro, for a surface of 1,830.83 ha;
- Measure 3.5. “Forestry”, sub-measures “Afforestations” – 117 projects have been accepted for financing, with a total value of 121,462 Euro, out of which 85,064 Euro base investment.

The situation of the **amounts contracted** within the measures of the SAPARD Programme with multi-annual commitments is presented in the following table:

Measure	Total Euro	Total SAPARD Euro	Out of which:		Total EAFRD Euro	Out of which:		
			2007	2008		2009	2010	2011
3.2	187,234	96,870	47,996	48,874	90,364	39,253	29,517	21,594
3.3	869,645	347,858	173,929	173,929	521,787	173,929	173,929	173,929
3.5 (maintenance)¹⁵	36,398	11,300	0	11,300	25,098	11,300	6,899	6,899
General total	1,093,277	456,028	221,925	234,103	637,249	224,482	210,345	202,422

5.2.2. Compatibility with the procedures and requirements referring to the state aid

Within measure 123 „Adding value to agricultural and forestry products” will also be possible to support the sectors foreseen by the state aid schemes, but only after the entry into force of the schemes. The state aid schemes will be in accordance with the Commission Regulation (EC) no. 70/2001 regarding the application of Articles 87 and 88 of the EC Treaty to the state aids for small and medium enterprises.

The support granted within the NRDP for operations foreseen in Article 36 of the Treaty shall not be cumulated with any other state aid as foreseen by Article 87(1) of the Treaty or with other contribution of the member state, if such cumulation will lead to the surpass of the maximum intensity of the support stipulated by the Council Regulation (EC) no. 1698/2005.

The verification of the observance of the maximum intensity of the state aid will be done before the signature of the financing contract.

¹⁵ Base investment (afforestation) is considered the expenditure afferent to the first year and is in value of 85,064 Euro.

More details are stipulated in Chapter 9 of the present document.

5.2.3. Ensuring the conformity of the cross-compliance requirements with Council Regulation (EC) no. 1782/2003

The cross-compliance requirements represent those requirements established through Council Regulation (EC) no. 1782/2003, Articles 4 and 5 and Annexes III and IV, and in the case of the measure 214 „Agri-environment payments”, foreseen by Council Regulation (EC) no. 1698/2005, Article 36 (a)(iv), the cross-compliance requirements also include the minimum requirements regarding the use of fertilizers and pesticides mentioned in the same Regulation, Article 39 (3). According to Council Regulation (EC) no. 1698/2005, Article 51(3), as long as Romania applies the Single Area Payment Scheme (SAPS), the requirements foreseen by Council Regulation (EC) no. 1782/2003, Article 4 and Annex III are not included in the cross-compliance requirements set.

5.2.4. Ensuring the direction of the support for the investment measures depending on the identified territorial needs and the structural disadvantages

The NRDP's measures have been elaborated thus the supported investments to respond the needs identified in the analysis, in Chapter 3.1 and to reflect the strategic objectives defined in Chapter 3.2. The description of each measure and the particularization of the investment, as well as the one of the beneficiaries can be found within the measures presented in Chapter 5.3.

Within Axis 1, the European non-refundable funds shall be granted for the following types of investments:

➤ **Private:**

- Measure 121 “Modernization of agricultural holdings ”
- Measure 122 “Improving the economic value of forests ”
- Measure 123 “Adding value to agricultural and forestry products”

➤ **Public:**

- Measure 125 “Improving and developing infrastructure related to the development and adaptation of agriculture and forestry”

Within the investment measures, in order to reach the strategic objectives for improving the competitiveness of the commercial and semi-subsistence farms (SO 2), as well as restructuring and modernizing the processing and marketing sectors of the agricultural and forestry products (SO 3), on the basis of the needs and the structural disadvantages presented in the analysis, the priority sectors have been established, as well as the selection criteria.

For Measure 121 “Modernization of agricultural holdings”, the priority sectors are:

The vegetal sector: (i) vegetables, (ii) nurseries and plantations for fruit bearing trees and bushes, strawberries, (iii) field crops, (iv) vineyard nurseries and plantations for wine (excluding plantation and re-plantation) and grapes for consumption.

Animal breeding sector: (i) dairy bovines, (ii) meat bovines, (iii) pigs, (iv) sheep and goats, (v) poultry in extensive systems and for eggs for consumption.

Selection criteria

- Holdings from the priority sectors;
- Organic vegetal and animal breeding holdings;
- Agricultural holdings that have not benefited from SAPARD/EAFRD support;
- Semi-subsistence agricultural holdings;
- -The beneficiary is a member of an associative form, recognized according to the national legislation in force;
- Agricultural holdings in less favoured areas;

- -Agricultural holdings held by farmers under the age of 40 years at the date of project submission;
- Projects that also have investments for processing agricultural products;
- Agricultural holdings that foresee to access an agri-environment measure;
- Agricultural holdings adapting to Community standards.

The physical capital investments shall contribute to the increase of the competitiveness by reducing the production costs, obtaining high quality products as well as adapting to the environment, hygiene, animal welfare and work safety standards. A significant part of the investments shall be directed towards achieving those Community standards.

A special accent shall be put on supporting the investments that aim at producing bio-fuel, use the biomass, as well as other renewable energy sources due to the necessity of reducing the gas emission. Also, will be, especially, supported the investments made in order to implement the Council Directive 91/676/EEC regarding the water protection against pollution with nitrates from agricultural sources which will lead to the reduction of the negative impact over the climate changes, through the reduction of the ammonia emissions.

For Measure 123 “Adding value to agricultural and forestry products”, the priority sectors are: (i) milk and dairy products; meat, meat products and eggs, (ii) cereals and bakery products, (iii) vegetable, fruits and potatoes, (iv) obtaining and using bio-fuels, (v) oilseeds, (vi) honey, (vii) wine. The priority sectors for forestry products within the measure are: (i) wood-products, (ii) non-wood products (e.g. mushrooms, forest fruits, seeds, tannins, medicinal plants etc., excepting the products resulted from hunting activities).

Selection criteria

- –Units of priority sectors;
- –Units that have restructuring programs up to 2009 included in the Annex agreed with DG Sanco;
- –Associative forms created accordingly to the legislation in force;
- –To have not benefited from other SAPARD/EAFRD support;
- –Small and medium size enterprises that are both producers of raw materials, as well as processors;
- – SMEs processing traditional products;
- – Collecting and/or processing organic products;
- – Enterprises who adapt themselves to the Community standards.

In establishing the maximum support ceilings for Measure 121 “*Modernization of agricultural holdings*” has been taken into consideration the SAPARD experience. Initially, through Measure 3.1 “Investments in agricultural holdings”, the maximum eligible value of a project was of 5,000-500,000 Euro. There were two amendments of the Programme through which the total eligible value of the project could reach up to **2,000,000 Euro** only for the projects that had as objective the implementation of the Community acquis within the poultry and animal breeding farms, respectively **1,000,000 Euro** for the rehabilitation projects of the vineyard plantations. According to the conditions for these ceilings, before starting the investment, the farms had to be in accordance with the national standards and for the investments finalized, with a value equal or less than **500,000 Euro**, the investment had to be in accordance with the Romanian sanitary-veterinary, plant health, hygiene, animal welfare and environment legislation, and for the ones with a value higher than **500,000 Euro** the farm had to be in accordance with the European legislation. The financial support with a value higher than 500,000 Euro has been granted only to projects that had as objective the implementation of the acquis communautaire within the poultry and animal breeding farms.

Also, the Measure 3.4 “Development and diversification of economic activities, providing for multiple activities and alternative incomes” has been completed with a new sub-measure, “Processing at farm level, traditional attested and/or certified organic food products” for which the projects could have had an eligible maximum value of 500,000 Euro, and the investments had to be in accordance with the European Union standards. In establishing the maximum support ceilings for Measure 123

“Adding value to agricultural and forestry products” has been taken into consideration the Measure 1.1 “The improvement of processing and marketing of agricultural and fishery products”.

Initially, within this measure were financed the projects with a total eligible value between 30,000-2,000,000 Euro and the condition for granting these ceilings was that the functioning processing/storage units, before starting the investment, had to observe the national legislation and at the finalise of the investment, the units had to be in accordance with the European legislation. Afterwards, the total eligible value has increased up to 4,000,000 Euro and the condition for granting these ceilings became stricter, thus, after finalizing the investment, the whole unit had to be in accordance with the community legislation.

An acceleration of the structural adaptation of agriculture will be ensured not only through investment measures, but also through converting a large number of semi-subsistence farms into family, commercial farms, as well as through setting up of young farmers.

Within Measure 122 “Improving the economic value of the forest” a priority will be represented by the forestry nurseries, the projects for improving the structure of rammels, the projects of forest owners associations and the projects regarding large surfaces of forests.

For Measure 125 “Improving and developing infrastructure related to the development and adaptation of agriculture and forestry”, a priority in the agricultural infrastructure sector will be represented by the irrigation systems and the access roads and, in the forestry field, the priority will be given to forestry roads, torrential corrective measures, funiculars and forestry railways.

Within Axis 2, the European non-refundable funds shall be given for the following investment measures:

- Measure 221 „First afforestation of the agricultural lands”
- Measure 223 „First afforestation of the non-agricultural lands”

The support granted through these measures will be given, with priority, to the areas with major problems of soil degradation (erosion, land glide, etc) as well as to areas which are exposed to flood risks, thus these investments contributing, in an efficient way, to mitigate against these phenomena. Also, these measures are the only one from the NRDP which have as direct objective the mitigation against climate changes, the afforestation being an efficient method for reducing the CO₂.

Within Axis 3, the support shall be granted in accordance with the structural and territorial needs of the rural areas. The European non-refundable funds shall be given for the following types of investments:

- Measure 312 „Support for micro-enterprises creation and development”
- Measure 313 „Encouragement of tourism activities”
- Measure 322 „Village renewal and development, improving basic services for the rural economy and population and upgrading of rural heritage”

In order to be eligible, these investments must be placed in the rural area and have to improve the quality of the life in those areas.

Because of the deficiencies and specific needs of the rural areas, the necessity of carrying out such investments derives from the target of achieving the strategic objectives “Maintaining and developing the economical activities in order to increase the jobs” and “Increase the attractiveness of the rural area”.

Having in regard the territorial situation and the specific needs which have been identified on the basis of the analysis and strategy, the foreseen actions combine social, age and gender aspects, as well as structural and environmental aspects.

The activities foreseen by Measures 312 and 313, within the strategic objective “Maintaining and developing the economical activities in order to increase the jobs” answer to all these issues. In this regard, the maximum support granted is up to 200,000 Euro/beneficiary/3 years, with the purpose of encouraging the creation and development of the micro-enterprises.

Thus, the support of agricultural households which do not have the necessary capacity to become competitive in the agricultural field will aim at assisting them to diversify the base activity and to obtain alternative incomes. In this context, a special attention will be given to handicraft activities accessible for this category of households, helping them to obtain additional incomes and, at the same time, promoting the rural traditions. Furthermore, sustaining the entire rural economy by encouraging entrepreneurship (creating and developing micro-enterprises) in order to reduce the difference between the rural and urban areas will permit a higher living standard for the inhabitants of the rural area.

Great attention shall be given to: supporting the youth as a consequence of the relatively high unemployment rate within this category; supporting the women due to the weak representation within the rural economy; supporting the beneficiaries who have not accessed, in the last three years, funds through European programmes; projects that have as component the production of renewable energy; integrated projects and projects with the purpose of maintaining the traditional culture; areas with undeveloped tourism potential; projects that are part of the local and regional strategy. In order to ensure the effectiveness of the investments in micro-enterprises, the impact and the sustainability of the employment degree, on local level, special provisions/criteria are foreseen and according them the supported enterprises should create more than 1 job/25000 Euro invested or that the projects should create jobs occupied in an minimum percentage of 50% by rural areas' residents.

The activities foreseen by Measure 322, within the strategic objective "Increase the attractiveness of the rural area", specifically address all the territorial identified needs.

Thus, a special attention will be given to investments in basic physical infrastructure which has to observe the environment agreements, to facilitate the access of the households to the basic services and mobility, especially in the areas with a high level of poverty. Furthermore, the efficiency and sustainability of these investments are ensured through an integrated approach, closely connected with the local strategies.

In general terms, the private investments shall be completed by public investments in the basic infrastructure and services for the population of the rural area, where development depends on attracting new investments but also on maintaining the population in the rural area.

The selection procedure

The selection procedure **does not apply** for the measures 111 "Vocational training, information actions and diffusion of knowledge", 142 "Setting up of producer groups", 143 "Providing farm advisory and extension services", 211 "Support for mountain area", 212 "Support for Less Favoured Areas – other than mountain areas", 214 "Agri-environment payments".

Each measure will have a yearly financial allocation. The Monitoring Committee will establish the maximum number of calls of proposals that can be launched, for each measure, in one year.

After the Paying Agency checks the eligibility of the applications, each eligible project will be assessed according to the scoring system established before launching the call of proposals. The Managing Authority in consultation with the Monitoring Committee will set-up the scoring system as well as the criteria for distinguishing between projects with equal scores.

The selection will be made by the Selection Committee, a technical body, chaired by the Managing Authority which includes representatives of the Managing Authority and the Paying Agency. The role of the Selection Committee is to make proposals to the Managing Authority for the finance of the projects, based on the selection rules established.

The Paying Agency will set-up a list of the eligible projects taking into account the order of the score obtained and will submit it to the Selection Committee.

When the total value of the eligible projects received is bellow the value of the financial envelope, the Selection Committee will prepare a report and will submit it to the general director of the Managing Authority for approval.

When the total value of the eligible projects received is higher than the financial envelope allocated, the Selection Committee will apply the scoring system and, when necessary, the criteria set out to

distinguish between projects with equal scores and will prepare a report in order to submit it to the general director of the Managing Authority for approval.

The Managing Authority will take the final decision regarding the selection of the projects submitted, based on the reports received from the Selection Committee.

In case of measures 121 “Modernization of agricultural holdings”, 122 “Improving of the economic value of forests”, 123 “Adding value to agricultural and forestry products” and 313 “Encouragement of tourism activities” – it will be provided a minimum threshold below which no project will be financed. This threshold will be proposed by the Managing Authority in consultation with the Monitoring Committee.

5.2.5. Criteria and administrative rules to avoid double financing

Pillar I of the Common Agricultural Policy represents the base of the direct payments and market measures having as purpose the increase of the competitiveness and, at the same time, the pillar completes Pillar II concerning the rural development and the environment. The actions implemented within these 2 Pillars complete one another and in order to achieve their objectives NRDP takes into account the objectives of Pillar I.

The administrative criteria and the rules elaborated have in view that the activities benefiting, exceptionally, from support for rural development shall not be supported as investments through other instruments according to the support Plans foreseen by Article 2, paragraph 2 and Annex I of Commission Regulation (EC) no. 1974/2006.

Each investment project implemented within NRDP 2007-2013 and which could foresee an action mentioned in one of the support schemes elaborated through Pillar I, will be checked before its approval in order to avoid double financing. For avoiding the double financing has been taken into consideration a protocol between the two agencies.

Fruits and vegetables (Article 14 (2) and 15 of Council Regulation EC no.2200/1996):

In this sector, the following demarcation lines apply:

- When through the Common Market Organization it is foreseen the support for some investments, the producer organizations are not eligible for making these investments through NRDP, respectively through Measure 121 “Modernization of agricultural holdings” and 123 “Adding value to agricultural and forestry products”.
- The Producer Organizations and the Producer Groups from this sector are not eligible for the support given through Measure 142 “Setting up of producer groups”, respectively the setting up and administrative functioning.
- Support for planting/replanting trees and fruit bushes, as well as strawberries, it is ensured, exclusively, through NRDP.

The wine sector (Title II, Chap. III of Council Regulation EC no. 1493/1999):

In this sector, the following demarcation lines apply:

- Within Measure 121 “Modernization of agricultural holdings” and 123 “Adding value to agricultural and forestry products” from NRDP can be made investments in this sector (ex. purchase of tractors, machines and equipments, investments in processing and marketing etc.) except the ones foreseen to be financed through Pillar I – support through the Common Market Organization, for example: planting and replanting of vineyard for wine; tobacco (Article 13 (2)(b) of Council Regulation EEC no. 2075/1992).

In this sector, the following demarcation lines apply:

- Within Measure 121 “Modernization of agricultural holdings” from NRDP, support for investments is granted, except the ones made through Pillar I - support through the Common Market Organization;
- Within Measure 123 “Adding value to agricultural and forestry products” from NRDP, this sector is not eligible.

Olive oil (Article 8 (1) of Council Regulation EC no. 865/2004):

- Not the case.

Hops (Article 6 of Council Regulation EC no. 1952/2005):

- The producer groups from this sector will not receive support for administrative setting up and functioning through NRDP, Measure 142 “Setting up of producer groups” and through Measures 121 “Modernization of agricultural holdings” and 123 “Adding value to agricultural and forestry products” will receive support for investments, except the ones made through Pillar I – support through the Common Market Organization.

Cattle (Article 132 of Council Regulation EC no. 1782/2003) and sheep and goats (Article 114(1) and 119 of Council Regulation (EC) no. 1782/2003):

- The NRDP foresees the support for investments in these sectors through Measures 121 “Modernization of agricultural holdings” and 123 “Adding value to agricultural and forestry products”, while the support schemes foreseen by Articles 114 (1), 119 and 132 of Council Regulation EC no. 1782/2003 regard the support for production.

Beekeeping (Article 2 of the Council Regulation (EC) no. 797/2004):

- Investments in the beekeeping sector are eligible through NRDP, through Measure 121 “Modernization of agricultural holdings” except the ones made through Pillar I and foreseen in the National Beekeeping Programme for 2007-2009. Within Measure 123 “Adding value to agricultural and forestry products”, the investments eligible are the ones regarding the processing, collecting and marketing of apiculture products, while through the Common Market Organization there are not eligible investments for this sector.

The National Beekeeping Programme for 2007-2009 comprises the following measures: control of varroasis and measures to support the restocking of hives. The reason for activating only two measures foreseen by Article 2 of Council Regulation EC no. 797/2004 is the following:

During 2000-2006, the Romanian beekeeping sector has been supported through 2 forms of support, granted from the state budget:

1. for maintaining, conserving and perpetuating the genetic patrimony of the bee families;
2. for the production of honey delivered to a sanitary-veterinary authorized processing unit.

During the period mentioned, the support from the state budget for the beekeeping sector has been raised up to approximately 5 million Euro.

Through the implementation of the SAPARD Programme, the European as well as the Romanian one, 263 investments projects in apiculture were realized, through Measure 3.4, totalling almost 8 million Euro.

Within the investment projects, 35-45% of the eligible expenses represented the acquisition of biological material and 55-65% the acquisition of beehives, specialized equipments and tools for apiculture.

Following the investments made for developing this sector, the experience acquired by the PARDF’s specialists regarding the verification of the projects as well as the fact that the beekeepers want to continuously endow the beehives, it has been decided that the financing of the investment projects to be made, totally, through EAFRD, respectively Pillar II.

Sugar (Council Regulation (EC) no. 320/2006):

- The Paying and Intervention Agency for Agriculture unrolls the Programme for Restructuring the Sugar Industry, having as purpose the set up of an restructuring help which will lead to the desertion of the sugar production applying the quote and to the elimination of the respective quotas, which will permit, at the same time, to take into account the social and environmental agreements regarding the desertion of the production. The support should be available over 4

years of marketing, thus obtaining a decrease of the production, sufficient to reach an equilibrate situation of the market in the Community.

- Through NRDP, investments through Measure 123 “Adding value to agricultural and fishery products” can be made by the enterprises that process the sugar beet, with the condition of holding a quota.

Direct Payments (Article 42 (5) and 69 of the Council Regulation (EC) no. 1782/2003):

- Romania implements, starting with 2007, the **Single Area Payment Scheme (SAPS)** which will contribute to a competitive, sustainable and market oriented agriculture. Thus the farmers receive subsidises granted by EU if the eligibility conditions are observed. Granting SAPS is conditioned by the observance of GAEC (Good Agricultural and Environmental Conditions). These requirements apply also to some actions supported through Pillar II which have as objective the financial support in the less favoured areas (LFA), the agri-environment practices appliance and the observance of the managing plans from the areas of community interest protected, Natura 2000. The non-observance of GAEC leads to the decrease of the support conditioned by these requirements. The improvement of knowledge regarding the Good Agricultural and Environmental Conditions is being ensured, also, through vocational training, information actions and diffusion of knowledge, as well as through the use of farm advisory and extension services, measures supported through the second Pillar.
- **The Complementary National Payments** are also introduced from 2007 and this kind of payments is **being added to the SAPS**. The difference is given by the fact that the Complementary National Payments are being paid by the Romanian state, from the Ministry’s budget. The Complementary National Payments are given on the arable surface, respectively head of animal, according to the European model.

5.2.6. Ensuring the data accuracy

In order to justify the consistence and plausibility of the payments foreseen through Measure 214 “Agri-environment payments” and 221 “First afforestation of agricultural lands”, in accordance with the provisions of paragraph 2, Article 48 of the Commission Regulation EC no. 1974/2006, a corresponding expertise has been ensured by independent research institutes.

For Measure 214 “Agri-environment payments”, the correctness of the data used for making the computations of the compensatory payments is ensured by the “Grassland Research and Development Institute Brasov” (GRDI Brasov) and the “Agricultural Research and Development Institute Fundulea” (ARDI Fundulea). These institutes are independent research-development units within the Academy for Agricultural and Forestry Sciences “Gheorghe - Ionescu Sisesti” – the principle coordinator of Romanian agricultural research.

GRDI Brasov is the most important research institute in the grassland field from Romania, its activity being carried on for a long time, until now. MARD maintained a strong collaboration with this institute concerning the elaboration of the agri-environment requirements comprised by the grassland conserving packages, as well as regarding the computations of the compensatory payments for these packages. GRDI Brasov, calculated these compensatory payments, ensuring thus the full consistence and plausibility of the payments.

ARDI Fundulea is recognized as the most important agricultural research unit from Romania. This institute made the computation of the compensatory payments for the package regarding the soil and water protection (“green cultures”) on the basis of the technical-economical data, ensuring the full consistence and plausibility of the payments.

For Measure 221 “First afforestation of agricultural lands”, the consistence and plausibility of the computations in what concerns the income losses from the agricultural activities is ensured by the Institute for Research-Development for Pedology, Agrochemistry and Environment Protection. The setting up and maintenance costs for a period of 5 years are being grounded by the Research and Forestry Arrangements Institute. These are independent institutes.

5.2.7. Ensuring the measures' correspondence in the case of using subsidized interests, resulted capitalization system, as well as in the case of financial actions, with the secondary EU legislation

In Romania there are three non-banking guaranteeing funds (non-banking financial institutions), respectively: the Guaranteeing Fund for Rural Credit (GFRC) – IFN S.A., the National Fund for Guaranteeing the Credits for SME's (NFGCSME)- IFN S.A. and the Romanian Fund for Guaranteeing the Credits for SME's (RFGCSME)-IFN S.A.

As results from the analysis and the lessons learned from the previous period, the potential beneficiaries confront themselves with difficulties regarding the accessing of the financial resources necessary for co-financing and pre-financing of the projects. Such difficulty is determined by the lack of guarantees and the reticence of the banks regarding the financing of the agri-food sector. For correcting these deficiencies of the credit market, the Romanian government elaborated public intervention schemes like: the Farmer Programme or the taking over/decrease of the risk through the credit guaranteeing schemes through guaranteeing funds capitalized with public resources.

The legislative package, for the crediting and guaranteeing of the investments, which is in force until 2009, especially for assuring the co-financing of the projects implemented from SAPARD fund, named the "Farmer" Programme, represented the main instrument for increasing the absorption of the pre-accession funds.

These aid schemes will continue until the end of 2009, when the validity period ends. From 2010 the programme will be amended and financial engineering operations supported through EAFRD as guaranteeing schemes will be introduced, in order to replace the current schemes.

The exact content of these schemes, the financial resources allocated from EAFRD and the details regarding their implementation will be introduced through an amendment of the programme in 2010.

The co-financing through EAFRD will be oriented towards covering the expenses determined by the operations made in order to support the **guaranteeing funds and the credit funds**, as well as other funds mentioned in the Commission Regulation EC no. 1974/2006, this being in accordance with Articles 50-52 of this Regulation.

When the support is being granted within the programme and for the guaranteeing funds, the total support given to a beneficiary can not surpass the quantum foreseen by the measure.

5.3. Information required for axes and measures

5.3.1. Axis 1: Improving the competitiveness of agricultural and forestry sector

5.3.1.1. Measures aimed at promoting knowledge and improving human potential

Measure	Vocational training, information actions and diffusion of knowledge
Article which covers the measure	Articles 20 (a) (i) and 21 of Regulation (EC) no. 1698/2005. Point 5.3.1.1.1 of Annex II of Regulation (EC) no. 1974/2006
Code of the measure	111

Rationale for intervention

The agricultural and forestry sectors in Romania constitute an important factor for the rural area for both agricultural and forestry productions, as well as for the landscape quality preservation and environment protection. A significant part of the active rural population, about 2.9 million, is engaged in these sectors.

Thus, the evolution and specialization in agriculture and forestry require an adequate level of technical, economical and juridical training, including expertise in new informational technologies, to correspond to the Community requests in phytosanitary, animal welfare and quality standards fields, thus encouraging the mobilisation of rural population and the improvement of local diversity in order to increase the attractiveness of rural areas, the diversification of rural economy and the quality of life.

The level of education of the rural population aged between 25 – 64 years has registered an increased tendency of the percentage of persons with middle and higher education from 46.3% in 1998 to 52.1% in 2003, partially because of the growth rate of participation in the educational or training process of the individuals with ages between 25 – 64 years from the rural area, from 0.2% in 1998 to 0.3% in 2003.

The active population structure from the rural area classified on activity sectors and the educational level achieved:

(%) 2003							
Level of education /activity sector	Upper	Post high school and foremen schools	High school	Professional school and apprenticeship	Gymnasium	Primary	No school
Agriculture	0.6	0.5	9.4	18.0	45.3	21.1	5.1
Forestry	3.4	3.5	26.0	30.7	32.6	5.0	0.8

NIS 2003

The requirement for vocational training activities emerges in the context related to increasing competitiveness and diversifying products and activities in agricultural and forestry domains, to restructuring and modernisation of the agricultural and forestry sectors, of the processing sectors and of commercializing agricultural and forestry products, to encouraging the market oriented businesses and in particular to the requirements for a wide range of economical and management skills. It also relates to achieving the objective of sustainable land management and environment protection by using technologies which are friendly to the environment and renewable energies.

It is therefore necessary to further involve adult people dealing with agricultural, forestry and food sectors, in activities related to vocational training, information and diffusion of knowledge.

The vocational training, information and diffusion of knowledge activities are also necessary in less favoured areas from the natural point of view, where carrying on the agricultural activities contributes significantly to maintaining the rural area viability.

The support granted under this measure will facilitate access to other measures of the National Rural Development Program, in particular those set out in Axis 1 – Improving the competitiveness in the agricultural and forestry sectors, and Axis 2 – Improving the environment and the countryside. Also, the access to the measure for the setting up of young farmers is conditional on written proofs justifying professional skills, which may also be acquired through the participation of the potential beneficiaries in training courses financed in accordance with this measure.

Together with the measure 143 – “Providing farm advisory and extension services” - the support granted by this measure will increase the level of knowledge, information and education of people working in agricultural, forestry and food sectors. It will, also, facilitate the access of some investment measures for the young farmers.

In the forestry sector, following the modifications occurred after the restoration of the property right on forests, the structure of the property within the forestry fund has registered an accentuated change through the reduction of the surfaces owned by the state. Thus, it is estimated that the surface of forests - private property and local public property - will be of approximately 65% from the national forestry fund. The aim is to create associations of forests’ owners or to unite the forest properties, with the object of stopping this phenomenon and practicing a sustainable management of these surfaces.

Consequently, to ensure the sustainable management of forest which is one of the main objectives of the national forestry policy, it is necessary to apply this measure to improve forests’ management in order to increase their economical, ecological and multifunctional values.

It is therefore necessary to further involve all adult people involved in agricultural, forestry and food sectors, in activities of vocational training, information and diffusion of knowledge. Vocational training activities cover aspects within the framework of both objectives: competitiveness of agricultural, forestry and food sectors, as well as improvement of sustainable land management and environment protection.

Taking into account the needs for vocational training, the Ministry of Agriculture and Rural Development, is currently drawing up the policy on improvement of information and training of people dealing with agricultural, food and forestry sectors. Information and vocational training are dealt with by specialised institutions of the MARD (NAAC - National Agency for Agricultural Consulting; TICDC – Training and Innovation Centre for Development in the Carpathians) and of other public authorities as well as by private providers. The total number of trained people during 1998 – 2005, was:

- NAAC, 35,538 trained people;
- TICDC – Vatra Dornei, 2,288 trained people.

According to the data provided by NCAVT (National Council for Adult Vocational Training, <http://www.cnfpa.ro>) in Romania are, at this moment:

- 10 vocational training providers authorised to offer initiation courses in agriculture,
- 18 vocational training providers authorised to offer perfecting courses in agriculture,
- 12 vocational training providers authorised to offer specialization courses in agriculture.

The implementation of this measure which provides support for participation in training, information and diffusion of knowledge activities, will comply with the Strategies of Lisbon and Göteborg, which target the renewal of European competitiveness, increasing its development potential such as productivity and consolidation of social cohesion, focusing on knowledge, innovation and capitalization of human potential.

Objectives of the measure

General objective:

To improve competitiveness in agricultural, forestry and food sectors; the sustainable use of agricultural land and environment protection by training, information and diffusion of innovative knowledge activities for adults who are active in the specified areas.

Specific objectives:

To acquire relevant information and knowledge that will ensure the sustainable management of both agricultural and forestry land, will improve management quality at farm level, restructuring and modernisation of the processing sectors and in commercializing agricultural and forestry products, and of the social conversions thus contributing to the improvement of living conditions and decrease of unemployment in rural areas.

To improve and develop the necessary competencies for persons involved or that will be involved in forestry activities to practice a sustainable management of forests in order to increase the forestry surfaces, wood processing and efficient capitalization of forestry products.

The **operational objectives** comprise activities that will contribute to:

- a) The improvement of the general technical and economical knowledge that is specific for agriculture, forestry and food sectors;
- b) The general training for farm management and administration;
- c) Observing the cross-compliance conditions and Common Agricultural Policy Standards, diversification or restructuring of farm production (bringing in new products and processing systems);
- d) Raising farmers' awareness on the general environmental problems in agricultural, forestry and food sectors to improve the environment protection;
- e) Education and raising the awareness of forest holders (acquiring the forestry self-awareness) aiming at ensuring the sustainable management of forests alongside with the efficient use of forest resources and increasing the percentage of forests at national level which represents the main objectives of the national forestry policy;
- f) Informing about the introduction of new informational and communicational technologies (IT).

The provision of vocational training actions, as well as information and diffusion of knowledge actions will be carried out for each farmer, on the basis of his agreement without any discrimination based on age, gender, race, ethnic origin, political or religious affiliation etc.

Scope and actions

The measure is meant to support:

1. Short term vocational training programmes (initiation, perfecting and specialisation courses) with different training periods, depending on the course theme, target group and the existent level of training of vocational training applicants (final beneficiaries) to improve and perfect the knowledge on managerial and technical competencies in agricultural, forestry and food sectors, for introducing new technologies and innovations, environment protection and organic farming, knowledge and observance of the cross-compliance conditions, etc.
2. Information and diffusion of knowledge actions regarding the support schemes of CAP, the implementation methods of rural development measures.

The activities provided within this measure are collective, not individual.

Beneficiaries

The final beneficiaries are adult people involved in the agricultural, forestry (including forest owners) sectors and agri-food industry.

The direct beneficiaries, providers of vocational training, information and diffusion of knowledge activities, are public or private authorities who are active in the field of vocational training for adult people and/or the field of information and diffusion of knowledge and that meet the eligibility and selection criteria.

Description of the operations (including types of training)

1. Financial support granted for vocational training programs may include actions from agricultural, forestry and food sectors, such as:

- a) Diversification of activities in agricultural holdings, improvement of production quality, hygiene and food safety, setting up conditions to ensure animal welfare and plant health, safety at work, use of fertilizers in agriculture in compliance with the European Union standards;
- b) Business improvement and encouragement;
- c) Improvement of knowledge on the environment protection;
- d) Technical training (new informational technologies, introducing innovations, dissemination of results of research and of sustainable management of natural resources etc);
- e) Sustainable management of farming and forestry lands;
- f) Developing innovative approaches in the agri-food chain;
- g) Assuming the requirements regarding the cross-compliance conditions and the application of production methods compatible with preserving and improving the landscape and with environment protection.

2. Financial support granted for the transport of farmers to different thematic meetings, fairs, exhibitions, successful projects, events that can contribute to informing farmers on, for example, the new technologies applied in different sectors; or for exchange of experience actions etc.

The list of actions presented at point 1 and 2 is not exhaustive.

Details on coverage of support

The following costs are eligible for financial aid:

- a) Costs related to preparation and development of different vocational training actions:
 - Fees for trainers,
 - Daily allowances for trainees,
 - Transport expenditures,
 - Teaching materials and consumables,
 - Other expenditures related to the development of vocational training actions.
- b) Costs related to different types of information and diffusion of knowledge actions:
 - Transport expenditures,
 - Information materials,
 - Other expenditures related to the development of information and diffusion of knowledge actions.

All these expenditures must be reasonable, substantiated and to correspond to the principles of a good financial administration, particularly from the point of view of price – quality report and profitability.

Non-eligible costs:

- i. Costs related to training activities or courses that are part of the normal programmes or systems of agricultural and forest education of secondary or upper level, including qualification courses;
- ii. Costs for investments;
- iii. Costs for training activities with support from the European Social Fund.

Definition of bodies providing the vocational training, information and diffusion of knowledge actions

The providers of vocational training and actions of information and diffusion of knowledge shall be public or private authorities active in the related field set up according to the legislation in force in Romania and which meet the eligibility and selection criteria.

Thus, the providers of vocational training, information and diffusion of knowledge may be:

- Public entities:
 - NAAC, TICDC;
 - Educational entities: agricultural, forestry or food high-schools and colleges.
- Private entities – legal entities that have proficiency in agricultural, forestry or food sector according to the objectives of the measure.

Evaluation and selection of vocational training, informing and diffusion of knowledge providers

The evaluation and selection of vocational training, informing and diffusion of knowledge providers will be done based on a procedure drawn up by the GDRD – MA for NPRD in compliance with Government Emergency Ordinance no. 34/2006 regarding the award of public procurement contracts, public works concession contracts and services concession contracts with the subsequent modifications and completions, fully in line with the community legislation regarding the public procurements.

The vocational training, informing and diffusion of knowledge needs identified and the funds necessary for covering them will be comprised into an annual public procurement programme drawn up by the GDRD – MA for NPRD, on the bases of which the contract notices will be elaborated.

The instrumentation (application) of the evaluation and selection procedure of the vocational training, informing and diffusion of knowledge providers will be carried out by GDRD – MA for NPRD and by DARD depending on the project value.

The procedure applied by GDRD, MA for NPRD and by DADR stipulates the criteria of eligibility for the vocational training, informing and diffusion of knowledge providers and the selection criteria of the technical offers submitted by the providers.

The **eligibility criteria** for the vocational training, informing and diffusion of knowledge providers:

- To be legal persons set up according to the Romanian legislation in force;
- The vocational training or informing and diffusion of knowledge activities are foreseen as their object of activity;
- To have qualified staff (for each action field the vocational training, informing and diffusion of knowledge provider will submit: the experts' list specialized on that field, the written agreement of each expert for the involvement in the vocational training, informing and diffusion of knowledge service, the CV of each expert);
- To have access to administrative facilities according to vocational training or informing and diffusion of knowledge activities;
- To have technical and financial capacity necessary to carry out vocational training or informing and diffusion of knowledge activities;
- The provider is not bankrupt or under liquidation procedure;
- Has fulfilled his obligations relating to the payment of taxes to the state, as well as the obligations relating to the payment of social security contributions to the state budget.

Selection criteria for the offers of eligible providers:

The awarding of the service contract will be made based on the best score obtained following the application of the selection criteria for the offers of the eligible providers which refers to:

- Characteristics regarding the quality and technical level (understanding of needs, number of experts, experts experience, the logistic used in project implementation, etc.)
- Timetable of activities;
- Financial offer.

Prioritization criteria for the participants at vocational training activities in the agricultural field

The Terms of reference will specify the prioritization criteria, applied depending on the training topics, based on which the vocational training, informing and diffusion of knowledge providers will select the final beneficiaries. These criteria are applied if the number of final beneficiaries identified exceeds the initial number stipulated in the Terms of reference. The following criteria can be taken in consideration depending on the training topic:

- To have at most 40 years;
- To be semi-subsistence farmer;
- To be a member of a producers' group or other associative forms recognized according to national legislation into force;
- To have an investment project;
- To have the farm in a less favoured area;
- To be beneficiaries of the Axis I and II measures;
- To have a low level of education.

In forestry and food industry sectors, the participants to the training will be selected based on the "first-come first-served" principle.

Vocational training, informing and diffusion of knowledge services offered by the selected providers will be monitored and evaluated through specified instruments, such as:

- a) Periodical activity reports;
- b) On the spot check / direct observation of the activities developed by the vocational training, informing and diffusion of knowledge provider;
- c) Fill in questionnaires by the trained farmers regarding the quality of the services provided;
- d) Analyse of the documents elaborated (reports, recommendations, etc. according to the vocational training topic) within the project / activity etc.

Rate of support

Public aid granted within this measure is of 100% from the total eligible expenses according to the Annex to Council Regulation (EC) no. 1698/2005.

The final beneficiaries will not support any taxes to participate to the activities sustained by the measure.

Demarcation with other EU financial instruments (ESF)

The development programme for human resources financed by the **European Social Fund** - „Training activities aiming at encouraging the persons performing agriculture or subsistence agriculture towards other non-agricultural fields”. The Sectorial Operational Program for Human Resources Development shall finance only non-agricultural vocational training for the people dealing with agriculture or subsistence agriculture, aiming to encourage them towards the services sector.

Moreover, guidance, advice and training will also be promoted in the field of entrepreneurship and non-agricultural activities.

Financing

Total costs: 119,019,349 Euro

Public costs: 119,019,349 Euro.

Transition arrangements

Not applicable.

Quantified targets for EU common indicators

Type of indicator	Indicator	Target 2007-2013
Output	Number of participants:	407,548
	- Number of participants in vocational training activities	134,679
	- Number of participants in information and diffusion of knowledge activities	272,869
	Out of which:	122,264
	• Women;	203,774
	• Young people less than 40 years.	
	The type of participants:	372,548
	• Active in agriculture	15,000
	• Active in food industry	20,000
	• Active in forestry	
	Total number of training days attended by all participants (one day is equivalent with 8 hours):	1,324,624
	- vocational training	1,051,730
	- information and diffusion of knowledge	272,894
Result	Number of participants:	326,038
	- that have finalized successfully the training;	107,743
	- that benefited by information and diffusion of knowledge actions.	218,295
	Out of which:	97,811
	• Women;	163,019
	• Young people less than 40 years.	
	The type of participants:	298,038
	• Active in agriculture	12,000
	• Active in food industry	16,000
	• Active in forestry	
Impact*	Increment of labour productivity	Increased annually with 8%

* the value of the indicators was calculated at Axis level, in accordance with the guidelines from CMEF.

Additional indicators

Type of indicator	Indicator	Target 2007-2013
Result	Number of farmers that have applied for the agri-environment scheme and have attended one vocational training module or have participated at information actions.	40.000
	Number of beneficiaries that have attended one training module on environment protection.	30.000
	Number of beneficiaries that have attended one training module, eligible for measure 112 "Setting up of young farmers"	10.000
	Number of beneficiaries that have attended one training module, eligible for measure 114 "Supporting semi-subsistence agricultural holdings"	70.000
	Number of beneficiaries that have attended one training module on new informational technologies, introduction of innovation, etc.	30.000
	Number of beneficiaries that have attended one training module on diversification of activities in agricultural holdings, improvement of production quality, hygiene and food safety, setting up conditions to ensure animal welfare and plant health, safety at work, use of fertilizers in agriculture in compliance with the European Union standards.	60%

Measure	Setting up of young farmers
Legal basis	Articles 20 a (ii) and 22 of Regulation (EC) no. 1698/2005 Articles 13 and Annex II point 5.3.1.1.2 of Regulation (EC) no. 1974/2006.
Code of the measure	112

Rationale for intervention

Statistical data in the NSP and the National Reform Plan emphasise the fact that a relatively high percentage of young people aged between 24 and 44 are occupied in agriculture. This situation is brought on by the fact that young people have no other income sources and they stay in their native communities to help with farming works.

An important element to underline here is that the ratio of employees in farming workforce is relatively low, of about 6%. The highest ratio is that of self-employed (51.6%) and unpaid family workers (42.0%). These two categories generally include “other family members” including young people under 35 year old (NSI, 2005).

Analysing the age structure of farm managers for individual households larger than 1 ESU, one can see that a very large share, of 71 %, are aged 55 and above, compared to 25% between 35 and 55 years and youths under 35 only 4 %. (EUROSTAT, 2005)

The aging trend of farm managers is also obvious for legal entities (under 35 only 11%, over 45 - 66%) (NSI, 2005). The ratio of farms run by young people under 35 has been decreasing during 2003-2005, from 9% to 7%, also reflecting a lower occupation rate in farms for this age group, about 4.5% in Romania, as against 8.3% for EU-27 (EUROSTAT, 2005). As opposed to the general situation at the Community level, the area of farmland used by youths under 35 in Romania is a lot lower than that used by the other age groups. (EUROSTAT, 2005)

Young farmers (below 40) account for only 10% of the total farmers’ population and operate 10% of the UAA. At the other extreme, farmers beyond retirement age (over 65 years old) account for 43% of all farmers and operate 31% of the UAA. Farmers who will be past retirement age by the end of the programming period (aged 55-64 in 2005) represent another 22% of farmers and 24% of UAA. Half of the land held by subsistence farms is operated by heads of holdings past retirement age, while another 20% is held by farmers who, by the end of this programming period, will be close to or past retirement age. Together, these two groups use 32% of Romania’s UAA. Nearly half of the semi-subsistence holding managers are beyond the retirement age and practise farming on about 40% of the land in that segment. In contrast, only 1% are younger than 34years old, while another 7% are 35-39 years old. The old age problem is much less pronounced among larger commercial farms. As the highest ratio of occupation in farming covers the age group 40 to 55, if no renewal measures are taken, the ratio of farm managers aged above 65 is going to increase significantly over the next period.

This trend is manifest throughout the rural areas and is likely to risk future farming activities, having negative effects over the economy, culture, landscape and Romanian folk traditions.

As for the education level, young farmers are better qualified than older farmers as evidenced by the growth in the number of graduates in upper agricultural education between 2000 and 2005, i.e. over 5 times higher.

The renewal of farm managers’ generation becomes a need for agricultural sector, as it will also bring on improved competitiveness and a better social life for rural communities. The young generation of farmers finds it easier to cope with the requirements of society in terms of farming, and the rules of the Common Agricultural Policy: food safety, hygiene and animal welfare, diversification, high quality local products, awareness of the role played by agriculture in mitigating climate changes (use of renewable energy, biodiversity, lower carbon dioxide emissions), job creation and economic growth in rural areas, awareness of the negative effect of farmland abandonment. Young farmers also

promote a wider range of activities (rural tourism, conservation of traditions and the cultural heritage) and take part in local associations.

Objectives of the measure

General objectives

- Improving and increasing competitiveness of the agricultural sector by promoting the setting up of young farmers and supporting the process of modernization and compliance with the requirements for environmental protection, hygiene and animal welfare, safety at work.
- Improving management of farms by renewing the managers generation, without increasing of overall active farming population.

Specific objectives

- Increasing incomes of the holdings managed by young farmers.

Operational objectives

Increasing the number of young farmers which take up farm management for the first time and encouraging young farmers to invest.

Scope and actions

The support granted through this measure aims at:

- a) Improving the management of the agricultural holding;
- b) Improving the overall performances of the agricultural holding;
- c) Adjusting production to the market demands;
- d) Observing the Community rules, especially the cross-compliance requirements, the labour safety, environmental protection and sanitary- veterinary requirements.

The provisions of this measure will be implemented on the entire Romanian territory.

Type of beneficiaries

The financial support for this measure shall be granted to natural persons, who fulfil, at the moment of applying, the following conditions:

- a) are under 40 years, who are setting up for the first time on an agricultural holding as head of the holding,
- b) possess or making a commitment to acquire¹⁶ relevant vocational skills in connection with the activity they are about to develop,
- c) submit a business plan for the development of farming activities,
- d) to demonstrate a background of farming activities at least 12 months before the date of application, under this measure.

¹⁶ According to Art. 13 (1) of Regulation (EC) no. 1974/2006, a young farmer benefiting of set-up support may be granted a grace period which shall not be longer than 36 months of the date when the individual decision for aid provision was adopted, in order to allow the young farmer comply with the requirements of Art. 22 para. (1) let. b of Regulation (EC) no. 1698/2005 regarding professional training and/or competence acquired if they need a period of adjustment or restructuring, as specified in the Business Plan.

The minimum education level required is:

- high school or vocational school graduate/ schools in the field of agriculture, veterinary, economic with agricultural profile;
- high school graduate who presents a certificate for the training or a certificate of graduating a minimum 150 hours course in the agriculture field.

An agricultural holding may be granted by this measure only one time.

Financial support shall not be granted under this measure to beneficiaries not having an ownership document or a renting/concession contract on behalf of oneself, excepting husband or wife. In this latter case, only one member of the family can be supported, even if both of them meet the conditions for support under the measure.

Definition of setting-up

The setting up of young farmers is the activity of setting up and/or taking over by transfer the property and/or tenancy/or concession of an agricultural holding of 6-40 ESU, for the first time as head of the holding.

Definitions:

- **An agricultural holding** is a technique-economical entity operating under single management and having farming activities and/or animal breeding activities as object of activity.
- **The agriculture holding manager** is that individual managing the farm and taking economic risks (may be a natural person or single owner).
- **An Economical Size Unit (ESU)** represents the unit expressing the economical size of a agricultural holding, established on the basis of the exploitation gross standard margin (EEC Decision no. 85/377). The value of an ESU is of 1,200 Euro.

Lease contracts must be signed for at least 5 years.

The holding has to be registered in the Farms Register before the application for the support.

The young farmers benefiting of support under this measure must enrol, within the first 3 years of getting the support, in professional training courses provided by Measure 111 „*Vocational training, information and diffusion of knowledge*”, for at least one of the following areas: agriculture farm management, farm accounting, environmental protection, organic farming etc.

Selection criteria for measure beneficiaries:

- To own a semi-subsistence holding;
- To own a farm in an less favoured area ;
- To own the farm;
- To be part of an associative structure, recognised by law in force;
- To access an agri-environment measure.

All the eligible projects will be scored according to the above-mentioned selection criteria.

The selection system is provided in Subchapter 5.2.4 “The selection procedure”.

Summary of the requirements of the business plan

In order to grant a support within this measure, the business plan shall contain:

- A brief description of the current situation;
- The objectives of restructuring;
- Detailed description of the necessary investments in order to reach the objectives, including technical data, designed section, permits and authorisations;
- Required management changes;
- Required professional training;

- Type and quantity of products obtained during and after the restructuring, including market opportunities;
 - Proof of the future economic viability: costs, revenues and expenditures;
 - Environmental elements;
 - Assessment of the main risks;
 - Restructuring schedule, including objectives and stages.
- The business plan must include details about the investments to be realised, by demonstrating that at least 30% of the support granted shall be invested aiming the compliance with the Community standards, the modernization and developing of the holding, thus:
- Construction and/or modernization of buildings used for agricultural production at farm level, including the buildings for environmental protection;
 - Purchase or leasing acquisition of new tractors, harvesters, machines, equipments, installations, specialised equipment and software;
 - Acquisition of animals and, eventually, of production quota;
 - Planting and replanting of perennial plants;
 - Purchase of land for agricultural activities.

The business plan must include all the details regarding the investments to be realised both by the support granted within this measure and/or also by accessing the Measure 121 “Modernization of agricultural holdings”. The business plan drawing up may be supported by Measure 143 “Providing farm advisory and extension services” and represents a document in proof in order to access the Measure 121 “Modernization of agricultural holdings”. The beneficiary must include in the business plan details about the support he intends to get also by other measures of the National Rural Development Programme.

Compliance of the first stage with the business plan will be assessed by the Paying Agency for Rural Development and Fishery no later than 3 years from the date of approval of the individual support for setting up of young farmer and the whole compliance not later than 5 years from the date of adopting of the individual support for setting up of young farmer. If it is noticed at the evaluation stage that the applicant did not comply with the business plan, except for the situation in which the lack of observance was caused by reasons outside the applicant’s will, defined as *force majeure*: floods, long lasting drought, storms etc., when it is necessary to draw up records by the specialised local committees, built for this purpose, the Paying Agency for Rural Development and Fishery will recover the support under conditions which will be later defined.

The business plan must include investments, including through Measure 121 “Modernization of agricultural holdings” in order to observe the Community standards in force, thus the grace period to meet the standards will not be longer than 36 months after the setting up.

The individual support decision shall be made within maximum 18 months of the setting up date (the date when they took over/set up the holding).

Use of the possibility to combine different measures through the business plan giving access to these measures for the young farmers

In compliance with Article 13 (5) of Regulation (EC) no. 1774/2006, if the business plan contains information regarding the access to other rural measures of NRDP, this plan must be sufficiently detailed to support an application for support under those other measures. Thus, young farmers may access the measures regarding professional training and advisory services. A young farmer may also access the measure referring to the modernization of agricultural holdings, as the case may be.

Amount of support

The support for the setting up of young farmers will be granted as a premium, in two instalments.

The beneficiary must demonstrate, at the time of the last check, that the size of the farm is over 10 ESU and has increased with minimum 4 ESU from the date of the individual decision for support for setting-up of young farmer.

The set-up support is of 10,000 Euro for a farm of at least 6 ESU, and for larger farms the set-up support may increase by 2,000 Euro/1 ESU, without topping the amount of 25,000 Euro/holding.

The method of payment.

The support for setting up shall be granted in two payment instalments:

- First instalment shall be paid at the time of the approval of application for support by the PARDF, amounting to 60% of the setting-up support;
- Second instalment - 40% of the setting-up support- shall be paid upon compliance with the activities set out in the first stage of the business plan, including compliance with Community standards. Checking up the conditions for the second instalment shall not exceed 36 months of the approval of the support application by PARDF.

The recover of the first instalment shall not be asked if the young farmer doesn't comply the actions set-up in the business plan at the date of checking-up, as a cause of a force majeure situation, and the second instalment will not be paid in this case.

The young farmers have to return the whole amount of money received if they cease the agricultural activity earlier of 3 years from the date of submission for the second instalment.

Financing

The financial allocation of the measures for the period 2007-2013 is:

Total costs: 337,221,484 Euro

Public costs: 337,221,484 Euro **Transition arrangements**

Not applicable.

Correlation with other measures of the EARDF and other funds

The support granted for this measure is complementary to the activities set out in other measures of Axis I (111 "*Vocational training, information actions and diffusion of knowledge*", 121 "*Modernization of agricultural holdings*", 125 "*Improving and developing infrastructure related to the development and adaptation of agriculture and forestry*", 141 "*Supporting the semi-subsistence agricultural holdings*" and 143 "*Providing farm advisory and extension services*") and of Axis II.

The support granted by this measure is complementary to the activities included in other Funds:

European Social Fund (ESF).

Quantified targets for EU common indicators¹⁷

Type of indicator	Indicator	Targets 2007-2013
Output	Total number of assisted young farmers	13,631)
	• Of which women	1,636
	• According to the type of agricultural sector/ production type in compliance with Regulation (EC) no. 369/2003*	
	Total amount of investments (Euro)	404,256,166

¹⁷ The indicators have been calculated on the basis of the real financial allocation, excepting the allocation corresponding to measure 113, measure foreseen to be implemented starting with 2010. \

Result	Growth in gross value added in assisted holdings (million Euro)	135
Impact**	Economic growth - (million Euro)	2,483 108
	Of which: measure 112 contribution:	
	Growth of labour productivity	Annual growth with 8%

*)Note: According to Regulation (EC) no. 369/2003 regarding the principal type of farming – TF 8 Grouping:

1. Agricultural sector contains:

- Field crops (cereals, oilseed, protein crops, technical crops, root crops)
- Horticulture (garden vegetables, flowers and ornamentals, mushrooms)
- Wine (vineyards and grapes)
- Permanent crops (fruit)
- Animal breeding - mainly dairying
- Animal breeding - mainly non-dairy grazing
- Granivores (pigs and poultry)
- Mixed livestock (mixed dairying and rearing/field crops and livestock)

2. Type of production contains:

- Agricultural bio products
- Agricultural conventional products

** The indicator value was calculated at the axis level.

5.3.1.2. Measures aimed at restructuring and developing the physical potential and promoting innovation

Measure	Modernisation of agricultural holdings
Legal Basis	Articles 20(b) (i), 26 of Regulation (EC) no. 1698/2005, Article 17 and point 5.3.1.2.1. from Annex II of Regulation (EC) no. 1974/2006, Article 34 and Annex VIII, section II (1) and (2) of the Treaty regarding Romania's Accession to the European Union
Code of the measure	121

Rationale for intervention

The restitution of agricultural land towards private ownership started in Romania in 1991 and it continued in successive steps so that by 2005 more than 96% of agricultural farm land owned by state farms had been given back to the owners.

The excessive fragmentation of ownership in agriculture and **the reduced degree of association** have lead to a dualism, represented on one hand by the great number of subsistence and semi-subsistence farms and on the other hand by the reduced number of commercial holdings fully present on the market. Out of the agricultural used land, the subsistence farms have 45.24 %, semi-subsistence farms¹⁸, 16.09 % and commercial holdings, 38.67 % (*National Institute of Statistics, 2005*).

For major crops, yields are unstable and well below potential. Roughly two thirds (69%) of the cultivated area (*NSI, 2006*) is represented by cereals, mostly wheat and maize. During 2000-2005, the obtained yield only reflects 40% of the wheat or 39.4% and the maize agronomic potential.

Technical crops – mostly oilseeds – occupy the second largest share of the cultivated land (14.4% in 2005), after cereals. Oilseed production was equally subject to major variation over the transition period. However, recent years have been marked by growing instability in terms of output and yields.

As far as vineyards are concerned, the surfaces cultivated with noble grape vines during 1998 - 2005, decreased by 16%. The productivity level of the noble vines is only 30 hl wine/hectare, well below the EU average of 50 hl wine/hectare. The area cultivated with hybrid vines in individual households also dropped by 20% over the same period.

The area covered with orchards also follows a downward trend, falling by 15% between 1998 and 2005. Many fruit growers are challenged by a lack of finance for renewing fruit trees, for purchasing fertilisers, pesticides and machinery, for the renewal of irrigation systems and for the construction of adequate storage capacities. All these factors, impact on both the quality and quantity of the domestic fruit production.

On average, the surface dedicated to vegetables exceeded 260,000 hectares over 2000-2005, with a peak of 380,000 hectares in 2004. Despite fluctuations due to weather factors, the general trend is towards an increase in the surface cultivated.

Livestock numbers decreased sharply due to the dissolution or privatization of co-operatives and state farms which resulted in significant structural adjustments. Unable to use the buildings and the technical equipment of the former intensive production units, the small-scale farmers relied on animal breeding mainly for self-consumption. However, over the past years the livestock numbers have been relatively stable and also several signs of improvement have been noticed in this sector. The average technical endowment level in Romanian agriculture is insufficient, is not adapted to the variety of production conditions (type of soil, slope, climate, etc.) and cannot facilitate mechanical working

¹⁸ The semi-subsistence farm is the farm which mainly produces for itself but is also marketing a part of its output. The economic size of semi-subsistence farms may balance between 2-8 ESU, having in mind the justification presented in the analysis.

during optimal periods according to the technologies of culture. Furthermore, the physical capital has still a high degree of depreciation and obsolescence.

Even though, there is high agricultural potential, the crop diversification is not sufficient, especially for horticultural crops, energy crops, in the sector of animal breeding, of organic farming in order to meet the market requirements through diversification of production and improving the marketing activity.

Meeting the quality standards of agricultural products, the ones of environment protection, hygiene and animal welfare is a main objective especially for the animal breeding holdings.

During 2000-2006, through the measure 3.1 “Investments in agricultural holdings” of the SAPARD Programme, farmers received financial support of 259.07 million Euro. The support consisted in the purchase of tractors, highly efficient agricultural equipments and machineries, investments for modernization of technologies for obtaining animal breeding and agricultural products. Therefore, until the end of 2006, 629 stables and other agricultural buildings were constructed and modernized; 16 greenhouses having an area of 1.432 hectares were modernised and 71 new greenhouses having an area of 16.689 hectares were built; 8,713 equipments and machineries were purchased; 684.403 hectares of orchards and 952.540 hectares of vineyards etc. were set-up and modernized.

Following the investments undertaken with financial support offered during the pre-accession period, the commercial agricultural holdings have been able in a small extent to comply with the present market requirements. Thus, holding competitiveness needs further improvement, especially as regards the semi-subsistence holdings which, by means of undertaking investments in fixed assets and in the introduction of new and performing technologies, will lead to the transformation of a large number of such holdings into viable ones.

The strengthening of agricultural holdings will be done through support for the members of a recognized associative form, of young farmers, of agricultural holdings in less favoured areas and will have as effect the improvement of the incomes of agricultural holdings.

There is need for further acceleration in restructuring and modernization of the agricultural holdings, taking into consideration their economic, ecologic and social importance, with the aim of ensuring a competitive and sustainable agriculture which complies with the cross-compliance requirements.

Objectives of the measure

General objectives

Increasing the competitiveness in the agricultural holdings through a better use of human resources and production factors.

Specific objectives

- Introduction and development of new technologies and procedures, production diversification, adjusting the profile, level and quality of production to market requirements including the organic production, as well as in obtaining and using energy from renewable sources;
- Adaptation of holdings to Community standards;
- Income increasing of the supported holdings;
- Supporting the members of producer groups or of other associative structures with the aim of encouraging the association phenomenon.

Operational objectives

Promoting the investments in agricultural holdings, both in the vegetal and animal breeding sectors, for new buildings and/or the modernisation of existent agricultural buildings as part of the holding, as well as the connected utilities, the acquisition of new equipment and machines and the setting-up of plantations etc.

Scope and actions

Within this measure, support will be granted for investments aiming at holding endowment with performing equipment and machineries related to current agricultural structure, as well as for investments regarding the adaptation of agricultural buildings in order to meet Community standards and the increasing of the agricultural holdings competitiveness.

The purpose of the support covered by this measure is to:

- a) Improve the overall performance of the agricultural holdings;
- b) Meet the Community standards applicable to the type of investments stipulated in the Chapter “Types of investments”;
- c) Improve the quality of obtained products and diversification of agricultural production;
- d) Promote the sustainable production and use of renewable energy within the farm;
- e) Setting-up of forestry species with a short rotation coppice (under 5 years) and regeneration through vegetative way (offshoot, root sucker etc.), such as aspen, willow, acacia cultures etc., in order to produce renewable energy;
- f) Increase the competitiveness of agricultural products by promoting the processing of traditional products at farm level and their direct marketing.

The provisions of this measure shall be implemented on the entire territory of Romania.

Type of the beneficiaries

Authorised natural persons¹⁹, authorised family associations and legal entities with agricultural activity, constituted according to the legislation in force, except the subsistence holdings up to 2 ESU and the producers’ organizations from the fruits and vegetables sector for investments supported through Pillar 1.

The natural persons which have not been authorised will be accepted as beneficiaries if they commit to receive the authorization until the date of conclusion for the financing contract.

Producers groups and the cooperatives may be beneficiaries of the measure if the investments serve the own members’ interests

Description of the beneficiaries’ categories according to the legal basis for the establishment, organization and functioning will be provided in the Applicant Guide.

Minimum compulsory conditions for the support to be granted:

- a) The project shall observe conformity with the general objective of the measure and at least one of the specific objectives;
- b) The project shall be in line with the agricultural potential of the area²⁰ and demonstrate the improvement of the overall performance of the agricultural holding on the date of putting the investment into operation;
- c) The beneficiary or the legal responsible officer of the project shall demonstrate his professional background in line with the project;
- d) The beneficiary shall have the justificative report or the feasibility study;
- e) The beneficiary shall declare that he will ensure the co-financing of the investment;
- f) The beneficiary shall prove he will obtain all the sanitary-veterinary, sanitary, plant-health and environmental permits and authorisations, required for the achievement of investments within

¹⁹ The authorisation procedure of natural persons is simple and is carried out at local administration level. This procedure offers the legal frame to develop a commercial activity. The number of the authorised natural persons in agriculture will be known due to existence of the Authorisation Register.

²⁰ According to “Study for the determination of potential areas, geographical areas and standard gross margins, for the projects of Measure 3.1 *Investments in agricultural holdings* from SAPARD” –AAFS, RISSA and IAERD 2004.

the project. For all types of investments the potential beneficiaries must obtain the environment agreement according to the national legislation. In some situations stipulated by law, the environmental agreement must be compulsory accompanied by a study regarding the environmental impact, as stipulated at point 5.2. in NRDP;

- g) Regarding the agricultural products with a production quota, the beneficiary shall prove at the date when submitting the financing application that he is going to have a quota at the level of the investment to be carried out.
- h) The beneficiary must be registered in the Farm Register and/or in the Agricultural Register.

Priority sectors

Within this measure, the priority sectors are:

The vegetal sector: (i) vegetables, (ii) nurseries and plantations for fruit bearing trees and bushes, strawberries, (iii) field crops, (iv) vineyard nurseries and plantations for wine (excluding plantation and re-plantation and grapes for consumption).

Animal breeding sector: (i) dairy bovines, (ii) meat bovines, (iii) pigs, (iv) sheep and goats, (v) poultry in extensive²¹ systems and for eggs for consumption.

Selection criteria:

- agricultural holdings adapting to Community standards.
- priority sectors' holdings, ordered by the selection mentioned above;
- semi-subsistence agricultural holdings;
- the beneficiary is a member of an associative form which is recognized according to the national legislation in force;
- agricultural holdings that have not benefited from SAPARD/EAFRD support;
- organic vegetal and animal breeding holdings;
- projects that also have investments for processing agricultural products;
- agricultural holdings held by farmers under the age of 40 years at the date of project submission;
- agricultural holdings in less favoured areas;

All eligible projects will be scored in accordance with the above mentioned selection criteria.

The selection system is provided in Subchapter 5.2.4 "The selection procedure".

Description of standards

In the case of newly introduced Community standard, a period of grace not exceeding 36 months from the date on which the standard becomes mandatory for the agricultural holding, may be provided.

"The description of the Community standards in force" is presented in the Annex to the measure fiche.

In the case of young farmers receiving support provided for in Article 20 (a) (ii) of Regulation (EC) no. 1698/2005, support may be granted for investments to comply with Community standards in force, when identified in the business plan referred to in Article 22 (1) (c) of the above mentioned Regulation. The period of grace within which the standards need to be met, may not exceed 36 months from the date of young farmers setting up.

Description of the requirements and targets with regard to the improvement of the overall performance of the agricultural holdings

The support is granted for tangible and non-tangible investments that lead to the improvement of the overall performance of an agricultural holding and that meet both the national and the EU standards.

²¹ Egg poultry breeding in house-holding system, in open space.

The business plan is the economic part of the Justification Report in case of the simple acquisitions or the Feasibility Study for investments which include constructions, and the beneficiary of an investment project must prove the improvement of the overall performance of the agricultural holding by fulfilling of one or more technical, economic-financial or environment objectives according to the following indicative list:

Objectives		
Technical	Economic-financial	Environment
<ul style="list-style-type: none"> - acquisition of tractors, harvesting machines, machinery, equipment etc. that could influence the increase of labour productivity, improvement of the quality of agricultural products, introduction of new performing technologies, improvement of labour conditions. - construction and/or modernisation of operational buildings that lead to ensuring compliance with EU standards; - diversification of production according to market demand, achievement of new products and introduction of new technologies. 	<ul style="list-style-type: none"> - decrease of production costs and increase of economic efficiency of the agricultural holding; - increasing the Gross Value Added (GVA) of the agricultural holding; - increasing of economic viability. 	<ul style="list-style-type: none"> - reducing harmful greenhouse emissions and a better waste management that result from the production activity; - reducing the emissions of ammoniac (and other gases) especially in animal breeding holdings by observing sanitary-veterinary, animal hygiene and welfare standards; - ensuring the compliance with plant-health, organic etc. requirements; - increasing the degree of utilisation for renewable energy sources and improving the efficiency of its use.

The technical and environmental objectives are presented in the feasibility study, and when necessary, in the Justification Report, while the economic-financial objectives are presented in the business plan. In the Applicant Guide shall be detailed the requirements regarding the technical, economic-financial and environmental criteria, on the basis on which the overall performance's improvement of the applicant's holding will be assessed.

The indicators set out for performance evaluation shall be detailed in the Applicant Guide

Type of investments (tangible/intangible) and eligible expenditure

Within this measure support will be granted for tangible and intangible investments as follows:

- Construction and/or modernization of buildings used for the agricultural production at farm level, including those used for the environment protection;
- Construction and/or modernization of agricultural internal or access road infrastructure, including utilities and couplings, identified as necessary in the feasibility study or justification report;
- Construction and/or modernization of dairy cow farms which fit with the European Milk Quota System only for the capacity which is at the level of the production quota held by the beneficiary;
- Construction and/or modernization of greenhouses, including heating systems and irrigation installations, ensuring utilities for complying with environment conditions;
- Purchase or lease purchase of new tractors, harvesting machines, machinery, installations, equipments and accessories, specialized equipments and software identified as necessary in the feasibility study or justification report;

- vi. Purchase or lease purchase of new specialized transport vehicles needed for production activities identified as necessary in the feasibility study or justification report;
- vii. Setting up vineyards for grapes for consumption;
- viii. Setting up plantation of fruit bearing trees, fruit bearing bushes and strawberries;
- ix. Setting up vineyards nurseries, fruit bearing tree and bushes nurseries, other trees;
- x. Investments for a sustainable production and use of energy from renewable sources within the farm;
- xi. Investments for setting-up of forestry species with a short rotation coppice and regeneration through vegetative way, in order to produce renewable energy.
- xii. Investments in beekeeping, excepting those made through the National Beekeeping Programme
- xiii. Investments for the processing agricultural products at farm level²², including equipment for selling the products including storage and refrigerating etc.;
- xiv. General costs of the project according to art. 55 from (EC) Regulation no. 1974/2006 such as: fees of architects, engineers and consultants, feasibility studies, taxes for certification, permits and approvals necessary for implementing the projects, as mentioned in the national legislation, acquisition of patent rights and licences (max. 8% of the eligible value of investments, if the project foresees constructions and max. 3% of the eligible value of investments, if the project does not foresee constructions)
- xv. Investments necessary for the holding's adaptation to organic farming;
- xvi. Investments necessary for complying with Community standards.

Non-eligible investments and costs are:

- i. Building or modernization of home residences;
- ii. Purchase of second –hand equipments;
- iii. Acquisition of production rights for agriculture, animals, annual plants and their planting, as laid down in Article 55, point 2 of Council Regulation (CE) no. 1974/2006;
- iv. Purchase of land;
- v. VAT, excepting the non-refundable VAT, if it is definitely charged from the beneficiaries, others than non-tax payers, as laid down in Article 71 (3), letter (a) of Regulation (EC) no. 1698/2005;
- vi. Operational costs, including rental and maintenance costs;
- vii. Bank commissions, guarantees costs and similar expenditures;
- viii. In kind contribution;
- ix. Costs incurred by currency exchange rates, taxes and losses due to currency exchanges associated with the Euro account of the Paying Agency for Rural Development and Fishery;
- x. Costs connected with the leasing contract: management fees, interests, insurance premiums, etc;
- xi. Costs occurring before the project approval, except for technical studies, business plans and feasibility studies;
- xii. Costs incurred by business plan, supported by measure 143 "Providing farm advisory and extension services";
- xiii. Rental costs for machines, equipments and installations;
- xiv. Purchase of transport vehicles needed for personal use and people transportation;

²² Only and if at least 50% of the raw materials are produced in their own farm, and the processing output remains a product listed in Annex I to the Treaty Establishing the EU, while farming should be and remain the major activity of the holding

- xv. Simple replacement investments, according to Article 55 of Regulation (EC) no. 1974/2006;
- xvi. Investments in fishery and aquaculture sector;
- xvii. Investment in holdings for fur animals breeding;
- xviii. Investments in Christmas trees production.
- xix. Investments achieved through the support schemes in accordance with Article 2 (2) from (EC) Regulation no. 1974/2006

Type of support

Non-refundable public support.

The beneficiaries of the measure may solicit the Paying Agency for an advance up to 20% of the public support for investments, according to Art. 56 of Regulation (EC) no. 1974/2006 regarding the implementing rules for Council Regulation (EC) no. 1698/2005 on granting support for rural development from EAFRD, and this payment is conditioned by ensuring a banking guarantee or an equivalent guarantee of 110% from the value of the advance. The submitted guarantee is issued only if the Paying Agency decides that the amount of the expenditure carried out corresponding to the public support for investments exceeded the value of the advance.

The potential beneficiaries of this measure benefit from the financial facilities according to the package of normative acts for crediting and guarantee of investments, which is in force until 2009, especially for ensuring the co-financing of projects realized through the SAPARD funds was called "The Farmer" Programme and was the main instrument for increasing the absorption of pre-accession funds. These aid schemes will continue until the end of 2009, when they cease to exist. Starting with 2010, the programme will be amended and some financial engineering operations will be introduced, being supported by the European Agricultural Fund for Rural Development, under the appearance of the guarantee schemes, in order to replace the current ones. The exact content of these schemes, the financial resources allocated through EAFRD and the details regarding their implementation shall be introduced by an amendment of the programme in 2010.

The verifications for the observance of the maximum aid intensities will be carried out before the financing contract is signed.

Support intensities

The intensity of non-refundable public support will be:

Period 2007-2009:

In the sectors where the maximum eligible value will not exceed 2,000,000 Euro, the share of the non-refundable support will be 50% and will not exceed 1,000,000 Euro.

For these sectors, the non-refundable support may increase with:

- 5% for investments done by young farmers under the age at 40 years on the date of submitting the financing application, on the basis of the provisions of the Accession Treaty (Annex VIII: Rural Development, Section II: Special provisions regarding investment support);
- 10% for the investments done by farmers from the areas foreseen at art. 36 letter (a), points (i), (ii), (iii) from the (EC) Regulation no. 1698/2005;
- 25 % for investments aiming the implementation of Council Directive 91/676/EEC from 12th of December 1991 regarding water protection against nitrate pollution from agriculture, on the basis of the Corrigenda to (EC) Regulation no. 1463/2006 which modifies Regulation (EC) no. 1698/2005 and foresees such a support for a period of 4 years starting with 01.01.2007.

For projects also including investments for production and use of renewable energy, the maximum eligible amount will be 3,000,000 Euro, while the share of the non-refundable support will be 50% and will not exceed 1,500,000 Euro.

For projects belonging to an associative form and serve its members, the maximum eligible amount will be 4,000,000 Euro, while the share of the non-refundable support will be 50% and will not exceed 2,000,000 Euro.

Period 2010-2013:

In the sectors with a maximum eligible value per project not exceeding 2,000,000 Euro, the share of non-refundable support will be 40 % and will not exceed 800.000 Euro. Within these sectors the non-refundable support may increase with:

- 10% for investments done by young farmers under the age of 40 years at the date of submitting the financing application,
- 10% for the investments done by farmers from the areas foreseen at Art. 36 letter (a), points (i), (ii), (iii) from the (EC) Regulation no. 1698/2005;
- 25% only for 2010 for the investments attaining to implement the Council Directive 91/676/EEC regarding water protection against nitrate pollution from agriculture, on the basis of the Corrigenda to (EC) Regulation no. 1463/2006 which modifies (EC) Regulation no. 1698/2005 and foresees a support for a period of 4 years starting with 01.01.2007.

For projects also including investments for production and use of renewable energy, the maximum eligible amount will be 3,000,000 Euro, while the share of the non-refundable support will be 40% and will not exceed 1,200,000 Euro.

For projects belonging to an associative form and serving its members, the maximum eligible amount will be 4,000,000 Euro, while the share of the non-refundable support will be 40% and will not exceed 1,600,000 Euro.

The support granted through this measure for the operation falling within the scope of Art. 36 of the Treaty establishing the EU shall not be cumulated with any other State aid within the meaning of art. 87 (1) of the Treaty or any financial contributions provided by Member State, if such a cumulus would result in an aid intensity exceeding the maximum laid down in Regulation (EC) no. 1698/2005.

The verifications for the observance of the maximum aid intensities will be carried out before the financing contract is signed by the Paying Agency.

Financing

The financial allocation of the measures for the period 2007-2013 is:

Total costs:	1,840,962,042 Euro
Public expenditure:	• 991,827,895 Euro,

Transition arrangements

Not applicable.

Coherence with first pillar

The elaborated criteria and administrative rules shall ensure that operations benefiting exceptionally from rural development support are not covered as investments by other instruments according to the Aid plans provided in article 2, paragraph 2 and Annex 1 of the Regulation (EC) no. 1974/2006.

The demarcation lines aiming to avoid double financing are presented at point 5.2.5 of NRDP

The support offered by this measure may be directly completed with the support granted by the measures: 111 “*Vocational training, information actions and diffusion of knowledge*” and 143 “*Providing farm advisory and extension services*”.

Furthermore, the support granted by the measure is complementary to the activities provided within the framework of other measures of Axis I (123 “*Adding value to agricultural and forestry products*”,

142 "Setting up of producer groups", 125 „Improving and developing infrastructure related to the development and adaptation of agriculture and forestry”, 112 „Setting up of young farmers”, 141 “Support for semi-subsistence farms”), Axis II, Axis III and Axis IV LEADER.

The support for this measure is complementary to the activities financed by other European funds:

- European Regional Development Fund (ERDF);
- Cohesion Fund (CF);
- European Social Fund (ESF).

Correlation of the measure with other measures of EAFRD and other funds will have a positive impact upon both modernization of the productive sector as well as marketing networks for agricultural products and environment protection.

Quantified targets for EU common indicators

Type of indicator	Indicator	Target 2007-2013
Output	Number of agricultural holdings supported for investments Divided according to: <ul style="list-style-type: none"> • Legal status; • Gender: male, female; • Beneficiary age category. 	43,453
	Total volume of investment (Euro) Divided according to: <ul style="list-style-type: none"> • Type of investment (land improvement investments, investments in buildings, in machinery, and other investments); • Type of agricultural sector, according to Regulation (EC) no. 369/2003* 	1,840,962,042
Result	Number of holdings generating/introducing new products and/or new technologies Divided according to reorganisation of production.	21,727
	Growth in GVA in the holdings receiving support (million Euro)	2,172
Impact **	Economic growth - (million Euro) of which measure 121 contribution	2,483 1,738
	Growth in labour productivity-	Increased with 8% per year

*) Note: According to Regulation (EC) no. 369/2003 regarding the main type of farming – TF 8 Grouping:

1. The agricultural sector contains:

- Field crops (cereals, oilseed, protein crops, technical crops, root crops)
- Horticulture (garden vegetables, flowers and ornamentals, mushrooms)
- Wine growing (vineyards for wine and grapes)
- Permanent crops (fruits)
- Animal breeding - mainly dairy
- Animal breeding - mainly non-dairy
- Granivores (pigs and poultry)
- Mixed (breeding dairy or meat animals and /vegetable crops and livestock)

2. Type of production contains:

- Organic agricultural products
- Agricultural conventional products

** The value of the indicators was calculated at axis level.

Additional indicators

Type of indicator	Indicator	Target 2007-2013
Output	Number of semi-subsistence farms supported	20,251
	Number of supported holdings owned by the associative forms' members	6,518
	Number of supported associative forms	652
	Number of holdings generating and using renewable energy	435
Result	Number of holdings which comply with EU standards as a consequence of the support	19,554

Description of Community standards in force

No.	Standard	EU Legislation	National Legislation	Date the standard becomes mandatory	Date when the period of grace ends*	Type of investments
1	Protection of waters against pollution caused by nitrates from agricultural sources	Council Directive 91/676/EEC from the 12 th of December 1981 concerning the protection of waters against pollution caused by nitrates from agricultural sources, art.4 and 5 Corrigendum to Regulation (EC) no. 1463/2006 amending Regulation (EC) no. 1698/2005	Decision no. 964/2000 from the 13 th of October 2000, regarding the approval of the action plan Protection of waters against pollution caused by nitrates from agricultural sources, with its following amendments and completions	01.01.2007	31.12.2010	b. Construction and/or modernization of buildings used for agricultural production in the holding for the protection of water against pollution caused by nitrates from agricultural sources. b. Purchasing of new equipments for transportation, storage, good usage of biomass/ manure for the protection of waters against pollution caused by nitrates from agricultural sources.
2.	Prevention and integrated control of pollution, i.e. decreasing of emissions in air, water and soil, as well as management of waste products.	Councils Directive 96/61/EC on the prevention and integrated control of pollution	Emergency Ordinance no. 152 from the 10 th of November 2005, regarding the prevention and integrated control of pollution, with its following amendments and completions	01.01.2007	The dates when the period of grace ends coincide with the deadline and the operators decided by negotiation with the EU Commission, respectively 31.12.2008 until 31.12.2013	a Construction and/or modernization of buildings used for agricultural production in the holding, including those used regarding pollution b. Purchasing of new agricultural machines, equipments, accessories including those used for environmental protection.
3	Marketing standards for eggs	Regulation (EC) no. 1907/1990 Regulation (EC) no. 2295/2003 Regulation (EC) no.1028/2006 Regulation (EC) no. 557/2007	The national legislation is to be abrogated in order to directly apply Community regulations	01.01.2007	01.01.2010	Purchase of technological equipments for eggs-marking in the packaging centres
4.	Fulfilling standards for raw milk	Regulation (EC) no. 852/2004 Regulation (EC) no 853/2004 Regulation (EC) no 854/2004	The national legislation is to be abrogated in order to directly apply Community regulations	01.01.2007	01.01.2010	a. Construction and/or modernization of buildings used for cow milk production/storage, including those used for environmental protection. b. Purchase of new machinery, equipment and accessories necessary for the for cow milk

						production/storage, for transportation including those used for environmental protection.
5	Meeting standards regarding the marketing of fresh fruit and vegetable	Regulation (EC) no. 1148/2001	Order no. 592/24 th of August 2006, regarding the meeting standards controll, for fresh fruit and vegetable, with its following amendments and completions	06.10.2006	06.10.2009	a. Construction and/or modernization of buildings used for fresh fruit and vegetable collection, storage an marketing b. Purchase of new machinery, equipment and accessories necessary for sorting, packing, cooling and storage of fresh fruit and vegetable
6	Minimum standards for the protection of egg laying hens	Council Directive 1999/74/EC	Order no. 136 from the 16 th of June 2006 for approving the sanitary-veterinary norms regarding the minimum standards for the protection of egg laying hens, with its following amendments and completions	18.08.2006	18.08.2009	a. Construction and/or modernization of buildings used for protection of egg laying hens, including those used for environmental protection. b. Purchase of new machinery and equipment/ instruments for the protection of egg laying hens, including those used for environmental protection.
7	General principles and requirements for the foodstuff legislation, for the setting up of the European authority for food safety and for laying out the procedures regarding the foodstuff products security, along all the stages of production, processing and distribution	European Parliament and Council Regulation (EC) no. 178/2002 from the 28 th of January 2002 for establishing the general principles and requirements for the foodstuff legislation, for the setting up of the European authority for food safety and for laying out the procedures regarding the foodstuff products security	Law no. 150 from the 14 th of May 2004 regarding foodstuff and animal feed security - republished	01.01.2007	01.01.2010	a. Construction and/or modernization of buildings used for protection and marketing of foodstuff and animal feed. b. Purchase of new machinery and equipment/ instruments for the improvement of production, processing and marketing of foodstuff products as well as animal feed including packaging, cooling refrigerating, drying and storage.
8	Minimum standards for protection of calves	Council Directive no. 91/629/EC from the 19 th of December 1991 for establishing the minimum protection norms for calves, art. 3 and 4	The sanitary-veterinary norm which sets out the minimum standards for the protection of calves, approved by the Order of the President of the National Sanitary Veterinary and Food Safety Authority no. 72/15.08.2005, with its following amendments and	19.02.2006	19.02.2009	a. Construction or modernization of buildings used for the protection of calves, including those used for environmental protection b. Purchase/installation of new machinery and equipment/ instruments for the protection of calves, including those used for

			completions			environmental protection
9	Minimum standards for the protection of pigs	Council Directive no. 91/630/EEC from the 19 th of November 1991 for laying out the minimum standards for protection of pigs, art 3 and 4 (1)	The sanitary-veterinary norm which sets out the minimum standards for the protection of pigs, approved by the Order of the President of the National Sanitary Veterinary and Food Safety Authority no. 202/25.08.2006, with its following amendments and completions	01.01.2007	01.01.2010	a. Construction or modernization of buildings used for the protection of pigs, including those used for environmental protection b. Purchase/ installation of new machinery and equipment/ instruments for the protection of pigs, including those used for environmental protection
10	Minimum standards for the protection of animals from rearing farms	Council Directive no. 98/58/EC from the 20 th of July 1998 regarding the protection of animals from rearing farms, art 4	The sanitary-veterinary norm regarding the protection of animals from rearing farms, approved by the Order of the President of the National Sanitary Veterinary and Food Safety Authority no. 75/15.08.2005, with its following amendments and completions	25.05.2005	25.05.2008	a. Construction or modernization of buildings used for the protection of animals from rearing farms, including those used for environmental protection b. Purchase of new machinery and equipment/ instruments for the protection of animals from rearing farms, including those used for environmental protection
11	Standards for protection and animal welfare during transport	Regulation (EC) no. 1/2005	Order no. 83 from the 31 st of March 2006 for approving the sanitary-veterinary norm regarding the observance of animal welfare conditions during transportation, with its following amendments and completions	01.01.2007	01.01.2010	Purchase of new transportation means, specialized machinery and equipment for improving the conditions for animal welfare during transportation
12	Purity of cereal seeds	Directive 66/402/EEC on the marketing of cereal seeds	Order no. 1262/2005 for approving the rules and technical norms regarding the production for marketing purposes, control, quality certification and marketing of cereal seeds, amended and completed by Order no. 149/2007	14.04.2007	14.04.2010	Purchase of machines, instruments and equipments for observing the requirements regarding to the physical purity of the cereal seeds.
13	Purity of the fodder plant seeds.	Directive 66/401/EEC on the marketing of fodder plant seeds	Order no. 1263/2005 for approving the rules and technical norms regarding the production for marketing purposes, control, quality	21.04.2007	21.04.2010	Purchase of new machines, instruments and equipments for observing the requirements regarding to the physical purity of the fodder plant seeds

			certification and marketing of fodder plant seeds, amended and completed by Order no. 148/2007			
14	Purity of the oil and textile plant seeds.	Directive 2002/57/EC on the marketing of oil and textile plants seeds	Order no. 1264/2005 for approving the rules and technical norms regarding the production for marketing purposes, control, quality certification and marketing of oil and textile plants seeds, amended and completed by Order no. 150/2007	23.04.2007	23.04.2010	Purchase of new machines, instruments and equipments for observing the requirements regarding to the physical purity of the oil and textile plants seeds
15	Purity of the vegetable seeds.	Directive 2002/55/EC on the marketing of vegetable seed	Order no. 1366/2005 for approving the rules and technical norms regarding the production for marketing purposes, control, quality certification and marketing of vegetable seeds, amended and completed by Order no. 433/2007	01.07.2007	01.07.2010	Purchase of new machines, instruments and equipments for observing the requirements regarding to the physical purity of vegetable seeds
16	Purity of the beet seeds.	Directive 2002/54/EC on the marketing of beet seeds	Order no. 1265/2005 for approving the rules and technical norms regarding the production for marketing purposes, control, quality certification and marketing of beet seeds, amended and completed by Order no. 147/2007	13.04.2007	13.04.2010	Purchase of new machines, instruments and equipments for observing the requirements regarding to the physical purity of beet seeds
17	Purity of the seed potatoes varieties.	Directive 2002/56/EC on the marketing of seed potatoes	Order no. 1266/2005 for approving the rules and technical norms regarding the production for marketing purposes, control, quality certification and marketing of seed potatoes, with its following amendments and completions	06.02.2006	06.02.2009	Purchase of new machines, instruments and equipments for observing the requirements regarding to the physical purity of seed potatoes
18	Purity of vine vegetative propagation material	Directive 68/193/EEC on the marketing of planting material for the propagation of the vine	Order no. 1267/2005 for approving the rules and technical norms regarding the production for marketing	28.03.2006	28.03.2009	Purchase of new machines, instruments and equipments for observing the requirements regarding to the physical purity of

			purposes, control, quality certification and marketing of vegetative propagation material for vine, amended and completed by Order no. 8/2006			the planting material for the vegetative propagation of vine
19	Purity of fruit planting and propagating material	Directive 92/34/EEC on the marketing of fruit planting and propagating material	Order no. 1295/2005 for approving the rules and technical norms regarding the production for marketing purposes, control, quality certification and marketing of fruit planting and propagating material, amended and completed by Order no. 8/2006	28.03.2006	28.03.2009	Purchase of new machines, instruments and equipments for observing the requirements regarding to the physical purity of the fruit planting and propagating material
20	Purity of propagating material for ornamental plants	Directive 98/56/EC on the marketing of propagating material for ornamental plants	Order no. 1268//2005for approving the rules and technical norms regarding the production for marketing purposes, control, quality certification and marketing of propagating material for ornamental plants, amended and completed by Order no. 8/2006	28.03.2006	28.03.2009	Purchase of new machines, instruments and equipments for observing the requirements regarding to the physical purity of the propagating material for ornamental plants
21	Purity of vegetable planting and propagating material, other than seeds	Directive 92/33/EEC of on the marketing of vegetable propagating and planting material, other than seed;	Order no. 1269/2005 for approving the rules and technical norms regarding the production for marketing purposes, control, quality certification and marketing of vegetable propagating and planting material, other than seed, amended and completed by Order no. 432/2007	01.07.2007	01.07.2010	Purchase of new machines, instruments and equipments for observing the requirements regarding to the physical purity of the vegetable propagating and planting material, other than seeds
22	Using of plant protection products	The Plant Protection Products Directive 91/414/EEC	Government Decision no. 1559/2004 regarding plant protection products' homologation procedure, for marketing and utilisation on Romania territory, amended and completed by Government Decision no. 628/2006	01.07.2007	01.07.2010	a. Construction/modernization of buildings used for the preserving and storage of plant protection products b. Purchase/ installation of new machinery and equipment/ instruments for utilisation of plant protection products

*Date of the end of the grace period is in accordance to Council Regulation (EC) no.1698/2005. Support is granted for investments whose purposes are to achieve compliance with Community standards within a maximum 36 months period from the date on which the standard becomes mandatory for the agricultural holding. The end of 2010 is deadline for

support under the measure 121 "Modernisation of agricultural holdings" for the implementation of Council Directive 91/676/EEC concerning the protection of waters against pollution caused by nitrates from agricultural sources.

All standards in the above table will be eligible to be supported as existing standards for a grace period of 36 month after setting up, for young farmers receiving support under Measure 112, after the expiry of the grace period during which they are considered as newly introduced Community standards.

Justification regarding the support necessity for newly introduced Community standards

The support for the newly introduced Community standards is granted to the farmers, in order to allow an adequate period of time in which they can be prepared for achievement of compliance with these standards. Although the original deadline for the adoption of most of the new standard was, at latest, the date of accession, it appeared clearly that the preparation takes more time. In addition for meeting the standards a significant financial resource is needed involving activities without economic return and for this reason agricultural producers can not afford to carry out such investments. The introduction of most of the listed standards will contribute to the environmental protection. This demonstrates that it is necessary the agricultural producers to be supported for these investments. The main possibility of supporting the farmers is NRDP 2007-2013. In the three year period of grace for the above mentioned standards, the farmers can apply for support and can finish their investments which are necessary to comply with these standards.

Measure	Improvement of the economic value of forests
Article which covers the measure	Articles 20 (b) (ii) corroborated with article 27 of Commission Regulation (EC) no. 1698/2005 Articles 18 and 30 of Commission Regulation (CE) no. 1974/2006
Code of the measure	122

Rationale for intervention

The surface of non-state forests in Romania has increased over the last 16 years following the restitution laws adopted in the years 1991, 2000 and 2005. Thus, it is estimated that the size of forests owned by private and local public entities will cover approximately 65% of the total forest area of 6.233 million ha, at the end of the restitution process. One of the main priorities of the Romanian forestry sector is the sustainable management of the restituted forests.

Characteristic for Romania is that every forest owner must contract forestry services with specialized forestry districts. At this time there are available data regarding the number of forest owners contracting safeguard services, forestry services and management services with the National Forest Administration ROMSILVA. For the time being there are 80,854 forest owners contracting services for 778,379 ha. As of the end of 2006, a forestry area of approximately 940,000 ha was administered by independent (private) forestry districts. These private forestry districts are also entitled to conclude administration contracts with private (individual) small-scale forest owners.

Taking into account the large number of non-state forest estates resulted from the recent restitution process, whose owners have limited tradition and resources for undertaking forest management measures, there is need to support the management activities that contribute at increasing the economic value of forests, by preserving their multifunctional role.

The national legislation obliges each forest owner and administrator to have forest management plans, elaborated in accordance with the technical norms in force, in order to assure the sustainable management of Romanian forests. The management plans are based on the general principle of sustainable development, taking into account the principles of continuous production, multifunctional role of forests, conservation and enhancement of biodiversity. The elaboration of forest management plans is made on forestry districts, forest production units, or, as the case may be, basic units at the level of forest properties. The establishment of production / basic units rely on the delineation in the field following natural boundaries, forest ownership and the minimum area stipulated by the technical norms in force. Production / basic units are divided in forest parcels, representing the basic units for land use management, and have a minimum area of 20 ha in the plains, 30 ha in the hilly area and 50 ha in the mountains. The forest sub-parcel is a portion from a forest parcel which belongs to one owner and which is homogenous with regard to the site conditions, predominant function and utilisation category. A forest sub-parcel has a minimum area of 0.5 ha. Forest management plans are up-dated each 10 years and include management measures applicable for each sub-parcel.

Consistent with the specifications above, any forest area considered for support through this measure has a minimum area of 0.5 ha and is covered by a management plan or by an excerpt from a management plan elaborated at a larger scale in accordance with the national legislation in force.

Forest management plans are available at the administrator of forest with which the owner concluded administration services.

This measure aims at increasing the economic and ecological value of forests by improving the stand composition with indigenous valuable species, by using efficient planting and harvesting equipments, and by organizing other specific activities required to consolidate the sustainability of the forestry activity. Management plans are essential tools for identifying the categories of works required to increase the economic value of forests, whose execution requires consistent investments throughout the forest age.

A critical issue concerning the sustainable management of forests is to supply the afforestation work with forestry seedlings of high quality. At present, the greatest majority of seedlings are produced in the nurseries of the National Forest Administration ROMSILVA which is not always interested and capable to offer, at affordable prices, the forestry seedlings to non-state forest owners. Close-to-nature forestry represents a leading principle in Romanian case, which implies the use of natural regeneration of forests whenever possible. Yet this treatment does not suffice for improving the structure of artificial or low productive forests, so forestry seedlings are stringently needed. This measure for the improvement of the economic value of forests is therefore designed to support the beneficiaries to establish forestry nursery for production activity of forestry seedlings used for own purpose.

Objectives of the measure

General objective

- Improve the economic value of forests in accordance with the principles of multifunctional use and sustainable management.

Specific objectives

- Improve the forest structure or renew of low productive, degraded forests, support the programs of replacement of low productive forests or forests which are not consistent with the natural type, such as coniferous forests located outside the natural area, by tree species suitable to the site conditions and less affected by natural damages (e.g., windfall, insect attacks, etc);
- Purchasing of cutting equipments and machineries for undertaking the technical measures required until the forest's harvesting age (e.g., thinning, pruning, combating pests and diseases, etc.), as well as the labour required.
- Purchasing the equipments and machineries needed for harvesting works with low impact on the environment with the exception of machineries used for both harvesting and primary processing of wood – harvesters - which are eligible under measure 123.
- Production of forestry seedlings of high quality, for own purpose, through the establishment of forest nurseries, when there is a need of afforestation works within the forest property.

Operational objectives

- Increase the number of forest owners which are improving the economical value of their forests at the level of forestry holding.

Scope and actions

By this measure support is granted for investments in forests that comply with the forestry regime and for which the obligatory management plans have been elaborated in accordance with the national legislation. The support will be granted for investments at the level of forestry holding to undertake the actions and measures required by the management plans, or are directly related to them, and have as result the improvement of the economic value of forests and for investments in harvesting equipment.

The production of forestry seedlings is also supported through this measure only in certain conditions, as nursery is a part of forestry holding and it is situated in the existing forestry area.

Type of beneficiaries

- a) Private forest owners, natural persons or their associations;
- b) Local communities having forest properties in condominium (non-divisible property rights) or their associations;
- c) Communes and municipalities having forests in possession or their associations;
- d) Other categories of non-state forest owners (e.g., churches, hospitals, schools, etc.) having forest properties or their associations;
- e) Mixed associations of any of the categories above.

The term “associations” above refer to those entities established through the voluntary assembling of their constituents, which have a legal status conferred by the judicial courts in accordance with the national legislation.

Forest owners are, in principle, the applicants for financing and responsible for the implementation of the project. However, since they are obliged by law to contract administration services through private or state forestry districts, application documents and related documents are undersigned by both owner and administrator. Furthermore, to facilitate procedures, private owners and their associations may delegate to the administrator some attributions and competencies regarding the application for support and execution of the project, based on the existing administration contract or an addendum to it.

The minimum area of forest estate entitled for this category of support is 0.5 ha. To increase the effectiveness and efficiency of support, however, particular categories of expenses are eligible only for larger forest properties.

Types of investments

Investments shall comply with the provisions of the forest management plans in force and aim at increasing the economic value of forests in accordance with the principles of multifunctional use and sustainable management.

The replacement of bad forests and forests established outside their natural forests (e.g., coniferous species in hilly areas), situated in Natura 2000 sites, are eligible for funding only if accompanied by an environmental impact assessment. Related projects must also comply with the general objectives of the management plan of the site.

Eligibility criteria for the projects:

- Consistent with the specifications above, any forest area considered for support through this measure has a minimum area of 0.5 ha covered by a management plan or by an excerpt from a management plan elaborated at a larger scale elaborated in accordance with the national legislation in force.
- The project shall comply with the management plan provisions and prove the technical, economic and functional usefulness based on an justificative report and/or a technical project;
- A written agreement for carrying out the activities proposed for support through this measure have to be signed by all owners (natural persons and/or legal entities) and it will be submitted accompanied by funding request ;
- The period for the execution of a project shall not exceed 5 years from its approval.

The management plan consists of:

- aspects relating to property and administrative status;

- forest management in the past (i.e. a history of the forestry management for the respective forests);
- site and forestry vegetation status (climate conditions, hydrology, soil, health status);
- setting-up of ecological, economical and social functions of the forest (forest composition, method and harvesting age);
- wood production process (works to be done depending on the forest age);
- capitalization of non-wood forest products (i.e. mushrooms, medicinal plants, forestry fruits, etc.);
- protection of forestry area (protection against fire, wind, diseases and pests, etc.)
- harvesting technologies, ways of transport and other forest related infrastructure;
- forest evolution under qualitative, quantitative and value report.

Eligible expenses:

A. Irrespective of the area of forest estate:

- Costs of purchasing forest reproductive material and establishment of plantations to improve the stands' structure according to the natural type of forests;
- Cost of renewal of low productive forest and replacement of bad forests;
- Costs for the execution of technical works and operations in forest stands, according to the provisions of management plans, including the pre-commercial thinning;
- General costs with the project consisting of: fees for architects, engineers and consultants, technical projects, acquisition of patent rights and licences, maximum 10% of the total value of the project.

B. For forestry holdings larger than 10 ha:

- Costs for purchasing machineries, equipments and materials for the areas included in the National Catalogue of Forest Reproductive Material (e.g. Seed Orchards, Parents of Families, etc.) and in areas designated for the conservation of forestry genetic resources;
- Costs of creation of access paths within forests, to facilitate the technical works required by management plans;
- Costs of purchasing machineries, equipments and materials required by the technical operations provisioned by management plans (e.g., planting, removal of weeds, thinning, pruning, works for preventing and combating pests and disease, etc.);
- Costs for establishment of forestry nurseries, as well as for purchasing machineries, equipments and materials for production of high quality forest reproductive material, in certain condition, as nursery is a part of forestry holding and it is situated in the existing forestry area;

C. For forestry holdings larger than 100 ha or associations larger than 100 ha:

- Costs of purchasing machineries and equipments required by harvesting works with reduced impact on the environment, other than complex machines such as the harvesters, in order to increase the economical value of the forest;

D. For forest estates larger than 1,000 ha:

- Costs for purchasing hardware and software equipments needed for the elaboration of technical documentation required by the forestry regulations in force;

Non-eligible expenses

- The activities related to assuring the regeneration of the forests after the removal of the stand following the last cutting (article 18 of Commission Regulation (EC) no. 1974/2006);
- VAT, except for the non-refundable VAT as laid down in the article 71 (3) a) of the Council Regulation no. 1698/2005;
- Banking interests, costs for deposits and similar expenses;
- Costs with design occurred before the approval of the project, except for the technical annexes of the funding request (justificative report, feasibility study, technical project);
- Costs incurred by currency exchange rate, taxes and losses due to currency exchanges associated with the Euro account of PARDF;
- Costs made by the public administration, including PARDF and especially overhead charges, rental costs and wages for the staff engaged in management, implementation, monitoring and control activities;
- Purchase of second-hand goods;
- Purchase of transport vehicles, except for the specialized ones, identified in the feasibility study;
- Costs incurred by a leasing contract: management charges, interests, insurance premium and the like. The leasing is eligible only if consists in the thorough transfer of ownership to the beneficiary during the period of project implementation, before the last claim for payment;
- Government taxes, customs duties, import duties.
- Investments in forests and other woodlands owned by central or regional governments, or companies owned by the state, region or state company, in proportion of minimum 50%.

Selection criteria

The selection criteria are as follows:

- Type of forests in which investments are envisaged: priority will be given to the projects of improvement of stand structures, renewal of low productive stands and replacement of bad forests;
- Type of technical works in forest: priority will be given to purchasing of equipments and machineries and the execution of technical works in young stands, rather than to the purchasing of equipments and machineries for pre-commercial thinning;
- Ownership structure and size of forest area concerned by the project: priority will be given to associations of forest owners and to large forest estates, rather than individual, small-scale forest properties.
- All eligible projects shall be scored accordingly to the selection criteria mentioned above.
The selection system is the one foreseen in chapter 5.2.4. "The selection procedure".

Applicability

Forests belonging to natural persons and private entities or local administrative units (communes and municipalities).

Aid amount

Public support (Community and national) granted for this measure shall not exceed 50% of the total eligible expenses.

In less favoured areas (LFA) and in Natura 2000 sites, public support shall be limited to 60% of the total eligible expenses.

The maximum limit of support for a project shall not exceed 1,000,000 Euro.

Financing

Total costs: 360,664,689 Euro

Public expenditure: 198,365,579 Euro

Correlation with other measures of the EAFRD and with other funds

The support given to this measure is complementary to the actions established in other measures of Axis I and Axis II of the NRDP.

Quantified targets for EU common indicators

Type of indicator	Indicator	Targets 2007-2013
Output	a. Number of forest holdings receiving support, Divided by type of owner: - private owner – individual or association - municipalities – individual or association - others	2,404
	b. Total amount of investments Divided by type of owner: - private owner – individual or association - municipalities – individual or association - others	360,664,689
Result	Number of holdings introducing new products and/or techniques	1,200
	Growth in gross value added in holdings receiving support (mil euro)	24
	Additional indicator: Number of project for improvement of forest structure	600
Impact*	Economic growth (mil. Euro) Out of which contribution for measure 122	2.483 19
	Labour productivity	Annual increase by 8%

* The indicators value has been calculated at the axis level

Measure	Adding value to agricultural and forestry products
Legal basis	Articles 20 (b) (iii) and 28 of Regulation (EC) no. 1698/2005, Article 19 and point 5.3.1.2.3 of Annex II of Regulation (EC) no. 1974/2006, Article 34 and Annex VIII Section II(3) Treaty of Romania's Accession to the European Union
Code of the measure	123

Rationale for intervention

Food industry in Romania is the main market for primary sector products. The number of food industry enterprises has increased during the period 1998 - 2006 with 585 units, having increased to approximately 11,000 today. The percentage share of the food industry within the processing industry has been relatively high, of about 12% from the value of the industrial production in 2005, but in a gradual decrease, with 4% compared to 1998, which means that the food sector, along with the entire processing sector is going through a restructuring period.

The production of the main food products has had different evolutions during the referred period. Thus, there have been registered growths in (physical) production for some groups of products, such as: meat products, cheeses and fresh milk products, edible oils, and for other groups of products (fruit and vegetable cans, milk, wheat and rye flour), decreases have been registered.

Regarding the size of the food industry enterprises, two thirds of them are of small sizes (less than 9 employees), and about 1% are very large (more than 250 employees).

Under these circumstances, micro-enterprises and small and medium sized enterprises, especially those with a good position (which produce as well as process raw materials), play an important part in the production of higher value-added products.

The improvement of raw material quality and the restructuring of the agricultural and food units have become main objectives during Romania's pre-accession to the European Union. The Commission has granted a transition period until the 31st of December 2009, for the milk and meat processing units, in order to be aligned to the Community hygiene requirements in order to improve the raw materials quality and to obtain products that are eligible for intra-Community exchanges. Moreover, consumers' demand for higher quality products has been on an increase in the following period.

Thus the situation in June 2007 regarding the securing of observance in the meat production and processing (red meat and poultry) shows that from a total of 425 units, 123 units are classified according to the European Union regulations and are authorized for intra-Community exchanges and 302 have received approval for the transition period until 31.12.2009.

In the milk and dairy sector, the total number of units is 259, out of which 52 units are classified according to the European Union regulations and are authorized for intra-Community changes and 207 have received approval for the transition period until 31.12.2009.

The deficit of the trade balance of agri-food products, of approximately 1.3 billion Euro (for the year 2005), as well as an analysis of the structure of food product exports shows that there is a higher percentage of unprocessed products as compared to the processed ones due to their poor competitiveness.

Food industry companies are still under-specialised, with low productivity, low use of innovations, an inappropriate technical level and incompliant with Community standards. The use of renewable energy sources is an alternative for reducing production costs and increasing economic efficiency for processors.

Improved marketing is also a prerequisite for increased competitiveness. Therefore, the increase and development of a system for collecting and storing raw materials, mainly promoted by associative structures (e.g. producer groups) has become an urgent need in order to meet market requirements of product quality and quantity.

Companies have difficulties in managing the waste products resulted from productive activities. In order to mitigate the negative impact of waste on the environment, processors must exercise more care in making investments, in order to increase the added value of resulted sub-products.

During 2000-2006, a financial aid amounting 379.51 million Euro (public funds) was granted through measure 1.1 "Improvement of processing and marketing of agricultural and fishery products" of the SAPARD Programme for the setting up and modernization of processing and marketing units for agricultural and fishery products. Most investments targeted the implementation of Community acquis requirements needed to be met by accession date.

Out of the 202 investment objectives made as part of measure 1.1 "Improvement of processing and marketing of agricultural and fishery products", in new objectives and upgrades, 85 belong to the "Meat and eggs" sector, 48 to the "Milk and dairy products" sector, 27 to the "Cereal" sector, 24 to the "Wine" sector", 17 to the "Vegetables, fruit and potatoes" sector and 1 to the "Oilseeds" sector. Thus, a number of 2,232 employment places has been created, the majority of them in the meat (1,243) and milk (515) processing sector.

Although the food industry has benefited during the pre-accession period of financial support through the SAPARD Programme and also national programmes, this sector continues to confront with the lack of consistency with the Community standards, with the international quality management systems and of Hazard Analysis and Critical Control Point (HACCP).

The agri- food processing sector plays an important role not only regarding the creation of new opportunities for labour force placements but also in the nutrition and public health.

A large number of rural communities from forest-rich areas rely significantly on the processing of wood and non-wood forest products. As different from wood, which is the main forest product rewarded by the existing markets, non-wood forest products may include seeds, fruits, leaves, resins, tannin, mushrooms, medicinal plants or the like. However, the sector of harvesting and processing forest products is not well developed, as enterprises involved are often small-sized and limitedly equipped, so that further investments are needed to meet EU standards on product quality, environment protection and occupational safety. The existing units for the processing of forest products are facing problems caused by outdated harvesting, transporting and processing machineries, low added value of the products and low volume of sales, which impact directly on the labour productivity and the general socio-economic output. In addition, there is limited use of the waste material resulting from processing operations (e.g., sawdust) for energy purposes, which create additional environmental problems. Thus, there is need for investments for purchasing equipments and machineries to improve the production technologies, which will increase the added value and the quality of forest products, as well as the general efficiency of this economic activity.

It is foreseen that an increase of the added value of forest products, at the micro-enterprises level will lead to an increase of the contribution of the forestry sector to the local and regional rural economy.

Taking into account the current national situation, the support granted by this measure will encourage investments in the processing and marketing of agri-food and forestry products (wood and non-wood), with the purpose of increasing the value of products by means of observing the quality and food safety conditions, as well as adjusting to the market requirements. In addition, in order to optimize the agri-

food and forestry sectors, the processing of agricultural and forest products should be made, as far as possible, in the local areas where the products are obtained, in order to avoid additional expenditures with transportation and also the increase of gas emissions.

Objectives of the measure

General objectives

Increasing the competitiveness of the agri-food and forestry processing enterprises through improving the overall performance of the enterprises in the processing and marketing sectors through a better use of human resources and of other factors of production.

Specific objectives

- a) The introduction and development of technologies and procedures for obtaining new competitive agricultural and forest products;
- b) The adaptation of enterprises to the new Community standards both in the processing and in the end products' distribution phases;
- c) The improvement of the incomes for the supported enterprises through increasing the added value of the agricultural products;
- d) Increasing the added value of forestry products, as well as the economic efficiency of micro-enterprises' activity, through developing and modernization of equipments, processes and processing technologies.

Operational objectives

Support the investments aiming at the improvement the processing and marketing of agricultural and forest products.

Scope and actions

The support through this measure is granted for tangible and intangible investments within the units for **agricultural products processing and marketing** processing raw materials covered by Annex I to the Treaty establishing the European Community, except for fishery products, and that obtain products covered and not covered by Annex 1, for:

- a) Developing new products, processes and technologies;
- b) Promoting investments for the production and use of renewable energy;
- c) Adjusting to the market requirements, according to the local resources, as well as creating new market opportunities ;
- d) Promoting investments for generating bio-fuels;
- e) Promoting investments for meeting Community standards;
- f) Growth in labour productivity in the agri-food sector;
- g) Applying environment protection measures;
- h) Increasing the number of workplaces and occupational safety.

For processing and marketing investments of products that aim obtaining of products that are not included in Annex I to the Treaty establishing the European Community, only the sectors included in the

state aid scheme and in line with the State Aid regulations may be supported, and only after this scheme comes into force.

In addition, support is granted for tangible and intangible investments for processing and marketing of **forest products**, through:

- a) Improving the efficiency of the sector of processing and marketing of forest products by introducing new technologies and innovations, equipments and machineries while complying with the standards of labour safety and environmental protection;
- b) Adjusting the processing and marketing of forestry products to the market requirements, based on the existing local resources, and exploring new market opportunities;
- c) Improving the competitiveness of the forest products resulted from the processing and marketing units, by increasing the processing turnout and products' quality;
- d) Generating renewable wood energy from forestry biomass;
- e) Improving of endowments of micro-enterprises through the acquisition of equipments, complex tools and machineries for harvesting, transport and processing, at the same time and within the same technological processes, of forestry products, such as the harvesters, as well as special machines for the transportation of forest products from forest to the primary processing units.
- f) Increasing the number of jobs in the sector of processing and marketing of forest products;
- g) Growth in labour productivity in the forestry sector;
- h) For the processing of wood material, activities undertaken before industrial processing are eligible only in accordance with the Article 19 of Regulation (EC) no. 1974/2006.

Type and size of beneficiary enterprises

The beneficiaries eligible for support granted by this measure are:

For agricultural products	-Micro, small and medium- enterprises - defined in compliance with Recommendation (EC) no. 361/2003 - Other enterprises which are not micro, small and - medium enterprises, defined in compliance with Article 28 of Regulation (EC) no. 1698/2005, with less than 750 employees or with a turnover of less than 200 million Euro
For forestry products	- Micro-enterprises - defined in compliance with Recommendation (EC) no. 361/2003

This classification takes into account the various types of combination: autonomous, associated and partnerships enterprises.

Minimum compulsory conditions for receiving support:

- a) The project shall comply with the general objective of the measure and at least one of the specific objectives;
- b) The beneficiary must demonstrate the improvement of the general performance of the enterprises on the date of putting the investment into operation
- c) The beneficiary investment's or the project's legal officer shall provide relevant professional skills in line with project's requirements;
- d) The beneficiary shall have the Justificative Report or the Feasability Study;
- e) The beneficiary shall not be in difficulty, within the meaning of the Community guidelines on State aid for rescuing and restructuring firms in difficulty (Official Journal 2004/C 244/02);
- f) The beneficiary shall declare that he will ensure the co-financing of the investment;

- g) The beneficiary shall demonstrate he will submit all the sanitary, sanitary-veterinary, phyto-sanitary and environmental permits and authorisations, according to the legislation in force, required by the achievement of investments within the project. For all types of investments the potential beneficiaries must obtain the environment agreement according to the national legislation. In some situations stipulated by law, besides the agreement there must be a study regarding the impact on the environment, as stipulated at point 5.2. in NRDP.
- h) In case of produce with processing quota, when submitting the funding request, the beneficiary must prove that they have a quota in the investment they are to make.

Description of the requirements and targets with regard to the improvement of the overall performance of the enterprises

This support is granted for tangible and intangible investments leading to a better general performance of the beneficiary enterprise, in line with national and community standards.

The business plan is the economic part of the Justification Report for simple procurement activities, or of the Feasibility Study for investment objectives with a building component; the beneficiary of an investment project must prove that one or more technical, economic -financial and environmental objectives are met, in order to achieve the overall performance of the enterprise, according to the following indicative list:

Within this measure are going to be supported projects that contain elements that lead to improving the overall performance of beneficiary enterprise as follows:

- technical

- a) Improving and optimising the production processing and marketing flows, of agricultural and forestry products (e.g. .increasing of the processing yield
- b) creation and/or modernization of local collecting networks, reception, storage, conditioning, sorting and packing capacities for the farming and forestry products (e.g. prolongation of the storage period, increasing in quality of output);
- c) the introduction of technologies and procedures in order to obtain new products, which would take into account the various requirements of the consumers (e. diversification of products' scale);
- d) Improving the production, processing and marketing of high quality standard products, inclusively organic products;
- e) the improvement of internal control of raw material quality, semi-processed products, products and by-products obtained within the processing and marketing units (e.g. increasing of food safety);

- economic and financial

- a) cutting down production costs;
- b) increased Gross Value Added (GVA) of the enterprise;
- c) increasing the efficiency of using production resources;
- d) improving the horizontal cooperation between processors, unities that supply raw materials and the market place;
- e) increase of economic viability.

- environmental and food safety

- a) cutting down pollutant emissions and of waste products in order to preserve the environment (e.g..compliance with the level established through the environment stan);
- b) increased usage of renewable energy sources;

- c) improving the security at work place and of hygiene condition in production
- d) improving the quality of processed products and also of food products quality observing the food safety requirements, as well as of traceability (e.g. investments for implementing the quality management system).

The technical and environmental objectives are presented in the Feasibility Study or if necessary in the Justification Report, while the economic-financial objectives are presented in the Business Plan. In the Applicant Guide shall be detailed the requirements regarding the technical, economic-financial and environmental criteria, on the basis on which the overall performance's improvement of the applicant's holding will be assessed.

The established indicators in order to assess the performance shall be detailed in the Applicant's Guide.

Primary production sectors

Within the measure, the priority units of the primary production sectors are: (i) milk and dairy products; meat, meat products and eggs, (ii) cereals and bakery products, (iii) vegetable, fruits and potatoes, (iv) obtaining and using bio-fuels, (v) oilseeds, (vi) honey, (vii) wine.

The primary sectors of priority forests products within the measure are: (i) wood-products, (ii) non-wood products (e.g. mushrooms, forest fruits, seeds, tannins, medicinal plants etc., excepting the products resulted from hunting activities).

Selection criteria:

- unities that have restructuring programs up to 2009, included in the Annex agreed with DG Sanco, in order to comply with the Community standards;
- enterprises adjusting to Community standards;
- unities of priority sectors, ordered by the priorities list mentioned above;
- SMEs situated in areas with available raw materials and without processing capacities;
- associative forms created according to the legislation in force;
- not to have benefited before of previous SAPARD/EARDF support;
- small and medium sized enterprises, that are both producers of raw materials , as well as processors;
- SMEs processing traditional products;
- collecting and/or processing organic products;
- it will be given priority to micro-enterprises processing wooden products and promoting environmental protection technologies;

All the eligible projects shall be scored according to the above-mentioned selection criteria.

The selection system is provided at subchapter 5.2.4 "Selection procedure".

Types of investments (tangible / intangible)

Support shall be granted for tangible/intangible investments to enterprises in the agri-food products processing industry and forestry industry:

Tangible investments (indicative list):

For agricultural products

- a) New buildings and/or modernization of buildings used for production, including environmental protection buildings, internal infrastructure, utilities and couplings necessary for projects ;
- b) Construction and/or modernization activities for product storage, including wholesale low-

- temperature storehouses;
- c) Purchase or lease purchase of new machinery, installations, equipments and devices and installation costs;
- d) Investments in improving the internal control of raw material quality, semi-products, products and by-products in processing and marketing units;
- e) Investments in the production and usage of energy from renewable sources;
- f) Purchase or lease purchase of new specialized transport vehicles needed for production and marketing activity, identified as necessary through the Feasibility Study or Justification Report;

For forestry products:

- a) New construction and modernization of all types of premises for processing and storing forestry products, needed for the project, including utilities and fittings which do not exceed 10% of the eligible value of the project;
- b) Purchasing, or purchasing by leasing, of new installations, machineries and equipments for harvesting (in case of complex technological processes), transporting and primary processing the forest products (wood and non-wood), as well as modernization and improvement of the technology, in accordance with the feasibility studies, while complying with the environmental and labour safety standards.

Non-tangible investments for agricultural and forestry products (indicative list):

- i. Organization and implementation of quality and food safety management systems;
- ii. Purchase of technologies (know-how), acquisition of patent rights and licenses for preparing the implementation of the project;
- iii. General costs of the project according to Art. 55 of (EC) Regulation no.1974/2006, such as: fees for architects, engineers and consultants, feasibility studies, taxes for certificates, permits and authorisations necessary for project implementation, as mentioned in national legislation (,for preparing the implementation of the project (max. 8% of the eligible value of investments, if the project foreseen constructions and max. 3% of the eligible value of investments, if the project does not foreseen constructions);
- iv. Purchase of software, identified as necessary through the Feasibility Study or by the Justification Report.

Investments which cannot be funded through this measure:

- i. The processing of sugar beet which is not included in the allocated quota, as well as the processing of sugar reed;
- ii. Processing of tobacco;
- iii. Investments in rendering units;
- iv. Investments in research activities aiming to obtain new products and technologies related to the field of processing and marketing of agricultural and forestry products;
- v. Investments which directly support retail sales.

Non-eligible investments and costs for agricultural and forestry products are:

- i. Construction or modernization of the home residences;
- ii. Purchase of second-hand equipments;
- iii. Purchase of land;
- iv. VAT except non-recoverable VAT when it is genuinely and definitively borne by beneficiaries other than non taxable persons referred to in Article 71 (3), letter (a) of Regulation (EC) no. 1698/2005

- v. Operational costs, including maintenance and rental costs;
- vi. Bank commissions, costs with guarantees and similar expenditures;
- vii. Costs regarding the contribution in kind;
- viii. Costs with the promotion of products on the domestic market through fairs, adds and publicity;
- ix. Costs incurred through currency exchange rate, taxes and losses due to currency exchanges associated with the Euro account of PARDF;
- x. Costs related to a leasing contract: management tax, interests, insurance premium, etc.;
- xi. Costs occurring before project approval, except for technical studies, business plans and feasibility studies.
- xii. Purchase of transport vehicles needed for personal use and people transportation;
- xiii. Simple replacement investments, according to Article 55 of Regulation (EC) no. 1974/2006.
- xiv. Investments made within the support schemes according to Article 2 (2) of Regulation (EC) no. 1974/2006
- xv. Investments made by the producers organization in fruit and vegetable sector, benefiting from support within Common Market Organisation;

Designation of the standards for which a period of grace can be granted to micro-enterprises in order to comply with a newly introduced standard

Support will be granted achieving the standards which come into force in Romania as of or after 01.01.2007 or they have come into force but there is a transition period for their achievement. The standards must be related to the sanitary-veterinary requirements, food safety, environmental protection, hygiene and occupational safety.

The meat, milk and dairy products processing units mentioned in Appendix B, Annex VII of the Treaty regarding Romania's Accession to the EU, who benefits from a period of transition in order to comply to the minimum standards regarding the environment, hygiene and welfare of animals, will receive support in order to comply to the required standards until the end of the respective transition period or of the investment period, whichever of the two takes place first (the units that are in a transition period until the 31st of December 2009 are listed in Annex no.1 of the technical fiche of the measure). These enterprises which benefit of a transition period for meeting standards shall be supported as priority enterprises.

For each project belonging to enterprises having a transition period, a verification is necessary in order to find out if the enterprise has benefited before from public aid granted for a partial or total observance of the Community standards.

In the NRDP implementation period as result of introducing a new legislation regarding Community standards, support may be granted only to those investments which are made by micro-enterprises stipulated in Article 28, paragraph (2) of Regulation (EC) no. 1698/2005, in order to comply with a newly introduced Community standard, except for the enterprises of any size which, according to the Accession Treaty, benefit of the above-mentioned transition period. In that case, a period of grace not exceeding 36 months from the date on which the standard becomes mandatory for the enterprise may be provided to meet the standard.

“The description of the Community standards in force” is presented in the Annex 2 of the measure fiche.

Type of support

Non-refundable public aid.

The beneficiaries of this measure can request to the Paying Agency an advance payment, that can not exceed 20% of the public aid for investments, according to the article 56 of the (EC) Regulation no 1974/2006 laying down detailed rules for the application of Council Regulation (EC) no 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and its payment is conditioned by a bank guarantee or equivalent, worth 110% of value of the advanced payment. The guarantee shall only be released if the paying agency decides that the amount of expenditures made for investments in line with the public support is higher than the advance payment value.

The potential beneficiaries of this measure benefit from financial facilities according to the package of normative acts for crediting and guarantee of investments, which is in force until 2009, especially for ensuring the co-financing of projects realized through the SAPARD funds called "The Farmer" programme and was the main instrument for increasing the absorption of pre-accession funds. These aid schemes will continue until the end of 2009, when they cease to exist. Starting with 2010, the programme will be amended and some financial engineering operations will be introduced, being supported by the EAFRD, under the appearance of the guarantee schemes, in order to replace the current ones. The exact content of these schemes, the financial resources allocated through EAFRD and the details regarding their implementation shall be introduced by an amendment of the programme in 2010. Checking the observance of the maximum aid intensity shall be done before signing the financing contract.

Aid intensities

Micro-enterprises and small and medium sized enterprises

The amount for support is up to 50% of the eligible value of investments and a maximum ceiling of the non-refundable public aid of 2,000,000 Euro/project;

The amount of support is up to 50% of the eligible value of investments and a maximum ceiling of the non-refundable public aid of 3,000,000 Euro/project for the investments belonging to an associative form and serving its members;

The support intensity for the Development Region no. 8 Bucharest-Ilfov can not exceed 40%, according to Art. 28(3), Regulation no. 1698/2005

For other types of enterprises:

The amount for support is up to 25% of the eligible value of investments and a maximum ceiling of the non-refundable public aid of 2,000,000 Euro/project;

The support intensity for the Development Region no. 8 Bucharest-Ilfov can not exceed 20%, according to Art. 28(3), Regulation no. 1698/2005.

Aid under the programme for measures and operations falling within Art. 36 of the Treaty shall not be cumulated with any other State aid within the meaning of art. 87 (1) of the Treaty or financial contributions provided by Member State, if such a cumulating would result in an aid intensity exceeding the maximum laid down in Regulation (EC) no. 1698/2005. Checking the observance of the maximum aid intensity shall be done before signing the financing contract.

State Aid Provisions

If the growth of the added value of the agricultural products implies the obtaining of products that are not listed in Annex I of the Treaty of the establishment of European Community, only the sectors which are included in the state aid scheme shall be supported, in line with the state aid (EC) Regulation no. 70/2001 on the application of Articles 87 and 88 of the EC Treaty to State aid to small and medium-sized enterprises and only upon the latter's coming into force. (

Furthermore, for the forestry products shall be distinctively applied a state aid scheme, that shall comply with the (EC) Regulation no. 70/2001 on the application of Articles 87 and 88 of the EC Treaty to State aid to micro- enterprises.

Financing

The financial allocation of the measures for the period 2007-2013 is:

Total costs: 2,708,792,184 Euro

Public expenditure: 1,071,174,126 Euro

Coherence with first pillar

Criteria and administrative rules shall ensure that operations benefiting exceptionally from rural development aids according to the support schemes listed in Annex I of Regulation (EC) no. 1974/2006 will not be supported also by other relevant instruments of the CAP, The demarcation lines in order to avoid double financing are detailed at point 5.2.5. of NRDP (

The support granted by this measure may be directly supplemented with the support granted by measure 111 "Vocational training, information actions and diffusion of knowledge".

Furthermore, the support granted by this measure is complementary to the support granted by other measures of Axis I (121 "Modernization of agricultural holdings", 122 "Improving of the economic value of forest", 125 "Improving and developing infrastructure related to the development and adaptation of agriculture and forestry", 142 "Setting up of producer groups"), of Axis III and Axis IV LEADER.

Demarcation with the other NRDP axes

Through Axis 3 are supported only the micro-enterprises in the rural area that:

- Process products from the Annex 1 of the Treaty of establishment of the European Community, but does not obtain food products as an output;

Produce and use in the production process renewable energy sources (as part of the project). Through axis 1 are supported investments in:

- Food industry enterprises (micro-enterprises, SMEs and intermediary ones)
- Enterprises that produce and sell bio-fuels for transportation, through processing the listed products in the Annex 1 to the Treaty
- Enterprises that produce and use renewable energy sources (as a part of the project) in the production process.

Demarcation with other funds

The support for this measure is complementary to the activities financed by other European funds:

- European Regional Development Fund (ERDF);
- Cohesion Fund (CF);
- European Social Fund (ESF).

The ERDF supports the enterprises (micro-enterprises, SMEs, intermediary enterprises in the urban area and big enterprises) that:

- Process products from the Annex 1 of the Treaty of establishment of the European Community, but does not obtain food products as an output;
- Produce electrical/thermal energy from bio-fuel, excepting the enterprises that process agricultural products listed in the Annex 1 to the Treaty.

The correlation of this measure with other measures of EAFRD and other funds will have a positive impact on the production and on marketing networks and environment protection.

Quantified targets for EU common indicators

Type of indicator	Indicator	Targets 2007-2013
Output	Number of holdings supported Division according to: <ul style="list-style-type: none"> • Size <ul style="list-style-type: none"> - microenterprises - SMEs - others • Type of sector (agriculture according to Regulation (EC) no. 369/2003*, forestry and food industry); • Type of activity (processing/marketing, development). 	3,138 2,511 565 62
	Total volume of investments (Euro) Division according to: <ul style="list-style-type: none"> • Size <ul style="list-style-type: none"> - microenterprises - SMEs - others • Type of sector (agriculture according to Regulation (EC) no. 369/2003*, forestry and food industry); • Type of activity (processing/marketing, development). 	2,708,792,184 1,551,292,184 847,500,000 310,000,000
Result	Growth in GVA (million Euro) Division according to type of sector (agriculture according to Regulation (EC) no. 369/2003*, forestry and food industry);	628

	Number of holdings introducing new products or techniques Division according to: <ul style="list-style-type: none"> • Reorganization of production; Out of which: for agricultural products <ul style="list-style-type: none"> • new products • new techniques. for forestry products <ul style="list-style-type: none"> • new products • new techniques. <ul style="list-style-type: none"> • Type of sector (agriculture according to Regulation (EC) no. 369/2003*, forestry and food industry); 	1,569
Impact**	Economic growth (million Euro) Out of which measure 123 contribution	2,483 502
	Growth in labour productivity	Annual increase of 8%

Additional indicators

Type of indicator	Indicator	Targets 2007-2013
Output	Involved capacities corresponding to the approved by type of sector (agriculture according to Regulation (EC) no. 369/2003*, forestry and food industry): <ul style="list-style-type: none"> • New capacities • Modernized capacities. 	
Output	<ul style="list-style-type: none"> • Number of assisted enterprises out of which with restructuring programmes up to 2009; • that belong to associative forms 	3,138 425 470
Result	Number of enterprises that observe the Community standards as a result of the support	3,138

*)Note: According to Regulation (EC) no. 369/2003 regarding the principal type of farming – TF 8 Grouping:

1. Agricultural sector contains:

- Field crops (cereals, oilseed, protein crops, technical crops, root crops)
- Horticulture (garden vegetables, flowers and ornamentals, mushrooms)
- Wine (vineyards and grapes)
- Permanent crops (fruit)
- Animal breeding - mainly dairying
- Animal breeding - mainly non-dairy grazing
- Granivores (pigs and poultry)

** Indicator value was calculated at axis level.

- Mixed livestock (mixed dairying and rearing/field crops and livestock)
2. Type of production contains:
- Agricultural bio products
 - Agricultural conventional products

**ESTABLISHMENTS APPROVED BY NATIONAL SANITARY VETERINARY AND FOOD
SAFETY AUTHORITY HYGIENE AND VETERINARY, PUBLIC HEALTH DIRECTORATE,
FOR A TRANSITION PERIOD UNTIL 31.12.2009**

(Commission Decision no.710/29th of October 2007 amending Appendix B of Annex VII to the Act of
Accession of Romania as regards certain establishments in the meat, poultry meat, fish and milk
products sectors in Romania, published in O.J.L.288/6.11.2007)

I. RED MEAT ESTABLISHMENTS

No.	Sanitary- veterinary authorization	Establishment name	Address
1	AB 927	S.C. Lider Prod Carn SRL	Alba Iulia, county Alba, 510340
2	AB 2588	S.C. Crimbo Carn SRL	Zlatna, county Alba, 516100
3	AB 2771	S.C. Montana Popa SRL	Blaj, Gh. Barițiu Street, Alba county, 515400
4	AB 2957	S.C. Miacarn SRL	Miraslu, Street Abatorului 1, county Alba, 517470
5	AB 3263	S.C. Transeuro SRL	Ighiu, Street Principală no.205 A county Alba, 517360
6	AG 002 IC	S.C. Agofloris Prod SRL	Stefănești, county Argeș, 117715
7	AG 005 IC	S.C. Abatorul Campulung	Câmpulung, county Argeș, 115100
8	AG 008 IC	S.C. Carmen SRL	Bascov, county Arges, 117045
9	AG 013 IC	S.C. Radic Star SRL	Stefănești Street Cavalerului no. 893, county Argeș, 117715
10	AG 017 IC	S.C. Coșcovele SRL	Rucăr Street Industriașilor no.1, county Argeș, 117630
11	AG 024 IC	S.C. Rador A&E SRL	Bascov, Street Serelor no.48, county Argeș, 117045
12	AG 026 IC	S.C. Muntenia SRL	Costești, county Argeș, 115201
13	AG 29 IC	S.C. Tehnic Complex	Topoloveni, county Argeș 115500
14	AR 2146	S.C. Maier Com SRL	Pecica, W.N., county Arad, 317235
15	AR 4798	S.C. Crimona SRL	Arad, Street M. Tabacovici, no.5 county Arad, 310249
16	AR 4927	S.C. Prodalim SRL	Arad, Street Feleacului, no.1, county Arad, 310396
17	AR 4930	S.C. Filip D Impex SRL	Arad, Street Lăcrimioarelor, no.4/A, county Arad, 310445
18	AR 5065	S.C. RB Prod SRL	Arad, Street Constituției, county Arad, 310227
19	AR 5307	S.C. Chibax SRL	Arad, Street Bodroglui, no.20, county Arad, 310059
20	AR 5806	S.C. Combinatul Agroind Curtici	Curtici, Street Revoluției no. 33, county Arad, 315200
21	AR 6119	S.C. Ropilin Impex SRL	Arad, Street Calea Bodroglui no.20, county Arad, 310059
22	B 208	S.C. Rabet Prod SRL	București, 062620
23	B 586	S.C. Fleischmeister Prod SRL	București, 062620
24	B 764	S.C. Antrefrig SRL	București, 062620
25	B 830	S.C. Romalim SRL	București, 062620
26	B 39826	S.C. Val Com 50 SRL	București, 062620
27	B 40632	S.C. Medeus & Co Prodimpex SRL	București, Street Parcului no. 20, district 1, București, 012329
28	B 70304	S.C. Vericom 2001 SRL	Street Turnu Măgurele no. 17, București, 041706
29	B 71201	S.C. Clasinterprod SRL	București, 062620
30	BC 2	S.C. Agricola Internat SA.	Bacău, county Bacău, 600450
31	BC 1022	S.C. Carmun SRL	Loc. Oituz, Poiana Sărata, county Bacău, cod 607371
32	BC 1306	S.C. Bunghez Prodcom SRL	Onești, Street Cașinului no. 2, county Bacău, 601007
33	BC 2598	S.C. Salbac Dry Salami SRL	Bacău, county Bacău, cod 600450
34	BC 3178	S.C. Nicbac SRL	Loc. N. Bălcescu, county Bacău, cod 607355
35	BC 4165	S.C. Tiberias 2000 SRL	Racăciuni, county Bacău, 607480
36	BC 5196	S.C. Miralex SRL	Loc. Bacău, str Bicăz, no. 8, county Bacău, cod 600293
37	BC 5733	S.C. Alimenta S.A.	Bacău, Street Arinilor no. 13, county Bacău, 600351
38	BH 036	S.C. Toto Flor Com SRL	Madaraș, County Bihor, 417330
39	BH 102	S.C. Prodaliment SA	Salonta, Street Republicii, no. 101, county Bihor, 41550
40	BH 110	S.C. Nutrientul SA	Oradea, Street Cazaban no.134, county Bihor, 410276
41	BH 223	S.C. Florian Impex SRL	Oradea, Street Morii no.11/B, county Bihor, 410577
42	BH 226	S.C. Distinct Comimpex SRL	Oradea, County Bihor, 410710
43	BH 704	S.C. Carmangerie Tavi-Bogdan SRL	Oradea, Street Dobrogei no.21, county Bihor, 410526
44	BH 1534	S.C. Columbia Romimpex SRL.	Oradea, Street Arțarilor no.13/A, county Bihor, 410258
45	BH 2010	S.C. Sarilma Com.SRL	Loc. Sumugiu no., 15, county Bihor, 417279
46	BH 2029	S.C. Cominca.SA	Oradea, Street Octavian Goga no.4, county Bihor, 410221
47	BH 2227	S.C. Andromi Com.SRL	Oradea, Street Fagurelui no.18, county Bihor 410222

48	BH 3001	S.C. Global Agro Prod SRL	Sârbi no. 469, county Bihor, 417520
49	BH 3092	S.C. Inter Prod Com SRL	Săcueni, Street Leta Mare, county Bihor, 417435
50	BH 5073	SC Betarom Impex SRL	Valea Mihai, county Bihor, 415700
51	BH 5122	S.C. Abrumar	Sântandrei, no.62/B, county Bihor, 417515
52	BH 5185	S.C. Carmangerie Tavi-Bogdan SRL	Loc. Mihai Bravu no.169, county Bihor, 417237
53	BH 5341	S.C. Abator Dara S.R.L.	Tulca 668 A, county Bihor, 417600
54	BN 2041	S.C. Sonil	Feldru, Street Ridul Zăvoi, no. 1209, county Bistrița-Năsăud, 427080
55	BN 2097	S.C. Agroinvest Prod SRL	Bistrița, Street Libertății, no. 41, county Bistrița-Năsăud, 420155
56	BN 2184	S.C. Caraiman	Bistrița, Street Tarpiului, No. 26A, county Bistrița-Năsăud, 420062
57	BN 2207	S.C. Rebrisoreana Trans SRL	Bistrița, Drumul Cetății no. 7A, county Bistrița-Năsăud, 420063
58	BN 2227	S.C. Unic Cremona	Bistrița, Street Tarpiului, W.N., county Bistrița-Năsăud, cod: 420062
59	BR 62	SC Doraliment Prod SRL	Brăila, County Brăila, 810650
60	BR 405	S.C. Dany Vio SRL	Brăila, Street Milcov 166, county Brăila, 810335
61	BR 406	S.C. Cento Trading SRL	Brăila, Street Milcov 166, county Brăila, 810335
62	BR 574	S.C. Electiv Prod SRL	Comuna Romanu, county Brăila, 817115
63	BR 629	S.C. Melkart SRL	Brăila, Street Barbu Ștefănescu 1, Brăila, county Brăila, 810186
64	BR 774	S.C. Tazz Trade SRL	Brăila, Street Faleza Portului, no. 2, county Brăila 810529
65	BT 125	S.C. Impex Dona SRL	Băisa, county Botoșani, 717246
66	BT 132	S.C. Petanic Prod SRL	Flămânzi, county Botoșani, 717155
67	BT 133	AF Fediuc Aurel	Curtești, county Botoșani, 717110
68	BT 138	S.C. Sagrod SRL	Dărăbani, Street Muncitorului, county Botoșani, 715100
69	BT 140	S.C. Raffaello SRL	Țingeni, county Botoșani, 717120
70	BT 144	S.C. Agrocarn Company SRL	Botoșani, Street Pod de Piatră no. 89, county Botoșani 710350
71	BT 188	SC Mary Com Impex SRL	Street Stegari, no. 24, Botoșani, county Botoșani 710021
72	BT 194	S.C. Practic Comerț SRL	Dărăbani, Street 1 Decembrie no. 168, county Botoșani 715100
73	BT 196	S.C. Carne Com SRL	Dracșani, county Botoșani, 717374
74	BT 198	S.C. Emanuel Com SRL	Răchiți, county Botoșani, 717310
75	BT 202	S.C. Zacom SRL	Bajura, county Botoșani, 715101
76	BV 175	S.C. Nelgiani Com SRL	Brașov, County Brasov, 500650
77	BV 1593	S.C. Panfil SRL	Brașov Street Plevnei no. 13, county Brașov 500187
78	BV 1931	S.C. Sergiana Prod Impex SRL	Poiana Mărului Street Principală no. 339 B, county Brașov 507160
79	BV 2807	S.C. Duprod SRL	Codlea Street Halchiului no. 4, county Brașov 505100
80	BZ 101	S.C. Frasinu SA	Buzău, Șos Sloboziei km 2, county Buzău 120360
81	BZ 103	S.C. Neptun Râmnic SRL	Râmnicu Sărat, Street Eroilor no.1, county Buzău, 125300
82	BZ 104	S.C. N 2001 SRL	Cochirleanca, county Buzău, 127190
83	BZ 109	S.C. Ferma Cătălin-Anicom SRL	Pogoanele, Street N. Bălcescu, county Buzău, 125200
84	BZ 110	S.C. Carmozimbrul	Râmnicu Sărat, Street Lt. Sava Rosescu 140, county Buzău 125300
85	BZ 112	S.C. Tri 94 Prod Com SRL	Com Berca, Village Valea Nucului, county Buzău, 127048
86	BZ 114	S.C. Total Activ SRL	Posta Călnău, county Buzău, 127485
87	BZ 115	S.C. Ferm Com Prod SRL	Căldărăști, county Buzău, 125201
88	BZ 204	S.C. Comsoradi SRL	Buzău, Street Bucegi 14, county Buzău, 120208
89	CJ 108	S.C. Turism Valcele SRL	Vâlcele W.N., county Cluj, 407274
90	CJ 120	S.C. Mariflor SRL	Gherla, county Cluj, 405300
91	CJ 122	S.C. Riana Servprodcom SRL	Iclod W.N., county Cluj, 407335
92	CJ 135	S.C. Maxialiment SRL	Turda, Street Clujului, no. 194, county Cluj 401180
93	CJ 140	S.C. Maria Cris SRL	Huedin, Street Horea, W.N., county Cluj 405400
94	CJ 474	S.C. Xamus SRL	Baciu, Street Principală, no. 294, county Cluj 407055
95	CJ 3261	S.C. Flora SA	Gârbău, W.N., county Cluj 407295
96	CJ 5519	S.C. 2 T Prod SRL	Cluj-Napoca, Street Taberei no. 3A, county Cluj, 400512
97	CL 0182	S.C. Agrosud SRL	Olteneța, Street 1 Decembrie, no.1 E, county Călărași, 915400
98	CL 0545	S.C. Dragomir Impex SRL	Com. Cuza Vodă, county Călărași, 917045
99	CL 1388	S.C. Donald's SRL	Com. Dorobanțu, county Călărași, 917065
100	CL 1446	S.C. Izocom MC SA	Cuza Vodă, county Călărași, 917045
101	CL 1598	S.C. Comaro SRL	Olteneța, Street Cuza Vodă, no. 131, county Călărași 915400
102	CS 33	S.C. Stauber SRL	Caransebeș, Street Șesul Roșu No. 5, county Caraș 325400
103	CS 40	S.C. Palaloga Carneprep SRL	Bocșa, Street Binișului No.1, county Caraș 325300
104	CS 47	S.C. Gospodarul SRL	Reșița, Street Țerovei, W.N. county Caraș 320044
105	CS 55	S.C. Simion Prod Com SRL	Berzovia, Street Fizeșului, W.N. county Caraș 327030
106	CS 61	S.C. Mona Lisa SRL	Reșița, County Caraș Severin, 320290

107	CS 541	S.C. Agrokraft SRL	Berzovia, Street Timișorii No.2, county Caraș 327030
108	CS 2147	S.C. Cavarantana Comp. SA	C-tin Daicoviciu 1A, county Caraș, 327090
109	CS 2506	S.C. Marbek Impex SRL	Reșita, Street Terovei, NO.10, county Caraș 320044
110	CT 5	S.C. Carmeco SA	Constanța, Street Mangaliei no. 74, county Constanța, 900116
111	CT 19	S.C. Carnob SRL	Lumina, Street Lebedelor no. 1A, county Constanța, 907175
112	CV 123	S.C. Torro Impex SRL	Loc.Lemnia, Street Principală 375, county Covasna, 527110
113	CV 154	S.C. Casalco SA	Sf. Gheorghe, Street Jókai Mór no. 9-11, county Covasna 520046
114	CV 158	S.C. Agrochem SRL	Câmpu Frumos 5, county Covasna, 520072
115	CV 1776	S.C. Lefrumarin 2000 SRL	Micloșoara, Street Laterală no. 201, county Covasna, 525104
116	CV 2544	S.C. Prod. Com. Tib-Giz SRL	Sf. Gheorghe, Street Mikes Kelemen no. 39, county Covasna, 520028
117	DB 3075	S.C. Branis Agro SRL	Braniștea, County Dâmbovița, 137050
118	DB 3341	S.C. Nin Bog SRL	Sotanga, County Dâmbovița, 137430
119	DB 3451	S.C. Libertatea SRL	Brănești, county Dâmbovița, 137055
120	DB 3457	S.C. Neval SRL	Pietroșița, county Dâmbovița, 137360
121	DJ 222	S.C. Elisiria SRL	Podari, County Dolj, 207465
122	DJ 312	S.C. Olas Prod SRL	Craiova, Street N.Romanescu no. 130, county Dolj, 200738
123	GJ 5	S.C. Lexi Star SRL	Village Bucureasa, Com Dănești, county Gorj, 217200
124	GJ 2234	S.C. Atos Garant SRL	Village Urechești com.Drăgulești, county Gorj, 217225
125	GL 0369	S.C. Serbănești Livada SRL	Com.Liești, county Galați, 805235
126	GL 0853	S.C. Atfab SRL	Tecuci, Street Mihail Kogălniceanu no.64, county Galați, 805300
127	GL 3026	S.C. Top Fish Food SRL	Galați, Street Traian no. 437, county Galați, 800179
128	GL 3330	S.C. Karomtec SRL	Tecuci, Street Mihail Kogălniceanu no. 48 county Galați, 805300
129	GL 3710	S.C. Saltempo SRL	Galați, county Galați, 800830
130	GL 4121	S.C. Romnef SRL	Munteni, county Galați, 807200
131	GR 5663	S.C. Carnig SRL	Giurgiu, Șos București Km 3, county Giurgiu, 080301
132	HD 2	S.C. Adept Prod SRL	Deva, county Hunedoara, 330520
133	HD 28	S.C. Alexcom SRL	Orăștie, Street Erou O. Munteanu, no. 15 county Hunedoara, 335700
134	HD 66	S.C. Agrocompany SRL	Com. Certeju de Sus, Village Nojag, no. 1A, county Hunedoara, 337196
135	HD 78	S.C. Carman DC Prest SRL	Orăștie, Street Luncii, no. 3, county Hunedoara, 335700
136	HD 89	S.C. Rotina Product SRL	Hunedoara, Street Libertății, no. 4, county Hunedoara, 331128
137	HD 143	S.C. Lorialba Prest SRL	Brad, Street Crișul Alb no. 1, county Hunedoara, 335200
138	HD 147	S.C. Agrocompany SRL	Sântuhalm, no. 123, county Hunedoara, 330004
139	HR 73	S.C. Elan Trident SRL	Odorheiu Secuiesc, Street Rákóczi Ferenc 90, county Harghita, 535600
140	HR 84	S.C. Amiral SRL	Miercurea Ciuc, county Harghita, 530320
141	HR 153	S.C. Arterimpex SRL	Gheorgheni, Street Kossuth Lajos no. 211, county Harghita, 535500
142	HR 207	S.C. Decean SRL	Miercurea Ciuc, county Harghita, 530320
143	HR 263	S.C. Avicoopex SRL	Cristuru Secuiesc, Street Orban Balays, county Harghita, 535400
144	IF 42	S.C. Zena SRL	Domnești, county Ilfov, 077090
145	IF 2188	S.C. Preda Prod Com SRL.	Com. Jilava, county Ilfov, 077120
146	IF 2749	S.C. Nigo Car Prod SRL	Pantelimon, county Ilfov, 077145
147	IF 2755	S.C. Ifantis Romania SRL.	Otopeni, county Ilfov, 075100
148	IF 2789	S.C. Mario T General Com SRL	Voluntari, StreetGhe. Dinida, no.5 county Ilfov, 077190
149	IF 2831	S.C. Picovit Rom Impex SRL	Popești Leordeni, Street Olteniței no.220, county Ilfov, 077160
150	IF 2872	S.C. Popas Turistic Apollo SRL	Afumați, Street Buc.-Urziceni, no.1672, county Ilfov, 077010
151	IF 2873	S.C. Romsuintest SA	Periș, county Ilfov, 077150
152	IF 2913	S.C. Overseas 2000 SRL	Glina, Street Abatorului, no. 5, county Ilfov, 077105
153	IF 3384	S.C. Glina SA	Glina, Street Abatorului, no. 5, county Ilfov, 077105
154	IL 0245	S.C. STC Internațional SRL	Ghe. Lazăr, county Ialomița, 927130
155	IL 1060	S.C. Ovicom SRL	Slobozia, Șos București-Constanța, km 2-4, county Ialomița, 920086
156	IL 702	S.C. Hiros SRL	Alexeni, county Ialomița, 927015
157	IL 1122	S.C. Alhora SRL	Coșereni, county Ialomița, 927095
158	IS 333	S.C. Kosarom SA	Pașcani, County Iasi, 705200
159	IS 578	S.C. AJC Ana Maria SRL	Iași, Street Nicolina no. 150, county Iași, 700243
160	IS 607	S.C. Sturion SRL	Tg. Frumos, st. Buznei 3 a, county Iași, 705300
161	IS 639	S.C. Marcel SRL	Mircești, county Iași, 707295
162	IS 1354	S.C. Razana SRL	Hârlău, Street Abatorului no. 1, county Iași, 705100
163	MM 28	S.C. Tipgex Ghita SRL	Ardu Village, county Maramureș, 437005

164	MM 892	S.C. Carmangeria Dalia SRL	Baia Mare, Bd. București 49, county Maramureș, 430013
165	MM 990	S.C. Toto SRL	Lăpușel, county Maramureș, 437227
166	MM 1054	S.C. Tipgex Ghita SRL	Baia Mare, county Maramureș, 430530
167	MM 1609	S.C. Carmangeria B SRL	Baia Mare, Street Gh. Șincai 14, county Maramureș, 430311
168	MM 2726	S.C. Cetina SRL	Baia Mare, county Maramureș, 430530
169	MM 3054	S.C. Aunda Carn SRL	Sighetu Marmăției, Street A. Iancu 19a, county Maramureș, 435500
170	MM 3671	S.C. Gelsor SRL	Baia Mare, Bd. Unirii 37a, county Maramureș, 430232
171	MM 4406	S.C. Carmangeria Dalia SRL	Baia Mare, county Maramureș, 430530
172	MM 4420	S.C. Mezelco SRL	Ardu Village, No.30/A county Maramureș, 437005
173	MM 5642	S.C. Selmont SRL	Baia Mare, county Maramureș, 430530
174	MS 91	S.C. Prima Com SRL	Târgu Mureș Street Barajului 5 county Mureș 540101
175	MS 138	S.C. Prodcarni SRL	Târgu Mureș Street Libertatii 4 county Mureș 540031
176	MS 158	S.C. Tordai Impex SRL	Târgu Mureș, county Mureș, 540690
177	MS 198	S.C. Dealul Mare SRL	Sighișoara Street Parângului 100 county Mureș 545400
178	MS 1560	S.C. Nor Dan Deservire SRL	Sântana de Mureș 593, county Mureș 547565
179	MS 2585	S.C. Cazadela SRL	Reghin, Street Oltului no. 34, county Mureș, 545300
180	MS 3180	S.C. Prodimpex Albert's Mixed Goods SRL	Târgu Mureș str Mureșului 8 county Mureș 540252
181	MS 4048	S.C. Coniflor SRL	Gurghiu, Street Petru Maior 128, county Mureș, 547295
182	MS 4228	S.C. Dealul Mare SRL	Sighișoara Street Parângului 100 county Mureș 545400
183	MS 4294	S.C. Talimur SRL	Valea no. 108, county Mureș, 547629
184	MS 4585	S.C. Agro Prod Com Dosa SRL	Chibed, Street Principală no. 759, county Mureș, 547268
185	MS 5044	S.C. Ponderoza Comp. SRL	Tg. Str Viile Street Viile Dealul Mic county Mureș 540417
186	MS 5536	S.C. Alymony SRL	Bolintineni 53 county Mureș 547456
187	MS 5552	S.C. Prodimex Monica SRL	Reghin Street Viilor 65 county Mureș 545300
188	MS 5670	S.C. Bujoobo SRL	Luduș, Street Republicii no. 6, county Mureș, 545200
189	MS 5823	S.C. Carnicomp SRL	Sighișoara, county Mureș, 545400
190	NT 24	S.C. Nefimar Prod. Serv. SRL	Dumbrava Roșie, county Neamț, 617185
191	NT 31	S.C. Dustim SRL	Piatra Neamț, Street G.ral Dăscălescu no. 254, county Neamț, 10201
192	NT 32	S.C. Carmduofast SRL	Săvinești, county Neamț, 617410
193	NT 33	S.C. Cord Company SRL	Roman, Street Bogdan Dragoș no. 111, county Neamț, 611160
194	NT 422	S.C. Prodprosper SRL	Dumbrava Roșie, Street Dumbravei no. 18, county Neamț, 617185
195	NT 445	S.C. Azo SRL	Târgu Neamț, Street Nemțisor 59, county Neamț, 615200
196	NT 549	S.C. TCE 3 Brazi SRL	Zănești, county Neamț, 617515
197	OT 24	S.C. Spar SRL	Potcoava, Street Gării no. 10, county Olt, 237355
198	OT 26	S.C. Matra SRL	Scornicești, Street Muncii, county Olt, 235600
199	OT 2076	S.C. Simona SRL	Balș, Street Popa Șapcă no.105, county Olt, 235100
200	OT 2091	S.C. Avi Iancu SRL	Slatina, Street Textilistului, no. 4 county Olt, 230126
201	OT 2093	S.C. Comagrimex	Slatina, Street Grigore Alexandrescu, no. 19 county Olt, 230049
202	OT 2094	S.C. Malitext SRL	Scornicești, Street Tudor Vladimirescu, county Olt, 235600
203	PH 34	S.C. Salsi SA	Sinaia, Street Republicii no. 20, county Prahova, 106100
204	PH 180	S.C. Panex Ion SNC	Bucov, Street Valeanca, county Prahova, 107110
205	PH 3618	S.C. Brutus Impex SRL	Mănești, county Prahova, cod 107375
206	PH 3960	S.C. Filip Prod Carn SRL	Filipeștii de Pădure, Street Minei no.1, county Prahova, 107245
207	PH 4417	S.C. Gopa SRL	Ploiești, Street Gheorghe Doja, no. 124, county Prahova, 100141
208	PH 4987	S.C. Ana & Cornel SNC	Mizil, Street Amarului, no. 1, county Prahova, 105800
209	PH 5410	S.C. Nicolin SRL	Târgușoru Vechi, Village Strejnic, county Prahova, 107592
210	PH 5451	S.C. Filipescarom SRL	Filipeștii de Pădure, Street Rotărești 839, county Prahova, 107245
211	PH 5644	S.C. Maraget Prod SRL	Ploiești, Street Corlățești, no. 15, county Prahova, 100532
212	PH 5775	S.C. Domidene SRL	Posești, county Prahova, 107440
213	PH 5878	S.C. Comnilis SRL	Măgureni, Street Filipeștii de Pădure, tarla 24, county Prahova, 107350
214	PH 6012	S.C. Carnsan Prod SRL	Filipeștii de Pădure, Street Principală, no. 941, county Prahova, 107245
215	PH 6044	S.C. Algrim Center SRL	Barcănești, County Prahova, 107055
216	PH 6190	S.C. Banipor SRL	Târg Vechi, County Prahova, 107590
217	SB 111	S.C. M & C Import Export SRL	Copșa Mică, Village Târnăvioara, No. 90, county Sibiu, 555400
218	SB 126	S.C. Capa Prod SRL	Sibiu, Calea Turnișorului, No. 150, county Sibiu, 550048
219	SB 138	S.C. Muvi Impex SRL	Sibiu, Street Drumul Ocnei, No. 4, county Sibiu, 550092
220	SB 157	S.C. Lactofarm SRL	Hamba No. 335, county Sibiu, 557266
221	SB 388	Af Fluieras	Bungard, County Sibiu, 557261
222	SJ 86	S.C. Universal SRL	Crîșeni, county Sălaj, 457105

223	SM 102	S.C. Magvacom SRL	Carei, county Villageu Mare, 445100
224	SM 104	S.C. Rosacom Import-Export SRL	Villageu Mare, Street Careiului, no.146, county Villageu Mare, 440187
225	SM 105	S.C. Clara Prod Com SRL	Carei, DN 19, Ferma Ianculești, county Villageu Mare, 445100
226	SM 106	S.C. Arca SRL	Villageu Mare, Street Șoimoșeni, no. 32, county Villageu Mare, 440111
227	SV 039	S.C. Tonic Distribution SRL	Broșteni, County Suceava, 727075
228	SV 139	S.C. Apollo SRL	Rădăuți, Street Constantin Brâncoveanu, county Suceava, 725400
229	SV 217	S.C. Rogelya SRL	Fălticeni, Street Ion Creangă no. 69, county Suceava, 725200
230	SV 254	S.C. Killer SRL	Horodnic, county Suceava, 727300
231	SV 5661	S.C. Harald SRL	Mazanaiești, county Suceava, 727219
232	SV 5666	S.C. Superstar SRL	Radăuți, Street Francei 24, county Suceava, 725400
233	SV 5819	S.C. Mara Alex SRL	Bădeuți, county Suceava, 727361
234	SV 5943	S.C. Scuza Prod SRL	Forăști 96, county Suceava, 727235
235	SV 5962	S.C. Carpat SRL	Suceava, Street Mirăuți no. 72, county Suceava, 720028
236	SV 5963	S.C. Danilevici SRL	Gura Humorului, Street Fundătura Ghiociei 2, county Suceava, 725300
237	SV 5965	S.C. Killer SRL	Horodnic de Jos, county Suceava, 727301
238	SV 6066	S.C. Raitar SRL	Cornu Luncii, county Suceava, 727140
239	SV 6067	S.C. Andelvero SRL	Câmpulung Moldovenesc, Street Eudoxiu Hurmuzachi 6, county Suceava, 725100
240	SV 6071	S.C. Ancarol SRL	Gura Humorului, Bd. Bucovina W.N., county Suceava, 725300
241	SV 6102	S.C. Avastar SRL	Liteni, county Suceava, 727335
242	TL 019	S.C. Tabco Campofrio SA	Tulcea, Street Prislav no. 177, county Tulcea, 820013
243	TL 020	S.C. Carniprod SRL	Tulcea, Street Murighiol km 4 -5, county Tulcea, 820004
244	TL 177	S.C. Gazdi Prod SRL	Stejaru, county Tulcea, 827215
245	TL 269	S.C. Romit SA	Tulcea, county Tulcea, 820320
246	TL 418	S.C. Stoli SRL	Cerna, county Tulcea, 827045
247	TL 658	S.C. Cosmit TL SRL	Ceamurlia de Sus, county Tulcea, 827008
248	TL 686	S.C. Pig Com SRL	Villageu Nou, county Tulcea, 827141
249	TL 782	S.C. Prodimport CDC SRL	Frecăței, county Tulcea, 827075
250	TL 1273	S.C. MM Product SA	Tulcea, county Tulcea, 820320
251	TM 378	S.C. Veromen SRL	Timișoara, county Timiș, 300970
252	TM 1683	S.C. Carnexim Banat SRL	Dumbrăvița, Street M. Eminescu 87 A, county Timiș, 307160
253	TM 1931	S.C. Agil SRL	Timișoara, Aleea Viilor no. 24 A, county Timiș, 303700
254	TM 2725	S.C. Recosemtract ARL	Recaș, Calea Bazoșului no. 1, county Timiș, 307340
255	TM 4187	S.C. Femadar SRL	Giroc Street Gloria no. 4, county Timiș, 307220
256	TM 4297	S.C. Kendo SRL	Victor Vlad Delamarină, county Timiș, 307460
257	TM 7438	S.C. Ambax SRL	Timișoara, Calea Buziașului no. 14, county Timiș, 300693
258	TM 9568	S.C. Komoviand SRL	Jebel, w.n., county Timiș, 307235
259	TM 9595	S.C. Pastorel SRL	Carani, w.n., county Timiș, 307376
260	TR 10	S.C. Romcip SA	Salcia, county Teleorman, 147300
261	TR 26	S.C. Com Giorgi SRL	Alexandria, county Teleorman, 140150
262	TR 36	S.C. Avicola Costești SA	Roșiori de Vede, Street Vadu Vezii 1 county Teleorman, 145100
263	TR 93	S.C. Mara Prod Com SRL	Alexandria, Street Abatorului no. 1 bis, county Teleorman, 140106
264	VL 6	S.C. Diana Prod SRL	Vlădești, county Vâlcea, 247740
265	VL 4174	S.C. Marsto Prod SRL	Rm. Vâlcea, Street Știrbei Voda 77, county Vâlcea, 240588
266	VN 42	S.C. Stemaradi SRL	Tătăranu, county Vrancea, 627350
267	VN 2694	S.C. Comind Thomas SRL	Focșani, Street Sihleanu 5, county Vrancea, 620165
268	VN 3045	S.C. Vanicad Prod SRL	Milcov, county Vrancea, 627205
269	VN 3085	S.C. Madalina Serv SRL	Adcounty, county Vrancea, 625100
270	VN 2796	S.C. Luky Comprod SRL	Homocea, county Vrancea, 627175,
271	VN 2954/116	S.C. Aurora Com SRL	Odobești, Street Libertății no. 38, county Vrancea, 625300
272	VS 2231	S.C. Tivas Impex SRL	Vaslui, county Vaslui, 730300
273	VS 2232	S.C. Prodcyp Impex SRL	Huși, Street Huși-Stănilești 2, county Vaslui, 735100
274	VS 2243	S.C. CIB SA	Bârlad, Fundătura Elena Doamna no. 2, county Vaslui, 731018
275	VS 2268	S.C. Viorom P Impex SRL	Com Oltenești, Localitatea Târzii, county Vaslui, 737380
276	VS 2300	S.C. Caracul SRL	Vaslui, county Vaslui, 730233

II. POULTRY MEAT ESTABLISHMENT

No.	Sanitary-veterinary authorization	Establishment name	Address
1	AR 92	SC Agriprod SRL	Nădlac, Street Calea Aradului no. 1, 315500
2	AR 294	SC Prodagro Cetate SRL	Șiria, Complex Zootehnic, county Arad
3	AR 6078	S.C. Petra Prod SA	Arad, Street Meșterul Manole, No. 16, county Arad, 310493
4	B 120	SC Rom-Select 2000 SRL	București, Street Iuliu Maniu No. 220, district 6
5	B 269	SC Foodicom SRL	București, Str Călinei no. 25, district 6
6	B 921	SC Romalim International SRL	București, Street Timișoara 104 B, district 6
7	BH 103	S.C. Avicola Salonta SA	Salonta, Street Ghestului, No. 7, county Bihor, 415500
8	BR 456	S.C. Bona Avis SRL	Oraș Ianca, Street Street Brăilei No. 3, county Brăila, 817200
9	BV 11	S.C. Avicod SA	Codlea extravilan, county Brașov, 505100
10	BV 12	SC Drakom Silva SRL	Codlea extravilan, Șos Codlea Dumbrăvița, county Brașov
11	CJ 109	S.C. Oncos Impex SRL	Florești, Street Abatorului, No. 2, county Cluj, 407280
12	CL 201	SC Mixelim Impex SRL	Com. Frumușani, county Călărași
13	CS 42	S.C. Food 2000 SRL	Bocșa, Street Binișului no. 10, county Caraș Severin, 325300
14	CV 210	S.C. Nutricod SA	Sf. Gheorghe, Str Paraului No. 6, county Covasna, 520033
15	DJ 34	SC Felvio SRL	Bucovăț, Platforma Bucovăț, county Dolj
16	GJ 2117	S.C. Aviinstant SRL	Tg. Jiu, Street Mărgăritarului, county Gorj, 210223
17	GR 2951	S.C. Agronutrisco SRL	Drăgănescu, Com. Mihăilești, county Giurgiu, 085200
18	HD 73	S.C. Avis 3000 SA	Balata, Soimuș, county Hunedoara, 337451
19	IL 0745	S.C. Avicola Slobozia SA	Slobozia, Street Buc-Constanța km 5-6, county Ialomița 920150
20	IS 1376	S.C. Avicola SA	Târgu Frumos, county Iași, 705300
21	IS 461	S.C. Avitop SA	Iași, Șos Iași-Tg Frumos km 10, county Iași, 707410
22	MM 1289	SC Avimar SA	Baia Mare Street Bd. București no. 61-63, 430013
23	MS 3896	S.C. Oprea Avicom SRL	Crăiești, No.5, county Mureș, 547180
24	TL 1265	SC Total Aliment SRL	Tulcea, Street Isacsei No. 115, county Tulcea
25	TM 2739	SC Aviblan SRL	Jebel, 307235
26	TM 7679	SC Faust Florea Usturoi SRL	Jimbolia, Street T. Vladimirescu, 305400

III. MILK AND DAIRY PRODUCTS ESTABLISHMENTS

No.	Sanitary-veterinary authorization	Establishment name	Address
1	AB 641	S.C. Biomilk SRL	Lopadea Nouă, county Alba, 517395
2	AB 999	S.C. Albalact SA	Alba Iulia, county Alba, 510200
3	AB 1256	S.C. Binal Mob SRL	Rimetea county Alba, 517610
4	AB 3386	S.C. Lactate C.H. S.RL	Sânmiclăuș, County Alba, 517761
5	AR 412	S.C. Helvetica Milk SRL	Pecica, county Arad, 317235
6	AR 563	S.C. Silmar Prod SRL	Sântana, county Arad, 317280
7	AG 11	S.C. Agrolact Cosești	Cosești, county Argeș, 115202
8	AG 6	SC Bradet SRL	Brăduț, county Argeș, 117147
9	AG 4	S.C. Dincudana SRL	Brad, county Argeș, 117140
10	AG 9	S.C. Instant Eclips	Curtea de Argeș, county Argeș, 115300
11	AG 5	S.C. Lactag SA Fabrica Costești	Costești, county Argeș, 115200
12	BC 2519	S.C. Marlact SRL	Buhoci, county Bacău, 607085
13	BC 4759	S.C. Aic Bac SA	Săucești, county Bacău, 627540
14	L 13	S.C. BI & DI SRL	Negri, county Bacău, 607345
15	BC 5042	S.C. Almera International SRL	Bacău, county Bacău, 600324
16	BC 5219	S.C. Prodsec SRL	Livezi, county Bacău 607285
17	BH 4020	S.C. Moisi Serv Com SRL	Borșa, no. 8, county Bihor, 417431
18	BH 5158	S.C. Biolact Bihor SRL	Paleu, county Bihor, 417166
19	BN 209	S.C. Calatis Group Prod SRL	Bistrița, county Bistrița-Năsăud, 427006
20	BN 2120	SC Eliezer	Lunca Ilvei, county Bistrița-Năsăud, 427125

21	BN 2100	S.C. Bendear Cris Prod Com SRL	Micești de Câmpie, county Bistrița-Năsăud, 427160
22	BN 2125	S.C. Sinelli SRL	Milas, county Bistrița-Năsăud, 427165
23	BN 2126	S.C. G&B Lumidan SRL	Rodna, no. 1196, county Bistrița-Năsăud, 427245
24	BN 2145	S.C. Lech Lacto	Lechinta, Street Independenței, no. 387, county Bistrița-Năsăud, 27105
25	BN 2192	S.C. Simcodrin Com SRL	Budești-Fânate, no. 122, county Bistrița-Năsăud, 427021
26	BN 2377	S.C. Romfulda SA	Beclean, county Bistrița-Năsăud, 425100
27	BN 2399	S.C. Carmo- Lact Prod SRL	Monor, county Bistrița-Năsăud, 427175
28	BT 8	S.C. General Suhardo SRL	Paltiniș, county Botoșani, 717295
29	BT 11	S.C. Portas Com SRL	Vlăsinești, county Botoșani, 717465
30	BT 50	S.C. Pris Com Univers SRL	Flămânzi, county Botoșani, 717155
31	BT 55	S.C. Ram SRL	Ibănești, county Botoșani, 717215
32	BT 109	S.C. Lacto Mac SRL	Bucecea, county Botoșani, 717045
33	BT 115	S.C. Comintex SRL	Dărăbani, county Botoșani, 715100
34	BT 139	S.C. Milk SRL	Mihai Eminescu, county Botoșani, 717252
35	BT 154	S.C. Gerard SRL	Cotușca, county Botoșani, 717090
36	BT 263	S.C. Cosmi SRL	Săveni, county Botoșani 715300
37	BT 547	S.C. Orizont 2000 SRL	Vorona, county Botoșani, 717475
38	BT 572	S.C. Elavel SRL	Vlădeni, county Botoșani, 717460
39	BV 8	S.C. Prodlacta SA Homorod	Homorod, county Brașov, 507105
40	BV 2451	S.C. Prodlacta SA Fagaras	Făgăraș, county Brașov, 505200
41	BV 2701	S.C. Prodlacta SA Brasov	Brașov, county Brașov, 500001
42	BR 24	S.C. Lacta Prod SRL	Brăila, county Brăila, 810074
43	BR 65	S.C. Brailact SRL	Brăila, county Brăila, 810224
44	BR 622	SC Lactas SRL	Ianca, county Brăila, 810227
45	BR 36	S.C. Hatman SRL	Vădeni, county Brăila, 817200
46	BR 63	S.C. Cas SRL	Brăila, county Brăila, 810224
47	BR 92	S.C. Nomad SRL	Însurăței, county Brăila, 815300
48	BR 121	S.C. Nichifor Com SRL	Făurei, county Brăila, 815100
49	BR 356	S.C. Lacto Silcos SRL	Ulmu, county Brăila, 817190
50	BR 502	S.C. Sanir Impex SRL	Jirlău, county Brăila, 817075
51	BR 581	S.C. Teobir Prod SRL	Countyteți, county Brăila, 817037
52	BR 616	S.C. Danyan Lact SRL	Tufești, county Brăila, 817185
53	BZ 0591	S.C. Stercu Marinarul Donca SRL	Balta Albă, county Buzău, 127015
54	BZ 0098	SC Meridian Agroind	Râmnicu Sărat, county Buzău, 125300
55	BZ 0627	SC Ianis Cos Lact SRL	C.A. Rosetti, county Buzău, 127120
56	BZ 5615	SC Cristexim 2000 SRL	Valea Salciei, county Buzău, 127665
57	BZ 2296	SC Euroferma SRL	Buzău, county Buzău, 120217
58	BZ 0298	SC Camen Tas SRL	Smeeni, county Buzău, 127595
59	BZ 0593	S.C. Levistar SRL	Cochirleanca, county Buzău, 127190
60	BZ 2012	S.C. Zguras Lacto SRL	Pogoanele, county Buzău, 25200
61	CS 116	SC Fabrica de Produse Lactate	Oravița, county Caraș Severin, 325600
62	CL 0044	S.C. Ianis Dim SRL	Lehliu Gară, county Calărași, 915300
63	CL 0120	S.C. Marys Lux SRL	Lehliu, Săpunari, county Calărași, 917150
64	CL 0132	S.C. Lio Prest SRL	Calărași, county Calărași, 910040
65	CL 0368	S.C. Lacto GMG SRL	Jegălia, county Calărași, 917145
66	CJ 560	S.C. Napolact SA	Taga, county Cluj, 407565
67	CJ 739	S.C. Napolact SA	Cluj-Napoca, county Cluj, 400236
68	CJ 956	SC Remido Prodcom SRL	Panticeu, county Cluj, 407445
69	L 61	SC Napolact SA	Huedin, county Cluj, 405400
70	CJ 41	SC Kazal SRL	Dej, county Cluj, 405200
71	CJ 7584	SC Aquasala SRL	Bobâlna, county Cluj, 407085
72	CJ 7879	SC Comlact SRL	Corușu, county Cluj, 407056
73	CJ 4185	SC Bonas Import Export SRL	Dezmir, county Cluj, 407039
74	CT 04	SC Lacto Baneasa SRL	Băneasa, county Constanța, 907035
75	CT 37	SC Niculescu Prod SRL	Cumpăna, county Constanța, 907105
76	CT 15	SC Nic Costi Trade SRL	Dorobanțu, county Constanța, 907211
77	CT 30	SC Eastern European Foods SRL	Mihail Kogălniceanu, county Constanța, 907195
78	CT 335	SC Multicom Grup SRL	Pantelimon, county Constanța, 907230
79	CT 329	SC Muntina SRL	Constanța, county Constanța, 900735
80	CT 299	SC Nascu SRL	Independența, county Constanța, 907145
81	CT 294	SC Suflaria Import Export SRL	Cheia, county Constanța, 907277
82	CT 225	S.C. Mih Prod SRL	Cobadin, county Constanța, 907065
83	CT 227	S.C. Theo Mihail SRL	Lipnița, county Constanța, 907165
84	CT 256	S.C. Ian Prod SRL	Târgușor, county Constanța, 907275
85	CT 258	S.C. Binco Lact SRL	Săcele, county Constanța, 907260

86	CT 311	S.C. Alltocs Market SRL	Pietreni, county Constanța, 907112
87	CT 11988	S.C. Lacto Baron SRL	Hârșova, StreetPlantelor no. 44, county Constanța, 905400
88	CT 12201	S.C. Lacto Moni SRL	Vulturul, county Constanța, 907305
89	CT 12203	S.C. Lacto Genimico SRL	Hârșova, county Constanța, 905400
90	CT 331	S.C. Lacto Stil S.R.L.	Ovidiu, county Constanța, 905900
91	CV 56	SC Milk Com SRL	Saramaș, county Covasna, 527012
92	CV 2451	SC Agro Pan Star SRL	Sfântu Gheorghe, county Covasna, 520020
93	L9	SC Covalact SA	Sfântu Gheorghe, county Covasna, 520076
94	CV 23	S.C. MBI SRL	Chichis, county Covasna, 527075
95	CV 688	S.C. Meotis SRL	Ilienii, county Covasna, 527105
96	CV 1717	S.C. Golf SRL	Ghidfalău, county Covasna, 527095
97	DB 716	S.C. Marion Invest SRL	Crânguri, county Dâmbovița, 137170
98	DJ 80	S.C. Duvadi Prod Com SRL	Breasta, county Dolj, 207115
99	DJ 730	S.C. Lactido SA	Craiova, county Dolj, 200378
100	GL 4136	S.C. Galmopan SA	Galați, county Galați, 800506
101	GL 4432	S.C. Lactoprod Com SRL	Cudalbi, county Galați, 807105
102	GR 5610	S.C. Lacta SA	Giurgiu, county Giurgiu, 080556
103	GJ 231	S.C. Sekam Prod SRL	Novaci, county Gorj, 215300
104	GJ 2202	S.C. Arte Import Export	Tg. Jiu, county Gorj, 210112
105	HR 383	S.C. Lactate Harghita SA	Cristuru Secuiesc, county Harghita, 535400
106	HR 166	SC Lactopan SRL	Mujna, county Harghita, 537076
107	HR 70	S.C. Primulact SRL	Miercurea Ciuc, county Harghita, 530242
108	HR 119	S.C. Bomilact SRL	Mădăraș, county Harghita, 537071
109	HR 213	S.C. Paulact SA	Mărtiniș, county Harghita, 537175
110	HR 625	S.C. Lactis SRL	Odorheiu Secuiesc, county Harghita, 535600
111	HD 1014	S.C. Sorilact SA	Risculita, county Hunedoara, 337012
112	IL 0270	S.C. Five Continents SRL	Fetești, county Ialomița, 925100
113	IL 0569	S.C. Electrotanscom SRL	Balaciu, county Ialomița, 927040
114	IL 0750	S.C. Balsam Med SRL	Țândărei, county Ialomița, 925200
115	IL 1127	S.C. Sami Ian, SRL	Grindu, county Ialomița, 927140
116	IL 1167	S.C. Sanalact SRL	Slobozia, county Ialomița, 920002
117	IS 1012	S.C. Agrocom S.A.	Strunga, county Iași, 707465
118	IS 1540	S.C. Promilch S.R.L.	Podu Iloaiei, county Iași, 707365
119	IS 2008	S.C. Romlacta S.A.	Pașcani, county Iași, 705200
120	IF 3260	S.C. DO & DO SRL	Pantelimon, county Ilfov, 077145
121	IF 3299	SC Natural Farm Int SRL	Gruu, county Ilfov, 077115
122	IF 2944	S.C. Zarone Comimpex SRL	Voluntari, county Ilfov, 077190
123	MM 793	SC Wromsal SRL	Villageulung, county Maramureș, 437270
124	MM 807	SC Roxar SRL	Cernești, county Maramureș, 437085
125	MM 6325	SC Ony SRL	Larga, county Maramureș, 437317
126	MM 1795	S.C. Calitatea SRL	Tăuții Magherăuș, county Maramureș, 437349
127	MM 4547	S.C. De Luxe SRL	Salsig, no. 196, county Maramureș, 437300
128	MM 4714	S.C. Villageurul SRL	Giulești, county Maramureș, 437162
129	MM 6413	S.C. Multilact SRL	Baia Mare, county Maramureș, 430015
130	MH 1304	S.C. IL SA Mehedinți	Drobeta Turnu Severin, county Mehedinți, 220167
131	MS 142	S.C. Indilact SRL	Târgu Mureș, county Mureș, 540374
132	MS 948	SC Teodor Suciu SRL	Gurghiu, county Mureș, 547295
133	MS 207	S.C. Mirdatod Prod S.R.L.	Ibănești, county Mureș, 547325
134	MS 231	S.C. Lintuca Prodcom S.R.L.	Breaza, county Mureș, 547135
135	MS 293	S.C. Sanlacta S.A.	Sântana de Mureș, county Mureș, 547565
136	MS 297	S.C. Rodos S.R.L.	Faragău, county Mureș, 547225
137	MS 483	S.C. Heliantus Prod	Reghin, county Mureș, 545300
138	MS 532	S.C. Horuvio Service SRL	Lunca Santu, county Mureș, 547375
139	MS 618	S.C. I.L. Mures S.A.	Târgu Mureș, county Mureș, 540390
140	MS 913	S.C. Lactex Reghin S.R.L.	Solovăstru, county Mureș, 547571
141	MS 2462	S.C. Lucamex Com SRL	Gornești, county Mureș, 547280
142	MS 4217	S.C. Agrotranscomex S.R.L.	Miercurea Nirajului, county Mureș, 547410
143	MS 5554	S.C. Globivetpharm S.R.L.	Batos, county Mureș, 547085
144	NT 189	S.C. 1 Decembrie SRL	Târgu Neamț, county Neamț, 615235
145	NT 247	S.C. Rapanu SR. COM SRL	Petricani, county Neamț, 617315
146	NT 313	S.C. Prod A.B.C. Company SRL	Grumăzești, county Neamț, 617235
147	L10	SC Dorna SA	Târgu Neamț, county Neamț, 615200
148	L12	S.C. Camytex Prod SRL	Târgu Neamț, county Neamț, 615200
149	L6	S.C. Lacta Han Prod SRL	Urecheni, county Neamț, 617490
150	NT 900	S.C. Complex Agroalimentar SRL	Bicaz, county Neamț, 615100
151	NT 556	S.C. Stefanos SRL	Trifești, county Neamț, 617475

152	NT 241	S.C. Pro Com Pascal SRL	Pastraveni, county Neamt, 617300
153	NT 607	S.C. D. A. Secuieni	Secuieni, county Neamt, 617415
154	NT 1047	S.C. Supercoop SRL	Târgu Neamt, county Neamt, 615200
155	NT 37	S.C. Conf Prod Vidu S.N.C.	Cracaoani, County Neamt, 617145
156	PH 6064	S.C. Alto Impex SRL	Bușteni, county Prahova, 105500
157	PH 6448	SC Rusara Prodcorn SRL	Valea Calugareasca, county Prahova, 107620
158	PH 212	S.C. Vitorio SRL	Ploiești, county Prahova, 100537
159	PH 3868	S.C. Micolact SRL	Mizil, county Prahova, 105800
160	PH 4625	S.C. Palex 97 SRL	Ciorani, county Prahova, 107155
161	SJ 52	SC Sanolact Silvania SRL	Maieriste, county Sălaj, 457652
162	SJ 240	Societatea Agricola Bodia	Bodia, no. 108, county Salaj, 457051
163	SJ 282	S.C. Calion SRL	Jibou, no. 39, county Sălaj, 455200
164	SM 3676	S.C. Friesland România SA	Villageu Mare, county Villageu Mare, 440122
165	SB 1134	S.C. Valirom SRL	Smig, county Sibiu, 557024
166	SM 3876	S.C. Schwaben Molkerei	Carei, county Villageu Mare, 445100
167	SM 4038	S.C. Buenolact SRL	Villageu Mare, county Villageu Mare, 440089
168	SM 4189	S.C. Primalact SRL	Villageu Mare, county Villageu Mare, 440089
169	SB 2706	S.C. Tom Sib SRL	Alamor, county Sibiu, 557121
170	SV 1085	S.C. Bucovina SA Falticeni	Fălticeni, county Suceava, 725200
171	SV 1176	S.C. Tudia SRL	Grămești, county Suceava, 727285
172	SV 1205	S.C. Pro Putna SRL	Putna, county Suceava, 727455
173	SV 1562	S.C. Bucovina SA Suceava	Suceava, county Suceava, 720290
174	SV 1888	S.C. Tocar Prod SRL	Fratăuții Vechi, county Suceava, 727255
175	SV 2070	S.C. Balaceana SRL	Ciprian Porumbescu, county Suceava, 727125
176	SV 3834	S.C. Niro Serv Com SRL	Gura Humorului, county Suceava, 725300
177	SV 4540	S.C. Kinetas SRL	Boroaia, county Suceava, 727040
178	SV 4909	S.C. Zada Prod SRL	Horodnic de Jos, county Suceava, 727301
179	SV 5386	S.C. Gapa Lact SRL	Dolhești, county Suceava, 727180
180	SV 5398	S.C. Chitriuc Impex SRL	Balcăuți, county Suceava, 727025
181	SV 5614	S.C. Cozarux SRL	Suceava, county Suceava, 720158
182	SV 6101	S.C. Prodal Holding SRL	Vatra Dornei, county Suceava, 725700
183	SV 6118	S.C. Real SRL	Patrăuți no. 21, county Suceava, 727420
184	SV 6159	S.C. Ecolact SRL	Milișăuți, county Suceava, 727360
185	SV 6322	S.C. Aida SRL	Bilca, county Suceava, 727030
186	SV 6356	S.C. Colacta SRL	Sadova, county Suceava, 727470
187	SV 737	S.C. Cavior SRL	Forăști, county Suceava, 727235
188	SV 5355	SC Lacto Zaharia	Frumosu, county Suceava, 727260
189	L14	SC Dorna Lactate SA	Vatra Dornei, county Suceava, 725700
190	SV 6394	SC Martin's European Food Products Comimpex SRL	Bosanci, County Suceava, 727045
191	L62	SC Camy Lact SRL	Panaci, County Suceava, 727405
192	TR 78	SC Interagro SRL	Zimnicea, county Teleorman, 145400
193	TR 27	S.C. Violact SRL	Putineiu, county Teleorman, 147285
194	TR 81	S.C. Big Family SRL	Videle, county Teleorman, 145300
195	TR 239	S.C. Comalact SRL	Nanov, county Teleorman, 147215
196	TR 241	S.C. Investrom SRL	Sfințești, County Teleorman, 147340
197	TM 5254	S.C. Simultan SRL	Orțișoara, county Timiș, 307515
198	TM 6014	S.C. Friesland Romania SA	Deta, county Timiș, 305200
199	TL 661	S.C. Bioaliment SRL	Măcin, county Tulcea, 825300
200	TL 908	S.C. Favorit SRL	Stejaru, county Tulcea, 827215
201	TL 855	SC Deltalact SA	Tulcea, county Tulcea, 820013
202	TL 965	SC Mineri SRL	Mineri, county Tulcea, 827211
203	TL 005	SC Toplact SRL	Topolog, county Tulcea, 827220
204	TL 1328	SC Izacos Lact SRL	Topolog, county Tulcea, 827220
205	VN 231	S.C. Vranlact SA	Focșani, county Vrancea, 620122
206	VN 348	S.C. Stercus Lacto SRL	Ciorăști, county Vrancea, 627082
207	VN 35	SC Monaco SRL	Vrâncioaia, county Vrancea, 627445

IV. EGGS COLLECTING CENTERS

No.	Sanitary-veterinary authorization	Establishment name	Address
1	B 39833	SC Comprodcoop SA Bucuresti (EPP)	București, Street Timișoara no. 52, district 6, 061333
2	CT 10	SC Avicola Lumina SA (EPC)	Lumina, county Constanța
3	CT 31	SC Top Vision SRL	Corbu, Street Sibioarei Ferma 7 no. 22, county

		(EPC)	Constanța, 907175
4	CV 471	SC Nutricod SA (EPC)	Sf. Gheorghe, Street Jokai Mor W.N., county Covasna, 520033
5	DB 97	SC Haditon Cereale SRL (EPC)	Petrești, county Dâmbovița, 135350
6	DB 133	SC Avicola Găești SA (EPC)	Găești, county Dambovita, 135200
7	GR 3028	Avicola București SA CSHD Mihailesti (EPC)	Mihăilești, county Giurgiu, 085200
8	GR 3037	Jack Moris Com SRL (EPC)	Village Gorneni, Com Iepurești, county Giurgiu, 013895
9	GR 1601	SC La Tara SRL (EPC)	Com. Frătești, county Giurgiu, 085200
10	HD 4151	SC Avis 3000 SA Mintia (EPC)	Mintia Street Principală no.2, county Hunedoara, 337532
11	IF 234	SC Avicola Bufta (EPC)	Bufta, Street București-Târgoviște no. 4, county Ilfov, 70000
12	IF 235	SC Euro-Casa Prod SRL (EPC)	Bufta, Street București-Târgoviște no. 4, county Ilfov, 70000
13	IS 192	SC Avicola Iași SA (EPC)	Iași, Street Iași-Târgu. Frumos Km 10, county Iasi, 707305
14	MM 002	SC Combimar SA (CC, EPC)	Baia Mare, Street Fabricii no. 5, county Maramureș, 430015
15	MM 012	SC Tovira Prod Com SRL (EPC)	Seini, Street Someș no. 2, county Maramureș, 435400
16	MM 258	SC Filstar SRL (EPC)	Seini, Street Someș no. 2, county Maramureș, 435400
17	MM 330	SC Galinus SRL (EPC)	Seini, Street Someș no. 2, county Maramures, 435400
18	MS 45	SC Silvaur SRL (EPC)	Iernut, Street Câmpului 2, county Mureș, 545100
19	MS 40	SC Agroprodal SA (EPC)	Dumbrava 230/A, county Mureș, 547100
20	NT 100	SC Gradinaru Rareș SNC (EPC)	Village Izvoare, Com. Dumbrava Roșie, county Neamț, 617185
21	NT 269	SC Moroșanu Prest SRL (EPC)	Village Izvoare, Com. Dumbrava Roșie, county Neamț, 617185
22	VN 16	SC Aviputna SA Golești (EPC)	Com. Golești, Street Victoriei no. 22, county Vrancea, 627150

EPP= Eggs Production and Processing

LEP= Liquid Egg Production

EPC= Eggs Processing Center

CC= Collecting Center

Describing the Community Standards in force ²³

No.	Standard	EU Legislation	National Legislation	Data in which the standard becomes compulsory	Data when the grace period ends*	Investments' types
1.	General standards for the agri-food products hygiene	Regulation (EC) no 852/2004 of the European Parliament and of the Council of 29 April 2004 on the hygiene of foodstuffs	Decision no. 924 of 11th of August 2005 regarding the approval of general rules on the hygiene of foodstuffs, with subsequent changes	01.10.2006	01.10. 2009	a.Construction/ modernising the buildings for complying with general hygiene requests within food industry enterprises b. Purchasing/ setting up new machinery, equipments for observing the general hygiene requests within food industry enterprises
2.	Standards regarding the official controls made in order to ensure the conformity with the legislation on animal foodstuff	Regulation (EC) no 882/2004 of the European Parliament and of the Council on official controls performed to ensure the verification of compliance with feed and food law, animal health and	Decision no. 925 of 11th of August 2005 regarding the approval of rules on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules, with subsequent changes	01.10.2006	01.10. 2009	a. Construction/ modernising the buildings for observing to official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules, within food industry enterprises b. Purchasing/ setting up new machinery, equipments for observing the official controls performed to ensure

²³ For the units mentioned in Annex 1 to the measure fiche, the Paying Agency will approve projects having a accomplishment period which allows the beneficiary to end the investment until the grace period' end, 31stDecember 2009.

	and the one regarding the food and the animals' health and protection rules	animal welfare rules				the verification of compliance with feed and food law, animal health and animal welfare and hygiene rules, within food industry enterprises
3	Specific hygiene standards for animal origin food	Regulation (EC) no 853/2004 of the European Parliament and of the Council laying down specific hygiene rules for food of animal origin	Decision no. 954 of 11th of August 2005 regarding the approval of specific hygiene standards for animal origin food, with subsequent changes	01.10.2006	01.10. 2009	a. Construction/ modernising the buildings for observing specific hygiene standards for animal origin food, within food industry enterprises b. Purchasing/ setting up new machinery, equipments for observing the specific hygiene standards for animal origin food, within food industry enterprises
4	Specific standards for organising official verification concerning the animal origin products intended for human consumption	Regulation (EC) no 854/2004 of the European Parliament and of the Council laying down specific rules for the organisation of official controls on products of animal origin intended for human consumption	Decision no. 955 of 18 th of August 2005 regarding the approval of specific standards for organising official verification concerning the animal origin products intended for human consumption, with subsequent changes	01.10.2006	01.10. 2009	a. Construction/ modernising the buildings for observing specific standards for organising official verification concerning the animal origin products intended for human consumption, within food industry enterprises b. Purchasing/ setting up new machinery, equipments for observing the specific standards for organising official verification concerning the animal origin

						products intended for human consumption, within food industry enterprises
5.	Standards concerning food safety and animal foodstuff	Regulation (EC) no 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety	Law no 150 of 14 th of May 2004 concerning food safety and animal foodstuff – re-edition with subsequent changes	01.01.2007	01.01.2010	a. Construction/ modernising the buildings for observing standards concerning food safety and animal foodstuff within food industry enterprises b. Purchasing/ setting up new machinery, equipments for observing the standards concerning food safety and animal foodstuff within food industry enterprises

*Date of the end of the grace period is in accordance to Council Regulation (EC) no 1698/2005. Support is granted for investments whose purposes are to meet the Community standards within a maximum 36 months period from the date on which the standard becomes mandatory for the enterprises.

Justification regarding the support necessity for newly introduced Community standards

The support for the newly introduced Community standards is granted to the enterprises, in order to allow an adequate period of time in which they can be prepared for achievement of compliance with these standards. Although the original deadline for the adoption of most of the new standard was, at latest, the date of accession, it appeared clearly that the preparation takes more time. In addition, for meeting the standards a significant financial resource is needed involving activities without economic return and for this reason enterprises can not afford to carry out such investments. The introduction of most of the listed standards will contribute to the environmental protection. This demonstrates that it is necessary the enterprises to be supported for these investments. The main possibility of supporting the enterprises is NRDP 2007-2013. In the third year period of grace for the above-mentioned standards, the enterprises can apply for support and can carry out their investments, which are necessary to comply with these standards.

Measure	Improving and developing the infrastructure related to the development and adaptation of agriculture and forestry
Article which covers the measure	Articles 20 (b) (v) and 30 of Regulation (EC) No. 1698/2005. Point 5.3.1.2.5 of Annex II of Regulation (EC) No. 1974/2006
Code of the measure	125

Rationale for intervention

Land improvements represented for the Romanian agriculture a real protective shield, having in mind that out of the 14.8 millions hectares agricultural land, 9.3 millions are arable land. Thus, long period droughts imposed irrigating 3 millions hectares. Most of the improvements were realised during 1970-1989. Some improvements included also lands situated at important height from the water source. (250-300 meters), thus being important energy consumers at pumping water and inefficient from an economic point of view. Most of the droughty areas are situated in Romanian Lowlands, Dobrogea, Moldovian Plateau. Moreover, the floods and the excessive humidity of lowlands imposed damming and drainage on surfaces having more than 3.1 millions hectares out of the 4 millions necessary hectares. Of about 215 thousands hectares, the network for drainage channels was completed also by a network for closed drainage.

The restitution process of the agricultural and forestry surface in the last 18 years led to an excessive fragmentation of the agricultural and forestry properties and holdings. The infrastructure that served the agricultural and forestry lands (access roads, network, land improvement and sewage systems, systems for preventing floods etc.), mostly made in the centralised economy period are not any more adapted to the new exploiting structures. In the restructuring and reform process, a main part of the existent infrastructure, either could not be adapted and was abandoned, either remained without an use as a consequence of lack of adaptation to the new structures and in many cases was deteriorated or destroyed.

As a result, lately, the Romanian government together with the administrators and users of those structures tried various methods in order to adapt the infrastructure to the new agricultural and forestry structures. Using in an efficient manner of the existent infrastructure requires investments not only for adapting to the new structures, but also for modernising and adapting.

Despite the important potential that exists in the agriculture sector, the economic development opportunities are limited in Romania's rural area for the time being. The lack of a proper infrastructure led to this limiting. Droughts, floods and other problems connected to climate have a significant impact over the production's stability and over the national food safety.

Due to climatic conditions, in Romania, the irrigations are additional to rains and are necessary in order to compensate the water deficit in soil, in order to ensure optimal conditions for developing the cultures and representing also a technological chain in plants growing. Therefore, the irrigation represents an input for the agricultural production and through practising irrigations the agricultural producer improves his competitiveness and ensures the certainty of a high and relatively constant productions each year. The investments in the irrigation infrastructure, besides the favourable impact over the environment (decrease of drought risk, mitigating the drought, decreasing the lost of water through infiltrations - with negative consequences over the underground waters and soil) lead to decreasing the consume of energetic and water resources.

The agricultural and forestry sector reform process included also restructuring measures of the existing infrastructure management and using manner, thus: the land improvement and irrigation infrastructure was kept in the state property and management until a certain level and the intermediary and final infrastructure was transferred in the private users (farmers) property and management, organised in associative forms named Water Users Organisation for Irrigations (WUOI) and federation of water users organisations for irrigations (FWUOI). The large scale infrastructure (water accumulations, mains, pumping stations etc) remain in the state's property, being managed by

National Administration for Land Consolidation – NALC. The operations and actions financed within this measure shall support the infrastructure that is the object of the rehabilitation projects and that is in the WUOI or FWUOI property and management and that consists in: water meshes, pumping stations (inclusively the electrical network for filling of those with energy), transport channel for the water transport and supply, underground pipelines network, as well as infrastructure for drain and drainage, mitigating the soil erosion and protection against floods.

These organisations and federations (WUOI) are legal entities of public utility, without patrimony purposes, that are constituted and function according to the Law no. 138/2004 of land improvement and that manage the infrastructure of land improvement in the land users' benefit.

In this purpose, 315 organisations for landed improvements (OLI) were set up, out of which: 309 organisations of the water users for irrigation (OWUI), 4 organisations of drain-drainage and 3 organisations involved in irrigation and drainage activities. The surface used by these organisations is of 775,000 ha, divided as follows:

Type of infrastructure	Surface for the type of work – ha-
Irrigation	745,430
Drainage	29,075
Irrigation and drainage	7,047 (irrigation) 5,355 (drainage)

Besides this problem of adapting the existing structures to the new agricultural and forestry structure, the competitiveness of the agricultural and forestry sector is affected to a great extent by the under development of the infrastructures, thus as the sectors remain still sensitive to the climatic conditions (rotation of drought periods with frequent floods) with main economic effects over the farms' economic viability. In the global warming context, this issue becomes higher.

Analysing the situation of surfaces equipped for irrigations and the level of usage of the irrigation it can be ascertained that the annual average used for irrigations is 424 thousands ha. The annual level of usage of 867 thousands ha. which are prepared to function varied annually between 10% and 67% of this surface in the period 1990-2007.

In the last years, no investments were made regarding the rehabilitation/ modernisation of irrigation systems, but were only done expenses (minimum and most of cases insufficient) for maintaining and annual repairing of some systems thus is the one for which water request on farmers' behalf were registered.

At the moment, a pilot project regarding the rehabilitation and reform of the irrigation sector is being implemented. The project is financed through a loan granted by the International Bank for Reconstruction and Development and aims is to rehabilitate approximately 50,000 ha for irrigation in Sadova- Corabia and Nicorești – TECUCI and 100,000 ha in Terasa, Viziru, Terasa Brailei, Terasa Covurlui, Fantanele Sag and Semlag Pereg arrangements. This surface represents about 20% of the one administrated by the organisations of the water users for irrigation.

The strategy of modernisation and rehabilitation of the land improvement infrastructure aims mainly the existing infrastructure rehabilitation, water resources saving and irrigation systems efficiency. In this purpose, priority shall be given to the rehabilitation and upgrading of the existing systems.

In order to avoid, within this measure's intervention, certain negative or contradictory impacts over the the Axis 2 objectives, the contracted projects must have all environmental necessary notices required by the law. It is also to be mentioned the fact that these notices take into account the objectives of the Community network of Natura 2000 protected areas. Furthermore, in what concerns the irrigations and drainages, only the modernisation/ rehabilitation of the existing systems is supported (systems that were taken into account at the moment of Natura 2000 sites' designation and that can not lead to major changes regarding the environment conditions, but that contribute at making more efficient the ways in which the irrigations or drainages are made, inclusively from an energetic point of view) and are considered as eligible only the projects that aim the economically viable irrigation systems – thus, as the decreasing with 10% of the water losses after the carrying out of the investment becomes an ambitious objective. Concerning the road and rail network infrastructure

ensuring the access to agricultural and forestry holdings, this aims small-scale works, for which environmental notices requested by law must be also submitted to the Paying Agency.

The low density of forestry roads has the negative consequences such as: concentration of cuttings in areas closed to the access roads, deficient execution of the treatments (regeneration cuttings), increase of costs and energy in culture and harvesting works.

Forests accessibility is extremely low, with a density index of 6.53 linear m/ha, which is well below the figures from European countries with developed forestry sector (30-35 linear m/ha). The target for 2007 – 2010 is to reach a forest road density index of 7.16 m/ha, according to the Study for increasing the accessibility within national forest area carried out by the Forest Research and Management Institute in 2006.

The development of the forestry roads network up to this density level is required to increase the competitiveness of forestry activities and minimize the negative impact on the environment determined by wood harvesting and transport works from stump to forestry road. The development of forestry infrastructure shall lead to the integration in the production circuit significant forest areas, which are currently hardly accessible or inaccessible.

Forestry roads represent the greatest part of transportation network in Romania, but not the only ones. Funiculars are sometimes used in case of large quantities of wood to be harvested in a limited timeframe, in remote areas. Moreover, there are certain regions and valleys in Romania (e.g. Vaser Valley in Maramures county) where the forestry railways are the only transportation mean, still in use in forestry activity. This measure aims therefore at supporting different transportation means, if deemed their utility.

The high variety of land, correlated with the geologic conditions of Romanian rural areas, brings about abundant torrential floods within hydrographical basins. Currently, there are 2,370 km of adjusted river beds in the forests. According to the studies made by Forestry Research and Management Institute, the length of the hydrographical torrential network is around 29,000 km, out of which 2,372.42 km undergone specific operations until 2006 and another 1,630 km of river beds need further complex torrential corrections operations until 2020. Water management works such as dams, stream channels proposed for support within this measure, if completed by measures of sustainable forest management in the mountains, can reduce significantly the level of damages caused by torrential floods on forestry and other activities in rural areas.

The government strategy foresees the introduction of amalgamation and re-parcelling of agricultural and forestry surfaces. The legislative and administrative framework for the accomplishment of this objective is not yet finalised. After its conclusion, Romania considers as opportune the inclusion in NRDP of some activities and operations that support the amalgamation and re-parcelling process. Those details shall be established and included through a subsequent amendment of the Programme in 2010.

Objectives of the measure

General objectives:

Adapting agricultural and forestry infrastructure to the new property structure resulted after the property restitution process in order to increase agricultural and forestry sector competitiveness.

The measure shall consist in two sub-measures for which the specific elements are presented below as follows:

Sub-measure 125 a “*Improving and developing the infrastructure related to agriculture’s development and adaptation*”

Specific objectives:

- To raise the agricultural activity’s efficiency by improving the input’s supplying and a better capitalisation of resulted products;
- To reduce the risk and uncertainty in agriculture by decreasing the natural phenomena incidence (drought, floods, soil erosion etc)

- To improve the environment quality and to diminish the pollution sources.

Operational objectives:

- to build and modernise the agricultural and forestry infrastructure: access roads and agricultural exploiting roads, torrential corrective works situated in agricultural and forestry land fund; modernising and rehabilitation of irrigation systems and of other land improvement works (drainage, works for mitigating floods etc.)

Scope and actions

The activities supported by this sub-measure aim to:

- improve accessibility in agricultural holdings;
- construct and modernize access roads that ensure the public access to the agricultural holdings;
- modernising and/or rehabilitation of irrigation technologies,
- modernising and/or rehabilitation of drain and drainage systems;
- ;
- torrential correction located within agricultural fund.

Description of the type of operations

Under this sub-measure, support shall be granted for:

- a. building, extension and modernising the infrastructure for exploiting and access roads to agricultural holdings;
- b. modernising and/or rehabilitation of irrigation existing systems that are in WUOI/FWUOI property and/or management and of other land improvement works;
- c. torrential correction within agricultural land fund;
- d.

Description of the type of beneficiaries:

- a) Organisations/ federations of public utility²⁴ of the agricultural land owners/holders, established in accordance with the legislation in force;
- b) Local councils and their associations;

Types of eligible investments:

- (i). Road infrastructure agricultural - building and/or modernization of access roads, bridges and footbridges, exploiting agricultural roads;
- (ii) irrigation systems – modernization and/or re-tehnologisation²⁵ including works for protecting the pumping and metering stations;
- (iii) drain and drainage works and other land improvement works –modernisation and re-technology works;
- (iv) torrential correction within agricultural land fund that consists in building/modernising barrage, dams, channels or other similar works.

Expenses related to the design of the project which were incurred before the approval of the project, including feasibility study, justificative report, hydrological and/or hydro geological

²⁴ These organisations and federations of organisations for land improvement are legal entities of public utility, without a patrimonial purpose that constitute and functions according to the Law no. 138/2004 for land consolidation and that manages the land improvement infrastructure on land users' benefit.

²⁵ Modernization- the ensemble of operation used for improving the functioning parameters of the land improvements' infrastructure by using equipments, sub-ensembles, spare parts, new and modern materials;
Re-technology works- the ensemble of the replacement operations of some existing technologies that are obsolete and physically worn out with modern technologies base upon new introduced technical concepts, in order to increase the exploitation performances of land improvement infrastructure, decreasing of energy consumption and also reducing the pollution etc..

studies, technical projects, shall be covered by the support granted under this measure and can not exceed 10% of the project's eligible value.

Non-eligible investments:

- i. Investments for infrastructure, which are financed by other national and/or external funds²⁶
- ii. Investments for infrastructure, realised by the beneficiaries of the NRDP measures 121 and 322.

Non-eligible costs (indicative list):

- i. Costs for maintenance, repairs and exploitation;
- ii. VAT except non-recoverable VAT when it is genuinely and definitively borne by beneficiaries other than non taxable persons referred to in article 71 (3), letter (a) of Regulation (EC) no. 1698/2005;
- iii. Bank commissions, costs with guarantees and similar expenditures;
- iv. Agricultural infrastructure projects which lack quality characteristics and which do not comply with the Standards for the urban Design;
- v. Costs incurred by currency exchange rate, taxes and losses due to currency exchanges associated with the Euro account of PARDF.

Minimum requests for granting the support:

- i) the beneficiary for agricultural infrastructure must be registered in the National Register of the organisations for land improvements;
- ii) the beneficiaries shall have the written approval of all land holders (natural persons and legal entities) that are involved in the project;
- iii) the project fits the priorities proposed through the General Urban Plan (GUP), except the torrential corrective works;
- iv) the beneficiaries must prove that they have a multi-annual contract on going, concluded with the provider of land consolidation services for the requested investments;
- v) the beneficiaries shall present the approval of the General Assembly of the organisation/federation for the requested investment;
- vi) the investments shall be directed only towards those viable improvement from an economic point of view or that can become viable ones through rehabilitation or modernisation;
- vii) the beneficiary must have the feasibility study that shall also consists in computation elements of the economic efficiency*;
- viii) the beneficiaries shall prove the fact that they initiated the procedures in order to obtain the necessary notices and agreements according to the legislation in force, in order to realise the investment within the project. For all types of investments the potential beneficiaries must obtain the environment agreement according to the national legislation. In certain cases mentioned by the law the environment agreement shall be accompanied compulsory by the environment strategic assessment, as foreseen in the NRDP point 5.2.
- ix) the beneficiary shall prove that they hold or are on going to purchase the watered equipments for minimum 50% of the surface;
- x) the beneficiary must commit that they shall maintain and/or repair the agricultural infrastructure that benefit of assistance.

* The irrigation projects must prove the decrease in water waste with 10% and the decreasing in the water costs with 10%; The drainage projects must prove the decreasing in electric energy costs with 5% at the water evacuated volume. The technical,

²⁶ A series of financing programmes were contracted between MARD, IBRD and other investors in the irrigation field. MARD within MA-NRDP shall make available for the Paying Agency the list of financed projects from other external sources thus as to be avoid the double financing or overlapping of some projects' objectives. The Paying Agency shall check before the support's approval that the foreseen investment within the project does not benefit from other financing.

economical, financial and environmental objectives are presented in the feasibility study. The established indicators for assessing the performance shall be detailed in the Applicant's Guide.

Selection criteria:

The selection criteria of **irrigation and other land improvements works** are the following:

- irrigation projects to which the basis infrastructure for irrigations has already been modernised or has a modernisation project, as well as irrigation projects to whom the downstream irrigation system was modernised or has a modernising project;
- irrigation projects in areas with high droughts risks;
- projects having a high usage degree of watered surfaces.

The selection criteria of **access infrastructure projects**:

- projects for access ways with multiple role;
- projects that serve an agricultural surface as large as possible;
- access ways drafted as a result of an amalgamation and re-parcelling plan;
- projects for alternative routes in order to take up than agricultural traffic on European, national and county roads.

All eligible projects shall be scored accordingly to the selection criteria mentioned above.

The selection system is the one foreseen in chapter 5.2.4. "The selection procedure".

Sub-measure 125 b *"Improving and developing the infrastructure related to development and adaptation of forestry"*

Specific objectives

- developing the forestry infrastructure in order to ensure the forestry sector competitiveness;
- decreasing the risks of harmful natural phenomena over the forest.

Operational objectives

- building and/or modernising the forestry infrastructure (forestry roads, forestry railways and funiculars)
- supporting the torrential corrections works within the forest.

Scope and actions

The activities supported by this sub-measure are:

- improving the access to the forest in poorly accessible areas;
- modernising forestry roads and forestry railways;
- torrential correction works in torrential hydrographical basins within the forest.

Description of the type of operations

Under this sub-measure, support shall be granted for:

- a. building, extensioning and modernising of forestry roads;
- b. torrential correction works within the forests.

Description of the type of beneficiaries:

- a) Forests private holders/owners and their associations;
- b) Local councils and their associations holding forest;
- c) Administrator of the state forests (National Forest Administration – ROMSILVA enterprise), legal entities, established as state owned commercial company, whose activity is based on economic management and financial autonomy.

Types of eligible investments:

- i) Forestry road infrastructure - building and/or modernization of access roads, bridges and footbridges, protection and consolidation works, traffic safety works (bulwarks), marking and warning systems;
- ii) Forestry railway infrastructure - building and/or modernization of embankment and rolling way, bridges and footbridges, protection and consolidation works, tunnels, marking and warning systems;
- iii) Cable way transport - funiculars
- iv) Torrential correction within forest area that consists in building of dams, stream channels and other similar works.

Expenses related to the design of the project incurred before the approval of the project, including feasibility study, justificative report, hydrological and/or hydro geological studies, technical projects, shall be covered by the support granted under this measure and they cannot exceed 10% of the project's eligible value.

Non-eligible investments:

- i) Investments for infrastructure, which are financed by other national and/or external funds²⁷
- ii) Investments for infrastructure, carried out by the beneficiaries of the NRDP measure 322.

Non-eligible costs (indicative list):

- i) Costs for maintenance, repairs and exploitation;
- ii) VAT except non-refundable VAT when it is genuinely and definitively borne by beneficiaries other than non taxable persons referred to in article 71 (3), letter (a) of Commission Regulation (EC) no. 1698/2005;
- iii) Bank commissions, costs with guarantees and similar expenditures;
- iv) Works which do not have the written agreement of all land owners (natural persons and legal entities)
- v) Forestry infrastructure projects which lack quality characteristics and which do not comply with the Designing Standards;
- vi) Costs incurred by currency exchange rate, taxes and losses due to currency exchanges associated with the Euro account of PARDF.

Minimum requests for granting the support:

- i) the beneficiaries of the investments must prove the fact that they hold the land related to the investment;
- ii) the beneficiaries for modernising the roads must prove that they own the respectively roads;

²⁷ A series of financing programmes were contracted between MARD, IBRD and ECDB. MARD within MA- NRDP shall make available for the Paying Agency the list of financed projects from other external sources thus as to be avoid the double financing or overlapping of some projects' objectives. The Paying Agency shall check before the support's approval that the foreseen investment within the project does not benefit of other funding.

- iii) the beneficiary shall prove the fact that they have a feasibility study and that they initiated the procedures for obtaining the notices and agreements according to the legislation in force necessary in order to carry out the investments within the project. In certain situations mentioned by the law an environmental assessment is mandatory, as foreseen in NRDP point 5.2.
- iv) the beneficiaries have to commit themselves they will assure the maintenance of the investments within the project during their entire functioning period.
- v) The investments within projects located in Natura 2000 sites are eligible for funding only accompanied by impact assessment. Related projects must comply with the overall objectives of the management plan of the site.

Selection criteria:

The selection criteria of the projects are the following:

- types of works: priority shall be given to forestry roads, then funiculars, then torrential correction works, then forestry railways;
- geographical area (altitude): priority shall be given to the projects referring to the mountain areas, then hilly area, then plains;
- majority property of a forestry area served by infrastructure: priority shall be given to private owners and their associations, then local councils and then National Forest Administration Romsilva.
- in case of forestry roads: priority shall be given to roads serving the largest forest area;
- in case of torrents correction works: priority shall be given to torrential basins with the largest debris flow.

All eligible projects shall be scored accordingly to the selection criteria mentioned above.

The selection system is the one foreseen in chapter 5.2.4. "Selection procedure".

Type of aid

Public non-refundable aid

The beneficiaries of the measure may solicit the Paying Agency for an advance up to 20% of the public support for investments, according to Art. 56 of Regulation (EC) no. 1974/2006 regarding the implementing rules for Council Regulation (EC) no. 1698/2005 on granting support for rural development from EAFRD, and this payment is conditioned by ensuring a banking guarantee or an equivalent guarantee of 110% from the value of the advance.

In the case of public beneficiaries, the Paying Agency can accept, a written agreement on the beneficiary's behalf, issued by an upper hierarchic authority, as a guarantee, through this, the above mentioned institution commits to pay the guarantee amount, in the case of not being fulfilled the conditions, in which the advance payment was granted.

The potential beneficiaries of this measure have at their disposal the financial incentives according to the package of normative acts for crediting and warranting the investments, that is in force until 2009 named the Farmers' Programme, created especially in order to ensure the co-financing of projects financed within SAPARD. This constituted the main element for increasing the pre-adhesion funds' absorption. This support scheme shall continue to be applied until the end of the year 2009 when it shall come to a stillstand. Starting with 2010, the programme shall be amended and financial engineering operations shall be included, that shall be supported by EAFRD under the warrant scheme form in order to replace the current schemes.

The exact content of those schemes, the financed resources granted by EAFRD and the details regarding the implementation of those should be included through a change in the programme in 2010.

The support granted within this measure for the operations foreseen in article 36 of the Treaty of establishing the European Communities shall not be added to any other state aid according to the article 87 (1) of the Treaty, or with any other contribution of the Member State, if such an addition would lead to the over exceeding of the maximum aid intensity, provided by Regulation (EC) no. 1698/2005.

Verifying the observing of the maximum aid intensity shall be done before the financing contract's signing. In order to avoid the double financing, the Paying Agency shall check before the financing contract's signing all investments projects carried out within this measure and that could benefit of the same type of support within other NRDP measures.

Financing

The financial allocation of the measures for the period 2007-2013 is:

Total costs: 595,096,737 Euro

Public expenditure: 476,077,390 Euro

•

Public aid (Community and national) granted by this measure is of:

- **100%** from the eligible expenses for investments for public utility and which serve the entire community;

The public aid granted for an investment project shall not exceed 1,000,000 Euro/project, and regarding the forestry roads and torrential correction within forestry and agricultural area, it shall not exceed 1,500,000 Euro/project.

75% from eligible costs for investments for private utility that serves a part of community. In this situation, the public aid shall not exceed 750,000 EUR/project.

Quantified targets for EU common indicators

Type of indicator	Indicator	Objectives 2007-2013
Output	Number of operations supported division according to:	1,597
	- Operation type (access roads, electricity supply, water management, land consolidation and improvement, others)	
	- Type of land (agricultural/forestry)	595,096,737
	Total volume of investments (Euro) division according to:	
	- operation type	267,793,532
Result	- type of land :	267,793,532
	-Agricultural	59,509,673
	-Forestry	
	-Land consolidation (after 2010)	
Result	Growth in Gross Value Added (in mil. Euro)	24

Impact*	Economic growth (mil Euro) out of which the contribution of measure 125	2,483 19
	Growth in the labour productivity	Annual increasing with 8%

Additional indicators

Type of indicator	Indicator	Objectives 2007-2013
Output	Modernized and rehabilitated surface:	
	-Irrigations-ha	375,000
	-Drainage-ha	120,000
	- Soil erosion mitigation – ha	60,000
	- Protection against floods- ha	40,000
	The length of roads built	
	-Agricultural-km	740
	-Forestry-km	2010

* The indicators' value has been calculated at axis's level.

5.3.1.3. Transitional measures for Romania and Bulgaria

Measure	Supporting semi-subsistence agricultural holdings
Article which covers the measure	Article 20 d (i) and Article 34 of Regulation (EC) no. 1698/2005, Article 24 and point 5.3.1.4.1 of Annex II of Regulation (EC) No. 1974/2006
Code of the measure	141

Rationale for intervention

Following the land restitution process in Romania, most individual agricultural holdings have a low economic base and are orientated towards self-consumption, therefore being mostly in subsistence and semi-subsistence situations. They have a relatively low orientation to the market, regarding the necessary inputs and outputs.

On June, 1st 2007, the number of agricultural holdings that subscribed in the Paying and Intervention Agency for Agriculture (PIAA) database was of 1,232,616 agricultural holdings, using a surface of 9,705,502 hectares. In order to subscribe in this database, the agriculture holdings have to own and use at least 1 hectare and the lots should not be smaller than 0,3 hectares.

As the number of small farms (subsistence and semi-subsistence farms) in Romania is important and for those there are not real restructuring opportunities, the number of holdings to be supported for conversion into commercial ones will include only the semi-subsistence farms between 2 and 8 ESU (approximately 350,000 holdings).

Thus, the holdings between 2-8 ESU are, usually, typical individual farms and the percentage of legal entities is very low (0.5-2.1%). The difference between this segment and the 8-16 ESU categories is therefore clear, the agricultural activity being oriented toward trade (legal entities representing 10.9% of total holdings within this category). The support given to medium-small farms, respectively of 2-8 ESU size, has the great advantage of managing a relatively homogenous of holdings segment (with an average of 4.9 ha for the 2-4 ESU category, and 9.4 ha for the 4-8 ESU category). This approach is the most realistic one, because it is not expected that the number of farmers applying for support to be higher than a quarter of the potential beneficiaries total number. The definition results from a strategic document drawn up by European Institute of Romania (2006).

Due to Romania's specificity, where the relation between the holdings and the market is less developed, the business plan shall focus on production selling, rather than on investments, the above mentioned representing the base that shall lead to a holding orientation change, while the guiding line shall be represented by the identification of production valorising opportunities. The mix production system of these holdings is not different from the subsistence segment (respectively the combination granivores-field crops), but there is a stronger orientation here towards market. In addition, an analysis of the incomes in these households shows the fact that a 2-4.3 ESU category farm could cover the self-consumption necessary of an average of 1-3 members. Thus, in order to sell a share of its production, a holding needs a supplement of 2-4 ESU (*estimation realized by MARD*).

In semi-subsistence farms, farmers carry out different agricultural activities such as animal breeding and plant growing which are based on traditions specific to the Romanian village. These farms are characterized by a very diverse production structure, determined by the necessities of the household, as well as by a poor and insufficient technical endowment, which impedes the growth of productivity and the obtaining of a surplus of products that are destined for sale. The orientation of these farms towards the market requires the change of the production system and implicitly additional financial expenses that farmers can not afford.

The support granted for restructuring process of semi-subsistence farms is an instrument destined to improve in particular the management and to facilitate their shift towards commercial family holdings able to identify new market opportunities for their production. A great attention will be paid to the

semi-subsistence holdings situated in the LFA areas or from high environmental importance (HNV, Natura 2000).

In order to adapt the production from the point of view of quality at the requirements of the market, the semi- subsistence farmers can associate into groups of producers and can have access to the measures regarding the improvement of professional training and the use of consultancy services.

Objectives of the measure

General objectives

The increase of competitiveness for agricultural holdings which are in the process of reorganization and solving the problems related to transition, taking into consideration the fact that the agricultural sector and rural economy are exposed to the competitive pressure of the unique market.

Specific objectives

- Increasing the production volume for marketing purposes, in order to transform the semi-subsistence farms into economically viable farms
- Diversification of production, depending on market demands and introduction of new products.

Operational objectives

Facilitating the support for required incomes of semi-subsistence farms within the restructuring period, for a better use of human resources and of production factors, through:

- The stimulation of the entrepreneurial spirit;
- The diversification of activities and incomes.

Scope and actions

The support granted through this measure has the purpose of ensuring the necessary incomes, during the restructuring and transformation period, of the semi-subsistence farms in market oriented holdings, by a sustainable use of the production factors, the improvement of management by diversification of agricultural production, as well as by the introduction of performance technologies adapted to the local conditions. Consequently, implementing this measure will lead to an increase of the incomes for these farms and at the same time the reduction of the production costs.

Type of aid

Non-refundable public aid granted as an annual flat-rate.

Definition of beneficiaries

Natural persons and natural authorised persons, up to 62²⁸ years old that own agriculture land, are involved in agricultural activities, and having a business plan for agricultural holding restructuring and which are registered in the Farm and/or Agricultural Register.

Natural persons who are not authorised yet shall be accepted as potential beneficiaries if they undertake to get authorised²⁹ until the end of the financing agreement.

²⁸ The age limit has taken into account the high percentage of semi-subsistence farms, managed by retiring persons. The measure aims those farmers that have both motivation, as well as remaining work years in order to develop viable holdings and avoids any overlapping of the restructuring assistance with the support provided by the state's pensions.

²⁹ The authorization procedure of natural persons is simple and is carried out at local administration level. This procedure offers the legal frame to develop a commercial activity. The number of the authorized natural persons in agriculture will be known due to existence of the Authorization Register.

Definition of the semi-subsistence farm taking into account of the minimum and/or maximum size of the farm, the proportion of production marketed, and/or the level of income of the eligible farm

Semi-subsistence farms represent the holding which produces, in particular, for self-consumption and also market a part of its output. The economical size of semi-subsistence farms may fluctuate between 2-8 ESU. In order to become viable, the semi-subsistence farm could also practice non-agricultural activities generating incomes.

Economic Size Unit (ESU) represents the Unit for the evaluation of the economic size of the agricultural holding, determined on the basis of the total standard gross margin of the holding (Commission Decision no. 85/377/EEC). The value of 1 ESU is 1,200 Euro.

Definition of the future economic viability

After three years of the support being granted, the economic viability of the semi-subsistence farm may be shown by a 20% increase of production for trade and by a minimum 3 ESU increase of its size, as compared to the initial situation mentioned in the business plan (

Summary of the requirements of the business plan

The business plan for support, within this measure, shall comprise the following requirements:

- A short description of the current situation;
- Restructuring targets;
- If necessary, the required investments for targeting;
- The mentioned management changes;
- The mentioned vocational training;
- Type and quantity of outputs during and after restructuring, including market opportunities;
- Providing the future economic efficiency: costs, incomes and expenditure, the manner of providing the self-consumption () and the quantitative increase of the production towards the market ;
- Evaluating of the main risks;
- Elements regarding the accomplishment of environmental requirements, especially if the holding is situated in an area with high environmental importance (HNV, Natura 2000).
- Time schedule for restructuring, including the stages and the targets.

The beneficiary may include in the business plan, details about the support he intends to access through other measures included in the National Rural Development Programme, as well.

The business plan will include details regarding the incomes resulted from lending or from life annuity. (

The business plan should include all the details regarding the investments which are made both through this measure as well as/or through accessing the measure 121 “*Modernisation of agricultural holdings*”. The drawing up of business plan may be supported through measure 143 “Providing farm advisory and extension services” and represents an justifying document necessary in order to apply for measure 121 “Modernisation of agricultural holdings”.

The checking on compliance with the business plan shall be carried out 3 years after the aid has been granted. If the semi-subsistence farm fails to comply with the provisions of the business plan at the time of the assessment, support shall not be granted for the following two years, except for situations

when non-consistency is determined by reasons unmanageable by the beneficiary, defined as *force majeure*: floods, long lasting drought, storms etc., when it is necessary to draw up records by the specialised local committees, built for this purpose.

Farmers benefiting of support under this measure must enrol, within the first 3 years of receiving the support, in professional training courses provided by measure 111 „Vocational training, information actions and diffusion of knowledge”, for at least one of the following areas: farm management, farm accounting, environmental protection, ecological farming etc.

As a result, the potential beneficiaries, especially those from the areas with importance for the environment, will be able to develop those particular agricultural means and practices in order to conserve biodiversity and to protect the natural ecosystems (grasslands, grazing areas, hayfields). The semi-subsistence farms accessing the agri-environment measure will be a priority aiming both economic as well as environmental purposes.

The selection criteria for the semi-subsistence farms:

- to be part of an associative form recognized according to the national legislation in force (for example: producer groups, cooperatives, etc.);
- to apply for the agri-environment measure;
- to be placed in a LFA area;
- to be owned by young farmers;
- to make an investment. especially an investment to observe the compliance with the Community standards.

All the eligible projects will be scored according to the above-mentioned selection criteria.

The selection system is provided in Subchapter 5.2.4 “The selection procedure”.

Amount of support

The support granted by this measure is of 1,500 Euro/year/semi-subsistence farm.

Duration of support

The support is granted for a period of maximum 5 years for the applications approved before the 31st of December 2013.

Financing

The financial allocation of the measures for the period 2007-2013 is:

Total costs: 476,077,390 Euro

Public expenditure: 476,077,390 Euro

Transition arrangements

Not applicable.

Complementarity with other measures of EAFRD and other funds

The support granted by this measure is complementary with the actions provided in other measures of Axis I (111 “Vocational training, information actions and diffusion of knowledge”, 121 „Modernization of agricultural holdings”, 142 “Setting up of producer groups”, 143 “Providing farm advisory and extension services”), Axis II and Axis III.

In order to encourage semi-subsistence farms to enter the market, the beneficiaries of the support granted through this measure, may simultaneously access more measures of the National Rural Development Programme. For instance, a semi-subsistence farmer may access the measures aiming vocational training and advisory services. If necessary, the farmer may also access the measure “Modernization of agricultural holdings” or other measures such as: setting up of producer groups, development of non agricultural activities and granting of agri-environmental compensatory payments, especially organic farming.

Furthermore, the support is complementary to the actions provided in the measures of other Funds:

- European Regional Development Fund (ERDF);
- Cohesion Fund (CF);
- European Social Fund (ESF).

Quantified targets for EU common indicators

Type of indicator	Indicator	Target 2007- 2013
Output	Total number of supported semi-subsistence farms: Classified according to: <ul style="list-style-type: none"> • farm size 	76,172
Result	Number of holdings having entered the market	60,938
Impact*	Economic growth - (million Euro)	2,483
	Growth of labour productivity -	Annual increase with 8%

Additional indicators

Type of indicator	Indicator	Targets 2007 - 2013
Output	Number of semi-subsistence farms supported Divided according to <ul style="list-style-type: none"> • legal status <ul style="list-style-type: none"> ○ natural persons ○ legal entities • of which <ul style="list-style-type: none"> ○ managed by women ○ managed by young people under 40 	76,172 60,938 15,234 7,617 11,426
	○ from the less favoured areas	15,238
	which apply for agri-environment <ul style="list-style-type: none"> ○ 	7,617
Result	Number of farms introducing new products	30,470

* The indicator value was calculated at the axis level.

Measure	Setting up of producer groups
Article which covers the measure	Articles 20 (d) (ii) and 35 of Regulation (EC) no. 1698/2005 Point 5.3.1.4.2 of Annex II of Regulation (EC) no. 1974/2006 Article 2 of Regulation (EC) no. 248/2007 concerning the Multi-annual Financing Agreements and the Annual Financing Agreements concluded under the SAPARD Programme and the transition from SAPARD to rural development
Code of the measure	142

Rationale for intervention

The agricultural land restitution by transfer from public property to private ownership led to setting up agricultural holdings of different sizes, depending on the exploitation type: subsistence farms, which hold 45.24 % of total agricultural area in use, semi-subsistence farms using 16.09 % and commercial holdings using 38.67%. This structure, mainly unfavorable to semi-subsistence farms as well as the weak cooperation between farmers has led to a poor development of the sector. This sector competitiveness' increase is conditioned upon the valorization on market of adequate agricultural products from a qualitative and quantitative point of view. The adaptation of the yield to the market demand would be significantly accelerated by the agricultural farmers' association that shall lead to raising their awareness regarding the importance of applying appropriate production technologies, according to processors' and in bulk trade requirements. Furthermore, the lack of a financial aid for the setting up and functioning of the associative structures led to the persistence of a two-fold system with subsistence and semi-subsistence farms on one hand and commercial holdings on the other.

Alongside conditions mentioned above it can also be added the farmers' reticence and low interest in association structures due to:

- **level of awareness:** lack of information and experience in such activities, reduced farmers' awareness as regards to the advantages of a common action;
- **economic and legal issues:** insufficient financing resources for starting an economic activity, the raw material agricultural and forest processing units' lack of interest for concluding commercial contracts, and permanent changes in related legislation;
- **issues such as training, advice and consultancy:** the different level of professional background of the people involved in association structures as well as a various understanding of their goals and working principles, insufficient advisory and consultancy services and their focus on a quantitative approach rather than a qualitative and economic one.

Currently, in Romania, a number of 56 producer groups were legally recognized, 4 of them having submitted financing projects from SAPARD funds, mainly on vegetable-fruits, milk and dairy products, potatoes, poultry and eggs, sheep and goat meat, honey and its products.

As a result of the analysis on the link between subsistence and semi-subsistence holdings and the market, there is further need to identify opportunities for a better marketing of the agricultural production. This measure is extremely important considering that the setting up producer groups is a reliable option in the process of transition from semi-subsistence holdings to commercial family holdings.

Objectives of the measure

General objectives

Increasing competitiveness in the primary agricultural and forestry sectors by a balanced development of the relationship between the farmers and processing and marketing sectors, as well as the adaptation of production both in quality and in quantity to the consumers' demands.

Specific objectives

Encouraging the setting up of producer groups in agriculture and forestry, in order to obtain good quality products, in line with the EU standards, by implementing consistent production technologies and supporting the producers' access to the market through producer groups.

Operational objectives

Increasing the number of producer groups supported for the setting up and the administrative operation and the increasing the incomes by improvement of technical and management ability of the members.

Scope and actions

The scope of this measure is to facilitate the setting up and administrative operation of producer groups recognized in accordance with the provisions of the national legislation in force, which will lead to:

- a) Adapting the production to the market requirements;
- b) Jointly placing products on the market, including preparation for sale, centralization of sales and supplying bulk buyers;
- c) Growth in added value of the common output and a better economic management of resources and results;
- d) Establishing common rules on production information, with particular regard to the quantity, quality and type of offer, focusing on products obtained in adequate quantities for processing industry and marketing network.

The provisions of this measure will be implemented on the entire Romanian territory.

Type of aid

Within the framework of this measure, 100% non-refundable public aid is granted as stipulated in the Annex to Council Regulation (EC) no. 1698/2005.

The amount granted by this measure will be determined annually on the basis of the annual marketed production of the recognized producer group.

The support scheme for producer groups consists in:

- annual installments for the first 5 years following the date on which the producer group was recognized;
- The support shall be calculated on the basis of the group's annual marketed production, as follows:
 - a) 5%, 5%, 4%, 3% and 2% of the value of the marketed production up to 1,000,000 Euro respectively in the first, second, third, fourth and fifth year;
 - b) 2.5%, 2.5%, 2.0%, 1.5% and 1.5% of the value of the marketed production exceeding 1,000,000 Euro respectively in the first, second, third, fourth and fifth year.
- The support cannot exceed the following amounts:

100, 000 Euro	For the first year
100, 000 Euro	For the second year
80, 000 Euro	For the third year
60, 000 Euro	For the fourth year
50, 000 Euro	For the fifth year

The first installment shall be paid one year after the producer group has been recognized. Payments shall be made after checking the observance of the initial requirements for the setting up of a producer group and on the basis of invoices for sold products, computed a year after the group's recognition.

Definition of the type of beneficiaries

Producer groups officially recognized starting with January 1st, 2007 until the 31st of December 2013, in accordance with the provisions of the legislation in force.

Producer groups recognized before this date, those that benefited of support through the SAPARD Programme or from the state budget, as well as producer associations for vegetable and fruit supported through Regulation (EC) 2200/1996 and also producers associations for hops shall be excluded from funding

Description of the official procedure for recognizing the groups including selection criteria

In accordance with the provisions of the legislation in force, producer groups are formally recognized by the Ministry of Agriculture and Rural Development (MARD), responsible with:

- a) The analysis and decision regarding the group's recognition;
- b) The regular check of recognition conditions;
- c) The issuance and registration of producer group's recognition document in a special register, established for this purpose;
- d) The withdrawal of the recognition document for the producer group if upon its issuance false data has been provided as well as when the obligations taken on with regard to producer group members, as set out in the Constitutive document, are no longer fulfilled.

The legislation in force foresees the following main criteria for the recognition of producer groups:

1. To be a legal entity established at the agricultural and forestry producers' initiative with the purpose of common trade the members' agricultural and forestry products, aiming to realize the following objectives:
 - planifying and changing the production according to the market's demands, and especially according to the quality and quantity requests;
 - promoting the offer concentration and placing on market the products obtain by its members;
 - decreasing the production costs and establishing the prices at producers;
 - promoting the usage of cultivation practices, producers' techniques and waste products' management that are environmental friendly, especially in order to preserve the water, soil and landscape's quality and to maintain and/or to promote biodiversity.
2. to include a minimum number of members, established through the legislation in force and take on the responsibility to jointly market the goods obtained;
3. to stipulate the obligations of the group and its members in the Constitutive document or in the Memorandum;
4. to have the necessary management team and technical facilities which can ensure the commercial and financial management for the functioning of the producer group.

Sectors concerned

Support is granted for producer groups recognized in accordance with the national legislation in force, for the following categories:

1. Agriculture sector:
 - Field cultures (cereals, oilseeds, protein cultures, technical cultures, root cultures);
 - Horticulture (flowers, ornamental plants);
 - Vineyards, (grape wine)

- Breeding animals for dairy;
- Breeding animals (excluding dairy);
- Granivores (pigs and poultry);
- Mixt (breeding animals for dairy and meat/ vegetable cultures and animals' breeding)

2. Forestry sector:

- Wooden products;
- Non wooden products.

The support of this measure will be granted to the producer groups on the basis of the principle “first come-first served”.

Consistency with the first pillar

Criteria and administrative rules shall ensure that operations benefiting exceptionally from rural development support are not covered as investments by other instruments according to the Aid plans provided in article 2, paragraph 2 and Annex 1 of the Regulation (EC) no. 1974/2006. Vegetable and fruit and hops producer organizations benefiting of support through the 1st Pillar shall be excluded.

The support granted through this measure is complementary to the support granted through other measures of Axis 1 (measure 111 “Vocational training, information actions and diffusion of knowledge”, 121 “Modernization of agricultural holdings”, 123 “Adding value to agricultural and forestry products”, 125 “Improving and developing infrastructure related to the development and adaptation of agriculture and forestry”, 141 “Support for semi-subsistence holdings” 143 “Providing farm advisory and extension services”), Axis 2, Axis 3 and LEADER Axis.

Financing

The financial allocation of the measures for the period 2007-2013 is:

Total costs: 138,855,905 Euro

Public costs: 138,855,905 Euro

Transition arrangements

Through SAPARD Programme, the transition measure 3.2 “Setting up of producer groups” is financed within a period of five year, so that the applications submitted in 2006, will be financed under the SAPARD Programme for the period 2007-2008, and through the rural development support under European Agricultural Fund for Rural Development for the period 2009-2011.

The contracted amounts sheets under SAPARD Programme concerning the Multi-annual Financing Agreements are presented as follows:

Measure	Total Euro	Total SAPARD Euro	of which:		Total EARDF Euro	of which:		
			2007	2008		2009	2010	2011
3.2	187,234	96,870	47,996	48,874	90,364	39,253	29,517	21,594

Quantified targets for EU common indicators

Type of indicator	Indicator	Targets 2007-2013
Output	Total number of supported producer groups	1,108
	Of which organic products	111
	Division according to: Type of agricultural sector, according to Regulation (EC) no. 369/2003*	

	Vegetable sector	222
	▪ field crops	155
	▪ horticulture	12
	▪ vineyards	55
	Animal breeding	664
	▪ Dairy farms	332
	▪ Animal farms (excluding dairy)	166
	Granivores (pig and poultry)	166
	Mixed	222
	Turnover of supported producer groups (million Euro)	4,988
Result	Number of semi-subsistence farms on the market	24,375
Impact**	Economic growth (million Euro)	2,483
	Growth of labour productivity	Annual increase with 8%

Additional indicators:

Type of indicator	Indicator	Targets 2007-2013
Output	Total number of participants in supported groups	80,020
	Division according to: Type of agricultural sector, according to Regulation (EC) no. 369/2003*	
	Vegetable sector	16,300
	• field crops	15,965
	• horticulture	60
	• vineyards	275
	Animal breeding	56,108
	• Dairy farms	52,124
	• Animal farms (excluding dairy)	2,822
	• Granivores (pigs and poultry)	1,162
	• Mixed	7,612
	Number of producer groups with more than 10 members	554

*) Note: According to Regulation (EC) no. 369/2003 regarding the principal type of farming – TF 8 Grouping:

1. Agricultural sector consists in:

- Field crops (cereals, oilseed, protein crops, technical plants, root crops)
- Horticulture (flowers and ornamentals,)
- Vineyards (grapevine)
- Animal breeding - mainly dairy
- Animal breeding – excluding dairy
- Granivores (pigs and poultry)
- Mixed livestock (mixed dairy and meat producers /field crops and livestock)

2. Type of production contains:

- Agricultural organic products
- Agricultural conventional products

** The value of indicator was calculated at axis level.

Measure	Providing farm advisory and extension services
Article which covers the measure	Annex VIII, Section I Point D of the Treaty of Accession of Romania and Bulgaria, amended by Council Decision EC/664/2006; Article 25a and Annex II a point 5.3.1.4.3 of Regulation (EC) no. 1974/2006 modified by Regulation (EC) no. 434/2007.
Code of the measure	143

Rationale for intervention

The excessive fragmentation of the property in agriculture, as well as the lack of association forms lead to the upholding of a two-fold structure, represented on one hand, by the subsistence and semi-subsistence holdings, and on the other hand, by the commercial holdings. In the case of the latter it is noticeable that a lack of balance still exists between the farm land used by the family (individual) holdings and the agricultural enterprises (legal persons). The latter succeeds to a greater extent to adapt to the needs of a competitive agriculture as a result of the investments realized in the pre-accession period.

The measure aims to support with priority the semi-subsistence farms which represent 8.32% from the total number of agricultural holdings. (*NIS 2005*)

The size and structure of agricultural lands influence both the annual working volume and the allocation of the working time in permanent, part-time, temporary, seasonal and occasional activities and the level of costs, revenues and their frequency.

In view of the large number of small size holdings (subsistence and semi-subsistence) in Romania, that do not have a real possibility to restructure, the segment considered for the financial aid for conversion to viable commercial holdings will include the semi-subsistence exploitations with sizes between 2 and 8 EDU (around 350,000 exploitations).

As regards the income of households, it differs from one residence to another, so that the average income/person/month is approximately 95 Euro in rural area. The income at rural farms level results mainly from the agricultural production and accounts for 43.4% from the total income. The average of the income resulted from non agricultural activities at farm level was of approximately 12 Euro/month in 2005 representing 4.1% from the net income.

The precarious situation of the income in the rural areas justifies the necessity of this financial support aiming at ensuring agricultural consultancy.

The majority of farmers are not sufficiently prepared to meet the cross-compliance requirements, the access conditions for direct payments and/or financial aid which can be granted to agricultural producers by common market organizations, by the rural development support measures, as well as to meet the Community standards regarding food quality, diversification of farms' activities, environment protection, animal welfare, quality of products, phytosanitary, hygiene and occupational safety standards.

In consideration of all mentioned, it is justified to support the granting of the financial aid for advisory and extension services thus creating a good premise for the use of Community tools, resulting in the restructuring of farms, as well as an improved management of agricultural holdings.

Public and private systems of advisory and consultancy services

The National Agency for Agricultural Consulting (NAAC) is a public institution subordinated to the MARD (Ministry of Agriculture and Rural Development), whose specialists from local and county offices provide agricultural advisory and consultancy services to farmers.

At territorial level, NAAC has in subordination:

- at county level, 42 County Offices for Agricultural Consulting (COAC)

- at communal level, 546 Local Centres for Agricultural Consulting (LCAC) in direct subordination of COAC.

As regards the private advisory system in Romania (including NGOs), most advisory companies, regardless of the size and/or professional background and/or specialization, have a territorial coverage that allows them to meet the needs at country level. However they focus mainly on big agricultural holdings.

Through the Competitive Scheme for Grants (GCS), projects will be sustained under MAKIS Programme by MARD, and with funds from the International Bank for Reconstruction and Development. The grants target the projects of applied research and extension projects. The competition is opened to all applied research providers from public and private sector, as well as to universities, NGOs, private industry sector and to agricultural producers, associations of agri-processors that are encouraged to apply for GCS financing.

The main objective is to offer assistance to the Romanian Government to improve the administrative capacity in order to increase farmers and agricultural processors competitiveness from our country as new member state of the European Union. Thus, it is intended to strengthen the institutional capacity of National Sanitary Veterinary and Food Safety Authority and of the Phitosanitary Units, to modernise the national system of agricultural research and to improve the consultancy and training services. The project centres on three important components for the Romanian agriculture, namely food safety, agricultural research and information and extension system.

As concerns the support of the Knowledge and Information System (financed by the World Bank), the project shall sustain two sub-components:

- i. Setting up the Training and Information Centre (TIC) - The Training and Information Centre will train and accredit as trainers on different topics in compliance with EU directives, extension agents, food safety inspectors and researchers. The Training and Information Centre (TIC) will be located at Bucharest Agricultural and Veterinary Sciences University and will have linkages with the agricultural universities in Cluj, Iasi and Timisoara.
- ii. Developing and consolidating the advisory services shall be carried out as follows:
 - Implementing advisory services and training activities, on contract basis, by service providers;
 - Improving practices of the existent public agricultural consultancy system, NACA/COCA.

The support paid within this measure will create and develop a market for specialized advisory and extension services and will provide quality services for the potential beneficiaries of funds granted through rural development measures.

Objectives of the measure

General Objective:

Improving the competitiveness of the agricultural sector by ameliorating the sustainable management of agricultural holdings practiced by farmers that will lead to the increasing of their performance.

Specific Objective:

Improving the general management of agricultural holdings to reach performance, with impact on general improvement of holdings' outputs, diversification of farms' activities, identification of requirements necessary to respect the Community standards regarding the occupational safety and environment protection.

Operational Objectives:

To facilitate the access to advisory and extension services for the beneficiaries of semi-subsistence measure in order to ensure their conversion to commercial farms.

To draw up the business plans, advisory for filling in the application forms to benefit by the rural development measures, in particular for the young farmers.

Consultancy and advisory for complying with the good agricultural and environmental practices and with the statutory management requirements, as laid down in Articles 4 and 5 and Annexes III and IV of Regulation (EC) no 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and instituting some support schemes for farmers.

Scope and actions

The purpose of the measure is to sustain farmers to use advisory and extension services in order to restructure and improve the overall performance of their activities.

Consultancy shall contribute to the dissemination and practical understanding of the use and observance of good agricultural and environmental practices, thus meeting the conditions for protecting the environment and using agricultural and forestry practices friendly to the environment. Furthermore, consultancy is granted for drawing up the business plans required to obtain funds for setting up of young farmers in the rural area and for semi-subsistence farms.

Consultancy shall contribute to reliably informing the farmers about modernising farms, qualitative reorientation of production, the use of production practices in line with landscape preservation and promotion, for protecting the environment, meeting hygiene and animal welfare standards, and for acquiring the managerial skills needed to manage a holding viable in terms of economy. Also, it shall contribute to the use of occupational safety standards based on Community legislation.

The process of diffusion of knowledge regarding the management of agricultural lands and holdings, the use of good agricultural and environmental practices shall be provided as set out in Chapter I, Articles 4 and 5 and Annexes III and IV of Regulation (EC) no. 1782/2003.

Actions supported by the measure:

Period 2007 – 2009

A) Advisory and extension services (including for drawing up the documents) for the farmers eligible to apply for financial support granted under the following measures of the National Rural Development Programme: Measure 112 - “Setting up of young farmers”, Measure 141 – “Supporting semi-subsistence agricultural holdings”, Measure 221 – “First afforestation of agricultural land”, Measure 214 – “Agri-environment payments”.

B) Advisory and extension services regarding the management of the holding and the use of good agricultural and environmental practices as stipulated in Chapter 1, articles 4 and 5 of Regulation (EC) no. 1782/2003 and Annexes III and IV thereof, occupational safety standards, as well as other conditions stipulated in Community regulations, for the farmers eligible to apply for financial support granted under the measures of Axis I and II.

C) Advisory and extension services regarding the observance of modern and high quality agricultural standards for the trade agricultural holdings, including the processing within the farm, for the measures of Axis I and II.

Advisory and extension services will include farm visits, assistance to identify and coordinate the additional specialty consultancy (for example: preparing the application form for agri-environment), support to obtain the credit (for example: participation at meetings with potential creditors), assistance for drawing up the documentation, monitoring the business plan implementation etc.

Period 2010 – 2013

During this period the aid is granted exclusively to advisory and extension services for the farmers which benefit by aid for semi-subsistence holdings according to art 20 letter (d) point (i) of

Regulation (EC) no.1698/2005 (According to Decision (EC) no. 664/June 19, 2006 regarding the adjustment of Annex VIII to Romania and Bulgaria's Accession Treaty).

Providing advisory and extension services shall be performed individually for each farmer, on the basis of his agreement without any discrimination based on age, gender, race, ethnic origin, political or religion affiliation etc.

Beneficiaries

The **direct beneficiaries** of this financial aid are the providers of advisory and extension services, respectively public or private entities, which meet the qualification and selection criteria.

The **final beneficiaries** of this financial aid are the farmers as defined within the measure.

Farmer definition:

The farmer is a legal or natural person whose holding is situated on Romanian territory and has the size bigger than 2 EDU, and who practices mainly agricultural activities.

The subsistence farms and forestry holdings/households that are not carrying out also agricultural activities are not eligible for this measure.

The measure supports:

Period 2007 – 2009

- a) Farmers – owners of semi- subsistence farms;
- b) Young farmers and their setting up;
- c) Farmers applying for measure 214 – “Agri-environment payments”;
- d) Farmers (only natural persons) applying for measure 221 - “First afforestation of agricultural land”;
- e) Other farmers (commercial farms, members of producer groups or other associative forms), for the general advisory/extension services actions mentioned at points B) and C) within the measure.

Period 2010 – 2013

Farmers – owners of semi- subsistence farms.

Details on selection of consultants

The evaluation and selection of the advisory and extension services will be done according to the Government Emergency Ordinance no 34/2006 regarding the award of the public procurement contracts, public works concession contracts and services concession contracts, with subsequent modifications and completions, fully in line with the community legislation on public procurement.

The identified advisory and extension needs and the funds necessary to cover them will be comprised into an Annual Procurement Plan drawn up by GDRD – MA for NPRD, based on which the contract notices are elaborated.

The instrumentation (application) of the contract awarding procedure to the advisory and extension services providers will be carried out by GDRD – MA for NPRD and by DARD, depending on the value of the project.

The public procurement procedure applied by GDRD – MA for NPRD and DARD stipulates the qualification and selection criteria referring to:

- the personal situation of the candidate (the applicant must present edifying documents to demonstrate that he has not been convicted in the last 5 years for fraud, corruption etc., that he is not bankrupt or in the liquidation procedure, he has fulfilled his obligations relating to the payment of taxes etc.);

- the suitability to pursue the professional activity (the candidate must present edifying documents to demonstrate that he is registered as natural or legal person, the professional certification or affiliation);
- the economic and financial standing (the candidate must present edifying documents to demonstrate the economical and financial standing, such as: banking statements, statements regarding the overall turnover, balance sheets etc) ;
- the technical and/or professional ability(it is assessed depending on experience, skills, efficiency and effectiveness of the candidate. Thus, he must present edifying documents, such as: information regarding the staff of the candidate; information regarding the education, professional experience and qualification of the staff responsible with the project implementation; information on the technical equipments of the candidate used for the achievement of the project objectives etc).

The public procurement contract awarding criteria is the most advantageous tender from the technical-economic point of view. Thus, it is taken into consideration the price-quality report in the provision of the advisory and extension services.

The terms of reference will stipulate that the services provided by the consultants are detailed on each type of action in an adequate proportion for the advisory process.

The terms of references will specify the principles and selection criteria based on which the advisory and extension providers will select the final beneficiaries. Thus:

- the selection of final beneficiaries for measures 112 *Setting up of young farmers*, 221 *First afforestation of agricultural land* and 214 *Agri-environment payments* will be done based on “first-come first-served” principle;
- the selection of final beneficiaries for measure 141 *Supporting semi-subsistence agricultural holdings* will be carried out by applying a selection system based on the scoring system for this measure. This selection system will be established by the Management Authority in consultation with the Monitoring Committee;
- for the actions supported at point B:
 - to be member of producers groups or other associative forms, recognised according to the legislation in force;
 - to have the agricultural holding positioned in Natura 2000 or HNV;
 - to be under 40 years.
- for the actions supported at point C:
 - to be member of producers groups or other associative forms, recognised according to the legislation in force;
 - to be authorised natural person or legal person owning a commercial farm;
 - to be under 40 years.

For component A, the minimum percentage of successful applications that marks the provision of quality services and the achievement of objectives by the consultant, is of 70% from the total number of applications effected by the provider.

The advisory and extension services offered by the selected providers shall be monitored and evaluated using specific instruments, as follows:

- a) Periodical activity reports;
- b) On the spot checklist/direct observation of the consultant’s activities;
- c) Focus groups with the farmers advised;
- d) Application of questionnaires to the advised farmers regarding the quality of the service provided;
- e) Analysis of the drawn up/elaborated documents (diagnosis reports, analysis, recommendations etc) within the carried out activities/project etc.

The monitoring shall highlight the achievement of objectives by the advisory and extension services providers, thus estimating also the quality of the provided service.

Amount and rate of support

Period 2007 – 2009

The rate of support is 100% of the eligible expenses.

Details referring to the services provided and the exact amount to be paid for each service will be comprised in the contracts signed with each advisory provider.

Period 2010 – 2013

The value of the financial aid is 100% of the eligible expenses only for the semi-subsistence farms (According to Decision (EC) no. 664/June 19, 2006 regarding the adjustment of Annex VIII to Romania and Bulgaria's Accession Treaty).

Non-eligible expenditure:

Investments costs.

Financing

Total costs: 158,692,463 Euro.

Public expenditure: 158,692,463 Euro.

Transition arrangements

No specific measure for the advisory services existed within the SAPARD Programme Romania.

Quantified targets for EU common indicators³⁰

Type of indicator	Indicator	Target 2007-2009
Output	Number of farmers advised: Out of which: women:	132 937 39 881
Result	Growth of gross added value in the supported holdings (mil. Euro)	121
Impact*	Increment of labour productivity	Annual increment with 8%

Additional indicators

Type of indicator	Indicator	Target 2007-2009
Output	Number of farmers advised on 141 <i>Supporting semi-subsistence agricultural holdings</i>	50 000
	Number of farmers advised on 112 <i>Setting up of young farmers</i>	10 000
	Number of farmers advised on 214 <i>Agri-environment payments</i>	39 937
	Number of farmers (natural persons) advised on 221 <i>First afforestation of agricultural land</i>	3 000
	Number of beneficiaries of advisory and extension actions stipulated at points B) and C)	30 000
Result	Number of holdings supported that produce for the market.	66 469

³⁰ The indicators were calculated based on the real financial allocation which does not comprise the financial allocation for Measure 114, measure that will be implemented starting with 2010.

* The value of the indicators had been calculated at axis level.

5.3.2. Axis 2: Improving the environment and the countryside

5.3.2.1. Measures targeting the sustainable use of agricultural lands

Measure	Support for Mountain Areas
Legal framework	Council Regulation (EC) no. 1698/2005 – Art. 36 a (i), Council Regulation (EC) no. 1257/1999 – Chapter V (Art. 18) and Regulation (EC) no. 817/2004 (Art. 11 and Annex II 9.1.3.V.)
Code of the measure	211

Specific objective

To contribute in mountain areas with handicaps to the continued use of agricultural land, thereby maintaining the countryside, as well as maintaining and promoting sustainable farming systems.

Operational objective

To ensure in mountain areas with handicaps a continued use of 2,520,000 ha of agricultural land.

Description of the measure

Measure 211 is an instrument providing support for agricultural land located in areas with less agricultural production in quantity and/or quality terms, because of natural conditions, such as altitude and slope. The financial supports granted to farms in Mountain areas (LFA) compensates for the differences in costs and incomes compared to the natural conditions in other areas, which are favoured from this point of view.

The Mountain Area has agricultural production affected by climate and relief conditions because of the altitude and slope (Art. 18 of Council Regulation (EC) no. 1257/1999) and is compiling administrative territorial-units (ATUs) designated according to the criteria below:

- Administrative territorial units with an average **altitude at least 600 m**, the limits of these ATUs being those of the physical blocks allocated for them by Integrated Administration and Control System (IACS) that belong to these ATUs;
- Administrative territorial units located between the average altitudes of **400 – 600 m**, with an average slope at least **15%**, the limits of these ATUs being those of the physical blocks allocated for them by Integrated Administration and Control System (IACS) that belong to these ATUs.

Type and amount of support

The payment is granted annually by hectare of used agricultural area, located within the less favourable mountain area. These payments might not exceed the maximum amounts stipulated in the Annex to Council Regulation (EC) no. 1257/1999.

If the annual budget of the measure is exceeded, the amount of payments can be reduced proportionally for all applicants.

Amount of annual payments for agriculture land in Mountain areas is 50 Euro/ha.

The calculation methodology for compensation payments is presented in *Annex 4A*.

Financing

The total financing of this measure is 100% from public support.

The degressivity of the financial support at farm level:

Surface (ha)	Amount Euro/ha
1 – 50	100% of the payment values for each hectare
50.01 – 100	75% of the amount
100.01 – 300	50% of the amount
Over 300	35% of the amount

Beneficiaries

The beneficiaries of this measure are farmers which are farming in Mountain Areas.

The beneficiaries shall undertake to pursue their farming activity for at least five years from the first payment and to respect GAEC, during the commitment and on the whole holding.

Eligibility criteria

Are eligible only parcels having a surface of at least 0.3 ha when the total agricultural surface pertaining to a farm, composed of parcels of at least 0.3 ha, is covering a minimum area of 1 ha.

Geographical area

This measure is applicable only in the ATUs included in the Mountain Areas. The list with these ATUs is presented in *Annex 4A*.

Quantified targets for EU common indicators

Type of indicator	Indicator	Target 2007-2013
Input	Amount of financial support	607,754,544 Euro
Output	Number of supported holdings	420,000
	Agricultural land supported	2,520,000 ha
Result	Total area where the measure objectives have been achieved	Land abandonment avoided – 2,520,000 ha
		Maintenance of biodiversity and HNV areas - 2,520,000 ha
		Soil quality preservation and improvement – 113,400 ha
Impact	Reversal in biodiversity decline (farmland bird species population)	
	Changes in high nature value areas	

Changes in the national and community legislation

If such a change in the national or community legislation will not be accepted by the beneficiary, the commitment shall be cancelled but the payments made until the commitment enters into force shall not be returned, thus observing the actual duration of the commitment.

Observing of standards – payment reduction or cancellation

When the beneficiaries of this measure do not respect the Good Agriculture and Environment Conditions on the whole holding, as a result of an action or omission directly attributable to them, the annual payment can be reduced or cancelled in conformity with article 51 of the (EC) Regulation 1698/2005.

Measure	Support for Less Favoured Areas – other than Mountain Areas
Legal framework	Council Regulation (EC) no. 1698/2005 – Art. 36 a (i), Council Regulation (EC) no. 1257/1999 – Chapter V (Art. 13-17 and 19-21) and Regulation (EC) no. 817/2004 (Art. 11 and Annex II 9.1.3.V.)
Code of the measure	212

Specific objective

To contribute in other areas with handicaps, to the continued use of agricultural land, thereby maintaining the countryside, as well as maintaining and promoting sustainable farming systems.

Operational objective

To ensure other areas with handicaps, a continued use of 1,795,000 ha of agricultural land.

Description of the measure

Measure 212 is an instrument providing support for agricultural users of land located in areas of less agricultural production in quantity and/or quality terms, because of natural conditions, such as soil and climate characteristics. The financial supports granted to farms compensates for the differences regarding natural conditions in other areas, which are favoured from this point of view. This support is also meant to counteract the depopulation of rural areas and to maintain the tourism potential of these areas.

The Less Favoured Areas – other than Mountain Areas are designated according to the criteria presented in the **Annex 4A** and are grouped in 2 categories, as follow:

A. LFA - other (Art. 19 of the (EC) Regulation 1257/1999) comprise those ATUs which are partially or totally overlapping with the Danube Delta Biosfera Reservation because of the very low soil quality, unfavourable climate, relief and soil moisture conditions in this area and, as result, the LQI has a weighted value of 16 points. Also, this area is characterized by a low population density and a high level of population dependence on agricultural activities (details – **Annex 4A**).

B. LFA - specific (Art. 20 of the (EC) Regulation 1257/1999) include those areas that are having 28 as the maximum value of the LQI and which are characterized by specific natural conditions. These areas must to form contiguous surfaces of at least 3 ATUs which individually have 30 as the maximum value of the LQI (details – **Annex 4A**).

Type and amount of support

The payment is granted annually by hectare of used agricultural area, located within the Less Favoured Areas – other than Mountain Area. These payments might not exceed the maximum amounts stipulated in the Annex to Council Regulation (EC) no. 1257/1999.

If the annual budget of the measure is exceeded, the amount of payments can be reduced proportionally for all applicants.

The calculation methodology for compensation payments is presented in **Annex 4A**.

Amount of annual payments is presented in the table bellow.

Table 1: Amount of annual support

Type of Less Favoured Area	Euro/ha
LFA - other	90
LFA - specific	60

Financing

The total financing of this measure is 100% from public support.

The financial support at farm level in less favoured areas – other than mountain areas is regressive, as follow:

Surface (ha)	Amount Euro/ha
1 – 50	100% of the payment values for each hectare
50.01 – 100	75% of the amount
100.01 – 300	50% of the amount
Over 300	35% of the amount

Beneficiaries

The beneficiaries of this measure are farmers which are farming in LFA – other or in the LFA specific.

The beneficiaries shall undertake to pursue their farming activity for at least five years from the first payment and to respect GAEC, during the commitment and the whole holding.

Eligibility criteria

Are eligible only parcels having a surface of at least 0.3 ha when the total agricultural surface pertaining to a farm, composed of parcels of at least 0.3 ha, is covering a minimum area of 1 ha.

Geographical area

This measure is applicable only in the ATUs included in the LFA - other or in the LFA - specific. The list with these ATUs is presented in *Annex 4A*.

Quantified targets for EU common indicators

Type of indicator	Indicator	Target 2007-2013
Input	Amount of financial support	493,083,875 Euro
Output	Number of supported holdings	Total: 299,167 LFA – other 29,167

		LFA - specific 270,000
	Agricultural land supported	Total: 1,795,000 ha LFA – other 1,620,000 ha LFA - specific 175,000 ha
Result	Total area where the measure objectives have been achieved	Land abandonment avoided LFA – other 1,620,000 ha LFA - specific 175,000 ha
		Maintenance of biodiversity and HNV areas LFA – other 1,620,000 ha LFA - specific 175,000 ha
		Soil quality preservation and improvement LFA - other 25,000 ha LFA - specific 320,760 ha
Impact	Reversal in biodiversity decline (farmland bird species population)	
	Changes in high nature value areas	

Changes in the national and Community legislation

Because starting with 2010 the designation of LFA will have as legal base Art. 37 of the (EC) Regulation 1698/2005 and the designation based on Art. 19 and Art. 20 will cease, is possible that some modifications to appear among the designated areas.

Also, if a change in the national or community legislation will not be accepted by the beneficiary, the commitment shall be cancelled but the payments made until the commitment enters into force shall not be returned, thus observing the actual duration of the commitment.

Observing of standards – payment reduction or cancellation

When the beneficiaries of this measure do not respect the Good Agriculture and Environment Conditions on the whole holding, as a result of an action or omission directly attributable to them, the annual payment can be reduced or cancelled in conformity with article 51 of the (EC) Regulation 1698/2005.

Measure	Agri-environment payments
Legal framework	<p>Article 36 (a) (iv) of Council Regulation (EC) no. 1698/2005 of September 20th , 2005 regarding support for rural development from the European Agriculture and Rural Development Fund (EARDF).</p> <p>Article 39 of Council Regulation (EC) no. 1698/2005 of September 20th , 2005 regarding support for rural development from the European Agriculture and Rural Development Fund (EARDF).</p> <p>Article 27 and point 5.3.2.1.4 from Annex II of the EC Regulation no. 1974/2006.</p>
Measure code	214

Rationale

Agri-environmental instruments are needed to support the sustainable development of rural areas and to respond to society's increasing demand for environmental services. The payments granted under this measure shall encourage farmers and other land managers to serve society as a whole by introducing or continuing to apply agricultural production methods compatible with the protection and improvement of the environment, in particular biodiversity, landscape and its features, natural resources and genetic diversity.

Hierarchy of Objectives

Global objective	Improvement of the environment and rural area	Impact
Measure (specific) objective	To contribute to the sustainable rural development by encouraging land users to introduce or continue methods of agricultural production compatible with the protection and the improvement of the environment, including biodiversity, water, soil and rural landscape	Result
Operational objectives	To maintain high nature value grassland	Output
	To maintain wildlife by applying traditional farming practices	
	To ensure an adequate management on grasslands having importance for bird conservation	
	To ensure water and soil protection	

List of available packages:

1. High Nature Value Grassland
2. Traditional farming
3. Grassland supporting important birds – pilot package
4. Green cover crops

Scope and actions

Agri-environment payments shall be granted to farmers who voluntarily undertake agri-environment commitments for a period of 5 years from the date of taking the commitment.

Agri-environment payments cover only those commitments which go beyond the minimum requirements outlined below which are providing the unpaid reference level considered as the starting point of the drawing up of agri-environment compensation payments.

Minimum requirements

In conformity with art. 39 of the Council Regulation (EC) no. 1698/2005, agri-environment payments cover only those commitments going beyond the obligatory minimum requirements that are relevant for those commitments. These relevant minimum requirements are extracted from the provisions of art. 4 and 5 and Annexes III and IV from the Council Regulation (EC) no. 1782/2003, as well as the relevant requirements referring to the use of fertilizers and of plant protection products included in the national legislation. Thereby agri-environmental commitments and payments respectively are established in respect of these provisions.

A detailed description of the relevant minimum requirements that constitute the baseline for each agri-environment commitment in particular, can be found in Annex 4B1.

Beneficiaries

Farmers

Geographical area

Package 1 „High Nature Value Grassland” and Package 2 „Traditional Farming” are targeted and therefore can only be applied on High Nature Value Grasslands delimited in the Program (see Figure 1). This delimitation is done on a administrative territorial unit (ATU) basis.

Pilot Package 3 „Grassland Supporting Important Birds” is targeted and therefore can only be applied on grasslands that can be found within a certain number of Important Bird Areas (IBA's) indicated in the Program (see Figure 2). This delimitation is done on a ATU basis.

Package 4 „Green Cover Crops” is available for arable land across Romania.

Eligibility criteria

Agri-environment payments are provided as part of the measures if the farmer:

1. Uses a farming area in Romania, identifiable in the Integrated System of Administration and Control, covering a minimum area of 1 hectare, and the eligible lots on this area are at least 0.3 hectares each;
2. Undertakes to maintain the agri-environment commitment(s) for at least 5 years from the date of taking the commitment;
3. Undertakes to observe the relevant minimum baseline requirements all over the agricultural holding area;
4. Undertakes to observe the specific requirements of the agri-environment package(s) for which he/she applies.
5. Undertakes to keep an evidence of farming activities connected to the agri-environment commitment(s) for which he/she applies
6. Declares that he/she did not used chemical fertilizers and/or pesticides in the last five years on the parcels where he/she intends to apply package 1 “High Nature Value Grassland”. Where farmer is using those parcels from less than five years the declaration will be applicable only for the past period when farmer used those parcels. This eligibility criteria applies only for the application under package 1.

From the point of view of land eligibility, for the existent payments, only grassland (in case of packages 1, 2 and 3) and arable land (in case of package 4) are eligible.

Form and amount of support

The agri-environment payments are paid as a flat rate per hectare and will provide the farmers with compensation for their loss of income and/or additional costs incurred due to implementation of agri-environment commitment(s).

The payment will be made fully to the farmer

Payment will be made annually

Consistency and plausibility of the payment calculations

Payment calculations are elaborated by the Institute for Grassland Research and Development Brasov and by the Institute for Research and Development in Agriculture Fundulea. These institutes are autonomous and are coordinated by the Academy for Agricultural and Forestry Sciences „Gheorghe Ionescu Sisești”. MARD ensured a verification of these calculations which proved consistent and plausible.

Description of the existent packages

Package 1: High Nature Value Grassland

Rationale

Romania holds one of the most valuable resources of semi-natural grasslands still to be found in Europe, grasslands that can be classified as High Nature Value grassland (semi-natural grassland generally associated with a high diversity of plant species and habitats). Research carried on the Romanian grassland systems shows that these are presenting high botanical diversity. This diversity is associated with remarkable geomorphologic characteristics and a suite of rare plant species of a contrasting ecology, maintained during centuries by the traditional farming systems as part of what can be described as a sustainable system of land use (*A. Jones 2007*).

An important threat is the intensification of farming in these areas, implying a possible conversion of HNV grasslands into arable land or intensively used grasslands. Some changes of farming patterns are already pointing this threat and the most visible indicator is the increase of mechanized works on grasslands. Average chemical fertilization levels are low but are expected to notably increase until 2011 hand in hand with the overall aimed increase of farming efficiency. Such increase of chemical fertilization levels would be implicitly associated with an overall decrease of botanical diversity of semi-natural grasslands and habitat loss respectively, as it is demonstrated by many international researchers.

The overall environmental challenge is to preserve this rich grassland resource facing the forthcoming socio-economic changes that will impact rural areas in the future. For achieving this it is important to sufficiently support the extensive farming practices on semi-natural grasslands in order to face the competition with more intensive farming systems, and in a wider context with other economical activities that are aggressively and market driven emerging.

Designation of HNV grassland

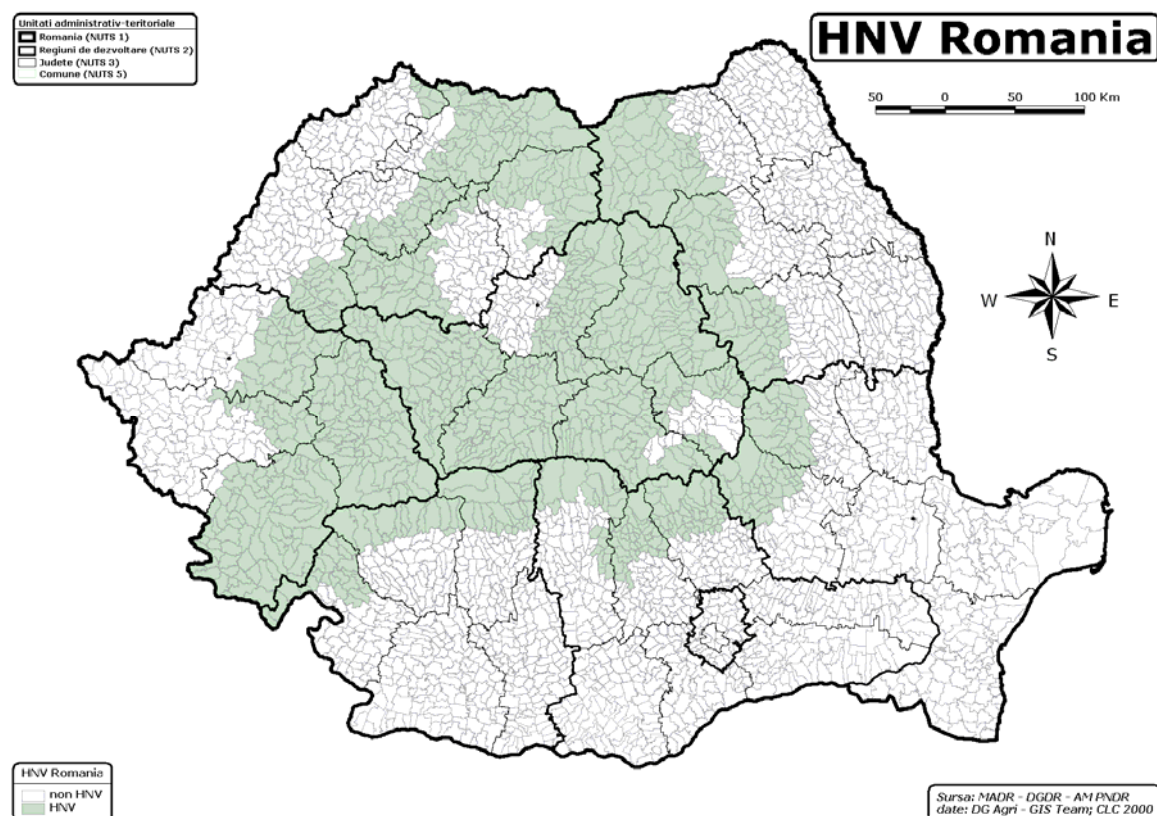


Figure 1 – Area HNV grassland

The current designation is based only semi-natural grasslands (which indeed are placed on the highest rank among other farmland types in terms of associated biological diversity), while in the future years other types of bioluxuriant farmland may be added to the current designation (e.g. traditional orchards).

The designation was built around one of the definitions provided by the European Environmental Agency through a study published in 2004 (*Andersen et al.*). Basically, the current designation falls under the following definition of HNV farmland – **farmland dominated by abundance of semi-natural vegetation** (in particular semi-natural grassland, generally associated with higher levels of bioluxuriance). It involved the use of data provided by the „Corine Land Cover” program and different other studies. An initial mapping at ATU level (NUTS 5) was achieved followed by a process of homogenization in order to obtain continuous compact areas. The total number of ATU’s under HNV grassland designation is of 1038. A list of eligible ATU’s can be found in Annex 4B2. The surface of eligible grassland is approximately 2.4 million hectares.

Operational objective

To maintain high nature value grassland

Target 2013: 1.450.000 hectares under commitment

Management requirements

- Use of chemical fertilizers is forbidden.
- Traditional use of organic fertilizers is allowed up to maximum 30 kg. N s.a./ha
- Use of pesticides products is forbidden

- Mowing may start only after 1 July
- Mowed grass has to be removed from the parcel within maximum 2 weeks;
- Grazing will be performed with maximum 1 LU per hectare
- Flooded grasslands will not be grazed sooner than 2 weeks from the waters retreat;
- Ploughing and rolling on the parcels under commitment is forbidden.
- No type of seeding to take place. Derogation applies when some portions of grassland are degenerating or are accidentally damaged, in this case only native species will be used for seeding.

As a result of observing these requirements, farmers have a loss of income when compared to a conventional practice. Interdiction of chemical fertilizers leads to a 25% production loss and delay of mowing date leads to a 33% loss of hay value. There are differences in costs as well, farmers need more labor in order to manually control weeds but they also have economies by not buying fertilizers and pesticides. Overall, respect of this practice is not as profitable as the conventional practice, therefore a compensatory payment is given. Payment calculation can be found in Annex 4B3.

Compensatory payment per hectare: 124 euro

Note: Payment calculation was made by taking into account the foreseen modifications of the Mountain Law No. 347/2004

Additional indicators

Evolution of some plant species, considered relevant indicators for this package, will be yearly monitored on some parcels under commitment on a sample basis. The following species will be subject of the monitoring: *Ononis spinosa*, *Pimpinella saxifraga*, *Knautia arvensis*, *Leontodon hispidus*, *Plantago media*, *Briza media*, *Thymus serpyllum*, *Veronica austriaca*, *Leucanthemum vulgare*, *Dianthus carthusianorum*, *Trifolium montanum*, *Polygala major*, *Linum catharticum*, *Primula veris*, *Origanum vulgare*, *Prunella grandiflora*, *Viola hirta*, *Lathyrus pratensis*, *Succisa pratensis*, *Sanguisorba officinalis*, *Serratula tinctoria*, *Clinopodium vulgare*. The target is to avoid the decline of these species.

This list may be upgraded by adding other relevant plant species, if this will be considered necessary during the monitoring project.

Package 2 Traditional farming

Can be applied only as an add-on of package 1. This means that only farmers that adopted package 1 can apply for this package 2.

Operational objective

To maintain wildlife by applying traditional farming practices

Target 2013: 375.000 hectares under commitment

Management requirement

- No mechanized works allowed on semi-natural grasslands under commitment.

Respect of this practice leads to increased costs. Hand mowing and turning of hay are labor intensive and more costly than modern mechanized practice. Therefore a compensatory payment is given. Payment calculation can be found in Annex 4B3.

Compensatory payment per hectare: 58 euro

Pilot Package 3 Grassland supporting important birds

This package will be implemented on a pilot basis within a number of selected Important Bird Areas

Rationale

An adequate management of grasslands within Important Bird Areas (IBA's) is needed for the preservation of bird species of European conservation concern. This pilot package aims to facilitate the accumulation of experience in this field due to the fact that Romania never before promoted such highly targeted agri-environmental schemes. In the same time will be a useful exercise for the forthcoming implementation of the Natura 2000 payments. The species that are selected are *Crex crex*, *Lanius minor* and *Falco vespertinus*. These species are present in high numbers in Romania while in other areas in Europe are declining or disappeared. Romania holds approximately 97% of the European population of *Lanius minor* (Lesser Grey Shrike), approximately 50% of the European population of *Falco vespertinus* (Red-footed Falcon) and approximately 27% of the European population of *Crex crex* (Corncrake).

Pilot IBA's were selected based on the representativity principle (these species are in high numbers in selected IBA's). Selected IBA's are:

Crex crex – Confluența Jiu Dunăre, Valea Râului Negru

Lanius minor and *Falco vespertinus* - Aliman-Adamclisi, Campia Crisurilor, Delta Dunarii, Dunarea Veche – Bratul Macin, Elestele Jijiei si Miletinului, Hunedoara Timiseana, Kogalniceanu - Gura Ialomitei, Lunca Barcaului, Stepa Casimcea, Saraiu Horea, Cursul Mijlociu al Somesului, Defileul Inferior al Muresului, Allah Bahir – Capidava, Cheile Dobrogei, Dumbraveni, Padurea Hagieni.

Pilot IBA's were selected in close collaboration with the Ornithological Society of Romania (Birdlife Romania). Designation was done on ATU's (NUTS 5). Grasslands falling inside ATU's that are totally or partially overlapping with one of the selected IBA's are eligible for receiving support under this package. There is a number of 154 eligible ATU's (see Figure 2 below). A list of these can be found in Annex 4B2. Eligible area of grassland is approximately 0.26 million hectares.

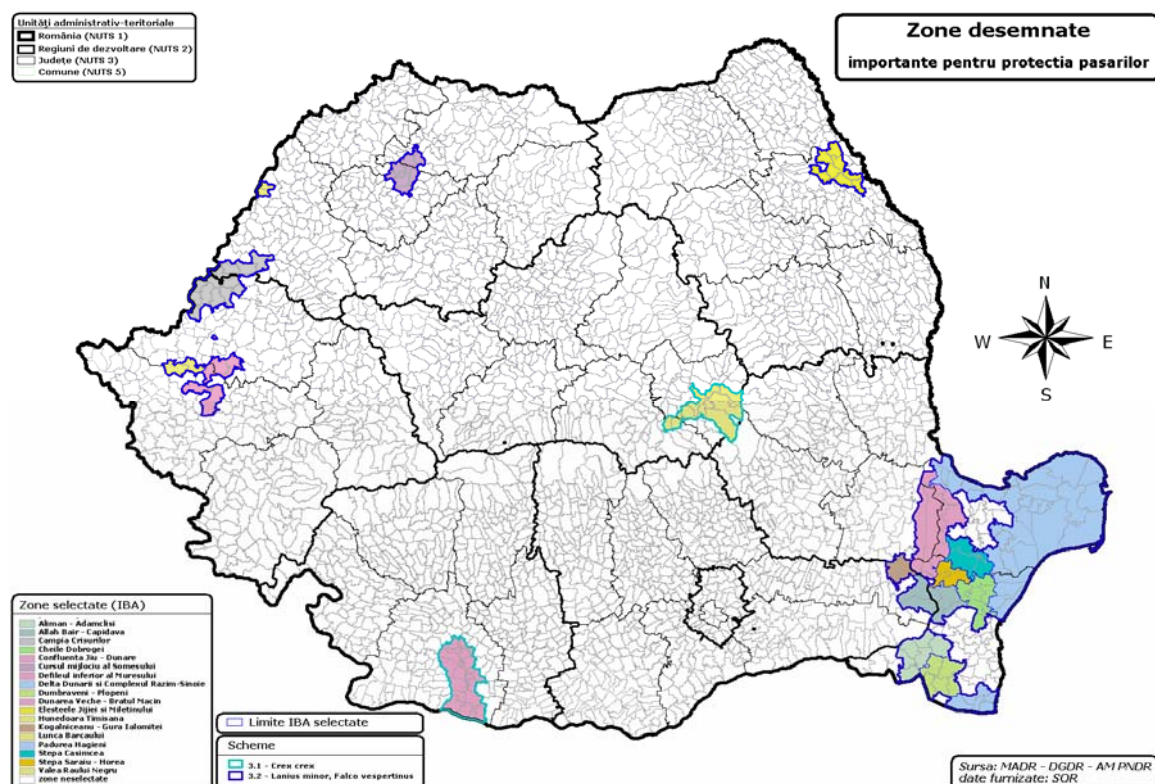


Figure 2 – Selected pilot IBA's

Operational objective

To ensure an adequate management of grasslands having importance for bird conservation

Target (total): 173.000 hectares under commitment

Target Variant 3.1 „*Crex crex* management”: 38.000 ha

Target Variant 3.2 „*Lanius minor* and *Falco vespertinus* management”: 135.000 ha

Management requirements

Variant 3.1 *Crex Crex* management (selected IBA's - Confluența Jiu Dunăre, Valea Râului Negru)

- Use of fertilizers is forbidden
- Use of pesticides is forbidden
- Mowing only after 31 July
- Mowing will be done from inside the parcel to the outskirts
- Un grazed/unmowed 3 meters wide grass strip will be maintained on the borders of each parcel
- Mowed grass has to be removed from the parcel within maximum 2 weeks
- Grazing will be performed with maximum 0.7 LU per hectare
- Flooded grasslands will not be grazed sooner than 2 weeks from the waters retreat
- Ploughing and rolling on the parcels under commitment is forbidden
- No type of seeding to take place. Derogation applies when some portions of grassland are degenerating or are accidentally damaged, in this case only native species will be used for seeding
- No mechanized machinery allowed on the parcels under commitment

Note: Management requirements were elaborated in collaboration with Romanian Ornithological Society

As a result of observing these requirements, farmers have a loss of income when compared to a conventional practice. Interdiction of fertilizers (including organic fertilizers) leads to a 30% production loss and delay of mowing date leads to a 50% loss of hay value. There are differences in costs as well, farmers need more labor in order to manually control weeds and due to hand mowing and hand hay turning but they also have economies by not buying fertilizers and pesticides. Overall, respect of this practice is not as profitable as the conventional practice, therefore a compensatory payment is given. Payment calculation can be found in Annex 4B3.

Compensatory payment per hectare: 209 euro

Variant 3.2 *Lanius minor* and *Falco vespertinus* management (selected IBA's - Aliman-Adamclisi, Campia Crisurilor, Delta Dunarii, Dunarea Veche – Bratul Macin, Elestele Jijiei si Miletinului, Hunedoara Timiseana, Kogalniceanu - Gura Ialomitei, Lunca Barcaului, Stepa Casimcea, Saraiu Horea, Cursul Mijlociu al Somesului, Defileul Inferior al Muresului, Allah Bahir – Capidava, Cheile Dobrogei, Dumbraveni, Padurea Hagieni)

- Use of fertilizers is forbidden
- Use of pesticides is forbidden
- First mowing must be done until 1 July at the latest
- Mowing will be fazed
- Un grazed/unmowed 3 meters wide grass strip will be maintained on the borders of each parcel
- Mowed grass has to be removed from the parcel within maximum 2 weeks

- Grazing will be performed with maximum 1 LU per hectare
- Flooded grasslands will not be grazed sooner than 2 weeks from the waters retreat
- Ploughing and rolling on the parcels under commitment is forbidden
- No type of seeding to take place. Derogation applies when some portions of grassland are degenerating or are accidentally damaged, in this case only native species will be used for seeding
- No mechanized machinery allowed on the parcels under commitment

Note: Management requirements were elaborated in collaboration with Romanian Ornithological Society

As a result of observing these requirements, farmers have a loss of income when compared to a conventional practice. Interdiction of fertilizers (including organic fertilizers) leads to a 30% production loss. There are differences in costs as well, farmers need more labor in order to manually control weeds and due to hand mowing and hand hay turning but they also have economies by not buying fertilizers and pesticides. Overall, respect of this practice is not as profitable as the conventional practice, therefore a compensatory payment is given. Payment calculation can be found in Annex 4B3.

Compensatory payment per hectare: 101 euro

Additional (qualitative) indicators for pilot package 3

Evolution of species *Crex crex*, *Lanius minor* and *Falco vespertinus*, will be monitored yearly on some of the parcels under commitment on a sample basis. The target is to avoid the decline of these species.

Foreseen development of package 3

Presently, IBA's selected as pilot within this package are covering approximately 20% of the total area covered by IBA's in Romania. Eligible ATU's are covering approximately 8.1% of the national surface, 8.6% of the total agricultural area and 5% of the total grassland area. Based on the lessons learned on the pilot stage, this package has the potential to be further developed by enlarging the surface covered starting with 2010 in order to ensure the protection of birds important at European level.

An estimation of the foreseen enlargement can be found in the table below:

Year	% covered by package out of total IBA surface (estimativ)
2007	20%
2010	40%

Romania submitted to the European Union the proposal for designation of the Natura 2000 sites which includes a large part of the IBA's existent in Romania. The enlargement mentioned above includes the possible transformation of some of the variants under this package to Natura 2000 commitments which will be compensated under code 213 from 2010. Therefore, the percentage mentioned above is subject to both agri-environment and Natura 2000 commitments.

Also, it has to be mentioned that a large part of IBA's in Romania are covered (aprox. 40% of them) by the HNV package which even if it is focused on plant species conservation, holds the potential to make an indirect contribution towards bird conservation in the areas where is applicable.

Package 4 Green Cover Crops

Rationale

Soil erosion, especially through water, is a widespread phenomenon across Romania, which implication on the long term is the reduction of farm viability and environmental damage. The recent introduction of the Good Agricultural and Environmental Conditions (GAEC) relevant for soil erosion mitigation represents a good step towards achieving this aim, but at the same time there is a need to encourage all farmers to go beyond GAEC by adopting agri-environment practices which are ensuring a higher level of soil and water protection. Since the risk of erosion is increased greatly by the long periods when the soil has no crop cover, one of the simplest soil conservation measures is to encourage the use of appropriate “green cover crops”. “Green cover crops” are planted immediately after harvest and protect the soil with a cover of green vegetation during the winter period.

This soil and water conservation package will be available in all areas of Romania and also has an important potential to reduce the risk of nutrient losses, especially nitrate leaching, during the winter period. The measure can therefore help to contribute achieving the good ecological and chemical status of all waters in accordance with the EC Water Framework Directive.

Operational objective

To ensure water and soil protection

Target 2013: 700.000 hectares under commitment

Management requirements

- Planting of the green cover crops should be done until the end of September. The following plants can be used as green cover crops: mazare, mazărice, porumb, rapiță, muștar, floarea soarelui, lupin, sulfină;
- Only organic fertilizers may be used before the planting of the green crops. Use of chemical fertilizers is forbidden;
- Vegetation should be incorporated into the soil until the end of March. Agricultural activity necessary for the following crop may start only after performing the action mentioned above.
- Ploughing the grassland within the farm is not permitted

GAEC prevision specifies that: “During winter, the arable land must be covered with autumn crops and/or must be left un-worked after harvesting on at least 20% of the holding’s total arable area”. In order to avoid any overlap with this GAEC, this package can be applied on maximum 80% arable land of one farm.

As a result of observing this practice farmers are supporting increased costs. These can be measured in terms of more fuel consumption for the additional works and in terms of expenditure with seeds. Therefore a compensatory payment is given. Payment calculation can be found in Annex 4B3.

Compensatory payment per hectare for surface beyond the surface protected by GAEC (GAEC prevision covers 20% of the arable land in one farm):130 euro

Combination of packages

Only package 1 and package 2 can be combined on the same surface of land. In this situation payments are cumulating as well since there is no requirement that can possibly be double paid.

The description of the methodology and of the agronomic assumptions and parameters used as reference point for the calculations

A description of the methodology and agronomic assumptions and parameters is presented in Annex 4B3

Conversion of commitments

A commitment can be converted into other commitment in the period of its validity, only if it meets the following conditions:

- a) the respective conversion brings significant benefits to the environment or to the welfare of animals;
- b) the existing commitment is significantly improved.

Changes in national and Community legislation

A clause of revision is necessary for the agri-environment commitments in order to ensure their adjustment in case of amendment of the relevant mandatory standards or of the requirements, established in conformity with Art. 4 and 5 of the Council Regulation (EC) 1782/2003 and with Annexes III and IV and also for the minimal requirements for fertilizers and products used for plants protection and other relevant mandatory requirements established through the national legislation. Should such a change in the national or Community legislation not be accepted by the beneficiary, the commitment shall be cancelled, but the payments already made until that date shall not be reimbursed, thus observing the period in which the commitment was in force.

After the establishment of the management plans (and management requirements) for Natura 2000 sites, as well as after the establishment of the detailed rules for implementation of the Water Framework Directive, those voluntary agri-environmental management prescriptions that will be transformed into obligatory prescriptions, will be transferred and compensated under code 213 „Natura 2000 payments and payments linked to Directive 2000/60/EC”. Necessary adjustments can be made.

Observing the standards – reducing or canceling the payments

Where the beneficiaries of this measure do not observe the minimum requirements relevant for the commitment taken, that are subject of control and sanctioned if not respected according to legislation in force, the yearly payment will be reduced or cancelled.

When the beneficiaries of the agri-environment measure are entirely responsible for not observing one or more of the specific management requirements of the commitment, the payments shall be reduced or cancelled.

Financing

Total cost: 963.233.617 euro

Public expenditure: 963.233.617 euro

Transition arrangements

Agri-environmental commitments which are supported under SAPARD Program until the end of 2008, will be supported for the remaining period under the Rural Development Program 2007 – 2013. This support amounts a total of 521,787 Euro.

Quantified targets for EU common indicators and additional indicators³¹

Type of indicator	Indicator	Target 2013
Output	Number of farm holdings and holdings of other land managers receiving support	154.867
	Division by: - type of the beneficiary (farmers/other land managers) - the 'age' of the commitment	2.698.000 ha

Total area under agri-environmental support

³¹ Indicators were calculated based on the financial allocation which contains the amount allocated to measure 213, foreseen to be implemented starting with year 2010

	Division by: - type of the beneficiary (farmers/other land managers) - the 'age' of the commitment - the type of commitment	
	Total number of contracts Division by: - type of the beneficiary (farmers/other land managers) - the 'age' of the commitment - the type of commitment	179.867
	Physical area under agri-environmental support	2.323.000 ha
	Number of actions related to genetic resources	0
Result	Areas under successful land management contributing to: a) bio diversity and high nature value farming/forestry b) water quality c) climate change d) soil quality e) avoidance of marginalization and land abandonment	2.323.000 ha (physical area) a) 1.623.000 b) 2.323.000 c) 375.000 d) 700.000 e) 1.623.000 (some areas contribute to more than one objective)
Impact	Reversing biodiversity decline (Change in trend in biodiversity decline as measured by farmland bird species population)	
	Additional Reversing biodiversity decline (Crex crex, Lanius minor, Falco vespertinus)	Maintenance of the bird species population in the areas supported
	Maintenance of high nature value farming and forestry areas (Change in high nature value areas)	
	Additional Maintenance of high nature value farming and forestry areas (Maintaining the population of a number of semi-natural grassland indicator plant species)	Plant species are maintained in the areas supported
	Improvement in water quality (Changes in gross nutrient balance)	
	Contribution to combating climate change (Increase in production of renewable energy)	

5.3.2.2. Measures targeting the sustainable use of forestry lands

Measure	First afforestation of agricultural land
Legal framework	Art. 36b (i) corroborated with art. 43 of Council Regulation (EC) no. 1698/2005 Art. 30 and 31 and point 5.3.2.2.1 from Annex II of Council Regulation (EC) no. 1974/2006
Code of the measure	221

Rationale for intervention

The area covered by forests and other wood lands amounts 6,742,800 ha (NSI 2006), representing 28.28% of country's area. This is well below the European average of 32% of forests. The forest area per capita in Romania is 0.28 ha, which is a little bit under the European average of 0.32 ha. A forest percentage of 35% would represent for the Romanian geographical area the "optimal" value for ensuring a sustainable land use and management on the medium term, according to the studies made by the Forest Research and Management Institute. It is desired to increase the country's forest area by 49,348 ha, through this measure, between 2007-2013.

The greatest part of Romanian forests occurs in the mountain areas, 51.9%, while 37.2% of the forests occur in the foothills, only 10.9% of the forests are located in the plains.

Environmental sustainability plays a leading role within this measure. The technical project for afforestation of agricultural lands, particularly in the plains, will focus on environmental protection purposes that it prevents natural hazards, reduces soil erosion, mitigates climate changes, improves water retention capacity, improves the air quality, while maintaining (and in particular cases enhancing) biological diversity.

The expansion of the afforested areas contributes particularly to fulfilling the global objectives regarding the reduction of CO₂, to mitigate the climatic changes and increase the use of renewable energy.

Forest provides important goods and services to the society, such as wood and non-wood forest products, recreation area, landscape, etc., through its ecological, social and economic functions, which complete the rationales for this intervention.

Objectives of the measure

General objective:

Improve of environmental conditions through land use and land sustainable management by means of afforestation. This measure is designated to prevent natural hazards, reduce soil erosion, improve water retention capacity, improve air quality, produce biomass, including wood of good quality and mitigate climate changes, while maintaining or, as the case may be, enhancing biological diversity.

Specific objectives:

Increase the area of forests playing the role of protection of waters, soils, against climatic and other natural and anthropic disturbances, as well as recreational functions, on the basis of its multifunctional role.

Operational objectives:

Expand the national forest area through support for afforestation work and plantations maintenance.

Forests established through this measure are meant to protect environmental components based on their multifunctional role.

Scope and actions

The aim of this measure is to increase the forest area at the national level through the afforestation of agricultural lands. This measure is a compensatory one.

The support refers to:

- 1) Premium for establishing the forest plantations (standard costs), according to the project;
- 2) Annual premium (flat rate) for the maintenance of plantation over a period of 5 years;
- 3) Annual premium (flat rate) as premium for the loss of income as a result of afforestation, per year and ha, for a period of 15 years;

Definition of the agricultural land

Agricultural land – land which falls into one of the following usage categories: arable, natural pastures and hayfields, orchards, vineyards, other permanent crops according to national legislation, which were used for agricultural purposes over the last two years.

Definition of the farmers

Farmer - private or legal person or a group/association of private and legal persons, irrespective of the legal status according to the national legislation, who's holding is situated in Romania and practices, in general, agricultural activities. To qualify as "farmer", each entity applying for support through this measure must demonstrate that the revenue from agriculture amounts for at least 25% of the household incomes, and that the time spent in agriculture amounts for at least 25% of its total working time.

Legal entities will prove the percent revenue from agriculture by bookkeeper documents.

In the case of individual persons the evidence regarding the amount of agricultural income within the total income is obtained by dividing the gross agricultural revenue per year, calculated at the country's level, corresponding to the whole area of agricultural land the applicant possesses, to the total income of the applicant resulted from agricultural and non-agricultural activities (e.g., remuneration from lucrative activities in other sectors of economy, dividends, etc.). The incomes from non-agricultural activities is calculated as an average of the last two years and is revealed by a statement on the own account, made at the notary office.

Eligibility criteria

Beneficiaries

The beneficiaries of this form of support are legal possessors of agricultural land. They shall not be subject to other forms of support from the EAGGF or EFARD for the same land parcel and period, inclusively through the Measure 113 – Early retirement of farmers and agricultural workers, excepting individual persons whose afforestation project have been made through measure 143.

The following categories of beneficiaries are eligible for support through this measure:

- a) private holders of agricultural land, for the establishment of forest plantations and for maintenance works for 5 years, as well as the compensatory grant for the loss of income as a result of afforestation, calculated per year and ha, for 15 years;
- b) public authorities holding agricultural land, only for the establishment of forest plantations. If the agricultural land designated for afforestation is leased by a private natural persons or private legal person, the grants provisioned in the previous paragraph can also be given.

The beneficiaries from the leaseholder category are eligible for all these 3 forms of support if the land holders agree on afforestation and the obligations deriving from the associated technical works. These

obligations refer to the preservation of the forest stand over a period agreed upon in the technical project elaborated in accordance with the technical norms in force, which will be at least the forest harvesting age stipulated in technical norms.

In case the beneficiary is a commune or municipality leasing the afforested land to a private person or other private entity, the leaseholder will take over all the obligations of the initial beneficiary of support and it will further benefit from the premium for maintaining the plantation only for the remaining part of the period eligible for maintenance expenditures. The leaseholder will not benefit from the compensatory payments because at the time the afforestation premium was given, this entity was not holding and using the respective agricultural land.

In case the beneficiary of this form of support alienates (transfers), irrespective of mean and title, the afforested land, the new holder will take over all the rights and obligations of the initial beneficiary, correlated with the legal category, private or public, this entity is part of.

If the case that beneficiary of the support or any subsequent holder of the afforested agricultural land does not preserve the forest plantation at least until the harvesting age, all sums requested and obtained by the former and subsequent beneficiary until the premature dismantling of the plantation is acknowledged will be returned.

Agricultural lands:

The minimum area of agricultural land proposed for afforestation is 0.5 ha and the report between the largest and smallest distance between the extremes of the area's outline is below 5. This is required to avoid the afforestation of agricultural parcels with disproportionate length and width, resulted from the restitution process, whose impact on the environmental conditions would be very limited. Exceptions from this rule are forest shelterbelts.

All the lands relating to the holding have to comply with the Code of Good Agricultural Practices (GAEC) during the time forest is maintained at least until the harvesting age. As proof of agricultural using of agricultural lands designated for afforestation through this measure, these lands must comply with the Code of Good Agricultural Practices (GAEC) in the last two years, exception is the proof for the year 2006, because in Romania, GAEC is have been checked since 2007. It could be accepted a statement and a copy from the Agricultural Registers of local communities, for the year 2006.

The application forms supporting the afforestation of agricultural lands will be sustained by the commitment to change the type of use of lands from agricultural to forestry, in the case of support approval.

The following categories of agricultural land are not eligible for support:

- Lands which are not used as agricultural lands
- Lands that are pledged or mortgaged in favour of a third party, as revealed by the local Land Register (Cadastru);
- Lands whose juridical (property) status is unclear;
- Lands that are included in national or local programmes / plans for use planning, serving a major public interest;
- Lands owned in condominium or other corporate holding if any owner/holder opposes the afforestation;
- Permanent natural grasslands, which are not affected by degradation processes or whose degradation processes is defined by national legislation in force;

Afforestation works

The measure is applicable for parcels of agricultural land above 0.5 ha on which a forest plantation is established, technical works for maintaining the plantations are carried out and forest is preserved at least until the harvesting age.

In the meaning of this measure, “forest” means a land area covered by trees whose height at maturity is at least 5m and whose canopy closure index is at least 10%. Forest belts must have a width of at least 20 m.

Afforestation works have to be performed on the basis of a technical project, which will respect Technical Norms regarding composition, schemes and technologies approved through Ministerial Order no. 1652/31.10.2000 and which are elaborated by legal persons, authorised by the national authority responsible for forestry. The technical project will consist of general aspects of the land designated for afforestation (geographical place, climate conditions as temperature, precipitations, etc) as well as the soil description and the way of choosing of afforestation composition and of realization of the afforestation.

For legal entities, the expenses regarding technical projects are supported as well by this measure and they shall not exceed 10% of the eligible value of the project.

The eligible expenses for elaboration of technical project shall not exceed 70 euro/ha for surfaces up to 50 ha, 50 euro/ha for surfaces between 51 and 150 hectares, 30 euro/ha for surfaces larger then 151 ha.

Beneficiaries which are individual persons, could receive support in order to elaborate the technical project for afforestation through measure 143.

Forest reproductive material used for afforestation work has to comply with national legislation in force.

Afforestation projects within Natura 2000 sites must comply with the objectives of the respective management plans and they are accompanied by environmental assessments.

List of species eligible for the first afforestation of agricultural lands

Table nr.1

Geographical area	Broadleaves	Resinous
Plains	<ul style="list-style-type: none"> - Pedunculate oak (<i>Quercus robur</i>) - Downy oak (<i>Quercus pubescens</i>) - Turkey oak (<i>Quercus cerris</i>), - Hungarian oak (<i>Quercus frainetto</i>) - Ash tree (<i>Fraxinus excelsior</i>) - Pear tree (<i>Pirus pyraister</i>) - Cherry tree (<i>Prunus avium</i>) - Small leave elm (<i>Ulmus minor</i>), - Silver lime (<i>Tilia tomentosa</i>) - Alder (<i>Alnus glutinosa</i>) - Field mapple (<i>Acer campestre</i>) - Manna ash (<i>Fraxinus ornus</i>) - Black locust (<i>Robinia pseudoacacia</i>) - Honey locust (<i>Gleditsia triacanthos</i>) - White poplar (<i>Populus alba</i>) - Black poplar (<i>Populus nigra</i>) 	<ul style="list-style-type: none"> - Black pine (<i>Pinus nigra</i>)
Hills	<ul style="list-style-type: none"> - Turkey oak (<i>Quercus cerris</i>) - Hungarian oak (<i>Quercus frainetto</i>), - Sessile oak (<i>Quercus petraea</i>) - Beech (<i>Fagus sylvatica</i>) - Sycamore (<i>Acer pseudoplatanus</i>) - Ash tree (<i>Fraxinus excelsior</i>) - Wich elm (<i>Ulmus glabra</i>) - Large leaved Lime (<i>Tilia cordata</i>) - Hornbeam (<i>Carpinus betulus</i>) 	<ul style="list-style-type: none"> - Norway spruce (<i>Picea abies</i>) - Silver fir (<i>Abies alba</i>) - Scots pine (<i>Pinus sylvestris</i>) - Black pine (<i>Pinus nigra</i>)

	<ul style="list-style-type: none"> - Black locust (<i>Robinia pseudoacacia</i>) - Honey locust (<i>Gleditsia triacanthos</i>) - Manna ash (<i>Fraxinus ornus</i>) - Field maple (<i>Acer campestre</i>) - Cherry tree (<i>Prunus avium</i>) - Pear tree (<i>Pirus pyraister</i>) - Eastern hornbeam (<i>Carpinus orientalis</i>) 	
Mountains	<ul style="list-style-type: none"> - Beech (<i>Fagus sylvatica</i>) - Sessile oak (<i>Quercus petraea</i>), - Sycamore (<i>Acer pseudoplatanus</i>) - Rowan (<i>Sorbus aucuparia</i>) - Wich elm (<i>Ulmus glabra</i>) 	<ul style="list-style-type: none"> - Norway spruce (<i>Picea abies</i>) - Silver fir (<i>Abies alba</i>) - Larch (<i>Larix decidua</i>) - Scots pine (<i>Pinus sylvestris</i>) - Arolla pine (<i>Pinus cembra</i>) - Black pine (<i>Pinus nigra</i>)
* Shrubs	Common hawthorn (<i>Crataegus monogyna</i>), Cornelian cherry (<i>Cornus sanguinea</i>), Sweet briar (<i>Rosa canina</i>), Guelder rose (<i>Viburnum opulus</i>), lilac (<i>Syringa vulgaris</i>), Sea buckthorne (<i>Hippophae rhamnoides</i>), Wild privet (<i>Ligustrum vulgare</i>), Royal purple (<i>Cotinus coggyria</i>), Oleaster (<i>Eleagnus angustifolia</i>)	

* The shrubs will be chosen according to afforestation compositions as it is specified in technical norms.

Expenditures support

The applicants will receive support for the afforestation of agricultural land which consists of payments made to the beneficiaries for:

- Establishment costs, including costs for planting material, planting as such and other costs directly related to and required by planting operations (establishment premium);
- Costs for maintenance according to the technical norms in force for the period after planting (annual premium per ha for 5 years, starting with the establishment year);
- Compensation for loss of income due to afforestation (annual premium per ha for 15 years, starting with the establishment year);

This measure doesn't provide support for:

- Establishing Christmas tree plantations;
- Projects which have been proposed for support through the measure 143;
- Fast growing plantations defined in art. 43 of the (EC) Regulation no. 1698/2005, which are supported by measure 121;
- Afforestation of permanent natural grasslands, which are not affected by land degradation processes;
- Afforestation by farmers included in the aid for Measure 113 – Early retirement of farmers and farm workers;

Selection criteria

The selection criteria are mentioned in decreasing order of their importance as follows:

- Location of land function of the geomorphological area (altitude): Priority will be given to afforestation works in plains, then in hilly areas and last in the mountains;
- Size of forest plantation: Priority will be given to larger areas proposed for afforestation;
- Proximity from the existing forests: To consolidate the already existing forest areas, priority will be given to the existing forests;
- Land degradation status: Afforestation of agricultural lands affected visibly by degradation processes (e.g., erosion, desertification, etc.);
- Production cycle / harvesting age of forest: Priority will be given to forests with harvesting age above 40 years;
- Number of tree species used in afforestation works: Priority will be given to afforestation works proposing minimum 2 forestry species in composition;

All projects will receive points according to selection criteria, above mentioned. The selection system is the one mentioned in the chapter 5.2.4 Selection process.

Geographical area

Agricultural lands across the entire country, with the exception of permanent natural grasslands, which are not affected by land degradation processes.

Project calculation methodology / estimates

The afforestation project and works shall be conducted in agreement with the current legislation in force.

The calculation methodology for setting up and maintenance of the plantations are in accordance with the expertise provided by Forest Research and Management Institute. This methodology is taking into account main afforestation compositions by geographical regions (plains, hills, mountains). According to the data of the National Institute for Research and Development for Pedology, Agro-chemistry and Environmental Protection, the loss of income is detailed in the annex 3.

The eligible expenditures for the afforestation are standard and their values are detailed in the table no.2. The costs of maintenance of the plantation are as well standard costs and granted as lump sums (flat rates) for 5 years. The compensatory payments for the loss of agricultural income are as well standard costs and granted as lump sums (flat rates) as well for 15 years. The compensatory payment for the loss of agricultural income by non-farmers was set up at the level of 110 euro per year and per ha, on the base that these beneficiaries, not farmers, don't rely on agricultural activities.

Afforestation establishment (expenditure Euro)

Table no. 2

Geographical zones	Afforestation composition
Plains 1900 euro	* Afforestation composition for plains 100% black locust, honey locust (only on the sandy soils) 100% black poplar and white poplar (only on the river meadows and Danube meadows) 100% black pine (only on the lands affected by erosion and desertification)
Hills 1660 euro	* Afforestation composition for hills 100% black pine (only on the lands affected by erosion and desertification) 100% black locust, honey locust (only on the sandy soils)
Mountains 1560 euro	* Afforestation composition for mountains

* Afforestation composition for plains, hills and mountains are in conformity with Technical Norms regarding composition, schemes and technologies approved through Ministerial Order no. 1652/31.10.2000 and which are elaborated by legal persons, authorised by the national authority responsible for forestry.

The percentage of species within afforestation composition will be mentioned by the planner in the technical project.

Plantation costs are described in the annex 1.

The background for definitions of plains, hills and mountains areas and their suitable afforestation composition is described by the Technical Norms regarding composition, schemes and technologies approved through Ministerial Order no. 1652/31.10.2000 and which are elaborated by legal persons, authorised by the national authority responsible for forestry as well.

Applicants receive payments for the first afforestation as is described in the table below taking into account the fact that the compensation will cover 80% of the allowable afforestation costs for less favorable areas and 70% for other areas. Costs of labor force and materials during the period of implementation of the measure may be indexed according to inflation dynamics.

Maintenance costs for 5 years, by geographical distribution (Euro)

Table no 3

	Plains	Hills	Mountains
1 st year	270	210	130
2 nd year	616	536	436
3 rd year	180	210	130
4 th year	180	105	65
5 th year	90	105	65

Maintenance cost is detailed in the annex no. 2

Loss of income

Table no 4

Loss of income for 15 years	Farmers: 215 Euro/year/ha Other private entities: 110 Euro/year/ha
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Link between this measure and the national afforestation programmes

This measure is directly connected with the Council Resolution of 15 December 1998 on a Forestry Strategy for the European Union, which emphasizes the importance of the multifunctional role of forests and sustainable forest management based on their social, economic, environmental, ecological and cultural functions for the development of society and, in particular, rural areas and emphasizes the contribution forests and forestry can make to existing Community policies, as well as the Forestry Development Policies and Strategy for Romania 2001-2010 whose main target is to increase the national forestry area.

Aid intensities

Public support (Community and national) granted as part of this measure will be limited to 70% of the total expenditures eligible for the establishment of plantation. The premium for the maintenance of plantations for 5 years and for the loss of income for 15 years will be covered 100% by public funding.

In the less favoured areas (LFAs) and in Natura 2000 sites the amount of support will be limited to 80% of the total eligible expenditures.

Financing

Proposal:

- Public expenditure: 229,341,338 Euro
- Total expenditure: 263,610,733 Euro

Quantified targets for EU common indicators and additional indicators*

Type of indicator	Indicator	Objectives 2007-2013
Output	<p>Number of beneficiaries receiving afforestation aid, total and categorised by</p> <ul style="list-style-type: none"> • type of ownership (private and public) • period of commitment (existing or new) 	14.180

	others)	
	Number of hectares of afforested land, total and divided by: <ul style="list-style-type: none"> • type of ownership (private and public) • environmental objective (prevention of soil erosion / desertification, enhancing biodiversity, protection of water resources; prevention of floods; climate change mitigation, others) • type of trees (coniferous, broadleaves) • period of commitment (existing or new) 	49.348 ha
Result	Land area receiving support contributing to a) Conservation or increase of biodiversity b) Improvement of water quality c) Mitigation of climate change d) Improvement of soil quality e) Avoidance of land abandonment by assigning a certain use category	49.348 ha
Impact	Reversing the decline of Biodiversity at large scale through the conservation or increase of biodiversity in afforestation lands	
	Maintenance of a high nature value for farming and forestry areas	
	Improvement in water quality	
	Contribution to climate change mitigation	
	Increase of biomass crop	493.482 mc
	CO2 Sequestration	54.283 t

* The indicators have been calculated on the basis of financial allocation which does not contain the amount for measures 223 and 224, measures which will be implemented starting 2010.

Annex no 1

Afforestation composition

Afforestation compositions and their schemes proposed will consider the forestry species and their mixtures that have the greatest effect on climatic conditions, biodiversity, soil characteristics, water management and other environmental components, as they are described in table no 1. The total cost of afforestation composition depending on the geographical area is included in the table below.

Table no. 5

	Plain	Hills	Mountains
Soil preparation (ploughing+disking)	140	-	-
Reproductive material 5.000 seedling/ha	950	800	700
Planting establishment*	410	460	460
Plant protection	400	400	400
Total	1900	1660	1560

***Plantation establishment**

- digging for seedling storage – 5 euro/10 meters of dugs

- seedlings transport for putting in place – 15 euro/100 m (5000 seedlings)
- storage of seedlings – 5 euro/ha (5000 seedlings)
- sign-posting of the land for afforestation – 105 euro/ha
- planting of seedlings on the prepared land (on the plains) – 250 euro/ha (5000 seedlings)
- planting of seedlings on the unprepared land (on the hills and mountains) – 300 euro/ha (5000 seedlings)
- stem cutting – 30 euro/ha (5000 seedlings)

Annex no 2

Maintenance

- 1st year – soil pullulation – 3 times by 90 euro/ha for plains and 2 times by 105 euro/ha for hills
- weeds removal – 2 times by 65 euro/ha for mountains
- 2nd year – plantation revisionary – 65 euro/ha
- seedlings transport for putting in place – 3 euro/100 m (5000 seedlings)
 - storage of seedlings – 1 euro/ha (5000 seedlings)
 - planting of seedlings (20% of surface) – 82 euro (prepared land) and 92 euro (unprepared land)
 - seedlings cost (20% of surface) – 190 euro/ha for plains, 160 euro/ha for hills, 140 euro/ha for mountains
 - stem cutting – 6 euro/ha
 - soil pullulation – 3 times by 90 euro/ha for plains and 2 times by 105 euro/ha for hills
 - weeds removal – 2 times by 65 euro/ha for mountains
- 3rd year - soil pullulation – 2 times by 90 euro/ha for plains and 2 times by 105 euro/ha for hills
- weeds removal – 2 times by 65 euro/ha for mountains
- 4th year - soil pullulation – 2 times by 90 euro/ha for plains and 1 time by 105 euro/ha for hills
- weeds removal – 1 time by 65 euro/ha for mountains
- 5th year - soil pullulation – 1 time by 90 euro/ha for plains and 1 time by 105 euro/ha for hills
- weeds removal – 1 time by 65 euro/ha for mountains

The calculation has been done taking into account the Norms for Forestry and costs for labour per hour relating to medium wage for forestry from National Statistic Institute.

Annex no 3

Gross margin (GM) at national level for arable land – as reference in establishing the annual premium per hectare during the 15 years, was established considering only the gross margin of the main 4 cultures (as land cover – maize, wheat, fodder crops, potatoes). It resulted 260 Euro/ha.

For the establishment of income loss, out of the GM were deducted the fix costs related to fuels and labour for agricultural activities dedicated to arable land and are added the values of income loss related to land area financial support considering direct payments under SAPS and LFA payments, according to the following tables:

Savings costs

Table no 6

Activity	Fix costs per hectare (Euro/ha)			
	Fuels	Labor	Total	
Ploughing + harrowing	15,7	1,5	17,2	50,5
Disking	15	1,5	16,5	
Smashing compact clods	4,7	0,5	5,2	
Sowing	4,7	1,1	5,8	
Harvesting	4,7	1,1	5,8	

Income loss related to land area financial support

Table no.7

Income loss related to land area financial	SAPS payments (Euro/ha)
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support	
Romania	60

Income loss calculation

Table no. 8

Gross margin	Loss of area related support	Savings	Annual income loss (Euro/ha)
260	60	50,5	269,5

In order to avoid overcompensation only 80% out of the resulted income loss it is considered for payments, therefore the annual premiums are for farmers - 215 Euro.

5.3.3. Axis 3 The quality of life in rural areas and the diversification of the rural economy

5.3.3.1. Measures to diversify the rural economy

Measure	Support for the creation and development of micro-enterprises
Article which covers the measure	Articles 52 (a) (ii) and 54 of Regulation (CE) no.1698/2005 Point 5.3.3.1.2 of Annex II of Regulation no.1974/2006
Code of the measure	312

Rationale for intervention

Promoting a balanced development with the purpose of achieving an economic and social cohesion requires paying a special attention to the development of rural areas, which account for almost 50% of the population in Romania. Currently, in Romania, **the economic functions of these areas depend, almost entirely, on the existing agricultural activities**. The necessary future restructuring activities at farm level together with the capital intensification of commercial farms and the inevitable trend towards part-time farming is likely to create a very significant fall-out of labour in the agriculture sector.

This situation defines the necessity of obtaining **alternative employment and additional income sources from non-agricultural activities**, together with a **reorientation of the labour force** towards productive non-agricultural activities and to the development of services for the rural population. Micro-enterprise development is acknowledged as being the most significant source of job creation/income enhancement in rural areas in both developing and developed economies.

Within the **Lisbon and Gothenburg Agendas**, the EU foresees that a stronger economy will drive job creation, alongside social and environmental policies in order to ensure sustainable development and social inclusion. A key element in this is the exploitation of the opportunities for growth and employment in rural areas through the raising of economic and employment activity rates within micro-businesses.

Currently, , there are deep gaps at regional level and especially **between rural and urban areas** as regards the **business environment**, mainly due to the poor infrastructure development in rural areas, lack of financial resources, the difficulties in accessing credit and also due to existence of a poor entrepreneurial training.

The analysis of micro-enterprises from rural areas relieve the **low capacity** of those to respond of the necessity providing jobs for the rural population (an average smaller than 3 jobs/micro-enterprises); at the national level in 2005, micro-enterprises accounted for only **13 percent** of the total number of micro-enterprises, a level of about **4.2 micro-enterprises per thousand inhabitants**.

The existing micro-enterprises in the rural area cover just a limited range of productive activities and services and currently not capitalizing enough the local resources. Most of the micro-enterprises have been reoriented towards trading (about 70% out of the total of micro-enterprises of service sector) due to the fast recovery rate of investments and due to the minimum level of experience needed for such activities, while the processing industry holds only 16% from the total number of micro enterprises from rural area.

As, is also mentioned in the analyses chapter, the incomes of the agricultural households comes especially from agricultural activities to the detriment of cash incomes, while in the urban area the incomes of a household comes most from wages.

The average of incomes providing from non-agricultural activities, at household level, in 2005 in rural area was **approximate to 12 Euros/month**, representing **4.1% from net incomes**.

Taking into account, the small number of micro-enterprises from rural area and the low **level of incomes from non-agricultural activities**, it is necessary to create new micro-enterprises revitalizing rural economy through creating new jobs for the rural population, in the non-agricultural sector and increasing of incomes of the above mentioned.

The support envisaged under this measure is aimed at both existing micro-enterprises and rural inhabitants wishing to develop an economic activity themselves as entrepreneurs. Particular attention will be given to **women in the rural area**, since statistics indicate that this category of the population tend to develop businesses at **a much lower rate** than the male population.

At the same time, **young people** represents the population category that is the **most affected by unemployment** (which stands at 13.9 percent amongst young people of between 15 and 24 years old, against a rural unemployment rate of 5.2 percent) and who manifest the greatest tendency to migrate to the urban area and abroad.

Furthermore, crafts and other related traditional activities that are occupation of the rural area's population are less and less practiced, especially when it comes to the young generation.

In this context, the aim is to **create and develop micro-enterprises** that promote **traditional trades** such as crafts and than can contribute to increasing the number of jobs, as well as to continuing these activities that contribute to the specific, but also value to the Romanian rural area.

*Although investment needs in the rural area are still very high, the **SAPARD Programme** had a positive economic and social impact through the measure on diversification into non agricultural activities. In accordance with the Monitoring Report – March 2007 – out of the 1,112 projects contracted within this measure, 73.7mil. Euro, 337 projects were finalized generating and maintaining 1,011 jobs, it is also estimated that until the end of finalization period for the rest of the projects approximately 3,336 jobs will be set up and maintained.*

Given the current low level of development characterizing the **rural business environment**, there is a need for extending constant Community and national support, to help promote non-agricultural activities, that can lead to **higher rural income, job-creation, and at the reduction of the disparities between the rural and the urban areas**. Therefore, there is a critical need for promoting the **diversification of the rural activities**, through focusing on new entrepreneurial competence, acquisition of new skills and through wider services provision to the rural population.

These factors will contribute to economic growth and implicitly, to a change of mentality, higher living standards in the rural area, and a stable balance in territorial, social, and economic terms.

Objectives of the measure

The general objective of the measure is the sustainable development of rural economy by encouraging non –agricultural activities, with the purpose of increasing jobs and additional incomes.

Specific objectives:

- a) Creating and maintaining employment in the rural area;
- b) Increasing added value in the non-agricultural³² activities;
- c) Creating and diversifying the services for the rural population provided by the micro-enterprises.

Operational objectives:

- Creating micro-enterprises, as well as developing the existing ones in the non-agricultural sector in rural area;
- Encouraging the business initiatives that are promoted especially by the young people

³² Except for activities having results a non-Annex 1 product activities in to the Treaty, supported through measures 121 and 123 of Axis 1.

- and women;
- Encouraging crafts and other traditional activities;
- Reducing the level of dependence on agriculture.

Scope and actions

Supporting non-agricultural activities in the rural area through micro-enterprises development (both newly created and existing).

The actions foresee:

i. Investments in productive non-agricultural activities, such as:

- in light engineering (leather , footwear, wool, hides, knitwear, household products, packages, odorizing products, brewery products etc);
- in industrial processing of wood products activities – starting with timber processing , (such as furniture);
- in precision mechanics, assembly of machine parts, tools and domestic objects, producing packages and so on;

ii. Investments for development of handicraft activities and other non-agricultural traditional activities with traditional local feature (iron, wool, pottery, embroidery, making traditional musical instruments and so on), as well as for their marketing (small retail shops for self-made products resulted from such activities);

iii. Services for the rural population such as:

- tailoring, hairdresser, shoemaker services etc;
- services for connecting and providing internet;
- mechanization services, transport (other than purchasing of vehicles means) phytosanitary protection, animals artificial insemination;
- services for assembly of machine parts, tools and domestic objects.

Furthermore, the acquisition of equipments for producing the energy from other renewable sources than bio-fuels, will be supported just as a component part of the project.

Beneficiaries

- **micro-enterprises** as defined by the Commission Recommendation 2003/ 361/ EC and the national legislation in force³³ (enterprises which employ fewer than 10 persons and have a annual net turnover which does not exceed 2 million Euro);
- **natural persons** (not registered as legal entities) – who, prior to the date when the funding contract is signed, will commit to get a minimum license as licensed natural persons³⁴ and operate as a micro-enterprise.

Description of the type of operations

The following actions will be supported:

- Tangible investments (construction, modernization, building extension with a productive purpose; the relevant endowment with equipments, and so on, inclusively the leasing purchasing of those);
- Intangible investments (software, patents, licenses etc.), inclusively the leasing purchasing of those.

³³ Law 346/2004 regarding the stimulation of setting up and develop of SME's, with subsequent amendments.

³⁴ According to the Law 300/2004 regarding the licensing of natural persons and family associations carrying out free-lance economic activities; with subsequent amendments

According to art. 55 of Regulation (EC) 1974/2006, general costs regarding the elaboration of the project such as expenditures with the architects', engineers' and consultants' fee, feasibility studies /justificatory memoir, taxes for delivery certificates, permits, authorizations, necessary for the implementation of the projects, as well as mentioned in the national legislation, purchasing patents and licenses will be financed in the limit of 10% from total eligible expenditure of the project and up to 5% for projects which do not include constructions.

Eligibility criteria:

- The micro-enterprises shall develop the activities proposed through the project, in rural area;
- Start-up³⁵ micro enterprises shall be registered in rural area;
- The beneficiary must demonstrate the viability of the investment;
- The micro-enterprise must not be in difficulty³⁶;
- The beneficiary or the project coordinator must make proof of his/her management/marketing skills or to have skills in line with the activity proposed in the project (experience/vocational training courses he/she has graduated – at least at an initiation level; qualification courses etc.) or acquire them until the last payment is disbursed;
- The beneficiary shall submit all the permits and authorizations needed for the investment;;
- The beneficiary must produce the environment-related³⁷ clearances/licenses needed to make the investment;
- The beneficiary shall demonstrate the ownership right for the land on which he is going to realize the investment or concession right for at least 10 years;
- The beneficiary shall declare on his/her own liability that hi/her will ensure the co- financing of the project.
- The beneficiary shall declare on own liability that the whole non-refundable public support accessed does not exceed 200.000 Euro (100.000 Euro for road transport activities) for a period of three fiscal years.

Non - eligible activities:

- Activities supported by the Axis 1 and Axis 2 measures in the NRDP;
- Alcohol beverages production and beer;
- Tobacco products;
- Weapons and ammunition production;
- Coins strike;
- Tourism and tourism-related leisure activities connected to tourist activities;
- Activities that are exclusively commercial, as well as commercial brokerage, except for the marketing of products obtained through one's own production process;
- Financial brokerage;
- Real estate transactions;
- Research and development;
- Public administration and defence;
- Social security in the public sector;
- Gambling and betting and related leisure activities connected with them;
- Activities carried out by extraterritorial organizations and bodies;

³⁵ New created

³⁶ The firms in difficulty defined according to the foresees of Community Guidelines on State Aid for Rescuing and Restructuring Firms in Difficulty published in OJ C244, 1.10.2004. p2

³⁷ According to the agreement between MESD and MARD, any investment supported thought NRDP will be analyzed by the MESD which will require, if necessary, an environmental impact assessment

- Fishery and/or aquaculture activities;
- Investments related to primary processing of wood, up to the stage of timber;
- Extraction industry activities of energy product;
- The energy production from renewable resources as main activity in order to be sold;
- Coke products, by-products thereof and nuclear fuel production activities;
- Restoration, consolidation and preservation of patrimony cultural and natural objectives from group B, from rural space.

Non - eligible expenditures:

- Taxes and duties;
- Operating costs, including rent and utilities;
- Bank commissions, collateral costs, and other similar costs;
- Costs of purchasing second-hand equipment;
- Land/ buildings purchasing;
- The acquisition of road freight transport vehicles by undertakings performing road freight transport for hire or reward and vehicle means for persons transport, as main activity;
- Purchasing of vehicle means for personal purposes;
- VAT, except non-deductible VAT, in the case in which is in a real manner and definitively supported by the beneficiary, other than non taxable persons, according to the article 71 (3), letter a) of the Regulation (EC) no. 1698/2005;
- Exchanges costs, taxes and losses due to foreign exchanges associated to the PARDF Euro account;
- Contributions in kind;
- Costs for a leasing contract: management taxes, interest rate, insurance premium etc.;
- Costs realized before the approval of the project, excepting the technical studies, business plans and feasibility studies;
- Costs regarding the rent of the cars, machinery, installations and equipments;
- Simple replacement investments, according to art.55 of the (EC) Regulation 1974/2006.

Support. Type of payment

The beneficiaries of this measure may request from the Paying Agency the payment of an advance up to 20 percent of the public aid related to the investment, according to Article 56 in the Regulation no. 1974/2006 on the implementation of Council Regulation (EC) no. 1698/2005 on EARDF rural development support; the payment of the advances shall be subject to the establishment of a bank guarantee or an equivalent guarantee corresponding to 110 percent of the amount of the advance.

The submitted guarantee shall be realised when the competent paying agency establishes that the amount of actual expenditure corresponding to the public aid related to the investment exceeds the amount of the advance.

The legislation in force, regarding the creditation and guarantee of the investments is available until 2009, especially for the ensuring cofinancing of the projects realised through SAPARD Programme, named "Farmer" Programme, which it was the main instrument for growing the absorption of the pre-aderation funds. Starting with 2010, it is intended as the guarantee funds will be capitalised from EARDF, as is stipulated at sub-chapter 5.2.7 from NRDP.

Aid intensities

The intensity of the non-refundable public aid shall go up to 70 percent³⁸ of the total eligible costs and shall not exceed:

³⁸ The intensity of the public support granted for micro enterprises for Bucharest-Ilfov region will be 10% lower than in the other regions of the country because in this region the GDP is higher than other regions.

- EUR **50,000** per project, if the beneficiaries are licenced natural persons;
- EUR **100,000** per project, for micro-enterprises which develop their activity in the transport sector;
- EUR **200,000** per project, for other micro-enterprises.

The beneficiaries of this measure shall receive equal treatment, irrespective of their age, gender, race, ethnic origin, political or religious conviction, etc.

Provisions regarding the State Aid

The support granted under this measure shall be disbursed according to the Commission Regulation (EC) no. 1998/2006 dated December 15, 2006, on the implementation of Articles 87 and 88 in the Treaty, regarding the “*de minimis*” aid; Official Journal L 379 of December 28th, 2006 (the total value of the *de minimis* aid received by a beneficiary over the past three fiscal years shall not exceed the maximum ceiling of the non-refundable public aid of **EUR 200,000/beneficiary** and **EUR 100,000 / beneficiary** in case of the transport sector).

These ceilings shall apply irrespective of the form of the “de minimis” aid or the objective pursued and regardless of whether the aid granted by the Member State is financed entirely or partly by sources of Community origin.

Rules regarding granting, cumulating, reporting and monitoring of state aids, according to the “de minimis” rule³⁹

Granting and monitoring of the support under this measure shall be done based on a **beneficiary’s statement**, according to Article 3 (paragraph 1) in the *Commission Regulation (CE) No. 1998/Dec. 15, 2006, implementing Articles 87 and 88 of the Treaty on the “de minimis” aid*, Official Journal L 379/Dec. 28, 2006; as a “*de minimis*” aid disburser, the MARD shall keep evidence of such aids according to Article 3 (paragraph 3) in the same Regulation and to Article 6 of the Emergency Government Decision no. 117⁴⁰/2006 on national procedures regarding the state aids and the provisions of the Regulation implemented through the Order of the Council of Competition’s President, no. 175/2007⁴¹ on monitoring provisions of the state aids.

If the beneficiary applies at the same time for support regarding the same project, granted within the program through the guarantee funds for bank guarantees, the total cumulated aid shall not exceed the amount stipulated within the measure.)

Selection criteria:

- i. The applicant who have not benefited from other EU support for similar activities in the last three years;
- ii. Projects that through the proposed activities create more than 1 job/25000 Euros invested;
- iii. Projects promoting crafts;
- iv. Projects undertaken by women /young people of less than 40 years old at the date of projects’ submission;
- v. Start-ups (newly-established micro-enterprises);
- vi. Projects that through the proposed activities create new jobs of which at least 50 percent will be taken by residents in the rural area.

All the eligible projects will be scored according to the above-mentioned selection criteria.

³⁹ Details provided in Chapter IX – State Aids

⁴⁰ Official Journal no. 1042 of December 28, 2006

⁴¹ Official Journal no. 436 of June 28, 2007

Selection system is provided at subchapter 5.2.4 “Selection procedure”.

Demarcation lines and criteria with other EU financial instruments and other NRDP measures

- ✓ The demarcation of the EAFRD and ERDF intervention for the *production of energy for electricity/ heat generation from renewable sources*:
 - **EAFRD (NRDP-Axis 3 - measure 312)** shall support the acquisition of the equipment for producing energy from **other renewable resources** than bio-fuels, only as a component part of the project and its use in the specific activities **developed by micro-enterprises from rural area**.
 - **ERDF (SOP - EEC)** shall support the micro-enterprises (SMEs, intermediary and large) which produce energy from other resources as main activity (except the enterprises processing agricultural products listed in Annex 1 to the Treaty as well as micro-enterprises from rural area).
- ✓ The demarcation regarding the intervention of EAFRD and ERDF on the support granted to *micro-enterprises for productive activities*:
 - **EAFRD (NRDP - Axis 3- measure 312) shall support:**
 - Micro-enterprises from the rural area carrying out non-agricultural activities, except start up of high-tech⁴² and spin-off micro-enterprises⁴³;
 - **ERDF (SOP EEC) shall support:**
 - The high-tech start up and innovative spin-off micro-enterprises throughout the territory of the country;
 - **ERDF (ROP) shall support:**
 - Micro-enterprises from the urban area

The coherence between FEADR (NRDP Axis 3) intervention and ESF (SOP HRD) intervention:

The investments supported through the measure 312 of NRDP are completed by the SOP HRD intervention regarding the orientation, consultation and training in the entrepreneurial and non-agricultural sector granted to inhabitants in rural area, particularly to those from the subsistence agriculture.

- ✓ The demarcation with **123 measure** (Axis 1, NRDP) regarding **the micro-enterprises from rural area**:

Renewable energy:

- Through the measures **123** are supported the producing and using of the energy from renewable resources, as component part of the project investment in the specific productive process of the activities of this measure, while through the measure **312 is sustained the acquisition** of the equipment for producing energy from **other renewable resources** than bio-fuels, only as a component part of the project and its use in the specific activities of this measure.

Productive activities:

⁴² High-tech start-ups are innovative enterprises not older than 3 years, which implement (produce and market) the results that they obtain from their research activities.

⁴³ Spin-offs are new companies established by research groups in public research institutes, with the aim of producing and marketing the R&D results that they obtain.

The component of the measure 312 that requires a demarcation criteria with the measure 123, is represented by the obtaining of a non-annex 1 product, which could be only a non-food product or bio-fuel, the demarcation criteria is as follow:

- ✓ Through the measure 123 are supported the processing activities of Annex 1 products , having result the obtaining of a non-Annex 1 products, which could be **only** a non-food product or bio-fuel;
- ✓ Through the measure 312 are supported the processing activities of Annex 1 products, having result the obtaining of a non-Annex 1 products, which could be **only** a non-food product, except bio-fuel.

In conclusion, **the demarcation is done regarding the type of supported activities.**

Financing

The measure's financial allocation for the programming period 2007-2013 is:

Total costs: 589,891,817

Public expenditure: 383,429,681

Transition arrangements

Not applied.

Quantified targets for EU common indicators⁴⁴

Type of indicator	Indicator	Target 2007-2013
Output	Number of micro-enterprises supported divided by: <ul style="list-style-type: none"> ➤ legal status - natural authorised person, legal persons ➤ age category - < 25 years and ≥ 25 years ➤ gender* ➤ type of micro-enterprise -existent or newly created (micro-enterprise development) 	9,895
	Total volume of investment	570,863,049 Euro
Result	Gross number of jobs created	28,924
	Increase in non agricultural gross value added in supported investments mil Euro	149
Impact*	Economic growth (mil Euro)	368
	out of which the contribution of the measure 312	119
	Employment creation	58,117
	out of which the contribution of the measure 312	23,139

⁴⁴ The indicators was calculated based on real financial allocation which not comprise the related amount of 341 measure, that will be implemented from 2010.

* The value of the indicators was calculated at each Axis level.

Additional indicators

Type of indicator	Indicator	2007-2013 target
Output	Number of supported micro-enterprises, broken down by investment type:	9,895
	- investments in productive, non-agricultural activities	1,522
	- investments for the development of activities such as traditional trades and crafts	3,806
	- services to the rural population realized by micro-enterprises	4,567
Impact*	Employment growth rate in the secondary and tertiary sectors in the rural area	4.42%
	Out which contribution of the measure 312	1.90%

* The value of the indicators was calculated at each Axis level.

Measure	Encouragement of tourism activities
Articles which cover the measure	Articles 52 (a)(iii) and 55 of Regulation (EC) no 1698/2005. Point 5.3.3.1.3 of Annex II of Regulation (EC) no 1974/2006.
Code of the measure	313

Rationale for intervention

Rural tourism, as a component of the national tourism as a whole, is a sub-sector with special development potential, thus representing an occupational alternative for the rural labor force, a manner to diversify the economic activities from the rural environment and a stability factor for the rural population. Its developing could concur to reducing the gaps between various areas, thus setting up an increasing source for the rural population incomes.

The natural landscape specific to Romania offers excellent possibilities for practicing rural tourism, issue that allows recreation in rural environment, experiencing some novel activities, participating in different representative events or visiting some attraction points, which are not available in the urban areas.

An important segment of the Romanian rural tourism is represented by agro-tourism⁴⁵, taken into consideration the presence of a significant number of agricultural households, situated in high natural value areas, where the old customs and traditions are preserved. Having in mind, the necessity for re-orientation of some of these households towards non-agricultural activities and the necessity for obtaining additional incomes, agro-tourism can be a good alternative.

Agro-tourism is generally practiced by small land owners from rural areas/rural households, as a secondary activity, involving women in an active way. Through this tourism form, the tourists are given the opportunity to come back to the nature, thus assuring the physical and spiritually comfort, as well as the access to the traditional cuisine specific to each area.

Taking a close look at the rural tourism, we can notice that in 1996 there were 61 rural lodging houses with an accommodation capacity of 332 bed places; in 2004 the number increased to 892 rural lodging houses with an accommodation capacity of 9,405 bed places and in 2005, in the rural area, the number of lodging houses reached 956, having a capacity of 11,151 bed places, thus representing a considerable potential at this sub-sector's level. (Source: NSI 2005)

New guests structure building shall be done paying a special attention to investments whose main objective is represented by quality. This aspect can be driven by the availability of emigrant remittances or other available financial resources with little focus on the product/market and more focused, until now, on the improving of living condition and their dwelling house.

Generally speaking, the rural tourism is not developed in order to meet the demands of domestic and international markets; the existing tourist infrastructure does not fully meets the tourists' requirements of accommodation and leisure facilities from a qualitative and quantitative point of view, facing for the time being with difficulties related to technical, financial, and educational aspects. This situation requires support measures and fostering measures aimed at this sector, in particular for the marketing and promotion of rural tourism which are poorly-developed and only cover certain areas.

The rural tourism focus must encompass the totality of the countryside as a provider not just of tourism opportunities but also of a diverse recreational facility for the tourists. The countryside recreation can be obtained, by carrying out sport activities, walking outside, and rest, viewing activities with traditional character and participating in local celebrations, based on use of the resources of the rural areas thus contributing to a healthy active lifestyle.

⁴⁵ The agro-tourism is an activity practised by the members of an agricultural household and supposes the combining of agricultural activities with tourist services practised within and is characterised by offering accommodation and partially assurance of food through products obtain in the own household, as well as tourists involvement in household activities. This constitutes an complementary solution for adding up the incomes from agriculture with positive effects both of economical, as well as social nature.

Through the SAPARD Programme, by Measure 3.4 “Development and diversification of economic activities generating multiple activities and alternative income” investments in rural tourism and others types of tourism (equestrian, mountainous, etc) were supported. These kind of investments had the biggest weight in this measure. Thus, the monitoring report drafted in March shows that in the period August 2002 - September 2006, 727 projects on the tourism sub measure were contracted with an approximate value of 64 millions Euro out of which 121 were finalized. From the total number of contracted projects approximately 13,000 accommodation bed places resulted and the finalized projects created approximately 726 jobs.

The support for tourism infrastructure and tourism services is needed for two reasons: first to create and promote a competitive tourism in the rural area and the second to set up local networks in order to promote and supply these services, with an active involvement of the rural population, especially young people and women.

Rural tourism, more than other tourism types, is oriented towards self-preservation so that its development shall not have a negative impact over the environment. Therefore, supporting the actions in this measure shall, above all, focus on observing and promoting the sustainable development principles. In this context, expanding the area of the specific product supply, encouraging areas of high tourist potential, will be carefully monitored meanwhile the environmental friendly measures shall be compulsory observed.

Objectives of the measure

General objective

The development of tourist activities in the rural area will contribute to increasing the number of jobs and alternative incomes as well as to increasing the attractiveness of the rural area.

Specific Objectives:

- ✓ To create and maintain jobs through tourism activities, especially for women and youth;
- ✓ To increase the added value in tourist activities;
- ✓ To create, improve and diversify the tourism infrastructure and services;
- ✓ To increase the number of tourists and the duration of visits.

Operational objectives:

- ✓ To increase and improve the small scale tourism accommodation facilities;
- ✓ To develop the information and promotion tourism centers;
- ✓ To create leisure facilities in order to ensure the access to the tourism natural areas.

Scope and actions

The support under this measure shall cover:

- a) Investments for the infrastructure related to accommodation facilities;
- b) Investments for leisure activities;
- c) Investments for small scale infrastructure as information centers, tourism signs posting, etc;
- d) Development and/or marketing of the tourism services related to the rural tourism.

Description of the type of operations covered

Within this measure, the following operations can be covered:

For the component a):

- i. Construction, modernization⁴⁶, extension and endowment of tourism accommodation facilities (agro-tourism structures and others type of accommodation structures developed by a micro-enterprise) having up to 15 rooms:

⁴⁶ In the case of modernising a tourist accommodation facility will have compulsory to imply raising the comfort degree by at least one daisy/star.

- For investments in tourism accommodation structures other than agro-tourism structures
- , the comfort level and quality of the services proposed under the project should reach the quality standard⁴⁷ of minimum 3 daisies/stars;
- For investments in agro-tourism, the accommodation structure, the comfort level and quality of the services propose under the project must reach the quality standard of minimum 1 daisy.

In case of areas already developed from an touristic point of view, only the modernisation and extension of structures of the touristic accommodations is allowed.

Also, investments related to connecting to the public utilities shall be supported, as well as purchases of equipment for the production of energy from other renewable resources than bio-fuels, as components of the projects.

For component b):

- i. Private investments in the leisure tourism infrastructure, related – or not – to the existing tourist accommodation structure such as camping spaces, swimming places/pools, purchases of traditional vehicles means for walking, horse-riding tracks, including the first purchase of horses for tourism (except those for races and competitions), as well as securing shelters (as a component part of the project), rafting;

For component c):

- i. Construction, modernization and endowment of information local centres, in order to promote, present and visit the tourism centres, etc;
- ii. Development of local on-line booking systems for the tourism accommodation centres within the rural area connected at regional and national systems;
- iii. Signposting arrangements, tourist shelters⁴⁸ of public utility etc.;
- iv. Investments for rebuilding, for tourism purposes, of the old railways with narrow gauge, with all their complementary facilities (constructions, slope etc.), mending the old equipment;
- v. Investments for setting up and arrangement of rural thematic roads (“the wine road”, “road of pottery”, “woodcraft road”, etc).

For component d):

- i. Elaboration of promotional leaflets for promoting tourist activities such as first publication of leaflets, billposter, etc.

According to article 55 of the Regulation (EC) 1974 / 2006 for all types of actions, the general costs related to the project will be supported, such as: purchasing of machinery hard-ware, soft-ware inclusively their purchasing in leasing, installation work and assemblage, the general costs for drawing up the project such as expenditures representing the architects’, engineers’ and consultants’ fees, feasibility studies/justifying memoir, taxes for issue of certificates, clearances and authorisations which are necessary for the project implementation, as stated in the national legislation, purchase of patents and licenses, up to 10% from project eligible value and up to 5% for the project which not includes construction.

⁴⁷ According to Order 510/2002 approving the methodological norms on the classification of tourist accommodation facilities, with subsequent amendments

⁴⁸ Defined under Order 510/2002, with subsequent amendments: tourist shelters are tourist accommodation facilities, situated in isolated areas that are difficult to access, usually at high altitudes; such facilities have a limited capacity, a minimum level of comfort, and a small number of serving staff. Such units are not classifiable.

Eligibility criteria

- The beneficiary shall carry out his activities proposed through the project in the rural area;
- A start-up⁴⁹ micro-enterprise shall be registered in the rural area;
- For the investments in agro-tourism, the beneficiary/the member of the agricultural household must develop an agricultural activity when applying for support;
- The beneficiary must demonstrate the viability of the investment;
- The micro-enterprise must not be in difficulty⁵⁰; ;
- The rural tourist accommodation structures shall be compliant with the norms of classification foreseen in the national legislation in force;
- For the new investments, modernisation and extension of accommodation rural structures, other than agro-tourism, the comfort level and the services quality proposed through the project shall reach the quality standard of at least 3 daisies/stars;
- For investments in **agro-tourism** accommodation, shall be complied the definition of agro-tourism given within this fiche and the comfort level and the services quality proposed under the project shall reach the quality standard of at least 1 daisy;
- In case of already developed areas from an touristic point of view, only the modernisation and extension of tourist structures is allowed;
- The construction, modernisation and extension of buildings must comply with the provisions the General Town Planning;
- The construction, modernisation and extension of buildings must comply/ keep the specific local architecture;
- For the new investments in tourism accommodation, the area related to accommodation structure (including agro-tourist accommodation structure) shall have at least 1000 sqm⁵¹; in order to avoid over agglomeration and of excessive fragmentation of natural landscape;
- Commitment on beneficiary's behalf that the investment's objective will be introduced in the tourist itinerary;
- The beneficiary or his legal responsible of the project shall must make proof of his/her management/marketing skills or to have skills in line with the activity proposed in the project (experience/vocational training courses he/she has graduated – at least at an initiation level; qualification courses etc.) or acquire them until the last payment is disbursed;
- The beneficiary shall have all the necessary permits and authorisations for the investments;
- The beneficiary must present all environmental⁵² clearances/authorization and observe the specific environment requirements associated with the investments within the perimeter of the protected areas;
- The beneficiary shall provide written evidence justifying his ownership rights on which is about to make the investment or his rights to lease the land for at least 10 years;
- The beneficiary shall declare on his own liability that he will ensure the project co-financing;
- The beneficiary who aims to develop a profit generating activity must declare on his own liability that the total amount of the public support does not exceed 200,000 Euro over a period of up to three fiscal years.

Non-eligible expenditures:

- Fiscal taxes and duties;

⁴⁹ New created

⁵⁰ The firms in difficulty defined according to the foresees of Community Guidelines on State Aid for Rescuing and Restructuring Firms in Difficulty published in OJ C244, 1.10.2004. p 2

⁵¹ Constructed surface + surrounding area

⁵² According to the agreement between Ministry of Environment and Sustainable Development, any investment supported through NRDP will be analyzed by the MESD which will require if necessary an environment impact assessment.

- Operational costs, including maintenance and rental costs;
- Banking fees, guarantee costs and other similar costs;
- Purchase of second-hand equipment;
- Investments made by farmers that have as basic activity fishery and/or aquaculture;
- Purchasing horses for race and competitions;
- Expenses generated by horse breeding activities;
- Purchasing of lands/ buildings;
- Purchasing of vehicle means for personal purposes;
- The acquisition of road freight transport vehicles by undertakings performing road freight transport for hire or reward and vehicle means for persons transport, as main activity;
- Simple replacement investments, according to art.55 of the (EC) Regulation 1974/2006.
- VAT, except non deductible VAT, in the case in which is in a real manner and definitively supported by the beneficiary, other than non taxable persons, according to the article 71 (3), letter a) of the Regulation (EC) no. 1698/2005;
- Exchanges costs, taxes and losses due to foreign exchanges associated to the PARDF Euro account;
 - Contributions in kind;
- Costs for a leasing contract: management taxes, interest rate, insurance premium etc,
- Costs realised before the approval of the project, excepting the technical studies, business plans and feasibility studies;
- Costs regarding the rent of the cars, machinery, installations and equipments;

Beneficiaries

- **Micro-enterprises**⁵³;
- **Natural persons** (not registered as economic agents) that comit as untill the date of signing the financial contract to authorise themselves with a minimum status of authorised natural person⁵⁴ and to function as a micro-enterprise;
- **Communes** through their legal representatives according to the national elgislation in force, as well as the inter-community development associations⁵⁵ realized only between communes and establised according to the national legislation in force.
- **NGOs**

Aid intensities

- i For the **non-profit public interest investments**, the non-refundable public aid intensity will be up to **100%** from the total eligible expenditures
- ii. For the **profit-generating investments**, the non-refundable public aid intensity will be up to 70%⁵⁶ from total eligible cost and shall not exceed:
 - ✓ **70.000 Euro/ project** for the investment projects in **agro-tourism**;
 - ✓ **200.000 Euro/project** for **other investment types**.

⁵³ As is defined in Commission Recommendation 2003/361/CE and national law in force (having less than 10 employees and a turnover annual net or total actives up to 2, 0 million Euro). The micro-enterprise status can include persons which are at least authorized natural persons.

⁵⁴ According to the Law 300/2004 regarding the certification of natural persons and of familial associations carrying out economic activities in an independent manner, with its subsequent amendments.

⁵⁵ According to the Law 215/2001, association for inter-community development are – structures for cooperation with legal personality of private law and of public utility, established by the administrative-territorial unities (in this case just between communes) in order to carry out in common project for area or regional interests development or commonly providing public services.

⁵⁶ The intensity of non-refundable public support for micro-enterprises will be up to 60% for Bucharest-Ilfov region and up to 70 % for the other regions of the country.

The beneficiaries of this measure shall receive equal treatment, irrespective of their age, gender, race, ethnic origin, political or religious conviction, etc.

Provisions regarding the State Aid

Any support for profit-generating investments granted under this measure shall be carried out under the Commission Regulation (CE) No. 1998/2006, dated December 15, 2006, implementing Articles 87 and 88 of the Treaty on the “*de minimis*” aid, Official Journal L 379 dated December 28, 2006 (the total value of the *de minimis* received by a beneficiary during a period of three fiscal years shall not exceed the maximum ceiling of the non-refundable public aid, of 200,000 EUR/beneficiary).

This ceiling shall apply irrespective of the form of the “de minimis” aid or the objective pursued and regardless of whether the aid granted by the Member State is financed entirely or partly by sources of Community origin.

Rules regarding granting, cumulating, reporting and monitoring of state aids, according to the “de minimis” rule⁵⁷

Granting and monitoring of the support under this measure shall be done based on a **beneficiary’s statement**, according to Article 3 (paragraph 1) in the *Commission Regulation (CE) No. 1998/Dec. 15, 2006, implementing Articles 87 and 88 of the Treaty on the “de minimis” aid, Official Journal L 379/Dec. 28, 2006*; as a “*de minimis*” aid disburser, the MARD shall keep evidence of such aids according to Article 3 (paragraph 3) in the same Regulation and to Article 6 of the Emergency Government Decision no. 117/2006⁵⁸ on national procedures regarding the state aids and the provisions of the Regulation implemented through the Order of the Council of Competition’s President, no. 175/2007⁵⁹ on monitoring provisions of the state aids.

If the beneficiary applies at the same time for support regarding the same project, granted within the program through the guarantee funds for bank guarantees, the total cumulated aid shall not exceed the amount stipulated within the measure.

Selection criteria:

For components a), b):

- i. The applicant who have not received any other Community funds for similar activities in the last three years;
- ii. Projects in areas with high touristic potential but who are not developed enough from this point of view;
- iii. Projects that through the proposed activities create more than 1 job/25000 Euros invested;
- iv. New created jobs through the proposed activity shall be occupied in ad minimum percentage of 50% by rural areas’ residents;
- v. Projects carried out by women/young people having under 40 years at the date of project’s submission;
- vi. Integrated projects that combine actions from **a), b), c) or d)** components;
- vii. Projects that consist also in investments of producing energy from renewable sources used for carrying out touristic activities ;
- viii. Projects that through proposed activities foreseen keeping and promoting the traditional culture by purchasing of certified objects as being traditional products, in order to set up touristic structures;
- ix. Investment projects in the agro-tourism field, whose applicants did not benefit of support for investments through Axis 1 measures;

⁵⁷ Details provided in Chapter IX – State Aids

⁵⁸ Official Journal no. 1042 of December 28, 2006

⁵⁹ Official Journal no. 436 of June 28, 2007

For components c) and d):

- i. The project included in a promoting strategy at national/regional/county or local level (LEADER type);
- ii. Projects covering a homogenous area composed of at least 3 communes in which there are minimum 15 actions/investments in tourism.
- iii. Projects contributing to preserving cultural traditions;

All the eligible projects will be scored according to the above-mentioned selection criteria.

Selection system is provided at subchapter 5.2.4 “Selection procedure”.

Description of arrangements

The beneficiaries of this measure may request from the Paying Agency the payment of an advance up to 20 percent of the public aid related to the investment, according to Article 56 in the Regulation no. 1974/2006 on the implementation of Council Regulation (EC) no. 1698/2005 on EARDF rural development support; the payment of the advances shall be subject to the establishment of a bank guarantee or an equivalent guarantee corresponding to 110 percent of the amount of the advance.

In the case of the public beneficiaries, the Paying Agency may accept from the beneficiary as guarantee, a written commitment, emitted by the superior hierarchic authority, through which the authority undertakes to pay the guaranteeing amount if the conditions for which the support has been granted are not fulfilled.

The submitted guarantee is issued only in case of the Paying Agency set-up that the amount of eligible expenditures corresponding to the public support for the investment has exceed the value of the advance.

The legislation in force, regarding the creditation and garantee of the investements is available untill 2009, especially for the ensuring cofinancing of the projects realised throught SAPARD Programme, named “Farmer” Programme, which it was the main instrument for growing the absorbtion of the pre-aderation funds. Starting with 2010, it is inteded as the guarantee funds will be capitalised from EARDF, as is stipulated at sub-chapter 5.2.7 from NRDP.

Demarcation lines and criteria with other EU financial instrument

✓ **Demarcation EFARD – EFDR (NRDP – ROP)**

The EAFRD support aims:

- Investments performed by micro-enterprises in tourism infrastructure accomodation and leisure infrastructure in rural area, excluding the investments in spa resorts;
- Local centres for the tourism information and promotion in the rural area;
- Public investments in tourist infrastrucure at low scale by observing the established ceiling under the measure.

The ERDF support aims:

- the tourism infrastructure investments in urban area
- tourism infrastructure investments in Spa resorts regardles of territory – rural or urban;
- National centres for the tourism promotion;
- Investments in small scale infrastructure in rural area by observing the project’s total cost of minimum 1,500,000 Euro.

✓ **Demarcation with other NRDP measures:**

- Through 312 measure, productive investments in non agricultural sector, **excepting tourism activities** supported under 313 measure are supported
- Through 322 measure are supported investments in water/used water, **public infrastructure**, as well as **leisure infrastructure of public utility** for the rural population, while through measure 313 are supported **compression investments** of the touristic structures and of leisure infrastructure at public utilities as project's component parts
- Through measure 125 are supported only the investments made by farms outside towns/villages to connect to public water supply and sewage networks, to develop and adapt their farming systems; regarding forestry, the investments consist in correcting the torrents within the hydrographic basins.

The coherence between NRDP (Axis 3) intervention and SOP HRD intervention:

The investment supported through the measure 313 of NRDP, are completed by the SOP HRD intervention regarding the orientation, consultation and training in the entrepreneurial and non-agricultural sector granted to inhabitants in rural area, particularly to those from the subsistence agriculture.

Financing

The measure's financial allocation for the period 2007-2013 is:

Total costs: 837,265,806 Euro

Public expenditure: 544,222,774 Euro

Allocated envelopes by components

Components	Financial package	Indicative allocation
a) investments in the tourist accommodation infrastructure;	65%	544,222,774
b) investments in leisure activities;	17%	142,335,187
c) investments in small-scale infrastructure, such as information centres, tourist signposting, etc;	15%	125,589,871
d) development and/or marketing of rural tourism-related services	3%	25,117,974

Transition arrangements

Not applicable.

Quantified objectives for EU common indicators

Type of indicator	Indicator	2007-2013 target
Output	Number of new tourism related activities , supported by type of action:	7,665
	- leisure and tourist accommodation infrastructure	5,369
	- small-scale infrastructure, such as tourist informing centres, signing/touristic roads	1,794
	- development/marketing of rural tourism services	502
	Total volume of investment , broken down by type of action:	EUR 837,265,806
	- leisure and tourist accommodation infrastructure	EUR 686,557,961
Result	- small-scale infrastructure, such as tourist informing centres, signing/touristic roads	EUR 125,589,871
	- development/marketing of rural tourism services	EUR 25,117,974
	Additional number of tourist visits , broken down by number of stay-overs, no. of tourists/day	7,655,000
Impact *	Increasing the non agricultural gross added value in supported investments (mil Euro)	268
	Gross number of jobs created, broken down by gender and age categories	38,327
Impact *	Economic growth (EUR mil.)	368
	out of which the contribution of 313 measure	215
	Employment creation	58,117
	out of which 30,662 the contribution of 313 measure	30,662

Additional indicators

Type of indicator	Indicator	2007-2013 target
Output	Number of tourism-related activities carried out through the leisure and tourist accommodation infrastructure, broken down by type of action:	5,369
	✓ Agro-tourism actions	2,041
	✓ Rural tourism actions	1,905
	✓ Leisure activities	1,423
Result	Number of tourist accommodation structures that diversify their range of tourist services	1,184
Impact *	Employment growth rate in the secondary and tertiary sectors of the rural area	4.42%
	out of which the contribution 313 measure	2.52%

* The value of the indicators was calculated at the level of each axis, according to the CMEF guidelines.

* The value of the indicators was calculated at the level of each axis.

5.3.3.2. Measure to improve the quality of life in rural areas

Measure	Village renewal and development, improving basic services for rural economy and population and upgrading of rural heritage
Article which covers the measure	Article no. 52(b) (i) and 56 of the Regulation (EC) no.1698/2005. Point 5.3.3.2.1 of the Annex II of the Regulation (EC) no.1974/2006. Article no. 52(b) (ii) and 56 of the Regulation (EC) no. 1698/2005. Point 5.3.3.2.2 of the Annex II of the Regulation (EC) no. 1974/2006. Article no. 57 of the Regulation (EC) no.1698/2005. Point 5.3.3.2.3 of the Annex II of the Regulation (EC) no. 1974/2006.
Code of the measure	322

Rationale for intervention

The Romanian rural areas are very important in economic and social terms as well as in respect to their size, diversity and in terms of the large human and natural resources which are contained therein.

Sustainable economic and social development of the rural areas is critically dependent on improving the existing rural infrastructure and basic services. Looking to the future, rural areas need to position themselves to compete effectively for investment while providing adequate community life standards and related social services for the local population.

(i) Basic physical infrastructure

Village renewal and development is an essential requirement for improving the quality of life and for increasing the attractiveness and the interest in rural areas. To improve the quality of life in these areas which implies improving the social, cultural and economic activities and, implicitly, creating occupational opportunities, a major improvement and upgrading of the **basic physical rural infrastructure** is a prerequisite.

The road infrastructure

As pointed out in the NSP, the road infrastructure **only serves 3/5 of the rural population** and most of the roads are not suitable for motor traffic (only 3.41% of roads are upgraded), therefore more than 25% of the communes are unable to use them during periods of bad weather conditions.

Water supply and waste water treatment

Access to the public water supply network among the rural population is **limited** to one third with actual access to the system, while access to the **sewerage system** is even more problematic (10 percent of the inhabitants benefit from a public sewage system). Obviously, this situation is negative in terms of the potential impact on the health and well-being of families in the rural area.

Energy and gas/heating supply/waste

The lack of connection to the **public energy supply network** remains a problem in the rural area, in the remote localities or in the localities with a higher rate of dispersing, where currently only 1,772 localities (villages) are partly electrified and 121 localities (villages) yet to have any **public electrification system**. (Source: MIRA, 2007).

With regard to **natural gas supplies**, of the total rural villages only 571 are connected while in regard to energy heating services this are limited – only 0.5 percent of total thermal energy is distributed to the rural areas –so that, at the national level, only 26 rural villages benefit from heating (data processed from INS 2005).

Collecting and disposal of solide waste system is underdeveloped in rural areas. At present, the waste deposit places in those areas do not meet the environmental standards; therefore they will be closed and made ecological friendly before July 16, 2009⁶⁰.

(ii) Community Services

The existence of a poorly-developed basic infrastructure in most communes acts as a limitation on the development of other basic services in the rural areas (cultural and recreational facilities, childcare and elderly facilities, public transport services, etc.) In most communes and villages, these services are **very poorly-developed** or in many cases, are **almost non-existent**.

In 2006, only 7 percent⁶¹ of Romanian villages had **kindergartens**, with statistics indicating that **nurseries** were almost inexistent (only two establishments), a situation that is also reflected in the reduced access of mothers to the labour market. At the same time, **child centres**⁶² and **centres for the elderly** are poorly represented in the rural area.

Leisure centres and outdoor areas (playgrounds for children, parks, bike tracks, sports grounds) **are also poorly represented**. In regard to public sports related facilities in villages, in 2001 there were only 26 sport clubs. (MADR study)

Many of rural localities are isolated and are not benefit by the public transport services in order to ensure them the connection with other rural localities or with the administrative centre of the commune. The regional person transport services operating in these areas, avoid usually the servicing of these areas, because of the economic inefficiency or because of poor infrastructure, etc. These are the reasons for create major knock-on difficulties in many rural areas in finding access to medical, education, administrative services as well as in limiting access to the available job opportunities.

(iii) Maintaining and preserving the rural heritage and the cultural identity

In rural area, the cultural activity is organized around cultural community center/establishment of the communes/villages **Most cultural centres**, culture houses and other cultural establishments are in a serious **situation of degradation** and can no longer provide cultural services to the rural population, thus reducing their educational capability.

Due to the **lack of financial resources**, many **cultural establishments** in the rural areas are no longer able to carry out their activities because of their **advanced state of degradation**. For example in 2002, of the country's total of 6147 community centres, only 1874 were capable to carry out cultural activities. Moreover, despite the fact that 97 % of the community centres have their own headquarters, their equipment level is generally in a very unsatisfactory condition for 80% of them.

In addition, the most of the heritage assets are seriously exposed to degradation because of the similar financial shortages. Romanian villages represent important centres of cultural heritage (by preserving the traditions, folk customs, craftsmanship, churches, archaeological sites, historic centres, etc.) and harbour a rich traditional culture, architectural diversity and a lifestyle based on traditional values which generally differ from one region to another. However, Romanian villages in general do not adequately succeed in using these unique resources to the economic advantage of the population.

Although traditions and customs are influenced by geography and natural resources, the definition of the **cultural identity** is not established entirely by the simple location. The preservation and conservation of the rural heritage is essential for the development of rural tourism, as a means to

⁶⁰According to the Government Decision no. 349/2005, art. (3) point (7), regarding the waste storage, with subsequent amendments.

⁶¹Percentage calculated based on 2006 INS data

⁶²Structures belonging National Authority for child protection.

promote Romanian villages, with a positive effect on tourist and the local population.

Although through the SAPARD Program, a series of rural infrastructure projects have been accomplished (2,558 km of built and modernized roads, 4,918 km of water supply network, 863 km of sewerage networks) as well as projects focused on handicraft activities (19 handicraft units supported, within which 155 handicraftsmen work) the needs for village renewal and development remain quite important. The number of communes benefiting of support for basic infrastructure projects (roads, water and sewerage) was 821, of which 441 for roads, 295 for water and 85 for sewerage.

Currently, the opportunity exists to finalize and to successfully use these ‘pilot’ activities as models to be replicated on a wider scale through the larger rural development programme with European (EAFRD) and national funding.

(iv) An integrated approach

The complexity of rural localities renovation, development and modernisation needs requires the necessity of an integrated approach which suppose the combination of the activities and operations of the three measures from legal framework of rural development such as: 321 - “Basic services for the economy and rural population”, 322 – “Village renewal and development “; 323 “Conservation and upgrading rural heritage”, through a single measure. This will permit to the local communities to solve the problems and the local needs, in an integrated framework.

Such an **approach** is grounded on **two major reasons**, the first being the **high degree of interdependency of actions**, urgent common needs, and the second being the **need for modernization, renewal and reanimation of villages**. By correlating interventions, the implementation of activities will be efficient and in harmony with the landscape and the environment.

All these issues represent urgent needs for the specific activities under the three measures: improving and creating the **physical basic infrastructure** (especially the road, water supply and waste water infrastructure), the **basic public services** and **enhancing the rural heritage**.

In addition, from an **economic perspective**, this offer the advantage to the economy of scale of integrated operations, but also the reducing of expenditures and simplifying the procedures, rather than addressing them separately, which would act to delay implementation.

(v) Role of Intercommunity Development Associations

Special attention will be given to encouraging investments initiated by **intercommunity development associations**, whose role in the development of rural communities has come to be more and more important. According to the effective regulations⁶³, “Within the limits of competence of their decision-making and executive authorities, two or several administrative and territorial units have the right to cooperate and associate with each other, by law, to form associations of intercommunity development.”

This form of association represents an important tool to solve problems that have been extremely challenging to local administrations in Romania. As a tool to assist local public administration, the **intercommunity associations’** structure has been taken on as a model by most European administrations; in essence, as an associative form, it is similar to state association at the European level, only that it is done at the local administration level.

The act of **association** has a clearly defined purpose and must be done in order to reach a common goal; nonetheless, the benefits of association are many and they transcend the initial purpose (for example: creating an intercommunity association helps to guarantee the emergence of a **development**

⁶³ Law 215/2001 on local public administration; Republished, with subsequent amendments.

strategy for the villages/towns forming the association). Although well-defined, the purpose must not limit itself to a single action or activity, but must envisage a specific field of activity.

Objectives of the measure

The overall objective of the measure is the improvement of living conditions for the rural population, assuring access to basic services and preserving the local cultural and natural heritage of the rural area in order to achieve a sustainable development.

The specific objective aims to increase the number of inhabitants from rural area which benefit from improved services.

The operational objectives of this measure are to:

- ✓ Improve the basic physical infrastructure in rural areas;
- ✓ Improve the access to public basic services for the rural population;
- ✓ Increase the number of renewed villages;
- ✓ Increase the number of supported patrimony objectives from the rural area.

Scope and actions

The support for this measure aims investments in **rural area**⁶⁴ for:

- a) Creation and modernization of the rural basic physical infrastructure;
- b) Creation and development of basic public services for rural population;
- c) Preserving the local-interest cultural and natural patrimony in the rural area.

Type of services/action supported

For component a):

- Construction of new roads, extension and improvement of local roads network (commune roads, vicinity roads, and streets within communes), which belong to the public propriety of the administrative territorial unit (the commune) in which they are located, according to the definition and classification of the national law⁶⁵ in force;
- First establishment (set-up), extension and modernization of the infrastructure for water (collection, treatment stations, water supply,) for the rural settlements with less than 10,000 equivalent population (e.p.);
- First establishment (set-up), expanding, and improving the wastewater network (sewage, wastewater cleaning stations) for rural settlements of less than 10,000 equivalent population (e.p.);
- First establishment (set-up) and extension of low tension electrical energy distribution network and/or public lighting network;
- First establishment (set-up) and extension of the public gas distribution network towards other rural towns and villages or towards other rural areas which are not linked to the network;
- Investments in transfer stations⁶⁶ for waste and purchase of related equipment for waste management.

For component b):

⁶⁴ The rural area comprises all communes, as administrative and territorial units, together with their component villages, according to the definition under chapter 3.1.1

⁶⁵ Law 82/1998 approving Government Ordinance 43/1997 regarding the legal framework of roads

⁶⁶ Transfer stations - installations used for the transfer of waste or for the waste storage for short terms following that to be load by compression in the pres-container and transported in order to be recycled, treated or eliminated.

- Setting up, arranging **public leisure facilities** for the rural population (parks, playgrounds for children, sport fields, bike tracks);
- Renewal of public buildings (such as city halls) and setting up parking places, markets and areas for organising fairs etc.);
- Investments for energy production and supply systems using renewable resources as part of an integrated project (in case of a renovation project for a public building);
- First set-up and endowment of infrastructure related to social services as well as care centres for children, elders and persons with special needs;
- Investments in construction of **new kindergartens**, including their equipment;
- Purchasing buses which can ensure the public transportation for the local community in areas where such an investment is not attractive to private companies but it is indispensable to the community and helps to provide an important social need, including setting up bus stations;
- Purchasing machines and equipment for public services (for clearing snow, maintaining the green areas etc.) if these are part from the initial investment for the setting-up of the services;
- Investments for renovating, modernizing and endowing cultural establishments⁶⁷, including the initial purchasing of books, audio materials, traditional costumes and music instruments with the purpose of promoting the immaterial cultural heritage, as project component. At the same time the expenditure related to the purchase of hardware, software, including the set up costs, shall also be supported.

For component c):

- Restoration, consolidation and preserving the cultural patrimony sites – group B⁶⁸ and the natural ones in the rural area (caves, century-old trees, waterfalls, etc.);
- Studies on the cultural heritage (material and immaterial) from the rural area, which provide the possibility to be valorised and brought into community disposal ;
- Purchasing equipment for exhibiting and protecting the cultural heritage.

Type of costs covered

According to Article 55 of the Regulation (CE) no. 1974/2006, the general costs for drawing up the project will also be supported, such as expenditure representing the architects', engineers' and consultants' fees, feasibility studies/justificatory memoir, taxes for issue of certificates, clearances and authorizations which are necessary for the project implementation, as stated in the national legislation, purchase of patents and licenses, within a limit of 10% of the total eligible value of the project and up to 5% for projects which do not include constructions.

Eligibility criteria

- The beneficiary shall be a resident in the rural area, according to the definition in the NRDP and falls in one of the categories of the beneficiary defined;
- No double-funding is allowed for the same activities/investment, whether from other Community or national funds;
- The beneficiary must present all the necessary permits and authorizations for the investment;
- The project must prove through a justificative memoire/feasibility study the socio-economical viability of the investment.

⁶⁷ As they are defined by Law 143/2007

⁶⁸ According to the Lists of Historic Monuments approved through the Minister's of Culture and Religious Affairs Order no. 2314/8th of July 2004, published in the O. J. of Romania, first part, year 172 (XVI) no. 646 bis of the 16th of July 2004

- The proposed project complies with the **environmental**⁶⁹ (including Water Framework Directive⁷⁰) and transport/energy safety acquis;
- Investment projects in the water/wastewater infrastructure must produce either a clearance document from the Regional Operator Company where such entities exist, or a clearance document from the county council, attesting the project compliance with the regional/county water/wastewater strategy; in case such a project does not find itself in any of the above situations, it shall be accompanied by the local authorities' commitment to ensure the management and maintenance of the investment;
- The investment shall observe the General Town Planning;
- The construction, modernization and extension of the buildings must observe/be in line with the local specific architecture;
- Any beneficiary of the measure may apply for no more than two individual projects throughout the whole programming period (2007-2013);
- For basic physical infrastructure investments, beneficiaries must present a list with signatures of the inhabitants, companies, and public institutions that have filed with the town hall their adhesion regarding the need for the investment and their commitment to connect at their own expense to the water/sewage/gas/energy network, as well as their agreement with the fact that they will pay for waste collection;
- The beneficiary shall commit to ensure the maintenance of the investment.

Non-eligible expenditures:

- Public utility projects that do not comply with the norms regarding the quality in constructions and that do not comply with the design norms;
- Investments for water/used water infrastructure in rural localities under regional projects financed from the SOP-Environment, based on the regional Master Plans;
- The purchase of land for constructions and/or buildings;
- Taxes and duties;
- Operating costs including maintenance and rental costs;
- Bank charges, guarantees costs, juridical costs and other similar costs;
- Investments covered by measure 125 under Axis 1 of the NRDP – access roads to farm and forest holding;
- County, national roads and the TEN-T network;
- The purchase of second-hand goods, except the ones aiming to obtain the authentic traditional character;
- Renovation and building of schools, medical centers and hospitals;
- Investments in objectives of the national and UNESCO cultural patrimony;
- Construction of new cultural establishments;
- Specific maintenance-related costs or all simple replacement investments, according to Article 55 of Regulation (CE) no. 1974/2006;
- VAT, except non-deductible VAT, in the case in which is in a real manner and definitively supported by the beneficiary, other than non taxable persons, according to the article 71 (3), letter a) of the Regulation (EC) no. 1698/2005;
- Currency exchange related costs, taxes and losses caused by the exchange rates associated to the Euro account of PARDF;
- In-kind contribution;

⁶⁹ For rural localities identified in the Regional Master Plans and eligible under the NRDP, the investments for the water supply network shall be made only together with the sewage and wastewater treatment components. In the event in which for the other rural localities below 10,000 e.p., which have not been identified under the Regional Master Plans, including rural localities below 2,000 e.p. that will also benefit from EAFRD through the NRDP, the technical standard solution cannot be applied, one must find unconventional solutions to capture, supply, collect, and treat wastewater, and wherever a capturing system already exists, one must identify the most appropriate solution for wastewater collection and treatment, according to the Water Framework Directive.

⁷⁰ Transposed into the Romanian legislation through Water Law 107/1996, with subsequent amendments.

- Costs related to a leasing contract: the management tax, commissions, insurance costs, etc;
- Expenditures performed before the project approval, except for the technical studies, business plans and feasibility studies;
- Costs related to renting cars, machinery and equipment;
- Purchasing of vehicle means for personal purposes;
- The acquisition of road freight transport vehicles by undertakings performing road freight transport for hire or reward.

Beneficiaries

- The communes, through their legal representatives, according to effective national legislation;
- Local authorities (communes) or intercommunity development associations, through regional operators⁷¹, for investments in water/wastewater infrastructure;
- Intercommunity development associations⁷² made of two or several communes, according to effective national legislation;
- NGO's, cultural establishments and religious institutions, defined according to the national legislation in force;
- Natural persons/legal entities, that own or manager cultural/ natural patrimony objects of local interest and apply only for component c).

Aid intensities

The public support (community and national) granted within this measure shall be:

a) up to 100% of the total eligible expenditure, for the non-profit exclusively public projects, but the total eligible cost of the project will not exceed:

- ✓ 1 million Euro/individual project for an investment project in basic infrastructure, if beneficiary is a local council ;
- ✓ 3 million Euro/project for an individual investment project on basic infrastructure, whose beneficiary is an intercommunity development association ;
- ✓ 2.5 million Euro/project for an **integrated**⁷³**project** if the beneficiary is a local council;
- ✓ 6 million Euro/project for an **integrated project** if beneficiary is an intercommunity development association ;
- ✓ 500,000 EUR/individual projects, for other types of actions provided under this measure, other than the ones mentioned above.

⁷¹ The regional operators are public entities that have been created at county level, upon the initiative of the Ministry of Environment and Sustainable Development, in order to manage and ensure maintenance of investments in the water/wastewater infrastructure made under the regional projects at county level. Regionalisation is a key element in the improvement of the quality and cost-efficiency of local water infrastructure and services, aiming at attaining the environmental goals and ensuring sustainability of investments, operations, a long-term development strategy in the water sector, as well as secure a balanced regional development. Institutionally speaking, regionalisation is done by reorganising the existing public services under the local public administration authorities. This is based on three key institutional elements: the Intercommunity Development Association (IDA), the Regional Operating Companies (ROCs), and the Contract of Delegation of Service Management (the delegation of the management of services is the core of the operational and institutional organisation in a regionalised management system for water and sewage services). Ownership of public assets and responsibility for supplying adequate water & sewage services at a reasonable price will continue to lie with the Local Authorities.

⁷² Under Law 215/2001 on local public administration, with subsequent amendments, the Intercommunity Development Associations are private, non-profit cooperative structures with a legal status, aimed at the public use, established by the administrative and territorial units (in the present case, only among the communes) to carry out development projects that present an interest in the area/region or supply, in common, certain public services.

⁷³ An integrated project combines at the same time at least 2 actions from the same component or from different components of the same measure.

b) Up to 70% of total eligible expenditure for the profit-generating projects. The support volume can not exceed 200,000 Euro/beneficiary over a period of three fiscal years, according to the „de minimis” rule, as stipulated in Commission Regulation (EC) no. 1998/2006, Official Journal L 379 of Dec. 28, 2006.

Provisions regarding the state aid

Any support for profit-generating investments granted under this measure shall be carried out under the Commission Regulation (CE) No. 1998/2006, dated December 15, 2006, implementing Articles 87 and 88 of the Treaty on the “*de minimis*” aid, Official Journal L 379 dated December 28, 2006 (the total value of the *de minimis* received by a beneficiary during a period of three fiscal years shall not exceed the maximum ceiling of the non-refundable public aid, of **200,000 EUR/beneficiary**).

This ceiling shall apply irrespective of the form of the “de minimis” aid or the objective pursued and regardless of whether the aid granted by the Member State is financed entirely or partly by sources of Community origin.

Rules regarding granting, cumulating, reporting and monitoring of state aids, according to the “de minimis” rule⁷⁴

Granting and monitoring of the support under this measure shall be done based on a **beneficiary’s statement**, according to Article 3 (paragraph 1) in the *Commission Regulation (CE) No. 1998/Dec. 15, 2006, implementing Articles 87 and 88 of the Treaty on the “de minimis” aid*, Official Journal L 379/Dec. 28, 2006; as a “*de minimis*” aid disburser, the MARD shall keep evidence of such aids according to Article 3 (paragraph 3) in the same Regulation and to Article 6 of the Emergency Government Decision no. 117/2006⁷⁵ on national procedures regarding the state aids and the provisions of the Regulation implemented through the Order of the Council of Competition’s President, no. 175/2007⁷⁶ on monitoring provisions of the state aids.

If the beneficiary applies at the same time for support regarding the same project, granted within the program through the guarantee funds for bank guarantees, the total cumulated aid shall not exceed the amount stipulated within the measure

Selection criteria

- i. Communes that have not received any previous Community support for a similar investment;
- ii. The rural areas in highly poor regions⁷⁷;
- iii. Projects that fit into a local or county development strategy;
- iv. Integrated investment projects that include at least one action in the b) or c) component;
- v. Investment projects on water/wastewater infrastructure in rural towns and villages with 2,000 – 10,000 equivalent population (e.p.), identified under the Regional Master Plans, but that are not financed under the SOP Environment and have intermediary deadlines to fulfil the environmental commitments, including the rural localities having benefited from funding for water/wastewater infrastructure under the SAPARD programme or other nationally-, or European-, funded programmes that prove the usefulness and functionality of such investments;
- vi. Investment projects for the road infrastructure ensuring the link with the main roads (county and national roads) or other main transport routes (railways and rivers);

⁷⁴ Details provided in Chapter IX – State Aids

⁷⁵ Official Journal no. 1042 of December 28, 2006

⁷⁶ Official Journal no. 436 of June 28, 2007

⁷⁷ In Romania the poverty was defined and calculated according to the methodology provided by World Bank and Anti-Poverty Commission and Promotion of Social Inclusion (ACPSI) of the Romanian Government, having as base the welfare of an household and measured through the consumption expenditures on equivalent adult.

- vii. Infrastructure projects for water supply infrastructure in areas where water is insufficient or that are often affected by drought;
- viii. Investments projects in water/used water infrastructure for areas where water presents a high level of pollution or in the areas where the water table presents a high concentration of nitrates affecting the health of the population ;
- ix. Investment projects aimed at the social infrastructure.
- x. Projects promoting investments aimed at preserving the local specificities as well as the cultural heritage;

All the eligible projects will be scored according to the above-mentioned selection criteria. Selection system is provided at subchapter 5.2.4 “Selection procedure”.

Description of arrangements

The beneficiaries of this measure may request from the Paying Agency the payment of an advance up to 20 percent of the public aid related to the investment, according to Article 56 in the Regulation no. 1974/2006 on the implementation of Council Regulation (EC) no. 1698/2005 on EARDF rural development support; the payment of the advances shall be subject to the establishment of a bank guarantee or an equivalent guarantee corresponding to 110 percent of the amount of the advance.

In the case of the public beneficiaries, the Paying Agency may accept from the beneficiary as guarantee, a written commitment, emitted by the superior hierarchic authority, through which the authority undertakes to pay the guaranteeing amount if the conditions for which the support has been granted are not fulfilled

The submitted guarantee is issued only in case of the Paying Agency set-up that the amount of eligible expenditures corresponding to the public support for the investment has exceeded the value of the advance.

The legislation in force, regarding the creditation and guarantee of the investements is available untill 2009, especially for the ensuring cofinancing of the projects realised throught SAPARD Programme, named “Farmer” Programme, which it was the main instrument for growing the absorbtion of the pre-aderation funds. Starting with 2010, it is inteded as the guarantie funds will be capitalised from EARDF, as is stipulated at sub-chapter 5.2.7 from NRDP.

Demarcation criteria and lines with other EU financial instruments, other NRDP measures and national programmes

- ***The demarcation of the EAFRD, ERDF and CF support for the water/used water infrastructure*** is based on the Regional Master Plans issued by MESD (Ministry of Environment and Sustainable Development).
 - Under the NRDP (EAFRD) the projects that will be financed will be the ones relating to water/wastewater infrastructure in rural localities below 10,000 e.p., save for the ones included in the Regional Projects that will be funded under the SOP Environment (ERDF, CF) and the ones on water/wastewater infrastructure in spas in the rural area, which will be supported through the ROP (ERDF).

In addition, for this demarcation to be clear at the beneficiaries’ level, the list of rural towns and villages covered by each individual programme shall be made available to the beneficiaries.

To this end, the support which will be granted through the NRDP, the SOP Environment, and the ROP is a complementary one, the demarcation being secured by a protocol signed between the Managing Authorities.

- **The demarcation of the EAFRD, ERDF, and CF regarding *the management of waste*:**
 - During 2007-2013, under the ERDF and CF (SOP Environment), development of integrated waste management systems at county level will be supported and those investments will cover also the communes inside the concerned counties which have already been established and annexed to the SOP Environment.
 - Measure 322, Axis 3 / NRDP shall support investments related to waste transfer stations and all the necessary managing equipment in the communes in those counties other than the ones covered by SOP Environment, in compliance of the Regional Plans for Waste Management.
- ***The demarcation of the EAFRD, ERDF and CF intervention on the transport infrastructure*** is based on the classification of roads, as stipulated in the national legislation, as follows:
 - EAFRD (NRDP – Axis 3) shall support the investments related to the communal roads and other roads within the commune;
 - ERDF (ROP – Regional Operational Programme) shall support the investments related to the county roads and urban streets;
 - ERDF (SOP - Transport) shall support the investments related to the national roads;
 - CF (SOP Transport) shall support the investments related to the TEN-T network,
- ***The demarcation in regard to the intervention of EAFRD and ERDF for the cultural patrimony*** shall be performed, as follows:
 - EAFRD (NRDP – Axis 3) shall support the local cultural patrimony from the rural area – group B⁷⁸
 - ERDF (ROP) shall support:
 - the UNESCO patrimony and the national cultural patrimony - group A⁷⁹
 - the local cultural patrimony from the urban area- group B.
- ***The demarcation in regard to the intervention of EAFRD, ERDF and ESF on investments in the infrastructure related to social services:***
 - EAFRD (NRDP Axis 3) shall support **first set-up and endowment** of infrastructure related to social services such as care centres for children, the elderly and persons with special needs, in the rural area ;
 - ERDF (ROP) shall support the rehabilitation of the current infrastructure.
- ***Demarcation with other measures NRDP***
 - **The road infrastructure**
Measure 125 (NRDP – Axis 1) will support investments related to access roads to farms and forest roads, which are roads for private use and are being administered either by natural persons or by legal entities that own or manage them, according to the effective national legislation; measure 322 will support public roads of local interest belonging to the public property of the commune.
 - **The water/wastewater infrastructure**
Measure 125 (NRDP – Axis 1) supports only the investments related to the **connection of farms** outside the rural localities to the public water supply and sewage

⁷⁸ According to the List of Historic Monuments, approved by Ministry of Culture and Cults

⁷⁹ According to the List of Historic Monuments, approved by Ministry of Culture and Cults

networks, in order to develop and adapt agriculture; regarding forestry, the investments consist in correcting the torrents within the hydrographic basins;
Measure 322 will support investments in the public water/wastewater infrastructure that are made at the commune level.

- **The leisure infrastructure**

Measure 313 (NRDP Axis 3) supports investments in the **leisure infrastructure - private investments** that may depend or not on the existent tourist accommodation structure; Measure 322 will support investments in the **public leisure infrastructure** serving the inhabitants of the commune where such an investment takes place;

The demarcation through the National⁸⁰ Programme for the Rehabilitation of Cultural Establishments

- The National Programme for the Rehabilitation of the Cultural Establishments shall fund new investments (buildings and equipment) for the cultural establishments in the rural area;
- Through NRDP (Measure 322, titled “Village Renewal and Development and Improving Basic Services for the Rural Economy and Population and Capitalising on the Cultural Heritage” – Axis 3) shall support the rehabilitation, modernisation, and equipment of existing cultural establishments in the rural area.

Financing

The financial allocation of the measure for the programming period 2007-2013 is as follow:

Total costs: 1,579,217,870 Euro
Public expenditure: 1,546,087,425 Euro

Transition arrangements

Not applicable.

Quantified objectives for the common indicators of the EU

A) Common indicators related to the dominant measure

Type of indicator	Indicator	Target 2007-2013
Output	Number of communes where actions took place, broken down by type of revitalisation action (<i>physical; social; economic</i>):	1,026
	Total volume of investments, broken down by type of revitalisation action (<i>physical, social, economic</i>):	1,579,217,870
Result	Population the rural areas benefiting from improved services – (thousands)	5,053

⁸⁰ According to the provisions of the Emergency Government Decision no. 118/2006 regarding the setting-up, organise and develop of the cultural establishment activities, approved with subsequent amendments through Law no. 143/2007, with subsequent amendments through Emergency Government Decision no. 65/2007.

Impact*	Economic growth (EUR mill.)	368
	of which the contribution of measure 322	34
	Employment creation	58,117
	of which the contribution of measure 322	4,317

B) Additional indicators

B1) Common

Indicator type	Indicator	Target – 2007-2013
Output	Number of supported actions related to basic services, broken down by type of action (ICT initiatives, mobility, cultural & social infrastructure, environment infrastructure, training, childcare facilities, and other)	263
	Total volume of investments in basic services, broken down by type of action (ICT initiatives, mobility, cultural & social infrastructure, environment infrastructure, training, childcare facilities, and other)	78,960,893
	Number of rural heritage actions supported, broken down by heritage type (natural, cultural)	395
	Total volume of investments, broken down by heritage type (natural, cultural)	78,960,893

B2) National-specific

Type of investment	Indicator	Target 2007-2013
Output	Number of communes having benefited from water/wastewater infrastructure investments through the SAPARD Programme in order to meet environmental requirements	200
	Number of communes that have not benefited from EU funding	513
	Number of kilometres build under the <i>basic physical infrastructure</i> component:	-
	road kilometres ⁸¹	3,369
	water supply pipelines (km) ⁸²	6,317
	sewage pipelines (km) ⁸³	5,053
Impact*	Percentage of rural population that, due to the support, benefits from improved living conditions	50%

*The indicator values were calculated at the Axis level

⁸¹ Of which: upgraded - 3032 km; built - 337 km

⁸² Of which: new works - 4738 km; extension and/or upgrading - 1579 km

⁸³ Of which: new works - 4043 km; extension and/or upgrading - 1011 km

* The indicator values were calculated at the Axis level.

5.3.4. Implementation of the LEADER Axis

Title of the axis	LEADER
Legal base	<p>Article 61 - 65 of Council Regulation no. 1698/2005 regarding aid granted for rural development through EAFRD</p> <p>Article 37 – 39 and point 5.3.4. of Annex II of the Commission Regulation no. 1974/2006 that states detailed rules for the application of the Council Regulation no. 1698/2005 regarding aid granted for rural development through EAFRD</p> <p>Act of Accession to European Union of Bulgaria and Romania (Annex VIII regarding rural development)</p> <p>Article 1, point 1 b of Council Decision no. 664/2006 of adapting Annex VIII to the Act of Accession of Bulgaria and Romania of 19th of June 2006</p> <p>Article 1, point 2 and 3 of the Commission Regulation no. 434/2007 amending the Commission Regulation no. 1974/2006 that states detailed rules for the application of the Council Regulation no. 1698/2005 regarding aid granted for rural development through EAFRD, as result of the Romania and Bulgaria Accession to the European Union</p> <p>Article 1, point 1 of the Council Regulation no. 1463/2006 of 19th of June 2006 amending the Council Regulation no. 1698/2005 regarding aid granted for rural development through EAFRD</p>

Rationale for intervention

The Romanian rural area is confronting with a lot of weaknesses explaining the urban-rural disparities in terms of all its components: rural economy, demographic potential, health, school, culture, etc.

In order to decrease these disparities, one of the solutions might be to draw up and implement integrated development strategies elaborated by the local communities having as starting point the needs identified at local level and the endogenous potential.

The local needs are so many and various and clearly taken into account by the local communities, that drawing up the strategies from the central level can not solve the existing situation in rural area.

LEADER approach is of great importance because through its specific approach it will contribute to a balanced development of rural areas and to the acceleration of structural improvement.

Involving the local actors in the development of their own territories will contribute to launching a dynamics of development supported by a local development strategy prepared and implemented locally and further managed by the LAG's representatives who will be the interlocutors of the population in the respective territories with the purpose of improving the strategy and the actions to be implemented.

Thus, the local communities will determine, following local studies, which are the special needs of the area in which they live, the manner in order to meet them, the way to capitalise better the endogenous potential actions that will lead to the evolution of the rural area for the benefit of local communities.

Practically speaking, the development of the rural areas covered by the LEADER approach will be programmed and coordinated by the local actors representing the decision – makers; also they will be responsible for the evolution over time.

Objective

General objective of the Axis 4 – Starting and operating the local development initiatives

Through its particular actions, LEADER approach will improve the local governance and promote the territories endogenous potential.

Therefore, the LEADER approach, aims at reinforcing territorial coherence and implementing integrated activities meant to support the diversification and development of rural economy in the advantage of the local communities.

LEADER axis contributes also to improving the capacity building necessary for elaborating and implementing integrated strategies which will give the possibility to the rural actors, representatives of different fields of activity, to work together and interact in favour of the rural communities.

The strategies elaborated and selected will generate projects which will be implemented in the LAG's coverage area and financially supported by the public funds to which the private co-financing will be added.

Because of the horizontal character of axis 4, which means that most of the measures within EAFRD will be accessible, the impact of the measures implemented through this approach is higher and covers a wide area of actions and beneficiaries.

LEADER can play a main role in terms of stimulating a new and innovative approach for the development of rural area. Innovation will be encouraged by a flexible and unbound decision-making process regarding the actions to be implemented.

Innovation in some rural areas might involve the transfer and adaptation of innovative actions developed elsewhere, the modernisation of traditional forms of know-how or discovering new solution to the persistent rural problems that other policy interventions have not been able to solve in a satisfactory and sustainable way. It can provide new answers to the specific problems of rural areas.

Moreover, cooperation with other territories comprised in local development strategies will facilitate the transfer and adaptation of innovative actions developed elsewhere.

LEADER axis is a new concept in Romania and due to its very ambitious objective it represents a challenge for those actors who will be involved in its implementation. This approach will be implemented "step by step" and it will be focused in the beginning on the training actions for the local actors and support for the territories in order to carry out their local development strategies. A first selection of Local Action Groups is to take place in 2009, these representing, by the "power of example", a stimulant and a real support for other territories or for partnerships that did not reach yet a "mature" stage followed by their participation in the last selection of LAGs.

Specific objectives aim at:

- Participation of the rural communities members in the local development process and encouraging the innovative actions (for example, new solutions for old problems, introducing and developing new products, new market systems, modernizing the traditional activities by applying new technologies, etc.) (measure 41)
- Encouraging the stakeholders at local level to work together with representatives of other communities inside the country or from abroad (measure 421)
- Fostering partnerships, preparing and assuring implementation of the local development strategies (measure 431)

The operational objectives can be found in the technical fiches of the measures 41, 421 and 431.

Measures

The actions to be undertaken within Axis 4 through the three measures can be summarised as follows:

- Measures 41 and 421, by which local action groups will implement local development strategies in the selected territories with a view to achieving the objectives of the axis 1, 2 and 3 from EAFRD, according to the strategy drawn up at local level and materialized in projects individually made or through cooperation with other LAGs / partnerships.
- Measure 431, divided into two sub-measures, such as:
 - Sub-measure 431.1 supports building of public-private partnerships, drawing up the local development strategies and preparing the Local Development Plan in order to participate to the LAG's selection.
 - Sub-measure 431.2 supports local action group for running costs, animation and skills acquisition.

Partners' weight within the Local Action Groups

The LAGs represent public-private partnerships and comprise representatives of the following sectors:

Public

- Public administration (at local and county level – city halls, local councils, county councils, etc.)
- Public services (social services, services for transportation and health, schools, universities, etc.)

Private

- Commercial sector (joint-stock companies, limited liability companies, etc.)
- Financial sector (banks, credit institutions, etc.)
- Agricultural sector (agricultural cooperatives, producers groups, etc.)
- Organisations of entrepreneurs
- Companies providing community services (cultural, radio, TV, non cultural services, etc.)

Civil society

- Non-profit organisations, associations, foundations, federations (associations for environment, cultural, social, religious associations, chambers of commerce, cult units, etc.)
- Natural persons, groups of persons not registered officially

At the decision-making level within the LAG, private and NGOs representatives shall account for more than 50%, while public representation shall account for less than 50%.

Indicative number of LAGs in Romania

After having analysed the social, economic and geographical situation, territorial coherence and homogeneity in relation to the number of inhabitants and the eligible area, to the financial allocation foreseen for the LEADER Axis, and taking into account the interest shown by the local actors that materialised in the selection of 120 territories, potential LAGs, in 2006, whose representatives have been trained by the ministry in order to acquire the skills necessary for the construction of the partnerships, the elaboration of the local development strategies and implementation of the LEADER approach, it is estimated that the calls for proposals will result into the selection of an indicative number of 80 LAGs covering approximately 40% of the eligible area for implementation of LEADER axis in Romania.

The estimations regarding the number of LAGs and the area covered by these were made by taking into account the following aspects:

- the potential LAGs selected for training maintain permanent contact with the ministry and the Agricultural Directions for Rural Development (ADRD), in order to consolidate the

partnerships and to elaborate the strategies, fact that entitles us to believe that a part of them will be able to become LAGs, after the first selection procedure, and that those not selected or the partnerships which will further be set up, will continue or will start the training activities under the sub-measure 431.1 in order to prepare and participate in the last selection of LAGs.

- the initial area covered by the potential LAGs represents approximately 35% of the area eligible under the LEADER approach, while the number of inhabitants from each LAG is of approximately 40,000, as at this point they are going through a stage when the territories are being outlined more clearly, mostly by the adding of more localities, thus generating territories bigger than those established in the beginning.

The eligible area for implementation of the LEADER axis

The eligible area for implementation of the LEADER axis is the rural area, defined according to the Romanian legislation (communes and villages) to which a number of 206 small towns (up to 20,000 inhabitants) are added. Including these towns in LEADER eligible area will ensure the territorial coherence, the critical mass from the point of view of human, financial and economic resources, in order to support a viable local development strategy.

The territorial coherence will eliminate the risk that the activities foreseen to be implemented in a territory could face different impediments stemming from the creation of a territory made up of several administrative units lacking territorial continuity and also lacking a common element a town could represent in supporting the rural economy through the relationships created between the inhabitants over time.

Although according to the national legislation in force, the rural space made up of communes and villages, and the urban space, made up by towns and the villages under their administration, is delimited according to some criteria, the towns that will be part of a LAG were, in their greatest part, created artificially, without taking into consideration correct criteria, so now they are facing a contradictory situation, as their level of development is in most cases precarious, and the local economy is based mainly on the agricultural sector. The problems that the inhabitants of these towns are facing are similar to those encountered by the inhabitants of villages and communes, while the actual difference rests in the higher number of inhabitants in the administrative unit, fact that leads to the dependence of the inhabitants in the rural areas on localities with a larger population, in order for them to better valorise the results of their work.

Furthermore, in order to ensure the rural character of the well-identified sub-regional territories covered by the LAG, and to avoid the steering of the strategy and the projects in an inappropriate direction, only one town will be able to be part of a LAG coverage area, and only in exceptional instances, which will have to be supported by strong arguments based on the principles of the LEADER approach, two or more towns will be accepted, but their added populations cannot exceed 20,000 inhabitants. Moreover, the urban population may not exceed 25% of the total number of inhabitants within a LAG.

In order to avoid the massive absorption of LEADER funds by the towns, the organisations coming from towns also having in their responsibility the surrounding rural area – county councils, prefectures, local counties, training providers, advisory services, etc. should not represent more than 25% at the decision-making level.

However, as an exception, LAG may select individual projects taking place fully or partly in other towns which are not included in the LAG coverage area, as long as the project is for the benefit of the rural area (for example, project of a selling point in a town, for farm products made in farms established in the surrounding area).

Therefore, the number of inhabitants LAGs may cover will amount to approximately 11.7 million, of which approximately 2 million come from towns and the eligible area for the implementation of LEADER axis is 227,000 km² (207,000 km² representing the rural area defined according with the national definition, to which approximately 20,000 km² of the urban area up to 20,000 inhabitants is added). Thus, approximately 17% of the population of the LEADER eligible area may come from

small towns and approximately 9% of the eligible area will be held by the small towns up to 20,000 inhabitants).

Procedure and timetable for selecting the LAG

After the approval of the NRDP 2007-2013 by the European Commission, the priority of the MARD will be to launch the capacity building phase for all the territories / partnerships / representatives observing the accession criteria set for the measure 431, respectively 431.1, from the beginning of 2008 until the end of 2009 in order to set up partnerships and support them to participate in the LAG's selection procedures.

The LAGs selection process will be officially launched in 2009 aiming at selecting the first Local Action Groups. These LAGs will set a good example in the practice of local development and they will support the training process that aims at selecting the rest of LAGs by the end of 2010.

The selection procedure will be open at national level to all eligible territories / partnerships without any discrimination in terms of religion, nationality, gender, etc. and will ensure the competition between local action groups based on local development strategies.

The calls of proposals will be delivered at national level through mass-media and internet, in which the Managing Authority will explain the objectives of LEADER axis, selection procedure and the eligibility and selection criteria.

• *Responsible authorities*

The authorities responsible for implementing the LEADER Axis in Romania are the followings:

- the Ministry of Agriculture and Rural Development – Managing Authority for the NRDP
- The Agricultural Directions for Rural Development – the representatives of the Managing Authority at the county level, who will be responsible for the following tasks: promotion in territory of the opportunities regarding local development, supporting LAGs in their activity, participation as observers in the Selection Committees within LAGs, monthly report to MA on implementation status of local strategies, etc.
- The Paying Agency for Rural Development and Fisheries – authority for the technical and financial implementation of measures
- The Local Action Group – in charge with writing out and implementing the local development strategy and selecting projects

• *Eligibility criteria*

Regarding the partnership:

The partnership shall consist of different representative public and private actors. At the decision-making level, economic and social partners, as well as other representatives of the civil society shall account for more than 50% of the local partnership. Also, the organisation coming from towns also having in their responsibility the surrounding rural area – county councils, prefectures, local counties, training providers, advisory services, etc. should not represent more than 25% at the decision-making level.

Regarding the territory:

- Population between 10,000 and 150,000 inhabitants⁸⁴. These limits have been established based on the Romanian current situation, such as: average density, symmetric and concentric localisation of the relief forms, with the existence of a mosaic of relief forms on a limited area, just in the case of certain

⁸⁴ For the Danube Delta it is accepted that the limit of inhabitants would be at least 5,000.

territories representing exceptions. Moreover, the limits and the average population from the territories selected in 2006 by the ministry in order to train them have been taken into account and also, the fact that Romania will implement for the first time this approach and some territories have already reached a certain level of maturity covering wider territories with a high number of population while other still are in an incipient stage and probably will form smaller territories. The differentiation will be possible by applying selection criteria based on which certain territories will achieve a higher score. It is not mandatory for the LEADER territories to respect the administrative structuring of the country (county / region) because they could cover parts from many counties or regions if they observe the condition of geographic and economic homogeneity.

- Rural area defined according to the national legislation in force to which the small towns of less than 20,000 inhabitants will be added. In their local development plans, the LAGs have to justify the inclusion of small towns up to 20,000 inhabitants (for example, in order to keep the territorial coherence, of critical mass, etc.)

- The urban population may not exceed 25% of the total number of inhabitants within a LAG.

- The territory covered by the strategy should be coherent and offer sufficient critical mass in terms of human, financial and economic resources to support a viable strategy. For this reason, a description of the territory should be provided which should have in view the following information:

- Physical-geographical presentation (number of the localities comprised in the territory, number of the inhabitants, surface and density of the territory, geographical localisation, relief, altitude, etc). A map of the territory should be attached.
- Information regarding demographical characteristics (migration rate, birth rate, active population, unemployment, etc.)
- Presentation of the environmental heritage (important sites, flora and fauna, level of classification, etc.)
- Presentation of the architectural and cultural heritage (monuments, knowledge and specific skills, local identity, etc.)
- Information regarding the local economy
 - Agriculture – structure/size of the holdings, main crops, evolution, etc.
 - Industry – IMM and micro-enterprises, economic sectors covered, evolution, etc.
 - Commerce and services – type of commerce, existing services, geographical coverage, etc.
- Information on services delivered to the population and medico-social infrastructure – equipment, accessibility, etc.
- Social activities and local institution (presentation of the local institutions, NGOs, companies and their field of intervention)
- Optionally, it should be specified the local development policies implemented by the territory, and also other complementary elements useful for the territory presentation.

- Presence of a single LAG on a LEADER territory eligible in order to avoid the overlapping of several LAGs. The presence of the same locality (town / commune) in more than one LAG is not allowed.

Regarding the strategy:

- Presentation of an integrated strategy for development of the area (a sub-regional territory well identified), which should include actions belonging to at least one axis of the EAFRD;
- *Capacity to implement the strategy.* LAG shall present a sufficient capacity in human, financial and administrative terms. The local action groups will have the responsibility to take all decisions regarding the selection of projects.
 - LAG will have to demonstrate its capacity to implement the strategy – information on mechanism of the implementation foreseen for monitoring, evaluation and control, responsibilities of each body involved in implementation of LEADER axis for each step of project flow;

- Quality of the local team, including former experience with similar procedures or appropriate training – description of the animation team, human resources contributing to the programme implementation
 - Demonstrated administrative and financial capacity – description of the material resources (equipment, offices, etc) and indicative yearly budget for running the LAG;
 - Capacity to mobilise the necessary co-funding
- ***Selection criteria*** – will be focused on 3 elements: the partnership, the territory and the strategy

The selection of the Local Action Groups will be made using 3 sets of criteria:

1. Composition of the partnership

LAG shall represent a balanced and representative partnership⁸⁵ for one area, made up of public partners, private partners and non-governmental bodies. The local partnership should be open to all those who are interested. Women and young people should have a fair representation in these bodies as well as representatives of the ethnic minorities, depending on the current situation of these categories at local level (for example, if on a territory, the number of inhabitants with other nationality than Romanian is higher than the Romanian one, the presence in LAG of this category will be automatically higher than in other territories where they have a smaller representativity).

Priority in selection should be given to the following groups:

- Groups with representatives from ethnic minorities
- Groups with a fair representation⁸⁶ of young people
- Groups with a fair representation⁸⁷ of women
- Groups including representatives from agricultural organisations, or representatives of producers groups, or representatives of foresters / of environmental organisations, etc.
- Groups having private partners and representatives of the civil society more than 65% from the total of partners

2. Territory

Priority in selection should be given to the following territories:

- Territories with a population with a population comprised between 30.000 and 70.000 inhabitants;
- Territories with a population density less than 75 inhabitants/km²
- Territories covering poverty / less favoured areas, Natura 2000 areas, High Nature Value areas (HNV), areas affected by industrial restructuring
- Territories covering parts from different counties

3. Quality of the local strategy

The quality of the following elements will be taken into account for the selection:

- Evaluation of initial situation and analysis of the needs and potential in the area (diagnosis and SWOT analysis);
- Objectives established for the implementation of the local development plan
- Actions for achieving the objectives;
- Complementarity with other rural development programmes;
- The criteria used by LAGs for the selection of the projects;
- Administrative arrangements, detailed rules and audit trail;
- Evaluation and monitoring dispositions;

⁸⁵ After their selection as LAGs, the partnerships must obtain the legal status of association / foundation according to the Ordinance no. 26/2000 with the subsequent modification and completions.

⁸⁶ The "fair representation" will be defined by the Monitoring Committee and specified in the call of proposals.

⁸⁷ Idem 86

Priority in selection should be given to those strategies which:

- include innovative actions
- include cooperation actions
- combining the objectives of several axes of NRDP
- addressing semi-subsistence farmers (diversifying and development)
- addressing young people
- integrating environmental concerns
- aiming at facilitating the implementation of those measures of NRDP having as beneficiaries the producers groups, associations, partnerships, etc.)

The quality of strategy⁸⁸ and efficiency of the provisions for consulting local partners and informing potential beneficiaries will be horizontal aspects taken into account for the selection of strategies.

The selection criteria shall be approved by the Monitoring Committee of the NRDP.

The criteria for selection of LAGs will be detailed and published in the call of proposals launched at national level by the Managing Authority.

• ***The Selection Committee***

- The Members of the Committee shall be representatives of central and local authorities, of universities, of academic field and experts of other organisations/institutions.
- The President of the National Selection Committee shall be elected from the state secretaries/directors within MARD – GDRD.
- Observers in the selection process shall be representatives of the civil society and social and economic partners.

• ***Establishment of the results following the selection***

After analysing the application dossiers participating in the national selection, the National Selection Committee shall publish the results on the website of the ministry and in media.

• ***Timetable for selection***

Before LAGs selection, the sub-measure 431.1 will be open allowing the progressive building of partnerships and strategies, and after that LAGs selection will be carried out in close correlation with this sub-measure. However, based on the evolution of the groups which will participate in this sub-measure, and also based on the evolution of other partnerships which will not use this support, the LAGs selection might be started earlier.

Thus, the indicative timetable for selection of LAGs is the following:

Activities	2009	2010
Launch of call of proposal	10/01/2009	01/12/2009
Submission of dossiers	10/02/2009 – 10/05/2009	01/01/2010 – 10/04/2010
Selection	11/05/2009 – 04/08/2009	11/04/2010 – 14/07/2010
Taking the decision	05/08/2009	15/07/2010
Publication of the selection results	06/08/2009	16/07/2010

⁸⁸ The way this quality will be assessed will be defined by the Monitoring Committee and described in the tender document, as well as how these selection criteria will interact with the thematic priorities.

Total number of selected Local Action Groups	40	40
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Procedure for the selecting the projects

The LAG is in charge of developing and implementing the local development plan, as well as of selecting projects that are according to the objectives defined in the plan.

In order to perform the activities stated for achieving the objectives of the strategy included in the development plan, each LAG shall set the selection criteria for each type of projects called “local selection criteria” which have to be in accordance with the priorities of the local development strategies.

The criteria shall be included in the Local Development Plans and in the calls for proposals of projects launched at local level by the LAG. Criteria used by LAG for selection of individual projects should have in view that:

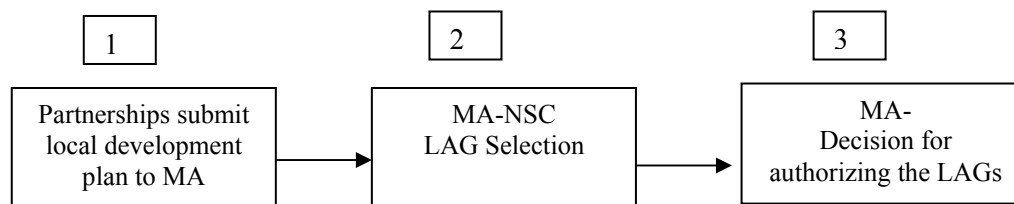
- Projects should be in line with the objectives of the strategy of the LAG
- Projects must have a pilot character

The selection of projects shall be done by a Selection Committee composed of LAGs members. Regarding the selection of projects within LAG, the “double quorum” rule will be applied, i.e. for validating the votes the presence of at least 50% of the partners is necessary, during the project selection, out of which more than 50% shall be representatives of private and non-profit organisation.

In order to ensure the transparency of the project selection process within LAG and also to carry out the control and monitoring activities, one representative of the Ministry of Agriculture and Rural Development from local level (ARD) will participate to these selections.

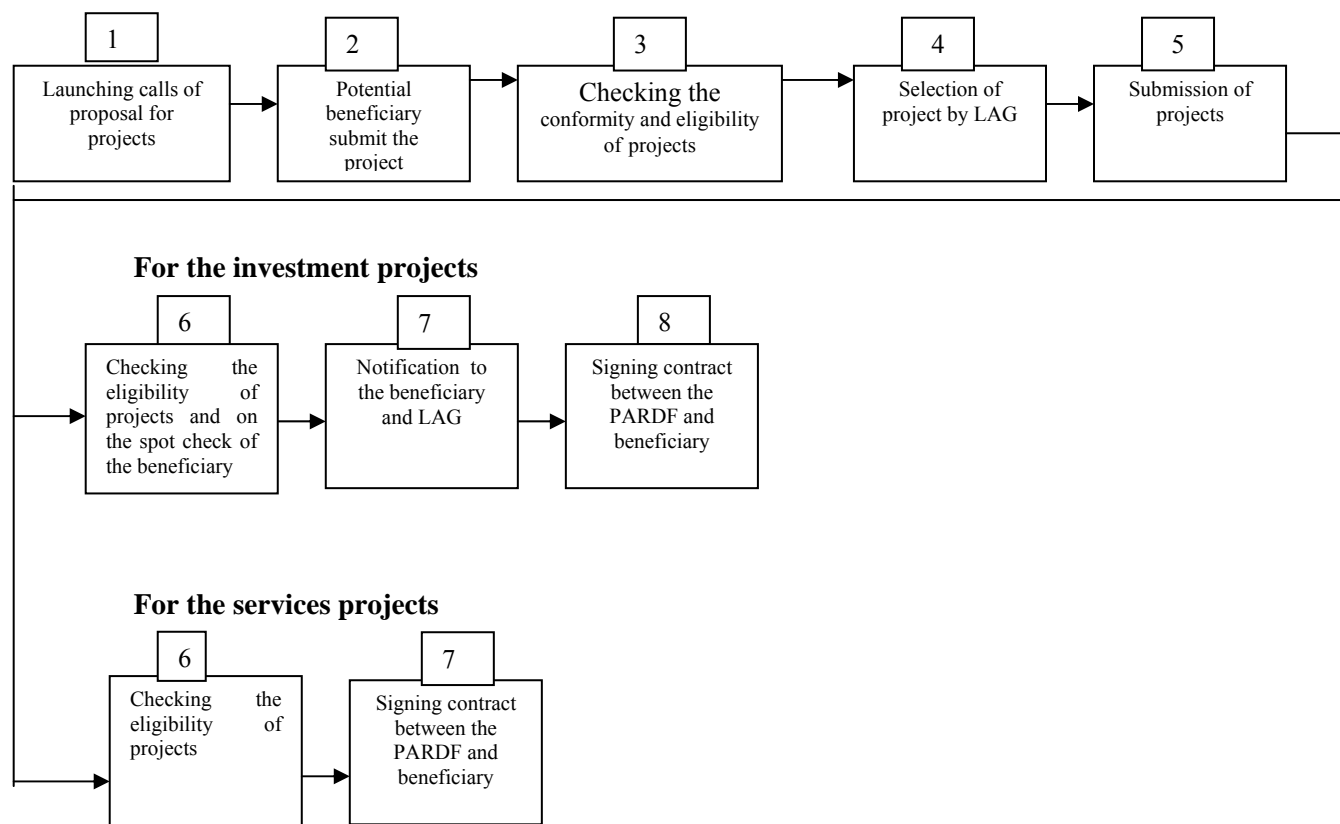
Description of the administrative-financial circuits applicable for LAG

a). The selection phase of Local Action Groups



1. The public-private partnerships organised according to Emergency Government Ordinance no. 26/2000 shall submit Local Development Plan to the Managing Authority within Ministry of Agriculture and Rural Development
2. Through the National Selection Committee, the Managing Authority shall select local action groups
3. After the selection, the Managing Authority shall send written notification to the LAGs mentioning that:
 - they have been selected and the LAG will receive the decision for authorization,Or
 - they have not been selected, in which case the Managing Authority will outline the weaknesses of the submitted dossier so that it can be changed and participate to the subsequent calls of proposals.

b).The selection phase of projects within LAG and their flows



1. Launching the call of proposal for the projects by LAG, using mass-media
2. Submission of the project by the potential beneficiaries to the LAG Secretariat
3. LAG verifies the conformity of the projects and the respect of the eligibility criteria
4. Selection of project carried out by LAGs based on the strategy using the criteria established by them
5. Submission of the projects selected by the LAG to Payment Regional Centre for Rural Development and Fisheries (PRCRDF)

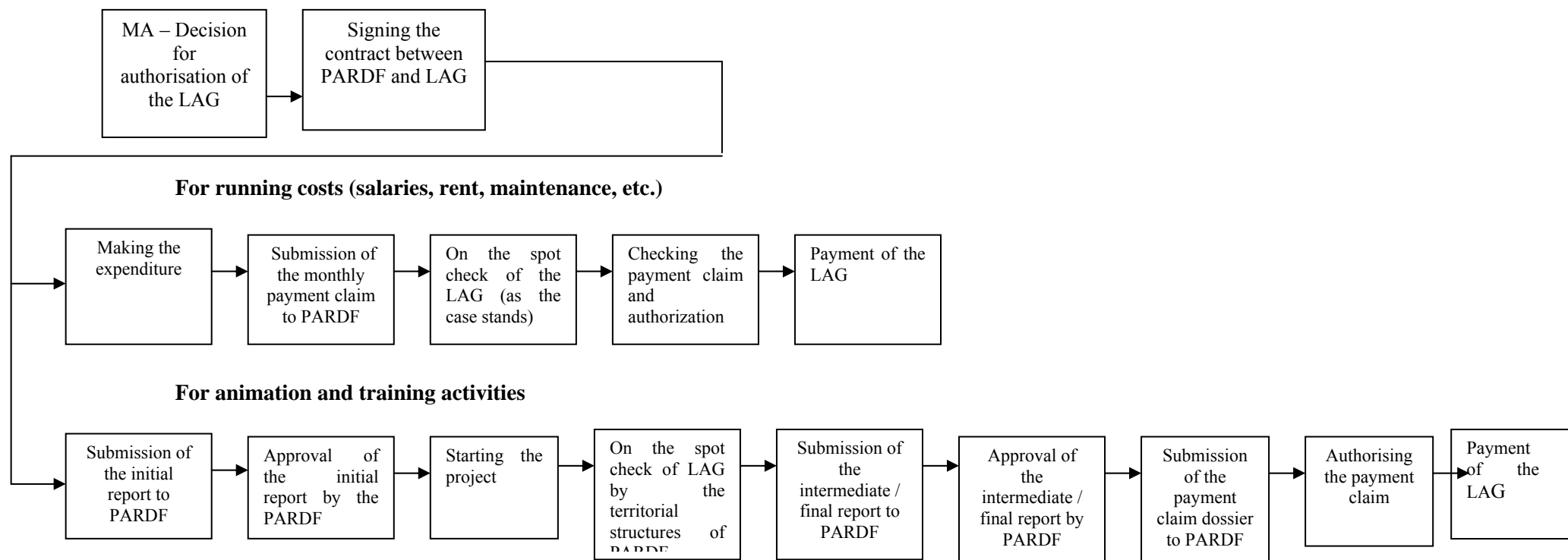
For investments projects

6. PRCRDF verifies the eligibility of projects and the territorial structures of PARDF undertakes on the spot check of the potential beneficiary
7. Notification by the PRCRDF to the beneficiary and to the LAG regarding the approval or rejection of the project
8. Signing contract between the beneficiary and PARDF

For the services projects

6. Checking the eligibility of projects by the PRCRDF and sending a notification to the beneficiary and to the LAG regarding the approval or rejection of the project
7. Signing contract between the beneficiary and PARDF

c). The financial flow for the measure 431⁸⁹ (sub-measure 431.2)



⁸⁹ In the limit of 16% foreseen for LAG's running cost

1. After selecting the LAGs, Managing Authority (MA) will send to LAGs written notifications mentioning that they have been selected (granting the authorisation decision). MA will inform PARDF regarding the authorisation of payments.
2. Signing the contract between the LAG and PARDF

For running costs

3. LAG makes the expenditures
4. LAG submits the monthly payment claim afferent to the running costs to PRCRDF
5. PRCRDF undertakes the on the spot checks of the LAG's expenditures (as the case stands)
6. Checking the eligibility of payment claim dossier and authorization of the payment by PRCRDF (issuing the payment certificate)
7. PARDF makes the payment representing the eligible expenditures covered by the public support

For animation and training activities

3. Submission of the initial report and payment installment statement (maximum 3 installments), for each project by the LAG to RPCRDF
4. Approval of the initial report by the PRCRDF
5. Starting the project's activities
6. On the spot check of the LAG by the territorial structures of PARDF
7. Submission of the intermediate / final report by LAG to PRCRDF
8. Approval of the intermediate / final report by PRCRDF
9. Submission of the payment claim dossier by the LAG to PRCRDF - each intermediate payment corresponds to an approved intermediate report, according to the payment installment statement. After the approval of the final report, PARDF carries out the final payment
10. Checking the conformity and eligibility of Payment Claim Dossier and authorization of the payment by RPCRDF (issuing the payment certificate)
11. PARDF makes the payment to LAG (maximum 30 days after the approval of the claim)

Demarcation criteria with other local partnerships financed by EU funds (EFF)

EAFRD - EFF

SOP – Fisheries (European Fisheries Fund) will finance within Axis 4 “Sustainable development of fishing areas” actions similar to the EAFRD as far as the development of the local community is concerned by implementing strategies of local development. EFF aims at achieving economic recovery and enhancing competitiveness in fisheries sector, encouraging sustainable development, improving life quality in fishing areas.

Since axis 4, both from EAFRD and EFF will support the development strategies implemented by Local Action Groups or by EFF Axis 4 Groups in a certain territory, there is necessary to establish demarcation lines between the aids granted for rural development and those granted to the fishery sector.

It is possible for a LEADER area to be totally or partially overlapping with an area supported under the axis 4 of EFF, being impossible to draw up a delimitation based on geographical criteria. To be selected, a LEADER area has to fulfil the eligibility and selection criteria above-mentioned. If a LEADER group is based on an existing EFF Axis 4 group, the same administrative support structure can be used to implement both EU funds. This would imply that the common operating costs will be shared (proportionally) between the LAG and the EFF Axis 4 group. Due to possible geographical overlaps between a LAG and EFF Axis 4 group, a clear separation of funds will be made, such as:

- Distinct strategies (EFF strategies are always related to the fishery areas, sectors or workers while the Leader strategies will not target fisheries activities or actors);
- Partnerships – the composition of the partnership of the LAG and of the EFF Axis 4 group will be different. In this respect, LAG should be composed in majority by actors involved in rural development, outside the fishery sector, while EFF groups will be composed in majority by actors coming from the fisheries sector".
- Distinct project selection committees – the composition of the decision-making bodies of the partnerships will also need to be different.
- Separate book keeping and distinct financial and control circuits.

EAFRD – Cooperation Programmes funded by European funds (cooperation programmes at the internal borders of EU and cooperation programmes at the external borders of EU)

The applicants for the cooperation projects should specify in the payment claims if they have applied for other funds support to finance the respective activities. In order to avoid the double-financing, Managing Authority for NRDP will ensure a proper consultation with other managing authorities, before the selection of projects. In this sense, in the Selection Committee of the NRDP projects, representatives of the authorities managing the European Territorial Cooperation Programmes will be invited to participate, and also a representative from the Managing Authority for NRDP will take part to the reunions of the Selection Committee / Mixed Monitoring Committee for European Territorial Cooperation Programmes.

In the case of demarcation between NRDP and Operational Programme for Cross Border Cooperation Romania – Bulgaria, it was stated that “in the counties eligible for cross-border cooperation, NRDP will support the private investments and OP CBC Romania-Bulgaria will support the projects proposed by the public bodies and NGOs”.

Moreover, an official list of potential LEADER projects shall be available for the permanent consultation with other authorities involved in implementation of Community funds in order to avoid possible overlapping.

5.3.4.1. Local Development Strategies

Measure	Implementation of local development strategies
Article which covers the measure	<p>Article 63 a and 64 of Council Regulation no. 1698/2005 regarding aid granted for rural development through EAFRD</p> <p>Article 37 and point 5.3.4.1 of Annex II of the Commission Regulation no. 1974/2006</p> <p>Article 1, point 1 of the Council Regulation no. 1463/2006 of 19th of June 2006 amending the Council Regulation no. 1698/2006 regarding aid granted for rural development through EAFRD</p> <p>Article 1, point 2 of the Commission Regulation no. 434/2007 amending the Commission Regulation no. 1974/2006 that states detailed rules for the application of the Council Regulation no. 1698/2005 regarding aid granted for rural development through EAFRD, as result of the Romania and Bulgaria Accession to the European Union</p>
Measure code	<p>41</p> <p>411 – Improving the competitiveness of the agricultural and forestry sector</p> <p>412 – Improving the environment and the countryside</p> <p>413 – The quality of life in rural areas and diversification of the rural economy</p>

Objectives

The support granted through LEADER axis gives the possibility, in the context of drawing up the local development strategies based on the local needs and strengths, to combine the three objectives of the three axes of EAFRD, namely, competitiveness, improving the environment and quality of life and diversification.

The LEADER approach aims at implementing the rural development measures through integrated local development strategies elaborated by the local actors organised in Local Action Groups.

The “bottom-up” approach represents a possibility which allows local partners to choose a coherent set of measures adapted to the identified priorities on their territory and to translate them into local development strategies in order to valorise the endogenous potential of the territory.

These strategies shall be reflected in concrete projects. The selection of projects which will be implemented based on a development strategy will be carried out by the LAG through the Selection Committee composed of members of the partnership.

The selection criteria, based on which the projects will be selected in order to be implemented, will be set by the LAG and will have to take into the account the local specificities and, moreover, a special attention will be given to the selection of innovative projects.

Operational objectives - Implementing local integrated development strategies and projects (covering more than one axis) in order to improve the competitiveness of the agricultural and forestry sector, the environment and rural area and the quality of life and diversifying the rural economy.

Axes – measures covered by the LEADER Axis

Local Action Groups will be able to implement all the measures proposed by the Regulation (EC) no. 1698/2005, articles 20, 36 and 52 and adapted by the (EC) Regulation no. 1463/2006 and Council Decision of 19th June 2006 adapting Annex VIII to the Act of Accession of Bulgaria and Romania.

Aid intensity

For those projects falling within the scope of one of the measures of Council Regulation 1698/2005 the relevant aid intensity specified for the measures must be respected.

Actions outside the scope of the measures specified in Council Regulation 1698/2005 may also be supported, if they contribute to the objectives of the NRDP and the local development strategies. The objectives and scope of measures, eligible applicants, actions and costs and other criteria for selection of projects have to be presented in the Local Development Strategy and approved by the Managing Authority.

Type of aid

Not refundable support will be granted for the implementation of local development strategies.

The projects which will be implemented through the LEADER axis will be small-sized projects of maximum 200,000 Euro public co-financing, and the total amount of the investment will not exceed 400,000 Euro.

State aids

The financial support granted by the measure 41 (411, 412 and 413) is in line with the *de minimis* rule as it is laid down by the Commission Regulation No. 1998/2006.

Payment in advance

The beneficiaries of the measures mentioned in the sub-chapter 5.2, at the point “Payment in advance” may use the payments in advance according to the provisions laid down at that point, in the case of the projects selected by the LAG.

Financing

Total cost: 246,317,899 Euro

Public expenditure: 171,604,657 Euro

Quantified targets for EU common indicators

Type of indicator	Indicator	Target 2007-2013
Output	Number of LAGs	80
	Total size of LAGs area (km ²)	90,800
	Total population in the LAG area	4,680,000
	Number of projects financed by LAGs	4,926
	Number of beneficiaries supported, divided by axis, measure and type of beneficiary	4,926
Result	Gross number of jobs created (divided by axis, created on/out the farm, age, gender)	9,852

Impact*	Economic growth (million euro)	99
	Employment creation (out of which the contribution of the measure 41)	8,010 7,882

Additional indicators

Type of indicator	Indicator	Target 2007-2013
Output	Number of the LAG's members (divided by gender, age, nationality)	2,400
	Number of private partners and NGOs members in LAG	1,380
Result	Number of the beneficiaries developing innovative actions	493

* The value of the indicators has been calculated at the level of axis, in line with the CMEF guidelines.

5.3.4.2. Inter-territorial and trans-national cooperation

Measure	Implementing cooperation projects
Article which covers the measure	Article 63 b and 65 of Council Regulation no. 1698/2005 on support granted for rural development through EAFRD Article 39 and point 5.3.4.2 of Annex II of Commission Regulation no. 1974/2006 that states detailed rules for the application of the Council Regulation no. 1698/2005 on support granted for rural development through EAFRD
Measure code	421

Objectives and actions

Operational objective – Participation of Local Action Groups in cooperation projects

Cooperation represents working in common aimed at attaining common objectives.

Within LEADER axis, cooperation is a way to widen local views in order to improve local strategies, to get access to information and new ideas, to learn from the experience of other regions or countries, to stimulate and support innovation and to acquire skills and means to improve delivery.

This measure will finance projects for trans-national cooperation (between Romania and other EU member states or EU non-member states) and inter-territorial cooperation (within Romania) among LAGs and other groups/partnerships, which are organised according to the LEADER approach, public/private partnerships selected under Axis 3, according to Article 59 e) of the Regulation 1698/2005 or any other rural groups organised in accordance with the LEADER approach (local groups which have an active role in rural development, are organized on the basis of the partnership of local actors, local initiative groups, micro-regions, and other LEADER-type partnerships, EFF Axis 4 groups) and recognised by the member state.

Cooperation activities are eligible when at least one partner represents a LAG financed under the LEADER Axis.

These projects will be implemented under the responsibility of a coordinating LAG.

Only projects / common actions corresponding to one or several measures of the three axes (Axis 1, 2 and 3) of the EAFRD will be eligible for support. The common actions which could be financed may aim at institutional building: exchange of experience and good practices on local development through: common publishing, organisation of events, twinning projects (exchange of programme managers and staff) or through common or joint coordinated works of development. Having a common structure functioning is the most integrated form of cooperation.

This measure will be facilitated by methodological support based mainly on Romanian Rural Network and on European network. Therefore, through these networks the LAGs which intend to undertake cooperation projects may consult the data base and they can choose the LAG/ partnership which they wish it as a partner in the drawing up/implementation of the project.

The responsibilities of each partner will be detailed within a Cooperation Agreement, signed by the two LAGs involved in the project, which has to include references to general planned budget, the objectives of the project, the activities that they intend to implement in common in order to

accomplish them, the role of each partner and the final financial participation of each partner within the project.

As far as trans-national cooperation is concerned, common projects with non-EU countries may be undertaken, in which case just the expenses related to the territories within EU are eligible.

In the case of cooperation between a LAG and other groups/partnerships from EU Member States, the cooperation agreement should foresee that each partner supports the expenses in proportion to its participation in the joint action.

The main **eligible expenditures** are the followings:

- expenditures for preparing cooperation projects – organization of technical missions, meetings, workshops, translation and interpretation activities, multiplication of documents,
- investments expenditures for implementing common projects
- expenditures related to common training projects

Non eligible expenditures – the mere exchange of experience, which is not materialized by a common action (because it can be financed by the national network of rural development). The expenses related to the territories outside EU also are non eligible expenditures.

Procedure, timetable and criteria to select cooperation projects

Cooperation will be launched after the achievement of the Local Action Groups first selection procedure. Cooperation projects will be selected by:

- A. The Local Action Groups, if their development strategy includes cooperation actions. In this case, the eligibility and selection criteria will be set and applied by the LAG and included in the local development strategy.
- B. The Managing Authority for the other LAGs, the strategy of which does not include these actions. In this case, the selection criteria will be set by the Managing Authority.

In the both cases, the cooperation projects shall take into account the following requirements:

- a. **Partnership:** the type of the actors involved, the connections between the project coordinator and the LAG, the involvement of the local partners in the foreseen activities
- b. **The integration in the strategy of the territory:** the integration in the territorial strategy, the added value of the project, the coordination with other ongoing activities, the valorisation of the cooperation experience outside the territory
- c. **Type of project:** concrete common activities (more than just an intention and /or exchange of experience)
- d. **Technical aspects:** technical feasibility, timetable, the mechanism of implementation, practical aspects, methodology and organization, monitoring indicators, the management of the project
- e. **Financial aspects:** realistic and coherent budget, financial plan, specification, financial feasibility, the participation of the different actors

Eligibility criteria

- The partnerships are LAGs or organized in accordance with the LEADER approach
- The projects will be drawn up and implemented in common
- The coordinator is a LAG financed under the LEADER Axis
- The activities / projects should correspond to one or several measures of the EAFRD

- The value of the project (the requested amount) must respect /not exceed the maximum financial allocation established (200,000 Euro public co-financing and 400,000 Euro the total value of the investment).

In both cases, priority will be given to the cooperation projects which:

- involve more than two LAGs in Romania
- involve a LAG from another Member State with LEADER + experience
- include innovation
- combine the objectives of different axes from the NRDP
- address semi-subsistence farmers
- address the young people in rural areas
- integrate environmental concerns
- aiming at facilitating the implementation of those measures of NRDP having as beneficiaries the producers groups, associations, partnerships, etc.)

The selection and approval of the cooperation projects shall be performed in the same way as it is for the other projects, i.e. by a Selection Committee organised either within the LAG or within the Managing Authority. If the selection of the cooperation projects is carried out by the LAG, the responsibility for establishing the selection calendar will belong to latter, whereas within the Managing Authority the selection of the cooperation projects will be performed two times per year, in principle in the first and the last semester of the year, so that the last project is selected before 31 December 2013.

Axes covered by the LEADER Axis

All the axes of EAFRD will be covered.

State Aids

The financial support allocated through measure 421 respects the *de minimis* rule, as foreseen by Commission Regulation no. 1998/2006 of 15 December 2006.

Payment in advance

The beneficiaries of the measures mentioned in the sub-chapter 5.2, at the point “payment in advance” may use the payments in advance according to the provision laid down at that point, in the case of the projects selected by the LAG.

Financing

Total costs: 5,498,826 Euro

Public expenditure: 4,701,496 Euro

Quantified targets for EU common indicators

Type of indicator	Indicator	Target 2007-2013
Output	Number of cooperation projects	
	- trans-national	160
	- inter-territorial	
	Number of cooperating LAGs	80

Result	Gross number of jobs created	160
Impact*	Employment creation (out of which the contribution of the measure 421)	8,010 128

Additional indicators

Type of indicator	Indicator	Target 2007-2013
Output	The number of cooperation projects that involves more than two LAGs in Romania	40
	The number of cooperation projects that involve a LAG from the EU with LEADER+ experience	40

* The value of indicators has been calculated at axis level, according to the guidelines of CMEF

5.3.4.3. Running the Local Action Groups, acquiring skills and animating the territory

Measure	Running the Local Action Groups, acquiring skills and animating the territory
Article which covers the measure	Article 63 (c) of Council Regulation no. 1698/2005 regarding aid granted for rural development through EAFRD Article 38 and Point 5.3.4.3 of Annex II of the Commission Regulation no. 1974/2006 Article 1, point 1b of Council Decision 664/2006 of adapting Annex VIII to the Act of Accession of Bulgaria and Romania of 19 th of June 2006 Article 1, point 3 of the Commission Regulation no. 434/2007 amending the Commission Regulation no. 1974/2006 that states detailed rules for the application of the Council Regulation no. 1698/2005 regarding aid granted for rural development through EAFRD, as result of the Romania and Bulgaria accession to the European Union
Measure code	431

Rationale for intervention

There are in Romania a lot of initiatives in community development, such as: local initiatives groups, micro-regions and some other LEADER-alike partnerships. Some groups have reached a level of organizational maturity so that they have transformed into legal entity community associations, and some others have dissolved after reaching their purpose. Even if some partnerships are in the process of preparing their strategies, a large number of them can not be finalised because of the lack of financial resources and information regarding the financial sources and advantages arisen from them.

At the same time, the 120 representatives of sub-regional territories which were selected by the MADR in order to train them on the following topics: partnerships building, diagnoses, local development strategies, action plan of the territory, activities of training, monitoring and evaluation of the plan, actions necessary for the implementation of LEADER axis in Romania; still need support for finalizing their integrated development strategies.

Taking into account the potential for setting up LAGs and that Romania has never implemented LEADER measures before, setting up and developing the LAGs represent a priority for this programming period.

Thus, before the LAGs' selection, the public and private stakeholders of the territories willing to participate to the selection procedure of the LAGs might benefit of support within this measure for setting up partnerships, developing integrated strategies and financing studies in order to prepare their application dossier.

As the LAG is responsible for selecting the projects, for the activities for skills acquisition and territory animation, its members need accurate information, appropriate skills and other types of support in order to properly carry out their tasks. In this context, the efficient running of the LAGs represents an important issue of the support granted within this measure.

Operational Objectives

This measure aims at improving the capacity of implementing local development strategies through:

- a) Capacity building at local level
- b) Ensuring the human, financial and technical resources in order to support the LAGs activity
- c) Training the LAGs staff for drawing up and implementing local development strategies
- d) Animating territory.

Sub-measure 431.1 –Public - private partnerships building

This sub-measure is divided into 3 phases allowing the progressive building of partnerships and strategies.

Phase 1 – Raising awareness of local actors regarding LEADER approach

Content – information and training sessions on national rural development programme, local development, axis 4 – Leader, examples of concrete actions undertaken by the rural areas.

Direct beneficiaries should be public or private bodies activating in the field of training of the professionals and / or information and dissemination of the knowledge, selected according with the public procurement procedure⁹⁰.

Eligibility criteria:

- Organisations are legal person set up in the EU countries
- Organisations with experience in organising and delivering training actions in the field of rural or local development
- Organisations has qualified staff with knowledge of community programmes of rural development, especially of Leader approach
- The organisation must have the capacity to deliver training in Romanian language and / or to assure a qualitative translation
- Organisations with the capacity to provide simultaneously trainings in different regions of Romania having access to the appropriate administrative facilities
- Organisation has the technical and financial capacity necessary for performing their activities
- Organisation is not in the situation of bankruptcy or liquidation
- Organisation has no debts to the state budget

Selection criteria:

- The financial offer - The price proposed by the training body for organising and delivering all the training sessions
- Technical quality of the offer (understanding the needs, the proposal for a structure of the training sessions – the quality of trainers, etc.)

Final beneficiaries

- Economic and social partners from the potential LEADER territory
- Other representatives of the civil society, such as farmers, rural women, young people and their associations, from the potential LEADER territory
- Public partners covering partly or entirely the potential LEADER territory

Priority in the selection of the final beneficiaries should be given to:

- Potential partners who have not benefited before from a training on LEADER
- Representatives from the private sector
- Representatives from association / NGOs / organisations which can play a role in dissemination of information the potential LEADER territory

Phase 2 – Training for the representatives of potential LAGs

⁹⁰ Training bodies should be selected respecting the public procurement rules in line with the Emergency Ordinance no. 34/2006 on adjudgement of the public procurement contracts and public works and services claim contracts

Content – specialised training on local development strategies (carrying out the diagnostic and SWOT analyses, drawing up the strategy, action programme, setting up the partnership, etc.)

Direct beneficiaries should be public or private bodies activating in the field of training of professionals and / or information and dissemination of the knowledge, selected according with the public procurement procedure⁹¹.

Eligibility criteria:

- Organisations are legal person set up in the EU countries
- Organisations with experience in organising and delivering training actions in the field of rural or local development
- Organisations has qualified staff with knowledge of community programmes of rural development, especially of Leader approach
- The organisation must have the capacity to deliver training in Romanian language and / or to assure a qualitative translation
- Organisations with the capacity to provide simultaneously trainings in different regions of Romania having access to the appropriate administrative facilities
- Organisation has the technical and financial capacity necessary for performing their activities
- Organisation is not in the situation of bankruptcy or liquidation
- Organisation has no debts to the state budget

Selection criteria:

- The financial offer - The price proposed by the training body for organising and delivering all the training sessions
- Technical quality of the offer (understanding the needs, the proposal for a structure of the training sessions, the quality of trainers, etc.)

Final beneficiaries

- Should be a representative or member of a group composed of at least 2 private organisations and 1 public entity from the potential LEADER territory
- Having followed a training in phase 1 or another basic training on Leader or demonstrate knowledge / experience of LEADER approach

Priority in the selection of the final beneficiaries should be given to:

- Groups for which the majority of partners can have a representative following the training
- Group covering a territory not covered by other applicant
- Groups where the majority of partners are from the private sector / NGOs
- Groups covering a territory with more than 20,000 inhabitants

Phase 3 – Financial support for the preparation of LAGs applications

In this phase, the direct beneficiaries of the funds are the same as the final beneficiaries (the same eligibility and selection criteria will be applied). This last phase will be accessed through a project elaborated by the interested partnerships comprising the objectives, the calendar, the planned actions, and the budget necessary for the preparation of the strategy and the application for becoming LAGs.

The selection procedure⁹² of these projects will be made by a permanent team made of experts from the Ministry of Agriculture and Rural Development – General Directorate for Rural Development and

⁹¹ Idem 90

⁹² Call of proposal procedure should be applied (co-financing rate – maximum 80%)

Paying Agency for Rural Development and Fishery, and also of the other authorities involved in rural development process.

Eligibility criteria:

- Groups gathering partners representing socio-economic sectors from the eligible territory where the public partners represent less than 50% (with a formal commitment signed by each member).
- Groups having defined their homogeneous geographic territory which should be within Leader eligible area and comprise a population between 10,000 and 150,000 inhabitants
- Groups out of which at least one representative has followed a training on Leader (under this programme or another training)

Priority in the selection should be given to:

- Groups covering a rural territory with more than 20,000 inhabitants
- Groups with more than 9 organisations / institutions partners
- Groups covering territories which are not covered by other applicants
- Groups with sufficient human resources and expertise for the preparation of local development plans.

This sub-measure will start immediately after the NRDP approval (all three phases) and will be closed at the end of 2009.

For the phases 1 and 2, the Managing Authority will draw up the Terms of Reference for each phase, based on which will select one training provider per phase, thus, the public procurement procedure will be open immediately after the approval of NRDP. The timeframe and planning of the sessions will be set up by the MA in the terms of reference. The final beneficiaries will be selected by the training provider based on the criteria established in the measure fiche and detailed in the terms of reference.

For the phase 3, one call of proposal will be launched with deadlines for submission at each three months, and the candidates will submit their projects according to the timeframe foreseen in the call of proposal. By using the selection criteria, MA will assure that the financial allocation for this phase will be enough for all the eligible groups which want to be the beneficiaries of this support until the end of 2009.

Calendar – phase 1 and 2

Activity	Phase 1	Phase 2
Publication of the terms of reference	May 2008	June 2008
Selection of the training provider	July 2008	August 2008
Starting the actions	August 2008	September 2008
Ending the training activities	December 2009	December 2009

Sub-measure 431.2 – Running the Local Action Groups, acquisition of skills and animation of the territory

Component a – Running the LAG (16%)

Component b – Training and animating the territory after the selection of LAGs (4%)

Beneficiaries –Local Action Groups

This sub-measure will be open immediately after the signing the contract between LAG and PARDF.

Eligible expenditures for the component a:

The weight of the running costs shall not exceed 80% of the total allocated to each LAG under this sub-measure:

- Salaries and other payments for the LAG staff
- Expenditures for experts and other expertise services related to the implementation of the LAG strategy
- Expenditures for rent of an office
- Expenditures for rent/purchase of office-equipment or another equipment necessary for the implementation of the LAG activities
- Expenditures for organising LAG meetings
- Communication expenditures (telephone, internet, post and postal services), transport and payment for heating, electricity, etc.
- Expenses for participations in activities of national and European rural development network, seminars, etc.

Eligible expenditures for the component b:

For these activities, LAGs will spend at least 20% of the eligible value calculated for each of them under this sub-measure and may cover the following expenditures:

- Studies of the area concerned
- Measures to provide information about the area and the local development strategy
- Training of staff involved in the implementation of a local development strategy
- Promotional events
- Training of local leaders

Expenditures for purchasing or constructing buildings, and also land purchasing **are not eligible**.

Aid intensity for the sub-measure 431.1

Phase 1 –100% of the eligible expenditures

Phase 2 - 100% of the eligible expenditures

Phase 3 - maximum 80% of the eligible expenditures to which private contribution should be added. Due to the fact that for the moment we do not have an assessment system for the goods and services, based on a standard accounting system regarding the voluntary non-paid work and investments in kind, the payment in kind for this last phase is going to be decided later on.

Aid intensity for the sub-measure 431.2 –100%

Ceiling to apply on the share of the LAG budget for overhead costs (maximum of 20%)

The LAG budget for overhead costs amounts maximum 16% of the total public eligible expenditure of the local development strategy.

Financing

Total costs: 61,176,112 Euro

Public expenditure: 58,768,718 Euro

Indicative estimate of the expenditure weight under article 59(1) to (d) of Regulation (EC) no.1698/2005 which will be used for skills acquisition and animation for the LEADER axis

Measure	Sub-measure	Percent from total LEADER axis	Total	Public contribution	Private contribution
431	431.1	5%	14,161,138	11,753,744	2,407,394
	431.2 out of which:	20%	47,014,974	47,014,974	0
	Component a	16%	37,611,979	37,611,979	0
	Component b	4%	9,402,995	9,402,995	0
Total 431		25%	61,176,112	58,768,718	2,407,394

Quantified targets for EU common indicators

Common indicators for the functioning of LAGs phase 431.2

Type of indicator	Indicator	Target 2007-2013
Output	Number of actions supported regarding running the local action group (1 action = 1 annual budget)	360
	Number of actions supported regarding acquiring skills (1 action = 1 training session)	360
	Number of actions supported regarding animation of territory (1 action = 1 animation seminar)	1,440
Result	Number of participants that successfully ended the training	7,200

Additional indicators for the capacity building phase 431.1

Type of indicator	Indicator	Target 2007-2013
Output	Number of actions supported divided by type of actions:	256
	• general training (1 training session – 1 action)	41
	• specialised training for the representative of LAG (1 training session – 1 action)	15
	• drawing up the applications for selection of LAGs (strategy) (1 strategy – 1 action)	200
Result	Total number of people trained who successfully ended the training actions, out of which:	1,940
	• general training	1,640
	• specialised training for the representative of LAG	300

5.3.5. Complements to direct payments

Measure	Complements to direct payments
Article which covers the measure	Annex VIII Section I E of the Treaty of Accession of Bulgaria and Romania as amended through (EC) Council Decision no 664/2006 Article 39 (a) and point 5.3.5 of Annex II of Regulation (EC) No.434/2007 modifying the Regulation (EC) no.1974/2006 regarding the application norms of the Regulation (EC) no.1698/2005, as a consequence of the accession of Bulgaria and Romania to the European Union
Code of the measure	611

Community contribution, national co-financing and total public support for each of the years 2007, 2008 and 2009

(Euro current price)			
Year	Community contribution	National co-financing	Total
2007	122,157,245	30,539,311	152,696,556
2008	166,277,815	41,569,454	207,847,269
2009	211,673,820	52,918,455	264,592,275
Total	500,108,880	125,027,220	625,136,100

In conformity with the Regulation (EC) no. 1782/2003, area direct payments shall be granted -SAPS in the vegetal sector, complementary national direct payments - CNDP, area direct payments for energetic crops for the production of bio fuel (rape, sunflower, soybean, corn, and other energy crops). For sugar, direct payments are made in conformity with the (EC) Regulation no.1782/2003 as well as with (EC) Regulation no. 318/2006 consisting in granting an amount per area and/or per ton for the sugar-beet crop.

The financing source consists of funds from Community budget and national budget. For the animal breeding sector, the financial resources are allotted annually through the law of State budget, exclusively from the State budget funds, through a paying mechanism, in conformity with CAP and the national agricultural strategy, by the means of complementary national direct payments.

The annual total amount of the single area direct payments (SAPS), of the complementary national direct payments (CNDP) in the vegetal sector, of the payments for the energy crops and of separate payments for sugar are approved through Government Decision, based on the Ministry of Agriculture and Rural Development proposal, respecting the ceiling allocated from the state budget and the maximum ceiling approved for this purpose for Romania by the European Commission.

The designated Paying Agency

The direct payments are made by the Paying and Intervention Agency for Agriculture which was established by respecting the provisions of Art.6 of (EC) Regulation no. 1290/2005 regarding the financing of the CAP.

The Paying and Intervention Agency for Agriculture is the responsible institution for implementing the SAPS, financed from the European Agricultural Guarantee Fund (EAGF), for the CNDP

transferred from the European Agricultural Fund for Rural Development (EAFRD), as well as national budget funds.

Within the Paying and Intervention Agency for Agriculture there is the Integrated Administration and Control System – IACS, used as financial management tool for managing the Community and national funds for agriculture for direct payments granted to the vegetal sector, as well as for checking the support applications submitted by the farmers.

Chapter 6 Financing plan

6.1. Annual Contribution from the EAFRD (in EUR)

Year	2007	2008	2009	2010	2011	2012	2013
Total EAFRD	741,659,914	1,023,077,697	1,319,261,544	1,236,160,665	1,234,244,648	1,235,537,011	1,232,563,266
Convergence regions	741,659,914	1,023,077,697	1,319,261,544	1,236,160,665	1,234,244,648	1,235,537,011	1,232,563,266
Amounts resulting from application of voluntary modulation	0	0	0	0	0	0	0

6.2. Financial plan by axis (in EUR total period)

Axis	Public contribution		
	Total public	EAFDR contribution rate (%)	EAFRD amount
Axis 1	3,967,311,581	80.00	3,173,849,264
Axis 2	2,293,413,375	82.00	1,880,598,967
Axis 3	2,473,739,880	80.00	1,978,991,904
Axis 4	235,074,871	80.00	188,059,896
Technical assistance	376,119,793	80.00	300,895,834
Complements to Direct Payments	625,136,100	80.00	500,108,880
Total	9,970,795,600	80.46	8,022,504,745

Chapter 7
Indicative breakdown by Rural Development Measures
(in EUR, total period)

Measure/Axis	Public expenditure	Private expenditure	Total cost
111 - Vocational training, information actions and diffusion of knowledge	119,019,349	-	119,019,349
112 - Setting up of young farmers	337,221,484	-	337,221,484
113 - Early retirement of farmers and farm workers****	0	0	0
114 - Use of advisory services****	0	0	0
121 - Modernisation of agricultural holdings	991,827,895	849,134,147	1,840,962,042
122 - Improving of the economic value of forests	198,365,579	162,299,110	360,664,689
123 - Adding value to agricultural and forestry products	1,071,174,126	1,637,618,058	2,708,792,184
125 - Improving and developing infrastructure related to the development and adaptation of agriculture and forestry	476,077,390	119,019,347	595,096,737
141 - Supporting semi-subsistence agricultural holdings	476,077,390	-	476,077,390
142 - Setting up of producer groups*	138,855,905	-	138,855,905
143 - Providing farm advisory and extension services	158,692,463	-	158,692,463
Total Axis 1	3,967,311,581	2,768,070,662	6,735,382,243
211 - Natural handicap payments to farmers in mountain areas	607,754,544	-	607,754,544
212 - Payments to farmers in areas with handicaps, other than mountain areas	493,083,876	-	493,083,876
213 - Natura 2000 payments, on agricultural land****	0	0	0
214 - Agri-environment payments **	963,233,617	-	963,233,617
221 - First afforestation of agricultural land***	229,341,338	34,269,395	263,610,733
223 - First afforestation of non-agricultural land****	0	0	0
224 - Natura 2000 payments, on forestry land****	0	0	0
Total Axis 2	2,293,413,375	34,269,395	2,327,682,770
312 - Support for the creation and development of micro-enterprises	383,429,681	206,462,136	589,891,817
313 - Encouragement of tourism activities	544,222,774	293,043,032	837,265,806
322 - Village renewal and development, improvement of basic services for the economy and rural population, conservation and upgrading the rural heritage	1,546,087,425	33,130,445	1,579,217,870
341 - Skills acquisition and animation with a view to preparing and implementing a local development	0	0	0

strategy****			
Total Axis 3	2,473,739,880	532,635,613	3,006,375,493
4.1 Implementation of Local development strategies:	171,604,657	74,713,242	246,317,899
411. Improving the competitiveness of the agricultural and forestry sector	57,593,344	53,163,086	110,756,430
412. Improvement of the environment and rural area	22,332,113	1,425,454	23,757,567
413. The quality of life in rural areas and the diversification of the rural economy	91,679,200	20,124,702	111,803,902
4.21 Implementing cooperation projects	4,701,496	797,330	5,498,826
4.31 Running the Local Action Groups, acquiring skills and animating the territory	58,768,718	2,407,394	61,176,112
431-1 Public-private partnership building	11,753,744	2,407,394	14,161,138
431-2. Running costs, skills acquisition and animation	47,014,974	-	47,014,974
Total Axis 4	235,074,871	77,917,966	312,992,837
Total axis 1, 2, 3, 4	8,969,539,707	3,412,893,636	12,382,433,343
511 Technical assistance	376,119,793	-	376,119,793
of which expenditures for the national rural network	18,805,990	-	18,805,990
- (a) running costs	4,701,497	-	4,701,497
- (b) action plan	14,104,493	-	14,104,493
611 Complements to direct payments	625,136,100	-	625,136,100
Total NRDP (without 611)	9,345,659,500	3,412,893,636	12,758,553,136
GENERAL TOTAL	9,970,795,600	3,412,893,636	13,383,689,236

NRDP Budget 2007-2013

* This measure will also support the value related to the period 2009-2011, totalling an amount of Euro 90,364, representing payments for the projects submitted under the SAPARD Programme, measure 3.2 "Setting up producer groups" in accordance with Commission Regulation (EC) no. 248 of 08.03.2007 on measures concerning the Multi-annual Financing Agreements and the Annual Financing Agreements concluded under the SAPARD Programme and the transition from the SAPARD Programme to rural development programmes.

** This measure will also support the value related to the period 2009-2011, totalling an amount of Euro 521,787, representing payments for the projects submitted under the SAPARD Programme, measure 3.3 "Agricultural production methods designed to protect and maintain the rural landscape" in accordance with Commission Regulation (EC) no. 248 of 08.03.2007 on measures concerning the Multi-annual Financing Agreements and the Annual Financing Agreements concluded under the SAPARD Programme and the transition from the SAPARD Programme to rural development programmes.

*** This measure will also support the value related to the period 2009-2011, totalling an amount of Euro 25,098 representing payments for the projects submitted under the SAPARD Programme, measure 3.5 "Forestry", sub-measure "Afforestation" in accordance with Commission Regulation (EC) no. 248 of 08.03.2007 on measures concerning the Multi-annual Financing Agreements and the Annual Financing Agreements concluded under the SAPARD Programme and the transition from the SAPARD Programme to rural development programmes.

**** Measure implemented starting from 2010, the financial allocation of this measure is included within the allocation of axis comprising the measure.

Chapter 8

Additional national financing per axis

Romania does not choose for additional national financing.

Chapter 9

Consistency between the elements needed for evaluation and the competition rules, the list of authorized State aid schemes

A. Romania shall not commit, within the period 2007-2013, an additional national financing (top up) for the measures and activities in the field of rural development, in the meaning of Article 36 from the EC Treaty.

Romania shall benefit, by Annex V, Chapter 3 “Agriculture”, point b of the Accession Treaty, of a 3-year transition period (01.01.2007 -31.12.2009) to sustain the existing State aid schemes from the pre-accession period and to continue their applicability after the accession date.

Annex 5 comprising the List of existing State aids regarding the agriculture and forestry sectors, forwarded by Romania to the European Commission by 1st of May 2007 is enclosed hereto. *“Without impairing the procedures on existing State aids stipulated in Article 88 from the EC Treaty, the aid schemes and the individual aid granted to the activities related to the production, processing and marketing of agricultural products listed in Annex I to the EC Treaty, except fishery products and products derived thereof, which are applied by a Member State before the accession date and are also applicable after this date, should be regarded as existing aids within the meaning of Article 88(1) from the EC Treaty, subject to the following condition: State aid measures must be communicated to the Commission within a 4-month term as of the accession date”.*

The support granted through the NRDP for the measures and operations provided by Article 36 of the Treaty shall not be cumulated with any other state aid in the meaning of Article 87 (1) of the Treaty or with any other Member State contribution, if such a cumulation would lead to exceeding the maximum support intensity stipulated by Regulation (EC) no. 1698/2005.

The list, presented in Annex 5, includes 117 state aid schemes existing in Romania and the measures benefit from the provisions of the “Sun set clause” and are considered “existing”⁹³ state aids, as foreseen by Article 88 (1) of the EC Treaty, until the end of the third year from the accession date.

These aids, if necessary, shall be amended in order to ensure their compliance with the Commission’s Guidelines, up to the end of the third year since accession, respectively the 31st of December 2009. After this date any state aid found not to comply with the Community Guidelines is considered to be a new state aid.

New state aids that are not included in the list of existing State aids or in the NRDP planning, must be notified in accordance with the provisions Article 88 (3) of the Treaty and will follow the specific procedure, being granted only after they are authorized by the Commission or after they are considered authorized .

B. For the measures and activities provided for in the NRDP that are not the subject to Article 36 of the EC Treaty and represent a financial public contribution of Romania as a support complementary to

⁹³ Annex V, pct. 3 Agriculture, (b) Accession Treaty

the Community one, for the success of the measures, Romania shall observe Article 88 of Council Regulation (EC) no.1698/2005, as follows:

- Applies the provisions of Commission Regulation (EC) no. 70/2001 on the application of Articles 87 and 88 of the Treaty to state aid for small and medium enterprises⁹⁴, in accordance with Article 88 of Council Regulation (EC) no. 1698/2005 for articles 26, 28 of the same regulation.
- Applies the provisions of the Guidelines on regional State aids for 2007-2013⁹⁵, points 55, 57.
- Applies the provisions of the Commission Regulation (EC) no. 1998/2006 on the application of Articles 87 and 88 of the EC Treaty to the *de minimis* aid⁹⁶, for art. 53, 54 of the Council Regulation (EC) no. 1698/2005.

The measures for which Article 52 of Council Regulation (EC) no. 1698/2005 applies but are not listed below address the local councils and their associations and hence they are not subject to State aid issues.

⁹⁴ OJ L 10, 13.01.2001, p. 33

⁹⁵ OJ 54, 04.03.2006, p.13

⁹⁶ OJ L 379, 28.12.2006, p.5

C. State Aid Table for the measures not included in the scope of Article 36 of the Treaty Establishing the EC

Measure code	Title of aid scheme	Indication of lawfulness of the scheme (after the approval of the NRDP the <i>de minimis</i> state aid schemes for each measure included in the table will be approved by Government Decision/ MARD minister order)	Duration of the State aid scheme
123	Stimulating the SMEs which process agricultural products in order to obtain foodstuff products, other than those foreseen by Annex I to the EC Treaty, as well as those carrying out processing activities for agricultural products for obtaining and using renewable energy sources and bio-fuels	Regulation (EC) no. 70/2001 regarding the application of Articles 87 and 88 from the EC Treaty to small and medium enterprises. Registration number (EC): XS _____ (the XS number will be subsequently communicated after the forwarding of Annex II – Commission Regulation (EC) 70/2001)	From the date of entrance into force – until 31.12.2008, with the possibility of extension if observing the new Regulation
123	Stimulating micro-enterprises from the primary processing field for wood and non-wood forestry products	Regulation (EC) no. 70/2001 regarding the application of Articles 87 and 88 from the EC Treaty to small and medium enterprises. Registration number (EC): XS _____ (the XS number will be subsequently communicated after the forwarding of Annex II – Commission Regulation (EC) 70/2001)	From the date of entrance into force – until 31.12.2008, with the possibility of extension if observing the new Regulation
312	Support for the creation and development of micro-enterprises	Regulation (EC) 1998/2006 for the application of Articles 87 and 88 from the Treaty to de minimis aid	2007 - 2013
313	Encouragement of tourism activities	Regulation (EC) 1998/2006 for the application of Articles 87 and 88 from the Treaty to de minimis aid	2007 - 2013
322	Village renewal and development, improving basic services for the rural economy and population and upgrading of rural heritage (for the profit generating projects)	Regulation (EC) 1998/2006 for the application of Articles 87 and 88 from the Treaty to de minimis aid	2007 – 2013
41	Implementing local development strategies	Council Regulation (EC) no. 1998/2006 for applying Articles 87 and 88 of the Treaty to de	2007-2013

	minimis aid	
421	Council Regulation (EC) no. 1998/2006 for applying Articles 87 and 88 of the Treaty to de minimis aid	2007-2013
	Implementing cooperation projects	

MARD, through measure 123 shall grant state aid only within the framework of a scheme, not granting individual state aids. The aid allocations from the schemes do not exceed the maximum ceiling of 3,000,000 Euro. Any cases of application of the schemes enumerated above for which, under State aid rules or under conditions and commitments laid down in the respective State aid approved decisions, individual notifications are required, will be notified individually pursuant to Article 88 (3) of the EC Treaty.

Measure 123 “Adding value to agricultural and forestry products” will support SMEs which process agricultural products for obtaining foodstuff products, other than those foreseen by Annex 1 to the EC Treaty, as well as SMEs carrying out processing activities for agricultural products for obtaining and using renewable energy sources and bio-fuels, in accordance with Council Regulation (EC) nr. 994/1998 on applying Articles 92 and 93 of the Treaty Establishing the European Community to different categories of horizontal state aid⁹⁷.

The state aid scheme – “Stimulating the SMEs processing agricultural products for obtaining foodstuff products, other than those foreseen in Annex 1 to the EC Treaty, as well as those carrying out processing activities for agricultural products for obtaining and using renewable energy sources and bio-fuels”, will comply with Commission Regulation (EC) no. 70/2001 on the application of Articles 87 and 88 of the EC Treaty to state aid for small and medium enterprises.

Also, within measure 123, a different state aid scheme shall be applied for the forestry products: “Stimulating micro-enterprises from the primary processing field for wood and non-wood forestry products”, which will comply with Commission Regulation (EC) no. 70/2001 on the application of Articles 87 and 88 of the EC Treaty to state aid for micro-enterprises.

The implementation period of these schemes will start with the date of entrance into force until 31.12.2008, bearing in mind the entrance into force of the new Block exemption regulation that will replace Regulation (EC) no. 70/2001 (which expires in June 2008), which may involve the consolidation or amendment of the aid schemes, in order to ensure their compliance with the new norms.

The contact point between Romania and the European Commission in state aid matters is the Competition Council that, via the Romanian Permanent Representation to Brussels⁹⁸, communicates to the European Commission both the schemes regarding the exemption from notification of certain state aids and, when necessary, the notification of state aid schemes which must be notified according to the provisions of Article 88 (3) of the Treaty.

MARD will monitor the observance of the eligibility conditions and criteria foreseen by the state aid schemes for their entire implementation period and will submit an annual report to the Competition Council regarding their unrolling, in the template provided by the Regulation on the procedures for monitoring state aids, applied by the President of the Competition Council Order no.175/2007⁹⁹.

As regards the rules for granting, cumulation, reporting and monitoring the state aids granted, MARD will observe the legal provisions in force¹⁰⁰.

⁹⁷ OJ L 142, 14.05.1998, p.11

⁹⁸ The provisions of Government Emergency Ordinance no. 117 on the 21st of December 2006 regarding the national procedures for state aid, with its following amendments and completions, published in OJ no. 1042 on the 28th of December 2006

⁹⁹ Published in OJ no. 436/28.06.2007

¹⁰⁰ Council Regulation (CE) no. 994/1998 on the 7th of May 1998 on the application of articles 92 and 93 of the Treaty to certain categories of horizontal state aids

MARD, as state aid granting institution, in accordance with the de minimis rule, through a Minister Order shall set up a de minimis scheme that will comprise both general provisions as well as provisions regarding eligibility criteria and procedural rules.

Thus, MARD, through the MA NRDP and the PARDF will keep track of the granted de minimis aids, and will keep detailed registers regarding individual allocations granted through this scheme, for ten fiscal years since the last aid was granted.

The total value of the de minimis aids granted to the same beneficiary shall not exceed 200,000 Euro, respectively 100,000 Euro for the beneficiary who carries out his activity in the road transportation field, over a three fiscal years period that shall be evaluated on an ongoing basis, in order to ensure that for each new de minimis aid granted the total de minimis value is calculated for the corresponding fiscal year, as well as for the following two years.

Also, in order to avoid the circumvention of the maximum aid intensity foreseen by different Community instruments, the de minimis aids shall not be cumulated for the same eligible costs with any other state aids in the meaning of Article 87 (1) of the Treaty Establishing the European Community nor with any other national or Community support measures, if the cumulation leads to an aid intensity exceeding the level set out for the special conditions of each case, in accordance with the corresponding block exemption regulation or a Commission decision.

Chapter 10

Information on the complementarity with the measures financed by other Common Agricultural Policy (CAP) instruments, through Cohesion Policy as well as by the European Fishery Fund

(Art. 5, 16(h) and 60 of the Regulation (EC) no. 1698/2005)

10.1 Appraisal and means of ensuring complementarity

10.1.1. Evaluation and means of ensuring complementarity with the activities, policies and priorities of the Community, especially the objectives of economic and social cohesion and with the support instrument of the Community for fishery

The NRDP is the instrument implementing the Community's policies regarding agriculture and rural development in Romania during 2007-2013. The National Strategy Plan (NSP), the basis for the NRDP elaboration, underlines the Romanian rural development strategy in the **CAP reform context**. These policies ensure the strengthening of the economic performances resulting from the successful implementation of the strategy, along with the sustainable use of natural resources and environmental protection, maintaining biodiversity, preserving the ecosystems and preventing the desertification.

The general national strategy leads to the implementation of a multi-functional model for agriculture and rural development. The main implementation means for this model consists of promoting a balanced development for rural areas, both from an agricultural point of view as well as from a non-agricultural one.

The strategic vision is compliant with the EU objectives of reducing the development disparities between the EU regions, and similarly, the differences between rural and urban areas. The NSP ensures the fulfilment of the Community Strategic Guidelines for Rural Development 2007-2013 (Council Decision 2006/144/EC), emphasizing the Göteborg sustainable development objectives and the Lisbon strategy for economic growth and job creation.

Relation with the EU policies and priorities

The Rural Development Strategy is compliant with EU priorities, especially those regarding:

- The conservation of **biodiversity, water and soil protection, mitigation of climate changes and air pollution and the use of pesticides**;
- The implementation of **innovation** in the rural area, by introducing new products and processes which envisage new production, management and environmental protection practices which will contribute to the performances of farmers and small entrepreneurs;
- Increasing the efficiency of investments in the production and use of **renewable energy** thus contributing to the reduction of pollution and, implicitly, to **the mitigation of climate changes**;
- **Organic farming** based on the development of production and an internal market for agri-food organic products, by taking into account the Romanian potential for organic farming;
- The development of a competitive agricultural, foodstuff and forestry sector based on knowledge and private initiative, compliant with the Community Strategic Guidelines which aims both the **improvement of professional competences** through investments in the human and physical capital as well as **the restructuring and development of the farms and processing sectors**.

The Common Agricultural Policy comprises a series of measures, several specifically dedicated to rural development. It is important that support is granted for the measures which contribute to the achievement of the **Common Agricultural Policy**.

Furthermore, additionally to the main objectives of the agricultural policy regarding labour productivity in agriculture and providing proper life standards for agricultural producers, a specific attention is ensured for the development of the quality of life in the rural area, for food safety, environmental protection and animal welfare. All these objectives are compliant with the Community's policy objectives.

Chapter 4 of the NRDP details the manner of implementing the measures, reflecting the Community's key strategic objectives.

Coherence with the Romanian National Reforms Programme (NRP)

The NRDP is convergent with the **Romanian National Reforms Programme (NRP)**, documented elaborated in the context of the *European Strategy for Growth and Jobs* (Revised Lisbon Strategy - RLS). This document underlines the reforms the Romanian Government promotes with priority in the **2007-2010** period and provides the framework for integrating the policies on several fields: macroeconomic, microeconomics, labour force employments – into a coherent reforms programme which aims to emphasize and capitalize the synergies between the economic and social field.

The strategic priorities of the NRP to which the NRDP contributes are the following:

- **“Improving the quality of life through the sustainable management of renewable resources and the mitigation of climatic changes”**
- **“Increase of employment and activity rate ”**
- **“Improving the administrative capacity”.**

Coherence and consistency with the National Strategic Reference Framework

The National Rural Development Programme is closely connected, starting with its elaboration, with the national development priorities, set out in the **National Development Plan 2007-2013 (NDP)** and with the European principles and priorities (the Community Strategic Guidelines for Cohesion 2007-2013, the Lisbon Strategy and the Göteborg objectives).

The strategic framework provides the basis for the efficient use of the funds allocated for 2007-2013 from the Cohesion Fund and other European structural funds, being included in the National Development Plan and equivalent with the **National Strategic Reference Framework (NSRF)**.

The Romanian NSRF, approved by the Commission in July 2007, has been elaborated in compliance with the Community Strategic Guidelines for the Cohesion Policy (Council Decision 2006/702/EC) and is, also, based on the Strategic Objectives of Lisbon and Göteborg.

The implementation of the national development strategy foreseen by NDP and NSRF is carried out through the Operational Programmes.

The NSRF comprises four thematic priorities and a territorial one:

- the development of the basic infrastructure at European standards;
- the increase long-term of the Romanian economy competitiveness;
- the development and more efficient use of the human capital in Romania;
- the consolidation of an efficient administrative capacity;
- the promotion of a balanced territorial development.

Under the Convergence Objective, through the NSRF, seven main Operational Programmes will be implemented in Romania:

- ROP: “Regional Operational Programme” (ERDF)
- SOP: “Transport” (ERDF and CF)
- SOP: “Environment” (ERDF and CF)

- SOP: “Increase of economic competitiveness” (ERDF)
- SOP: “Human Resources Development” (ESF)
- SOP: “Administrative Capacity Development” (ESF)
- OP: “Technical Assistance” (ERDF)

Romanian will also benefit from support through the following programmes foreseen by the NSRF, under the European Territorial Cooperation Objectives:

Cross-border cooperation

- OP Hungary – Romania
- OP Romania – Bulgaria
- OP Romania – Serbia
- OP Romania – Ukraine – Moldavia
- OP Hungary – Slovakia – Romania – Ukraine
- OP Black Sea Basin

Trans-national cooperation

- OP South – East European Area

Inter-regional cooperation

- INTERREG IV C
- URBACT II
- ESPON
- INTERRACT II

The total financial allocation from Structural Instruments to the Romanian NSRF is of approximately 19.6 billion Euro for the 2007-2013 period. Its general objective is to reduce the social and economic gaps between Romania and Member States by increasing the GDP with 10-15% by 2015.

The interventions foreseen by the NSRF strategy take into account the need for investments both in rural as well as in urban areas, having in regard their role in regional development and in order to promote the sustainable and balanced territorial development and social inclusion.

The elaboration of the National Rural Development Programme was based on the National Strategy Plan for Rural Development and contributes directly to economic growth and job creation also supporting structural changes in the rural areas, priorities also foreseen by the **NSRF**.

The rural development strategy and its general objectives are in compliance with the Lisbon Strategy and with the Göteborg objectives, especially through economic growth and job creation in the rural area, through the support for less favoured areas, investments in environmental protection, ensuring the compliance with European standards and encouraging investments for increasing the competitiveness of the agricultural and foodstuff sector.

Also, together with the operational programmes, the NRDP aims to develop alternative economic activities which will contribute to the sustainable development of the rural area.

The **7.5 billion Euro allocated from the EAFRD for the NRDP** together with the Structural Instruments for Romania and the approximately 231 million Euro from the EFF allocated to the Fishery Operational Programme will contribute to the achievement of the common strategic priorities of Göteborg and Lisbon.

The coherence and consistency between the NRDP and NSRF objectives envisages the homogenous and sustainable development of all Romanian rural and urban areas and the elimination of any possibility of double financing.

Having in regard the Romanian policy objectives for rural development, to increase the attractiveness of the rural area from an economic, social and environmental point of view and the emphasis on basic services and the development of the business in the rural area, the correlation between the NSRF and the NRDP is obvious.

Clear demarcation principles and criteria as well as the coherence between the NRDP and the Operational Programmes are detailed in **sub-chapter 10.2**

Coherence and consistency with Operational Fishery Programme

The NRDP ensures the consistency and coherence with the objectives of the **Fishery Operational Programme**, supported through EFF and based on the Lisbon and Göteborg Strategy, which promotes a modern, dynamic and competitive aquaculture sector and ensures a sustainable fishery sector.

Strategic objectives of OP-Fishery:

- Modernization and maintenance of a minimum fishing fleet for the sustainable operating of aquaculture resources of the Black Sea;
- Development of the competitiveness of aquaculture units, of fishing in the inner waters and the diversification of fishing products offered in terms of food security and quality;
- Setting up a basis for the development of the specific infrastructure to increase competitiveness, taking into account the reorganization of the fishing sector;
- Sustainable development and improvement of the living standard within fishing areas.

The two programmes will support the growth of sector competitiveness, also ensuring, in a balanced manner, the observance of the environmental protection specific requirements, social development and economic welfare.

Coordination mechanisms

The National Coordination Committee

The National Coordination Committee (NCC), presided by the Ministry of Economy and Commerce, is the decision making factor which ensures the coherence and complementarity between the funds from the Structural Instruments and those from the EAFRD and EFF. The NCC consists of the responsible factors for all institutions designated as Managing Authorities for the Operational Programmes supported by Structural Instruments, as well as of the institutions designated as Managing Authorities for the NRDP and Fishery Operational Programme. The NCC will meet four times during an implementation year, or any times necessary. The representatives of the European Commission may be invited to attend NCC reunions, with a consultative purpose.

Directly subordinated with the NCC is the National Management Committee for the Coordination of Structural Instruments. The Management Committee is presided by the Authority for the Coordination of Structural Instruments (ACSI) and will meet on a monthly basis or any times necessary. The members of the Management Committee are responsible factors for Managing, Certification and Payment Authorities for the Operational Programmes supported through the Structural Instruments, as well as the responsible factors for the **Managing Authority for the NRDP**, from the Ministry of Agriculture and Rural Development and of the Managing Authority for OP – Fishery from NAFA.

The Managing Committee will ensure regular technical meetings in order to address the management problems for all EU programmes including complementarity issues between the Structural Instruments, EAFRD and EFF. Only the aspects which can not be solved within the Management Committee will be forwarded to the NCC. The Management Committee will set up Operational Working Groups for the detailed analysis, when necessary, of the cross – cutting policy and management themes.

During the preparatory phase of the NRDP, MARD debated during the ACSI meetings the manners and demarcation lines with the Operational Programmes, also bearing in mind a proper implementation that can ensure the efficient unrolling of funds and can respond to structural and territorial needs.

The coherence and consistency with the Operational Programmes' intervention, specifically SOP HRD, was also taken into account.

At the same time, during the preparatory phase of the programming documents, an inter-institutional coordination process was launched having direct effects on the implementation. Thus, a series of protocols envisaging, on one hand, an ongoing data exchange between MAs and the Implementing

Bodies, and ensuring the compliance of investments with the legal provisions in force, on the other, were signed.

The National Strategic Committee for Rural Development

The inter-institutional coordination during the preparatory stage for the NSP and NRDP was ensured through the National Strategic Committee for Rural Development (NSCRD) set up by the Memorandum from the 17th of March 2005. It is presided by the Minister of Agriculture and Rural Development and comprises the representatives of other ministries and agencies, representatives of NGOs from fields related to rural development, representatives of high education and research institutions from the following fields: agriculture, forestry and rural development. The NSCRD met three times until the end of 2007, issuing a series of recommendations concerning the implementation of the strategy and decisions regarding the NSP revisions. Several of its members shall be involved in the NRDP Monitoring Committee.

At regional level (NUTS 2), eight Regional Committees for Strategic Evaluation and Correlation (CRESC) will ensure the coherence of the projects' development flow, as well as the synergy between the projects financed through EAFRD, EFF and the Structural Instruments in the designated regions. The CRESC has a double function. As part of the management system for ROP, these committees will meet on a monthly basis in order to examine all the projects submitted for ROP as well as to issue recommendations regarding their financial allocation and correlation with other relevant programmes, including, where necessary, the NRDP and EFF. Every three months, the CRESC meetings will have a general role in promoting the synergy and coordination between all EU Programmes at NUTS 2 level and ensures the ongoing information exchange between regional partners.

The MARD and NAFA representatives are invited to attend these quarterly meetings of the CRESC full-right members, together with ACSI representatives and other involved bodies. Thus the CRESC will carry out the role assumed through the NSRF, as Regional Coordination Committee.

Also, the NRDP provisions request, on different segments, the involvement of different regional bodies in order to ensure an efficient integrated approach from a technical, economic and social point of view.

10.1.2. Evaluation and means of ensuring complementarity with measures financed through the European Agricultural Guarantee Fund or by other instruments

Pillar I of the Common Agricultural Policy (CAP) financed by the European Agricultural Guarantee Fund (EAGF) is the base of the direct payments and market measures. It is complementary to Pillar II of CAP financed by EAFRD that supports rural development and environment improvement. Actions implemented by the two pillars of CAP are tightly linked and complete each other.

Starting with 2007, Romania will implement the scheme of direct payments – SAPS (Single Area Payment Scheme) that shall contribute to the practice of a competitive, sustainable and market-oriented agriculture. Thus, farmers shall receive subsidies granted by the EU for which they have to fulfil the eligibility conditions. The granting of SAPS is conditioned by the observance of the cross-compliance requirements, i.e. the maintenance of the agricultural land in good agricultural and environmental conditions. Such requirements are complementary to certain actions supported by Pillar II, the objective of which is the application of environmental practices in areas with a high natural potential (such as Natura 2000) or in less favoured areas (LFA).

Direct payments shall enable agricultural producers to earn larger incomes and hence to ensure the enhancement of the possibility of co-financing for investments that may be achieved by Pillar II.

Non-observance of the cross - compliance requirements will determine a corresponding reduction of the support stipulated in such scheme.

The improvement of knowledge on cross - compliance requirements is accomplished by supplying vocational training, informing and disseminating knowledge, as well as by using advisory and consultancy services, measures supported by Pillar II.

The measures included in the National Rural Development Programme stipulating investments in agricultural holdings do not overlap with the actions accomplished by Pillar I of the Common Agricultural Policy related to the support for production granted to the sectors: fruits and vegetables, wine, tobacco, olive oil, hops, bovines, sheep and goats, apiculture and sugar, sectors the list of which is presented in Annex I of Regulation (EC) no. 1974/2006.

In order to avoid double financing, a protocol will be signed by the two paying agencies (the Paying Agency for Rural Development and Fishery and the Paying and Intervention Agency for Agriculture) which will lay down the verification manner for the agricultural holdings which benefit from the support schemes foreseen by Article 2 (2) and Annex I of Council Regulation (EC) no. 1974/2006. The demarcation lines with Pillar I are detailed in Chapter 5, sub-chapter 5.2.5.

Thus, the National Rural Development Programme 2007-2013 contributes to the achievement of an important objective of the Common Agricultural Policy reform starting with 2003, which aims the **carrying out of investments** and the observance of Community environmental, food safety, quality, animal hygiene and welfare standards, etc. By introducing direct payments, **decoupled from production**, the farmers are encouraged to use this support in order to respond to market demands by obtaining the products solicited by consumers, while observing the environmental, food safety, animal and plant health conditions as well as the good agricultural practices (“cross-compliance”).

The interactions of the two funds – EAGF and EAFRD - are essential for improving competitiveness and for a sustainable development of the EU agricultural sector.

10.2. Compliance with the measures of Axes 1, 2 and 3 of NRDP

10.2.1. Demarcation of EAFRD – Structural instruments

Ensuring the demarcation and complementarity between EAFRD and the Structural Funds on the one side, ensuring territorial coverage for types of actions and of potential beneficiaries and facilitating access to the different funds, and on the other, ensuring of the most efficient implementation system that shall lead to a better management and finally to a balanced and sustainable development.

For such purpose, both the measures of NRDP and those of Operational Programmes contribute to the horizontal Community priorities in regard to equality of opportunity, sustainable development and the IT society. In order to ensure a clearer overview on the demarcation of EAFRD with the structural instruments, see Annex 6- “Complementarity between EAFRD and the structural funds”.

The intervention of EAFRD imposes the setting up of the demarcation from the Structural Instruments in the context of each Operational Programme (OP). Thus, in order to avoid possible overlaps of the support, the scope (at the level of axis 1), the type of intervention (at the level of axis 2) and the scope (at the level of axis 3) were considered as a demarcation principle.

For a series of measures of Axis 1, Axis 2 and Axis 3 besides the above-mentioned criteria other specific demarcation criteria were considered, as follows:

- The demarcation of the EAFRD, ERDF and CF intervention on the **transport infrastructure** is based on the classification of roads, as stipulated in the national legislation, as follows:
 - EAFRD (NRDP)
 - Axis 3, through measure 322, shall support the investments related to the public property roads network of local interests belonging to a administrative unit (commune) found on its territory, as defined and classified in the national legislation in force;
 - Axis I, through measure 125, shall support the investments for farm access roads and forestry roads, which are of private utility and are managed by legal or natural persons who own them or are responsible for their management, in accordance with the national legislation in force.
 - ERDF (ROP) shall support the investments related to the county roads and urban streets;
 - ERDF (SOP Transport) will support the investments related to national roads;

- CF (SOP Transport) shall support the investments related to TEN-T network.
- The demarcation of the EAFRD, ERDF and CF support for the ***water/used water infrastructure*** is based on the Regional Master Plans issued by MESD:
 - The NRDP (EAFRD) shall finance the water/waste water infrastructure projects from rural localities with under 10,000 equivalent population (e.p.), except rural localities which are included in the Regional Projects financed under SOP Environment (ERDF, CF) and the water/waste water infrastructure projects for Spa resorts from the rural area which will be supported by ROP (ERDF).

Furthermore, in order to ensure that this demarcation is clear for the beneficiaries, the list with the rural localities under each programme will be made available to them.

Thus, the support granted through the NRDP, SOP Environment and ROP is complementary, the demarcation being guaranteed by the protocol signed by the MAs.

- The demarcation between EAFRD, ERDF and the CF regarding ***the waste management***:
 - As regards waste management, during 2007-2013 ERDF and the CF (SOP Environment) shall support the investments for developing integrated management systems at county level which will also cover rural localities from the counties supported through SOP Environment and annexed to this programme;
 - EAFRD (measure 322 – Axis 3 of the NRDP) shall support the investments in waste transfer stations¹⁰¹ and related management equipment in the rural localities from other counties than those supported by SOP Environment, while observing the Regional Waste Management Plans.
- The demarcation of the intervention (EAFRD and ERDF) for the ***prevention of floods***:
 - EAFRD (NRDP – Axis 1) shall support the investments for the constructions and modernization of works of protecting agricultural and forestry lands against floods along the brooks from areas with risk of floods and affected by floods;
 - CF (SOP Environment) shall support major investments in the prevention of floods along the national rivers, investments that shall be accomplished by the National Authority “Apele Române” (Romanian Waters).
- The demarcation of the intervention (EAFRD and ERDF) for ***nature protection***

The support granted through EAFRD (NRDP – Axis 2) targets the granting of compensatory payments for the users of agricultural lands located within the areas assigned by Natura 2000 and aims at the compensation of disadvantages specific to the assigned areas due to implementing Directive 79/409/EEC on the preservation of wild birds and Directive 92/43/EEC on the preservation of natural habitats and wild species of flora and fauna, contributing to the effective management of the Natura 2000 sites. This type of support underpins the implementation of the European network of areas protected by Natura 2000, being complementary to the intervention in the field of preserving biodiversity. For such purpose, the preservation measures included in the management plans elaborated in the context of the ERDF intervention (SOP Environment by priority axis 4) are promoted and sustained by the support granted for rural development.

- The demarcation of the EAFRD and ERDF intervention for the ***production of electric/thermal energy out of renewable sources***:

¹⁰¹ Transfer stations - installations used for the transfer of waste or for the waste storage for short terms following that to be load by compression in the pres-container and transported in order to be recycled, treated or eliminated.

- **EAFRD (NRDP)** shall support:
 - enterprises (micro-enterprises, small and medium enterprises and intermediary ones¹⁰²) that process agricultural products listed in Annex 1 to the Treaty, and:
 - produce bio-fuels for transport (Axis 1);
 - obtain and use energy from **bio-fuels** only in the productive process (as part of the project) (Axis 1);
 - obtain and use energy from **other renewable sources** only in the productive process (as part of the project) (Axis 1).
 - micro-enterprises from the rural area that obtain and use energy from **other renewable sources** only in the productive process (as part of the project)(Axis 3).

- **ERDF (SOP-EEC)** shall support:
 - enterprises (SMEs', intermediary and large enterprises) that produce electric/thermal energy from bio-fuel (except enterprises that process agricultural products stipulated in Annex 1 to the Treaty);
 - enterprises obtaining energy from **other renewable sources** (except both enterprises that process the products from Annex 1 to the Treaty and micro-enterprises from the rural area).

- The demarcation regarding the intervention of EAFRD and ERDF on the support granted to *SMEs' for productive activities*:
 - **EAFRD (NRDP)** shall support:
 - Micro-enterprises involved in the processing of agricultural and forestry products (up to timber) throughout the territory of the country (Axis 1);
 - Micro-enterprises from the rural area **carrying out non-agricultural activities and wood processing activities starting with the timber stage, except** micro-enterprises that obtain foodstuff products as well as high-tech spin-off micro-enterprises¹⁰³ (Axis 3);
 - Small and medium enterprises carrying out productive activities in processing agricultural products and SMEs and micro-enterprises from the sector of the food industry (Axis 1);
 - Intermediary enterprises carrying out productive activities in processing agricultural products and intermediary enterprises from the food industry sector (Axis 1).

 - **ERDF (SOP EEC)** shall support:
 - Micro-enterprises of the high-tech spin-off type throughout the territory of the country, except the ones that carry out processing activities of agricultural and forestry products;
 - Small and medium enterprises carrying out productive activities, except those involved in the processing of agricultural products and in the food industry;
 - Intermediary and large enterprises carrying out productive activities, except those involved in the processing of agricultural products and in the food industry;

 - **ERDF (ROP)** shall support:
 - Micro-enterprises in the urban area except those carrying out activities of processing agricultural and forestry products and except the high-tech spin-off ones;
 - Small and medium enterprises carrying out tourism activities.

¹⁰² Intermediary enterprises are defined according to Regulation (EC) no. 1698/2005, art. 28 (3), as those enterprises that have below 750 employees

¹⁰³ Micro-enterprises carrying out their activities on basis of the results of the R&D activities obtained by universities or R&D institutes)

- The demarcation in regard to the intervention of EAFRD, ESF and ERDF regarding **consultancy services**:
 - EAFRD (NRDP - Axis 1) support the actions of consultancy granted to those involved in agricultural, forestry and agri-environmental activities;
 - ESF (SOP HRD) grants advisory services to those who want to acquire skills of entrepreneurs and managers and are not involved in the above-mentioned fields.
 - EFDR (SOP-EEC) offers consultancy services for entrepreneurs with the purpose of developing of the business infrastructure of national importance and for the integration of enterprises in clusters and production chains.
- The demarcation in regard to the intervention of EAFRD and ERDF regarding **guarantee funds**:

EAFRD (NRDP – Axis 1) supports the guarantee funds for the granting of guarantees to farmers and agricultural and forestry activities carried out by them, including agri-food activities and small scale businesses from the rural area in accordance with the scope of the NRDP;

 - ERDF (SOP) supports the guarantee funds ensuring guarantees for the development of the business, **except** farmers and the agricultural and forestry activities carried out by them, the agri-food activities and the small scale businesses from the rural area.
- The demarcation regarding the intervention of EAFRD and ERDF on the **management of standards**:
 - EAFRD (NRDP- Axis 1) shall support the assurance of the quality and food safety standards and of environment standards in compliance with the intervention field;
 - ERDF (SOP EEC) shall support the voluntary adoption of standards and European certification for quality and environment, as well as improving the certification infrastructure.
- The demarcation of the intervention of EAFRD and ERDF on the **tourism infrastructure** shall be performed, as follows:
 - **EAFRD (NRDP – Axis 3)** shall support:
 - projects for investments in tourism accommodation and related leisure infrastructure initiated by micro-enterprises and projects **for small scale**¹⁰⁴ public tourism infrastructure within the rural area while observing the ceiling set out in measure 313, except projects from Spa resorts;
 - local centres for tourism information and promotion within the rural area.
 - **ERDF (POR)** shall support:
 - projects of tourism infrastructure in the urban area, as well as in Spa resorts (within the rural and urban area);
 - **large scale investments**¹⁰⁵ in tourism infrastructure in the rural area, the total cost of project being of minimum 1,500,000 Euro;
 - national centres for tourism information and promoting within large tourism areas.

¹⁰⁴ The private investments carried out by micro-enterprises in the leisure infrastructure and tourism accommodation having up to 15 rooms, while observing the maximum public aid ceiling of 200,000 Euro/project and public investments in the tourism infrastructure, observing the same maximum public aid ceiling of 200,000 Euro/project.

¹⁰⁵ Private and public investments (except investments carried out by micro-enterprises) in tourism infrastructure with a total value exceeding 1,500,000 Euro/project

- The demarcation regarding the intervention of EAFRD and ERDF for the **cultural patrimony** shall be performed, as follows:
 - **EAFRD (NRDP – Axis 3)** shall support the local cultural patrimony from the rural area – group B¹⁰⁶
 - **ERDF (ROP)** shall support:
 - the UNESCO patrimony and the national cultural patrimony - group A¹⁰⁷
 - the local cultural patrimony from the urban area- group B.
- The demarcation and coherence regarding the intervention of EAFRD, ERDF and ESF on investments **in the infrastructure related to social services**:
 - **EAFRD (NRDP Axis 3)** shall support **the first set up and endowment** of the infrastructure related to social services from the rural area (care centres for children, elderly and persons with special needs);
 - **ERDF (ROP)** shall support the rehabilitation of the existent social infrastructure;
 - **ESF (POS HRD)** shall support the social inclusion actions, thus ensuring the **coherence** with the NRDP intervention.
- The demarcation and coherence of the EAFRD and ESF intervention regarding **vocational training**:
 - **EAFRD (NRDP – Axis 1)** shall support actions of short-term vocational training for those involved in agricultural, forestry and agri-environmental activities without acquiring a qualification;
 - **ESF (SOP HRD)** shall support:
 - actions of vocational training of the persons involved in the non-agricultural sector and of farmers to reorient to other activities, ensuring the coherence with the investment measures from the non-agricultural sectors of Axis 3;
 - actions of vocational training through vocational schools and high schools, inclusively school units specialized in the field of agriculture and forestry.
 - **ERDF (ROP)** shall support investments in the educational infrastructure.
- The coherence of EAFRD and ESF regarding **early retirement**:
 - **EAFRD (NRDP - Axis 1)** will support early retirement, as a specific measure, aiming to increase the competitiveness of the agricultural field through the assignment of agricultural holdings from older farmers to younger farmers, taking into consideration that older farmers are not exhibiting the necessary dynamism in the field. Moreover the innovation and entrepreneurial capacity is low as a result of poor training and capability levels;
 - **ESF (SOP HRD)** shall support active aging in other sectors than the agricultural one.

The investments regarding the rehabilitation of the **educational** (schools) and **health infrastructure**, as well as the investments for **internet connection** shall be supported through Structural Instruments, while the NRDP (Axis 3, measure 322) shall support **new investments** for constructing kindergartens in the rural area.

¹⁰⁶ In accordance with the List of Historic Monuments, approved by the Order of the Minister of Culture and Cults no. 2314 / 8 July 2004, published in the Official Journal of Romania, Part I, year 172 (XVI), No. 646 bis from 16th of July 2004

¹⁰⁷ In accordance with the List of Historic Monuments, approved by the Order of the Minister of Culture and Cults no. 2314 / 8 July 2004, published in the Official Journal of Romania, Part I, year 172 (XVI), No. 646 bis from 16th of July 2004

10.2.2. EAFRD – EFF Demarcation

- EAFRD (NRDP) targets persons involved in agricultural, forestry and agri-food activities throughout the territory of the country and non-agricultural ones within the rural areas, except those whose basic activity is fishery and aquaculture.
- FEP (FOP) targets the promotion of a competitive, dynamic, modern fishery sector and the ensuring sustainable fishery, targeting only the persons involved in this sector.

The demarcation is thus ensured both by type of beneficiary as well as by type of supported activity.

10.3. Conformity with the measures of Axis 4

Demarcation criteria for the local development strategies in relation with those financed under the EFF and demarcation criteria for cooperation activities financed by other Community funds

10.3.1. EAFRD-EFF Demarcation

SOP – Fisheries (European Fisheries Fund) will finance within Axis 4 “Sustainable development of fishing areas” actions similar to the EAFRD as far as the development of the local community is concerned by implementing strategies of local development. EFF aims at achieving economic recovery and enhancing competitiveness in the fishery sector, encouraging sustainable development, improving life quality in fishing areas.

Since axis 4, both from EAFRD and EFF will support the development strategies implemented by either by LEADER Local Action Groups or by EFF Axis 4 Groups in a certain territory, it is necessary to establish demarcation lines between the aid granted for rural development and that granted to the fishery sector.

It is possible for a LEADER area to be totally or partially overlapping with a fishing area supported under the axis 4 of EFF, being impossible to draw up a delimitation based on geographical criteria. To be selected, a LEADER area has to fulfil the eligibility and selection criteria described in the measure fiche, in Chapter 5.3.4.1. If a LEADER Group is formed based on an existing EFF Axis 4 group, the same administrative support structure can be used to implement both EU funds. This would imply that the common operating costs will be shared (proportionally) between the LAG and the EFF Axis 4 group. Due to possible geographical overlaps between a LAG and EFF Axis 4 group, a clear separation of funds will be made, such as:

- distinct strategies (the strategies financed by EFF are always related to the fishery areas, sectors or workers while the strategies financed by EAFRD will not target fishery activities or actors);
- partnerships – the composition of the partnership of the LAG and of the EFF Axis 4 group will be different. In this respect the LAG should mostly comprise actors involved in rural development (outside the fishery sector) while the groups financed by Axis 4 of EFF will mostly comprise actors coming from the fishery sector.
- distinct project selection committees – the composition of the decision-making bodies of the partnerships will be different.
- separate book keeping and distinct financial and accounting circuits.

10.3.2. Demarcation EAFRD – Cooperation Programmes funded by European funds

(cooperation programmes at the internal borders of EU and cooperation programmes at the external borders of EU)

The applicants for the cooperation projects should specify in the financing applications if they have applied for other funds in order to finance the respective activities. In order to avoid the double-

financing, the Managing Authority for NRDP will ensure a proper consultation with other managing authorities, before the selection of projects. In this sense, in the Selection Committee for the NRDP projects, representatives of the authorities managing the European territorial cooperation programmes will be invited to participate, and also a representative from the Managing Authority for NRDP will take part to the reunions of the Selection Committee / Mixed Monitoring Committee for European Territorial Cooperation Programmes.

In the case of demarcation between NRDP and Operational Programme for Cross-Border Cooperation Romania – Bulgaria, it was stated that “in the cross-border area, NRDP will support the private investments and OP CBC Romania-Bulgaria will support the public investments and those of the NGOs”.

An official list of potential LEADER projects shall be available for the permanent consultation with other authorities involved in implementation of Community funds in order to avoid possible overlapping.

10.4. Information on the complementarity with other Community financial instruments

The main Community financial instrument used in Romania is the PHARE programmes. The objective of these programmes is the preparation of Romanian agriculture for EU Accession in regards to administrative and management capacity in the context of the Common Agricultural Policy and particularly in rural development.

Some projects currently planned on the PHARE 2005 and 2006 will support the implementation of the NRDP and, in this context, will ensure the complementary within the programme.

Relation with existing TA projects:

Phare 2005- “Development of an IT software dedicated to the management and the payment from the NRDP”

Phare 2005- “Training of the staff of the institutions in designing and implementation of the Rural Development and the Fishery Operational Programmes and of potential beneficiaries.”

Objective: The project will improve the professional skills and knowledge of the staff involved in the implementation of the RDP and competences of the stakeholders involved in the implementation of the RDP and FOP (Monitoring Committees Members) and of the potential beneficiaries.

Component 1 and 2 – Training the staffs of PIAA, PARDF on NRDP area-based measures (Less Favoured Areas, Agri-environment and afforestation measures): application procedures, implementation of administrative controls, sanctioning, authorisation of payments and reporting, including the use of the IACS database.

Component 3 – Training of the NRDP monitoring committee members.

Component 4 – Training of staffs of PARDF on NRDP investment measures: application procedures, implementation of administrative, financial and technical controls, sanctioning, authorization of payments, reporting and implementation of field inspections (on spot checks).

Component 5 – Training of NRDP’s Managing Authority staffs regarding measures implemented directly by the MARD: application procedures, implementation of administrative controls.

Component 6- Training of FOP’s Managing Authority staffs on the implementation of the measures.

Component 7- Launching the first communication projects (seminars at national and regional level)

Phare 2006- Project dedicated to the stakeholders of the NRDP and FOP, aiming to improve the communication and information and reinforce the local governance;

Objective: The project aims at ensuring the proper absorption of EAFRD and EFF and to increase the number of mature project proposals. The project is based on a detailed knowledge of programme activities aiming at creating the conditions for ensuring a correct and sound absorption of the EAFRD and EFF.

Component 1- Drafting strategic and operational communication plans and financing according to the launching of communication campaign: brochures, broadcast, leaflets, and website.

Component 2: Drafting the Terms of Reference for the Romanian rural network and training the stakeholders on rural network activities.

Component 3: Supporting the MA to implement the LEADER axis and training the MA staffs at national and local level.

Component 4: Supporting the MA to implement the measures remaining under its responsibility in addition to Component 5 of PHARE 2005.

Phare 2006-“Support the rural development’s Managing Authority to launch its national rural development programme covering the period 2007-2013 and to optimize the implementation of the technical assistance measure”:

Objective: The project aims to facilitate the implementation of the NRDP in order to ensure a high rate of EAFRD fund absorption, in due time, by good quality projects and to plan the use of technical assistance funds in order to enhance the management capacity of the NRDP over the first 3 years of the Programme’s implementation.

Component 1- Drafting strategic and operational technical assistance plans and supporting the MA accordingly to draft the ToR of the first TA project planned on the TA measures of the NRDP.

Component 2: Supporting the MA to perform the first monitoring and evaluation tasks for the NRDP according CMEF requirements and training the staffs.

Component 3: Supporting the MA to perform the activities dedicated to the control of management quality aiming to control the tasks delegated to PARDF.

No project is planned on the **Transition Facility**.

All the activities already planned on the different components of the Phare projects mentioned above will not be financed by the technical assistance measure of the NRDP. Also, the activities financed by the Technical Assistance measure will not be financed by other national or Community programmes.

Information on the complementarity with other multilateral and national financial instruments

- ✓ Demarcation EAFRD (NRDP) and **World Bank** (“Modernizing the Agricultural Knowledge and Information System” Project - MAKIS):
 - The “Modernizing the Agricultural Knowledge and Information System” Project – MAKIS will grant support for improving the competences of researchers, agricultural consultants and food safety inspectors in order to ensure assistance to farmers and processors regarding the relevant requirements of the European Union;
 - EAFRD (NRDP Axis 1) shall grant agricultural consultancy to farmers free of charge, consultancy which will be provide by selected public and private bodies.
- ✓ Demarcation NRDP – **IBRD** in what concerns the Forestry Development Project

- Regarding Forestry, the Forestry Development Project for the rehabilitation and extensions of forestry roads component, the investment volume is around 12.7 million USD which means 80% loan from IBRD and 20% NFA Romsilva.
- ✓ Demarcation NRDP – **CEDB** in what concerns the management of torrential basins and forestry road reconstruction from the areas with a major risk of flooding
 - Regarding the Project concerning the management of torrential basins and forestry road reconstruction in the areas with a major risk of flooding in Romania 2006-2009, the cost is appraised to 71.4 million Euro, 48 millions Euro from CEDB loans, 12 million Euro from the state budget and 11.4 millions Euro from NFA Romsilva sources (representing the value of VAT).

Both for the Forestry Development Project and for the Project concerning the construction of torrential basins and forestry road reconstruction in the area with a major risk of flooding, the financing addresses the achievement of the objectives of the public property state forests administered by the National Forest Administration-Romsilva, and the list of investments already carried out or ongoing will be available to the PARDF in order to check for potential overlaps.

- ✓ Demarcation EAFRD (NRDP) and the **World Bank – Rehabilitation Project for the Irrigation Sector**

The value of the loan granted by the World Bank through this project is of 80 million USD and its main objectives are: restructuring the institutions responsible for irrigations – National Agency for Land Consolidation / National Society for Land Consolidation and rehabilitating a part of their irrigation system. The support granted through the World Bank project foresees investments in the irrigation infrastructure of the National Agency for Land Consolidation (state society), namely: consolidating the Danube dikes, modernizing the pumping and water collection stations used for irrigations, while the NRDP support is addressed to investments for the irrigation plots which are being managed by the Association of Water Users for Irrigations, the demarcation being ensured according to the beneficiary.

- ✓ Demarcation EAFRD (NRDP) and the **World Bank (“Rural Development” Project)**

The project unrolled by the World Bank during 2001-2007, financed investment projects (roads and drinking water systems) in 100 communes from 5 counties selected as the poorest (Botoșani, Tulcea, Călărași, Dolj and Sălaj). The total value of the loan was of 40,000,000 USD and the value/project was up to 200,000 USD. Even though this project, financed by the World Bank, was finalized in December 2007, in order to avoid the double financing of the same investments in the same location, a list of World Bank projects will be available to the Paying Agency for Rural Development and Fishery.

- ✓ Demarcation EAFRD (NRDP) and the **World Bank (“Rural Financing” project)**

The 80 million USD loan granted by the World Bank was allocated for credits, micro-credits and leasing activities needed for financing the productive activities from the rural area, as well as for technical assistance for banks. The system is similar with the one used in the Farmer Programme. The amounts have been allocated, the project concluding at the end of 2007. There is no possibility of overlapping with the EAFRD.

- ✓ Demarcation EAFRD (NRDP) and the **World Bank - The Agricultural Pollution Control Project for Romania**

The World Bank project envisages the use of environment-friendly agricultural practices in the project area and thereby to reduce nutrient discharge from agricultural sources in to the Danube Delta and Black Sea. There are three main components, the first having four sub-components:

- 1) provides support for the improvement of adequate manure storage facilities, equipment for manure collection and the application in 7 communes;
- 2) promotes the adoption of good agricultural practices to improve agricultural production while reducing nutrient discharge from agriculture;
- 3) develops and supports a specific land use management system for the Boianu-Sticleanu Polder and ecological restoration of the Calderasi-Raul Polder;
- 4) strengthens the institutional capacity in Calarasi county by:
 - supporting the public health directorate to monitor soil and water quality and environmental impacts;
 - strengthening national policy and implementing capacity;
 - financing a broad public information campaign for all these activities at local, national, and regional levels, to achieve the results set through project.

Total value of the project was 10.8 million USD. This project started in December 2001 and ended in June 2007. There is no overlap with FEADR and as regards component 1, on the support granted for installation needed for proper storage of manure, equipment for manure collection and application, the list of 7 communes will be available to the PARDF in order to avoid double financing of the same investments.

✓ Demarcation EAFRD (NRDP) and the **Romanian Fund for Social Development (World Bank) – Priority Interventions Programme (PIP)**

During 2007-2011, the Priority Intervention Programme (PIP) will provide financing for about 100 of the poorest localities in Romania, mostly inhabited by Roma people, in order to address the most stringent **infrastructure** and social services problems.

PIP is one of the four components of the Social Inclusion Programme (SIP), which aims to improve the living conditions and to increase the social inclusion level for the most vulnerable categories of persons of the Romanian society. The eligible applicants for the World Bank Programme are the city halls of communes or cities which belong to the 120 eligible communities. The component which presents a risk of overlapping between the PIP and NRDP is the infrastructure investments, and the demarcation will be carried out based on the list of projects financed by the World Bank, which will be available to PARDF.

- ✓ Demarcation EAFRD (NRDP) – State Budget (National Programme for Restoring Cultural Establishments):
- the National Programme for Restoring Cultural Establishments shall finance the new investments (construction and endowment) for the cultural establishments in the rural area;
 - measure 322 “Village renewal and development, improving basic services for the economy and rural population and upgrading the rural heritage” of the NRDP shall support the restoration, modernization and endowment of the existing cultural establishments from the rural area.

Chapter 11

Designation of competent authorities and bodies responsible

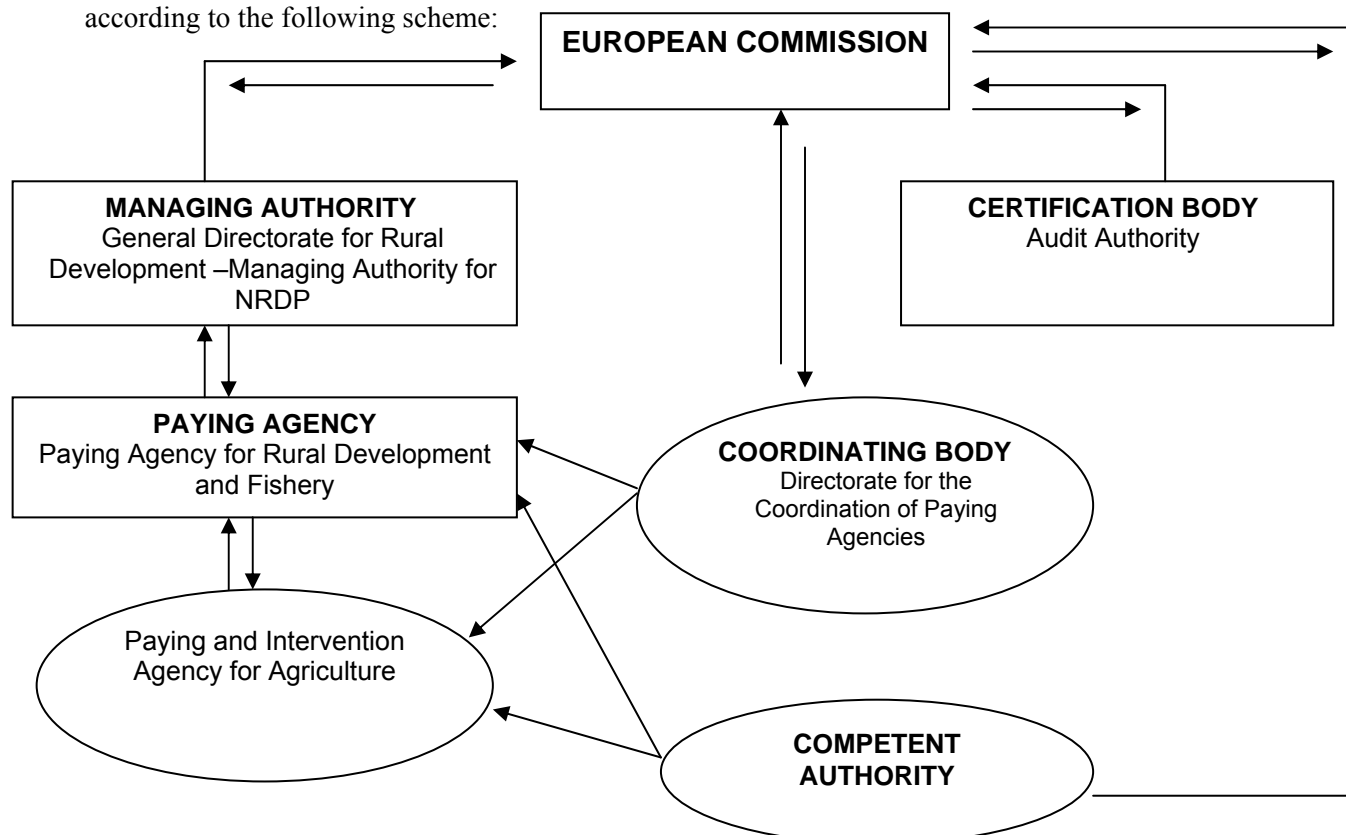
In accordance with the provisions of art. 74 of Council Regulation no. 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development, the Member State must set up the legal, statutory and administrative framework in order to ensure that the financial interests of the European Community are efficiently protected. The institutional administration, control and implementation system for Romania comprises:

- The Managing Authority, represented by the Ministry of Agriculture and Rural Development – General Directorate for Rural Development – is responsible with the Programme’s implementation and management (GDRD-MA NRDP);
- The accredited Paying Agency, represented by the Paying Agency for Rural Development and Fishery – is responsible with the paying function (PARDF);
- The Certification Body, represented by the Audit Authority, set up within the Romanian Court of Accounts– is responsible with certifying the truthfulness, completeness and accuracy of the accounts of the accredited Paying Agencies;

Having in regard that in Romania, for the unrolling of Community funds two paying agencies are active, respectively the Paying Agency for Rural Development and Fishery for EAFRD and EFF and the Paying and Intervention Agency for Agriculture for EAGF, the Coordinating Body, has been set up as the single interlocutory of the two agencies with the European Commission.

The accreditation of the paying agencies and the coordinating body falls within the responsibility of the Competent Authority, set up within the Ministry of Agriculture and Rural Development.

The development of the national system for the implementation of EAFRD is based on the institutional structure and the legal framework created to implement the SAPARD Programme, according to the following scheme:

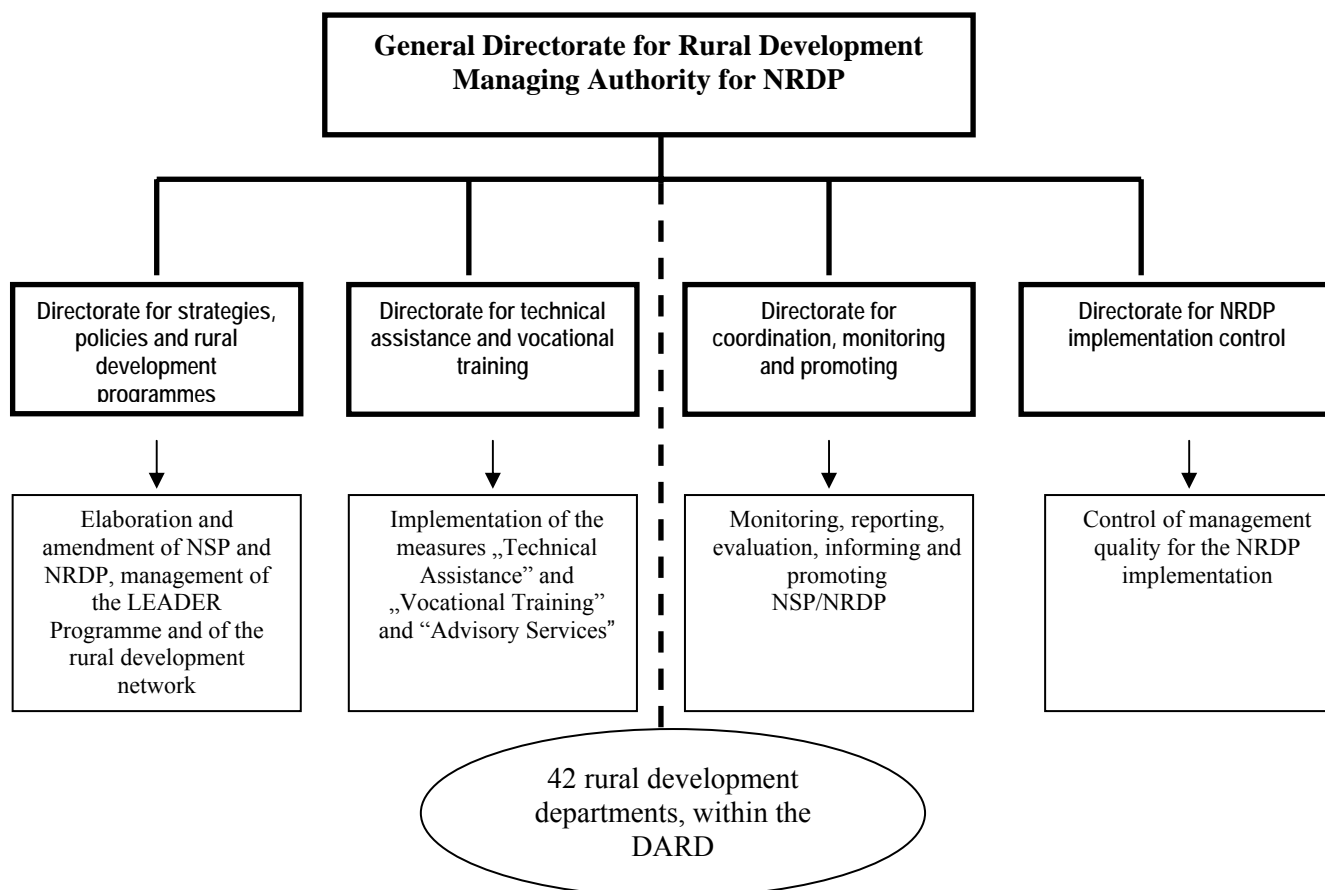


11.1. Definition of authorities and related tasks

11.1. a) Managing Authority

The Romanian Managing Authority for the National Rural Development Programme is the Ministry of Agriculture and Rural Development represented by the General Directorate for Rural Development, in accordance with Government Decision no. 385/2007 on the organizing and operating of the Ministry of Agriculture and Rural Development.

The organization structure of the General Directorate for Rural Development – Managing Authority for NRDP is presented in the following scheme:



In order to provide a direct contact with the Programme's potential beneficiaries, the Directorate General for Rural Development – Managing Authority for the NRDP, has set up within the Directorates for Agriculture and Rural Development (DARD – county offices of the Ministry of Agriculture and Rural Development) a rural development department, which will carry out, locally, the tasks corresponding to the MA NRDP implementation tasks.

In order to strengthen its administrative capacity the MA NRDP has set up a personnel structure comprising 307 jobs: 85 at central and 222 county level, within the rural development departments.

In order to carry out the specific tasks, the central and county staff of the MA NRDP has been trained both generally regarding the EAFRD implementation in Romania through a series of PHARE projects as well as regarding specific subjects of the NRDP as the LEADER axis or the consultation, promoting and information activities, through workshops.

Concerning the logistics, through PHARE, the MA has completed the necessary equipment by purchasing the computers and other IT equipment needed for carrying out its activities.

In accordance with art. 75 of Council Regulation EC no. 1698/2005, the Managing Authority is responsible with the efficient, effective and adequate management and implementation of the programme and must especially:

- a) ensure that operations are selected for financing in accordance with the criteria applicable to the rural development programme;
- b) ensure the recording and storing of statistic information on the implementation in an IT system, in a form proper for monitoring and evaluation;
- c) ensure that the beneficiaries and other bodies involved in the implementation of the actions:
 - (i) are informed about their obligations resulting from the aid granted and use either a separate accounting system or a adequate accounting code for all transactions related to the operation;
 - (ii) are aware of the requirements concerning the provision of data to the Managing Authority and the recording of the output and results;
- d) ensure that the programme evaluations are conducted within the time limits laid down in the Regulation and in accordance with the Common Monitoring and Evaluation Framework and that these are submitted to the concerned national authorities, as well as to the Commission;
- e) lead the activities of the Monitoring Committee and forward to it the documents necessary to monitor the implementation of the programme in the light of its specific objectives;
- f) ensure the compliance with the obligations regarding publicity, as stipulated in article 76;
- g) draw up the annual report on the progress accomplished and submit it to the Commission after its approval by the monitoring committee;
- h) ensure the fact that the paying agency receives all necessary information, especially on the applied procedures and performed controls in regard to the operations selected for financing, before the payments are authorized.

By virtue of paragraph (2) of art. 75, the Managing Authority for NRDP delegated a part of its specific functions to the Paying Agency for Rural Development and Fishery, continuing to bear the entire responsibility for the efficient and adequate management and implementation of the delegated tasks.

For such purpose, through the Delegation Framework-Agreement for the tasks related to the implementation of the measures from the National Rural Development Programme supported by the European Agricultural Fund for Rural Development, concluded on the 30th August 2006, the Managing Authority delegated to the Paying Agency for Rural Development and Fishery the following tasks:

- a) the implementation of the NRDP measures (reception, evaluation and contracting of financing applications), except measures 111, 143, Technical Assistance Operations (for the projects implemented by the MA), including the National Rural Development Network, the selection of the Local Action Groups and sub-measure 431.1 (under the implementation of the Managing Authority);
- b) the recording, collecting and storing of the statistical information on the financial and physical implementation of NRDP in an IT system, in a form proper for monitoring and evaluation. Thus the PARDF is responsible for supplying the financial, output and result indicators that can be collected through the financing applications and payment claims, revealing the degree of commitment and payment for the programme's measures;
- c) informing the beneficiaries and other bodies participating in the implementation of actions on their obligations resulting from the aid granted, about the necessity of using a separate accounting system or a adequate accounting code for all transactions related to the operation, as well as about the requirements regarding the transmission of data to the managing authority and for the registration of the output and of the results;
- d) the observance of the obligations in regard to publicity, stipulated in article 76, paragraph (2) (b).

For the selection of the operations for funding, according to the criteria applicable to the NRDP, a selection procedure will be applied.

The selection procedure **does not apply** for the measures 111 “Vocational training, information actions and diffusion of knowledge”, 142 “Setting up of producer groups”, 143 “Providing farm advisory and extension services”, 211 “Support for mountain area”, 212 “Support for Less Favoured Areas – other than mountain areas”, 214 “Agri-environment payments”.

Each measure will have a yearly financial allocation. The Monitoring Committee will establish the maximum number of calls of proposals that can be launched, for each measure, in one year.

After the Paying Agency checks the eligibility of the applications, each eligible project will be assessed according to the scoring system established before launching the call of proposals. The Managing Authority in consultation with the Monitoring Committee will set-up the scoring system as well as the criteria for distinguishing between projects with equal scores.

The selection will be made by the Selection Committee, a technical body, chaired by the Managing Authority which includes representatives of the Managing Authority and the Paying Agency for Rural Development and Fishery. The role of the Selection Committee is to make proposals to the Managing Authority for the finance of the projects, based on the selection rules established.

The Paying Agency will set-up a list of the eligible projects taking into account the order of the score obtained and will submit it to the Selection Committee.

When the total value of the eligible projects received is below the value of the financial envelope, the Selection Committee will prepare a report and will submit it to the general director of the Managing Authority for approval.

When the total value of the eligible projects received is higher than the financial envelope allocated, the Selection Committee will apply the scoring system and, when necessary, the criteria set out to distinguish between projects with equal scores and will prepare a report in order to submit it to the general director of the Managing Authority for approval.

The Managing Authority will take the final decision regarding the selection of the projects submitted, based on the reports received from the Selection Committee.

In case of measures 121 “Modernization of agricultural holdings”, 122 “Improving of the economic value of forests”, 123 “Adding value to agricultural and forestry products” and 313 “Encouragement of tourism activities” – it will be provided a minimum threshold below which no project will be financed. This threshold will be proposed by the Managing Authority in consultation with the Monitoring Committee.

For measures 111 “Vocational training, information actions and diffusion of knowledge”, 143 “Providing farm advisory and extension services”, Technical Assistance Operations (for the projects implemented by the MA), including the National Rural Development Network, and for the selection of LAGs and sub-measure 431.1 “Public-private partnership building”, the MA keeps the tasks for receiving, evaluating and selecting the projects.

The MA NRDP shall ensure, on one hand, the monitoring the activities that have not been delegated to the PARDF and, on the other, the coordination of the activities regarding the collection, through the evaluation system, of the result indicators unavailable within the PARDF and of the impact ones, relevant for the efficient monitoring and evaluation of the Programme.

The Managing Authority will insure the observance of the obligations concerning the publicity foreseen by art. 76 (1) (2) a) and c). The informing, promoting and publicity tasks, regardless of the body directly responsible shall be carried out by means of collaboration between the two institutions.

Also, the MA NRDP is directly responsible for carrying out the evaluations of the Programme within the terms foreseen by Regulation (EC) no. 1698/2005 and in accordance with the common monitoring and evaluation framework, for leading the activities of the monitoring committee, for elaborating the annual progress report, and after its approval by the monitoring committee, for submitting it to the Commission.

As regards the measures which have not been delegated to the Paying Agency for Rural Development and Fishery, the MA NRDP shall ensure that the paying agency receives all necessary information, especially on the applied procedures and performed controls in regard to the operations selected for financing, before the payments are authorized.

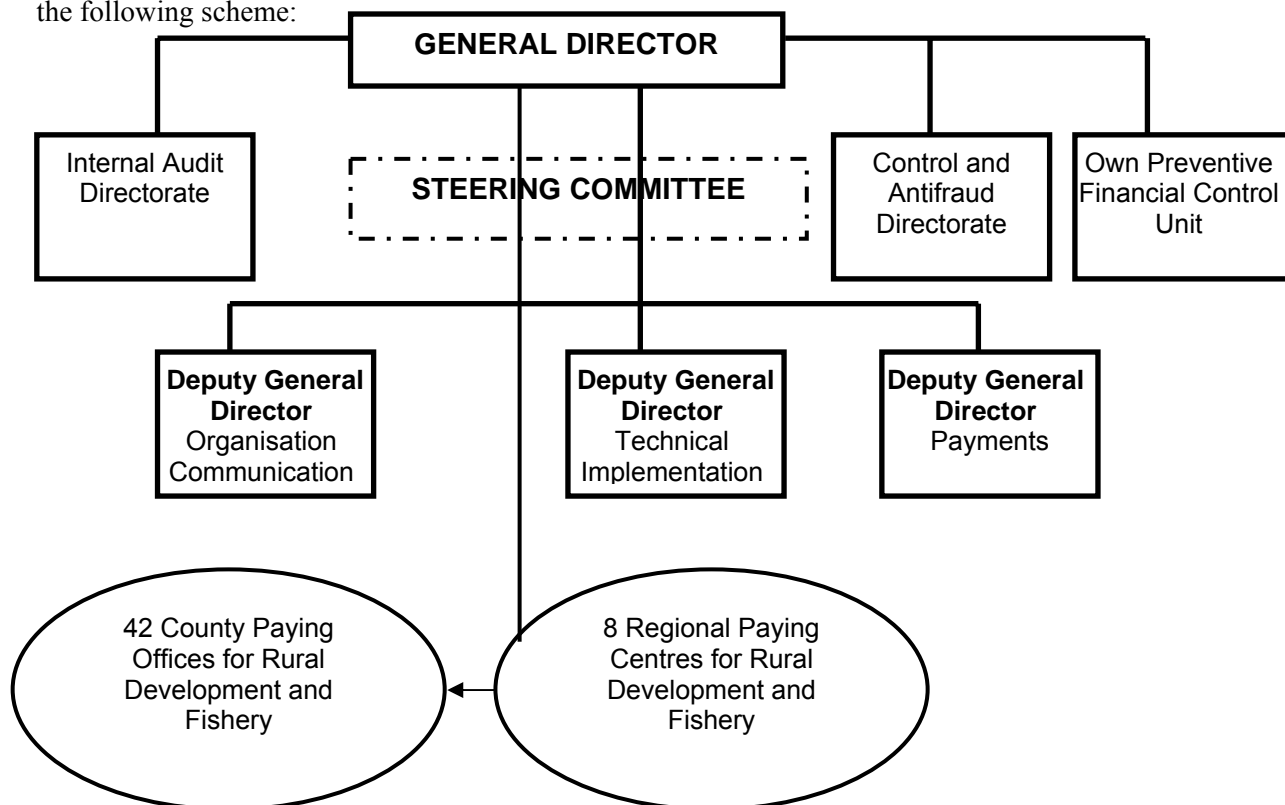
Having regard to the fact that the Managing Authority further retains the full responsibility for the Programme's implementation, the General Directorate for Rural Development – Managing Authority for NRDP shall control the quality of implementing the NRDP to ensure a proper functioning of the entire management system, the accuracy and conformity of applying the Programme, both regarding the delegated tasks as well as for the measures found within the direct responsibility of the MA NRDP.

11.1. b) Paying Agency

The accredited paying agency, in accordance with art. 6 of Council Regulation (EC) no. 1290/2005 for the implementation of the measures financed from the European Agricultural Fund for Rural Development is the Paying Agency for Rural Development and Fishery (PARDF), set up by Government Emergency Ordinance no. 13/2006 and based on the structure of the SAPARD Agency.

The organizing and functioning Regulation was approved by the Minister of Agriculture, Forests and Rural Development Order no. 113/2006 and the attributions of the Agency were approved by the Minister Order no. 137/2006, amended by the Minister Order no. 669/2006.

The organization structure of the Paying Agency for Rural Development and Fishery is presented in the following scheme:



The Paying Agency for Rural Development and Fishery (PARDF) has a structure formed by:

- a central coordinating unit;
- 8 Regional Paying Centres for Rural Development and Fishery (RPCRDF), that correspond to the eight development regions, designated according the methodological norms for applying Law no. 315/2004 regarding regional development in Romania;
- 42 County Paying Offices for Rural Development and Fishery (CPORDF).

The PARDF comprises a number of 1300 jobs, of which 250 at central level, 350 at regional and 700 at county level.

Within the PARDF, both at central as well as at the regional and county one, there is personnel with tasks for implementing the EAFRD (*both for the tasks corresponding to the paying function and for those resulting from the delegation by the MA NRDP*) and personnel for implementing the SAPARD Programme, while the management personnel has attributions for both programmes. The transition of the personnel with attributions in implementing the SAPARD Programme to the EAFRD will be carried out gradually, based on the evolution of the programmes, according to the plan elaborated for this purpose by the PARDF.

In order to carry out the specific tasks, 1192 PARDF employees have been trained regarding the observance of the EAFRD legal provisions and implementation system by means of workshops and courses, within PHARE projects, and through on the job simulations of the implementing procedures for the EAFRD measures. Also, for the development of specific professional competences, the employees have attended courses regarding management issues, communication, control and antifraud, information security, accounting, public procurements.

Regarding the logistics, for all the implementation levels, county, regional, central, headquarters have been provided along with IT equipment as well as the transport means for carrying out the activities.

The Paying Agency for Rural Development and Fishery shall ensure by developing an implementation, management and control structure on basis of the performed payments and considering the storing and dissemination of the information:

- a) the check of the eligibility of the application, the procedure to grant the support, as well as the conformity with the community regulations before authorizing the payment;
- b) maintenance of an exhaustive and accurate accounting register on the executed payments;
- c) the performance of the verifications stipulated in Community legislation;
- d) the presentation of documents by the beneficiaries on the terms and in the formats stipulated by Community regulations;
- e) the accessibility of documents and their safe-keeping in a manner that should ensure the validity, legality and their maintenance in a complete form in time, inclusively in regard to the electronic documents stipulated in the Community legislation.

PARDF, the agency accredited in accordance with art. 6 of Regulation (EC) no. 1290/2005 to perform payments for the measures financed from EAFRD, delegated a part of its specific functions related to the measures involving surface payments to the Paying and Intervention Agency for Agriculture (PIAA).

PIAA has been set up set up by virtue of Law no. 1/2004, with subsequent amendments and completions. The PIAA is organised on three levels: central, county (42 County Offices) and local (322 Local Centres). For carrying out the tasks delegated by the PARDF, PIAA has set up a rural development department at central level.

Thus two delegation framework-agreements were signed:

1. A Framework Agreement for the implementation of measures regarding compensatory payments within axis II of the NRDP: 211 "Support for mountain areas" 212 "Support for less favoured areas, other than mountain areas" and 214 "Agri-environment payments". Through this agreement PIAA will be responsible for receiving the payment claims, administrative checks, on the spot checks, determining the sanctions, authorizing the payment and paying from the national budget. The PARDF will be responsible for reimbursing from Community funds the amounts committed by PIAA from state budget.
2. A Framework-Agreement between the Paying Agency for Rural Development and Fishery with the Paying and Intervention Agency for Agriculture and the General Directorate for Forestry Development and Property Consolidation (GDFDPC) – the county Territorial Inspectorates of Forestry Regime and Hunting (MADR) on the delegation:
 - to PIAA of the control tasks for Good Agricultural and Environment Conditions (GAEC) and for the forestry measures with surface payments within axis 2;

- to GDFDPC of the evaluation of applications and on the spot verifications regarding the specific requirements.

In accordance with the Community norms, the Paying Agency for Rural Development and Fishery remains fully responsible with the legality and observance of payment terms, inclusively the protection of the European Union's financial interests, as well as with reporting the expenditure to the Commission and maintaining adequate accounting registers.

PARDF is in charge with the documents related to the payments incurred and the documents regarding the results of the physical and administrative controls stipulated in the Community legislation and it shall provide the Commission with the available documents and information.

For measures stipulating surface payments, implemented by PIAA, such documents shall be kept by it in accordance with the delegation from PARDF, thus being in charge with authorizing the payments. Having regard to this, PIAA shall report to the Paying Agency for Rural Development and Fishery on the performed controls, their content and the measures taken following the findings.

11.1. c) Certification Body

The Audit Authority set up within the Romanian Court of Accounts, represents the certification body for the funds that shall be operated within the National Rural Development Programme in accordance with art. 7 of Regulation (EC) no. 1290/2005.

The Audit Authority operates by virtue of Law no. 200/2005 on the approval of Government Emergency Ordinance no. 22/2005 for the amendment of Law no. 94/1992 on the organizing and operating of the Court of Accounts, and functionally it is independent from the Court of Accounts and the institutions involved in the implementation of Community funds.

In accordance with art. 5 of Commission Regulation no. 885/2006, the Certification Body carries out the controls both during and after the end of each financial year and is in charge with certifying the truthfulness, compliance and accuracy of the accounts of the accredited paying agency, based on the set up management and control system. The examinations performed are compliant with the International Audit Standards and the Guidelines issued by the European Commission.

Thus, in accordance with the provisions of the Community and national legislation applicable to Community funds, the attributions of the Audit Authority are:

- the system audit, the sample-based control and the final audit;
- the annual control of the manner in which the management and control systems established for the operating of the European funds function;
- the control of the declared eligible expenditures based on a representative sample.

In this regard, the Audit Authority shall issue a certification report that shall accompany the annual accounting registers of the accredited paying agency, together with an guarantee statement signed by the officer responsible with the accreditation of the agency, as well as specific information on the clearance of accounts, in accordance with art. 8.1 (c)(iii) of the Regulation EC no. 1290/2005.

The certification report shall establish whether:

- the paying agency meets the accreditation criteria;
- the procedures of the paying agency provides guarantees regarding the EAFRD expenditure, in view of the conformity with the Community rules and in view of adopting the recommendations and improvements forwarded by the Commission;
- the annual accounts of the Agency are compliant with the accounting registrations and registers;
- the expenditure declarations and the intervention operations carried out through EAFRD are materially adequate, exhaustive and accurately recorded;
- the financial interests of the Community are protected accordingly in regard to the payments in advance, the obtained guarantees, the intervention stocks and the amounts to be cashed.

The report shall be accompanied by:

- information on the number and qualification of the staff performing the audit, the performed work, the number of the examined transaction, the obtained materiality and confidence level in regard to any discovered weaknesses and the recommendations made for improvement and the operations of the certification body and of other bodies inside or outside the paying agency;
- an opinion upon the guarantee statement stipulated in art. 8(1)(c)(iii) of the Commission Regulation (CE) no. 885/2006 (annual accounts of the accredited paying agencies with a guarantee statement signed by the paying agency's responsible officer, accompanied by the information necessary to clarify such and an adequate written certification report from the certification body).

11.1 d) Coordinating Body

Romania has two paying agencies, one for the executing the payments granted from EAFRD, respectively the Paying Agency for Rural Development and Fishery, and the second, the Paying and Intervention Agency for Agriculture, for the payments related to EAGF. Thus, in accordance with art. 6, paragraph (3) of Regulation EC no. 1290/2005, the Directorate for the Coordination of Paying Agencies, which acts as the single interlocutory with the European Commission, was set up.

The Directorate for the Coordination of Paying Agencies was set up as a general directorate within the structure of PARDF and in accordance with art. 16 of the Regulation for the Organizing and Functioning of PARDF, approved by Minister's Order no. 669/2006, the attributions of the Directorate for the Coordination of Paying Agencies, managed by a general director, appointed by Minister's Order, are exerted independently from all Romanian institutions and their management, involved in the implementation of the Common Agricultural Policy.

11.1 e) Competent Authority

The competent authority is organized as an unit within MARD in accordance with Government Decision no. 385/2007, directly subordinated to the Minister of Agriculture and is in charge with forwarding to the Commission of the accreditation document for PARDF, PIAA and of the Coordinating Body, as well as of the documents describing their function in accordance with art. 8.1 (a) (i) and (ii) of Regulation (EC) no. 1290/2005.

The attributions of the Competent Authority are the following:

- continuously monitors the paying agencies for which it is responsible, on basis of reports elaborated by the certification body and targets the remediation of any identified deficiency;
- elaborates the criteria for the accreditation of the paying agencies and of the coordinating body of the paying agencies and subjects them to approval by Order of the Minister of Agriculture and Rural Development;
- carries out specific missions to establish the manner in which the accreditation conditions are fulfilled by the paying agencies and by the coordinating body;
- decides (by written deed) upon the temporary or permanent accreditation of the paying agencies and of the coordinating body, supervises such bodies and withdraws their accreditation, if the case may be;
- if PARDF does not meet or no longer meets one or several of the concerned conditions, this department shall withdraw the accreditation if the necessary modifications are not performed within the time corresponding to the severity of the finding. The department is responsible for submitting to the Commission, if the case may be, the withdrawal of the accreditation of PARDF, in accordance with art. 8.1 (a)(iii) of Regulation no. 1290/2005.

The specific activity of the Competent Authority shall be carried out by virtue of the Minister's of Agriculture, Forests and Rural Development Order no. 422 from 19th June 2006 for the approval of the

accreditation criteria for the Paying Agencies for agriculture, rural development and fishery and for the Coordinating Body of the Paying Agencies for agriculture, rural development and fishery.

11.2. Management and Control Structure

By virtue of Council Regulation (EC) no. 1698/2005 and having regard to the conditions and necessities specific to the Romanian rural area, the Managing Authority decided to use the following implementation scheme for the measures of NRDP:

Measure		Submitting the financing application and setting up the administrative dossier	Verifying the eligibility/selection criteria ¹	Concluding the contract ² endorsement by PARDF	Submitting the payment dossier	Payment authorization	Payment execution
111 Vocational training, information actions and diffusion of knowledge	Projects with a value more than a certain ceiling	MA NRDP	MA NRDP	MA NRDP/ PARDF	PARDF	PARDF	PARDF
	Projects with a value less than a certain ceiling	DARD	DARD	DARD/ RPCRDF	RPCRDF	RPCRDF	PARDF
112 Setting up of young farmers	Without constructions/ assembling	CPORDF	CPORDF	RPCRDF	CPORDF	RPCRDF	PARDF
121. Modernization of agricultural holdings	With constructions/ assembling	CPORDF	RPCRDF	RPCRDF	CPORDF	RPCRDF	PARDF
	Without constructions/ assembling	CPORDF	CPORDF	RPCRDF	CPORDF	RPCRDF	PARDF
122. Improving of the economic value of forests	With constructions/ assembling	CPORDF	RPCRDF	RPCRDF	CPORDF	RPCRDF	PARDF
	Without constructions/ assembling	CPORDF	CPORDF	RPCRDF	CPORDF	RPCRDF	PARDF
123. Adding value to agricultural and forestry products	With constructions/ assembling	CPORDF	RPCRDF	RPCRDF	CPORDF	RPCRDF	PARDF
	Without constructions/ assembling	CPORDF	CPORDF	RPCRDF	CPORDF	RPCRDF	PARDF
125. Improving and developing infrastructure related to the development and adaptation of agriculture and forestry	Public beneficiaries	CPORDF	RPCRDF	RPCRDF	CPORDF	RPCRDF	PARDF
	Without constructions/ assembling	CPORDF	CPORDF	RPCRDF	CPORDF	RPCRDF	PARDF
	With constructions/ assembling	CPORDF	RPCRDF	RPCRDF	CPORDF	RPCRDF	PARDF

141 Supporting semi-subsistence agricultural holdings		CPORDF	CPORDF	RPCRDF	CPORDF	RPCRDF	PARDF
142. Setting up of producer groups		CPORDF	CPORDF	RPCRDF	CPORDF	RPCRDF	PARDF
143 Providing farm advisory and extension services	Projects with a value more than a certain ceiling	MA NRDP	MA NRDP	MA NRDP/ PARDF	PARDF	PARDF	PARDF
	Projects with a value less than a certain ceiling	DARD	DARD	DARD/ RPCRDF	RPCRDF	RPCRDF	PARDF
	Surface < 50ha	-	-	-	LC PIAA		
211 Support for mountain areas	Surface between 50 and 1000 ha	-	-	-	CO PIAA	PIAA	PIAA
	Surface > 1000 ha	-	-	-	PIAA		
	Surface < 50ha	-	-	-	LC PIAA		
212 Support for less favoured areas, other than mountain areas	Surface between 50 and 1000 ha	-	-	-	CO PIAA	PIAA	PIAA
	Surface > 1000 ha	-	-	-	PIAA		
	Surface < 50ha	-	-	-	LC PIAA		
214. Agri-environmental payments	Surface between 50 and 1000 ha	-	-	-	CO PIAA	PIAA	PIAA
	Surface > 1000 ha	-	-	-	PIAA		
221 First afforestation of agricultural lands		CPORDF (submitting and conformity) PIAA (surface check/GAEC) DGFDPC/TIFRH (technical check)	RPCRDF	RPCRDF	CPORDF	RPCRDF	PARDF
312. Support for the creation and development of micro-enterprises	Without constructions/ assembling	CPORDF	CPORDF	RPCRDF	CPORDF	RPCRDF	PARDF
	With		RPCRDF				

	constructions/ assembling						
	Without constructions/ assembling		CPORDF				
313. Encouragement of tourism activities	With constructions/ assembling	CPORDF	RPCRDF	RPCRDF	CPORDF	RPCRDF	PARDF
	Public beneficiaries		RPCRDF				
322. Village renewal and development , improving basic services for the economy and rural population and upgrading the rural heritage	Without constructions/ assembling		CPORDF				
	With constructions/ assembling	CPORDF	RPCRDF	RPCRDF	CPORDF	RPCRDF	PARDF
	Public beneficiaries		RPCRDF				
LEADER	LAG selection	MA NRDP	MA NRDP	PARDF	RPCRDF	RPCRDF	PARDF
	Projects selected by the LAG in accordance with their own strategy	RPCRDF³	RPCRDF⁴	RPCRDF	RPCRDF (initial check LAG)	RPCRDF	PARDF

¹ for measures 112, 121, 122, 123, 125, 141, 221, 312, 313, 322, when the value of the projects submitted within a session exceeds the amount allocated, the selection procedure foreseen at point 11.1 a) will be applied;

² for the contacts of the RPCRDF, the PARDF will control a sample of 5% for which it will conclude the contracts, while the others will only be endorsed by the Agency;

³ the dossier will be submitted by the LAG, after a initial eligibility check and selection, in accordance with the rules set out in Chapter 5.3.4 – LEADER Axis implementation;

⁴ the RPCRDF will check the eligibility criteria of the projects selected by the LAG.

MA NRDP – Managing Authority for the NRDP

DARD – county Directorate for Agriculture and Rural Development

DGFDPC – Directorate General for Forestry Development and Property Consolidation, within the Ministry for Agriculture and Rural Development

TIFRH – Territorial Inspectorate for Forestry Regime and Hunting

PARDF – Paying Agency for Rural Development and Fishery

CPORDF – County Paying Office for Rural Development and Fishery

RPCRDF – Regional Paying Centre for Rural Development and Fishery

PIAA – Paying and Intervention Agency for Agriculture

LC PIAA – Local Centre PIAA

CO PIAA – County Office PIAA

Having in regard their specific, the Technical assistance operations follow a distinct implementation scheme. Thus, the measure will be implemented by the Managing Authority or the Paying Agency for Rural Development and Fishery depending on the nature of the project, in accordance with the description foreseen by Chapter 16 – Technical Assistance Operations. The selection of the contractor will be carried out based on the national legislation in force regarding public procurement, namely Government Emergency Ordinance no. 34/2006.

For the implementation of the LEADER axis, the Managing Authority will be responsible for the selection of LAGs based on their submitted Local Development Strategy and for their official recognition, and based on this recognition the LAG can sign the legal agreement with the PARDF. The LAGs will be responsible for the selection of local projects according to their strategy and, also, they must ensure the verification of the administrative dossier and payment claim of the beneficiary before submitting them to the Regional Paying Centre for Rural Development and Fishery in order to ensure their conformity.

The set up of LAGs is prepared by the implementation of sub-measure 431.1, comprising 3 stages. Within the first two phases the Managing Authority will select, according to G.E.O no. 34/2006, the organisations that will ensure the forming services for potential LAGs in compliance with the provisions of the measure fiche. Within the third stage the MA, based on selection criteria, will select the partnerships that will benefit from financial support for the elaboration of the strategy.

For the implementation of the LEADER axis, the MA will be supported by the rural development department from the DARD, which will carry out activities of animating the territory regarding the opportunities that arise from the implementation of the LEADER axis and supporting the partnerships both before the LAG selection as well as after their formation.

As regards the National Rural Development Network the county rural development departments ensure the informing of the actors and raising their interest to become members of the network, identifying and capitalizing the specific needs of counties and supporting the activities.

For measures 111 and 143, in order to ensure the simplification of the procedures, the MA NRDP has decided the involvement of both the central and county level, represented by the rural development department from the DARD. Thus, depending on the value of the project, the reception of dossiers, application of selection procedures and project management will be carried out either the MA NRDP or by the DARD.

Within measure 111, the evaluation and selection of vocational training, information and knowledge diffusion suppliers will be carried out based on a procedure elaborated by the DGRD – MA NRDP in accordance with Government Emergency Ordinance no. 34/2006. As regards measure 143, the evaluation and selection of the advisory and consultancy suppliers will be carried out according to the provisions in accordance with Government Emergency Ordinance no. 34/2006.

The identified advisory and consultancy needs as well as those for vocational training, information and knowledge diffusion and the corresponding necessary funds will be described within the annual purchase programmes elaborated by DGRD – MA NRDP for these measures. The tender announcements will be elaborated based on them.

Along side the tasks corresponding to the implementation of the above mentioned measures, the rural development department is involved in the informing and promoting actions for the NRDP by implementing, locally, the plan elaborated in this regard by the MA NRDP.

The role of the PARDF structures that contribute to the carrying out of tasks corresponding to the NRDP is detailed in the procedure manuals and in the national legislation in force.

The Regional Paying Centres for Rural Development and Fishery will ensure the collaboration with other institutions and organizations involved in the implementation of the programme, namely PIAA and TIFRH, for the delegated measures and will control and coordinate the county level activities related to the NRDP implementation.

The County Offices for Rural Development and Fishery are units found under the coordination of the RPCRDF, with responsibilities in receiving and administratively verifying the financing applications and payment claims of the beneficiaries, having a direct relationship with them.

Thus for the measures delegated to the PARDF, all projects, regardless of their type, are submitted at CPORDF while the evaluation will be carried out distinctively depending on the complexity of the projects as follows:

- by the CPORDF for the investment projects without constructions/ assembling submitted by private beneficiaries and for the support applications from measures 112, 141, and 142;
- by the RPCRDF for the projects submitted by public beneficiaries and by private beneficiaries when they include constructions/ assembling;
- the contracts, for all types of projects, will be concluded by the RPCRDF, excepting a national sample of 5% for which the PARDF (central level) will carry out the corresponding verifications and conclude the contracts.

For measures 211, 212 and 214 of axis 2, the Local Centres PIAA are responsible for receiving the payment claims for surfaces which do not exceed 50 ha., while the County Offices PIAA will receive the claims for surfaces between 50 and 1000 ha. PIAA, at central level, is responsible for authorizing the payments and processing the claims for surfaces larger than 1000 ha. The payment claims, regardless of the level at which they have been submitted will be introduced in the common data base using the software specifically designed with this purpose.

11.2.1 The management electronic support system

Having in regard the large number of NRDP measures as well as the complexity of their implementation the set up of an informatics system that will allow the proper functioning of the proposed management and control system is necessary.

The IT system necessary to implement the rural development funds shall be used by PARDF and MA to manage a large series of functions and it shall be called “The system for processing applications for rural development” (SPARD). This system shall be finalized during 2008, starting from the two current systems:

- the IACS system of PIAA;
- the current SSPA system (the SAPARD system for application processing) of SAPARD taken over by PARDF.

The processing of the financing applications submitted for the rural development measures require the insertion of a significant quantity of data in order to check the conformity and eligibility, on-the spot controls, financing data, payment claims and execution of payment claims.

The system ensures the collecting of data from the financing applications for the rural development measures and monitors their progress in a defined flow, handles and monitors all scanned/attached pages from each location. The documents submitted as a part of the financing applications for rural development measures are scanned and then set available through the system, at the disposal of all users with corresponding rights.

All inserted data are registered in corresponding tables from the database and this shall enable the monitoring at any moment of the status of each application, thus tracking the physical movement of the documents, from one service to another, as of the initial reception of the application until the final authorization and the facile elaboration of the management reports, audit reports, statistical reports and of other general reports.

The system for processing the applications for rural development will comprise data regarding the granting and monitoring of “de minimis” aid based on the beneficiary’s self liability declaration in accordance with the provisions of Regulation 1998/2006 art. 3 on monitoring the “de minimis” support.

11.2.2 Implementation tasks

The implementing activities for the NRDP measures include the following stages:

- publishing the tender ad;
- checking the applications in view of approving the projects based on the eligibility terms and conditions and on the content of NRDP;
- selecting the projects in accordance with the approved selection procedures and criteria;
- stipulating the contractual obligations between PARDF or PIAA (according to the types of measures) and potential beneficiaries and the issuance of the approval to initiate the works;
- performing on the spot controls (if necessary) both before and after the approval of the project;
- monitoring the progress in implementing the projects;
- verifying and endorsing the public procurement procedures carried out by beneficiaries, based on the specific rules of the NRDP and in accordance with the national legislation in force.

For the project implemented within the National Rural Development Programme, in the field of public procurement, the provisions of Government Emergency Ordinance no. 34/2006, regarding the *awarding of public procurement contracts, of public works concession contracts and services concession contracts*, approved with amendments by Law no. 337/2006, with its following amendments and completions, regulated by Government Decision no. 925/2006, on approving the application norms for the provisions regarding the awarding of public procurement contracts through G.E.O. no. 34/2006, will be applied. The mentioned normative paper ***has been adopted as response to the identified need for the elaborating and promoting a new legislation regarding public procurement having in regard the Romania's commitments through the Accession Treaty. This normative paper transposes in the national legislation the relevant Community provisions, specifically those of Directive 2004/18/EC regarding basic rules for public procurement.***

The ordinance lays down the rules for unrolling public procurement procedures depending on the nature and value of the contract and on the intensity of the support granted by the contracting authority.

In order to monitor the observance of public procurement procedures, the National Authority for Regulating and Monitoring Public Procurements (NARMPP), was set up as a public institution with legal persona, subordinated to the Government and directly coordinated by the Prime-Minister.

In order to ensure the observance of relevant legislation and to support the public institutions involved in the unrolling of public procurements, NARMPP is responsible with:

- ensuring the coherence and compliance with the Community acquis in the public procurement field, by regulating the procedures for awarding public procurement contracts;
- ensuring an application compliant with the public procurement legislation, by developing the implementation capacity within contracting authorities;
- monitoring, analyzing, evaluating and supervising the methods used for awarding public procurement contracts;
- providing consultancy to contracting authorities in the process of awarding public procurement contracts, and having a supporting role in order to ensure the proper application of the relevant legislation;
- initiating/supporting the projects or actions for the training of the personnel involved in specific actions related to public procurement and having a supporting role in developing the implementing capacity of the legislation regarding public procurement at the contracting authorities level.

11.2.3. Payment tasks towards final beneficiaries

The payment of beneficiaries involves the following stages:

- Checking the payment claims submitted by the project beneficiaries;
- Performing on the spot checks in order to establish the eligibility of the payment;
- Authorizing the payment for the project beneficiaries;
- Executing the payment for the project beneficiaries;

- Ensuring the accounting for the commitments and payments to the project beneficiaries;
- Performing the control in regard to the project beneficiaries after paying the support, in order to establish whether the conditions of the non-refundable financial support are met.

11.2.4. Control of management quality

In accordance with the provisions of Article 9 of Regulation (EC) no. 1290/2005 regarding the financing of the common agricultural policy, Romania must set up a management and control system that can provide assurance regarding the adequate management of Community funds.

In this regard, within the Managing Authority a unit for controlling the NRDP implementation has been set up, having specific attributions for controlling the quality of management. The objective of this control consists of verifying the proper functioning of the management system, detailed in audit tracks corresponding to the measures of each axis. Thus the Managing Authority will carry out a control on one hand, for the **delegated tasks** and the **implementation of measures in the direct responsibility of the MA**, and for the **management of the programme's implementation**, on the other.

The control of delegated tasks as well as the control for the programme's implementation management aims the following main points:

- Ensuring the observance of the procedure rules;
- Using type documents;
- Documenting on the analysis and evaluation indicators;
- Observing the conventions and technical and financial annexes;
- The quality of dossier management up to their archiving, following the rhythm of dossier submission, instrumentation, schedule, endorsement, payment and archiving;
- The quality of the IT system use during different stages of dossier processing, aiming to ensure the observance of the management, evaluation, follow-up, alert, control and restitution of the dossier.

At the same time, in order to ensure the efficient management of the delegated tasks, in order to monitor the application of the Delegation Framework Agreement a Management Committee has been set up, comprising the representatives of the two institutions. The Management Committee supervises the proper completion of the obligations undertaken by both parties, analyzes and provides solutions for the conflicts which may occur during the implementation of the Agreement, concludes regarding the implementation of the report, proposes and approves the amendments of the Agreement.

At the same time, through the constant collaboration between the similar services of the two institutions, the MA is involved and constantly informed regarding the activities carried out by the PARDF such as monitoring, by verifying and interpreting the data for the annual progress report, and promoting, by jointly elaborating the informing plan and strategy.

The control of management quality for the measures which are directly implemented by the MA, namely measures 111, 143, Technical Assistance Operations (for the projects implemented by the MA), including the NRDN, the selection of LAGs and sub-measure 431.1 will analyze their implementation in accordance with the set up procedures.

The control will supervise the following aspects:

- The analysis of the dossiers based on the applicable criteria (eligibility and selection);
- The analysis of eligibility criteria (geographical, temporal, regarding the coordinator of works and, respectively payments type);
- The technical-financial processing of the dossier;
- Services consultations;
- Financing plan/total eligible cost;
- The observance of regulation obligations.

The control of management quality activities will be carried out based on a control plan elaborated for each trimester.

The results of such controls shall be analyzed by the Managing Authority who must establish the corrective measures to be taken in order to improve its structure, taking into account the results of the control missions.

Thus by performing the control activities, the Managing Authority aims at accomplishing the following specific objectives:

- a) Providing, to the involved actors, all information on the management and implementation of the measures;
- b) The periodic informing of the regional, national and European authorities about the evolution of the measures;
- c) The real time intervention upon the entire management and control chain of the support.

11.2.5. Control and Antifraud

In accordance with Article 9 of Regulation (EC) no. 1290/2005 on the financing of the common agricultural policy, Romania must ensure the protection of the Community's financial interests and to provide guarantees as regards the proper management of Community funds.

Thus, Romania will ensure that the existing national and Community rules regarding the eligibility of expenditure are observed and will check the reliability of declarations made during the implementation of the National Rural Development Programme.

In this respect, the management of Community funds is submitted to 3 types of control:

- a) verification and control activities carried out by the authorities responsible for the technical and financial implementation of the NRDP;
- b) control at national level;
- c) Community control.

a) Verification and control activities carried out by the authorities responsible for the technical and financial implementation of the NRDP

In accordance with the provisions of Regulation (EC) no. 1975/2006 on the application of the Council Regulation (EC) no. 1698/2005 in regard to the application of the control and cross-compliance procedures concerning the support measures for rural development, the structures in charge with the fulfilment of control tasks for the NRDP measures shall carry out three types of verifications:

Administrative verifications, performed by:

- PARDF, through its administrative structures, for all measures, except 111, 143, 211, 212, 214, technical assistance operations (for the projects implemented by the MA), including the NRDN, the selection of LAGs and sub-measure 431.1;
- PIAA for Measures 211, 214 and 212;
- GDFDPC (territorial units) for Measure 221;
- MA NRDP for Measures 111, 143, technical assistance operations (for the projects implemented by the MA), including the NRDN, the selection of LAGs and sub-measure 431.1.

On-the-spot verifications:

For measures with area related payments:

- PIAA is in charge of the coordination of the control for Measures 211, 212 and 214;
- GDFDPC is in charge with the on-the-spot verifications of Measure 221;

PARDF is in charge of the coordination of the control for investment measures.

Ex-post verifications (for investment measures)

PARDF shall perform ex-post verifications for investment operations that are still subjected to commitments in accordance with art. 72(1) of Council Regulation (CE) no. 1698/2005, covering at least 1% from the eligible expenditure.

The cross-compliance control

In accordance with the provisions stipulated in the Accession Treaty, Romania benefits from a 3-years derogation for applying the mandatory requirements referred to in the first paragraph of art. 51(1) of Council Regulation (EC) no. 1698/2005, except the mandatory requirements for the measures of axis 2 stipulated in art. 5 and Annex IV of Council Regulation (EC) no. 1782/2003. Therefore, the institution in charge of the coordination of the cross-compliance control is the Paying and Intervention Agency for Agriculture.

b) Control at national level

According to the provisions of Article 7 of Regulation (EC) no. 1290/2005 the accounts of the accredited Paying Agency are controlled by the Certifying Body. At the same time the operations unrolled by the PARDF can also be controlled by national organisms competent for the prevention and fight against irregularities and frauds. Thus according to national regulations and the specific competences, control activities may be carried out by the following bodies: the Competent Authority, the Romanian Court of Accounts, the Anti-Fraud Department – within the Prime-Minister's cabinet, specific prosecuting authorities.

c) Community control

Additionally to the above mentioned types of control, the competent EU institutions can also exercise control activities. Within the Paying Agency for Agriculture and Rural Development, the Directorate for Control and Antifraud represents the communicational interface between this institution and the OLAF. Thus the Paying Agency for Agriculture and Rural Development communicates with priority the information requested by OLAF and carries out the control missions in order to check the issues revealed by the European body.

11.2.6 Sanctions

In accordance with article 33 of the Council Regulation (EC) no. 1290/2005, Romania shall perform financial amendments when irregularities or neglects are tracked within NRDP by fully or partially cancelling the concerned Community financing. Romania shall also consider the nature and seriousness of the irregularities found, as well as the level of financial loss within EAFRD. When Community funds have already been paid to the beneficiaries, they shall be recovered by PARDF on basis of the own recovering procedures and they shall be reused in compliance with paragraph (3) of article 33.

The PARDF will establish, in accordance with the requirements of Community regulations in force, a system for the identification of frauds and amounts unduly paid from Community funds, as well as for the registration and recovery of the amounts found in the debtors register and of irregularities. At the same time, the PARDF will regularly transmit to MARD and the Coordinating Body reports regarding the irregularities and frauds discovered through the set up management and control system as well as the measures taken (de-commitments, reductions or debts recovery), in accordance with Regulations (EC) no. 1290/2005, 1848/2006, 885/2006 and 1975/2006 as well as with the national legislation in force.

Following to finding irregularities or neglects, PARDF in collaboration with PIAA (in charge with Measures 211, 212, 214 and with cross-compliance) shall perform the computation for the reduction or exclusion in accordance with the recommendations of article 22 of Regulation (EC) no. 1975/2006.

The computation of the reduction or exclusion shall be accomplished in accordance with the provisions stipulated in art. 18, 22, 23, 24 and 31 of Council Regulation (EC) no. 1975/2006.

Chapter 12

Monitoring and evaluation

The General Directorate for Rural Development - Managing Authority for National Rural Development Programme, within the Ministry of Agriculture and Rural Development, is the authority responsible for managing and implementing the Programme in an efficient, effective and accurate way in accordance with its objectives and with Article 75 of Council Regulation (EC) no. 1698/2005.

The General Directorate for Rural Development has in its structure a Directorate, which performs specific tasks related to the elaboration of an adequate monitoring and evaluation system, namely the Coordination, Monitoring and Promotion Directorate.

12.1 Description of the monitoring and evaluation systems

12.1.1. Objectives

The monitoring and evaluation of the rural development programme is carried out in accordance with the provisions of the Common Monitoring and Evaluation Framework (CMEF), drawn up by the Commission together with the Member States. The progress, efficiency, and effectiveness of the Programme in relation with its objectives is measured by means of common baseline as well as financial, output, result and impact indicators.

The Common Monitoring and Evaluation Framework (CMEF) establishes a set of common indicators for each level of the hierarchy of objectives, which will be supplemented, where relevant, with additional indicators specific to the Programme.

The monitoring system ensures the collection of statistical data and monitoring indicators, in accordance with the provisions of Articles 80 and 81 of Council Regulation (EC) no. 1698/2005 and to the Framework Agreement for the Delegation of tasks related to the implementation of the National Rural Development Programme's measures, signed on August 30th, 2006 between the General Directorate for Rural Development - Managing Authority for NRDP and the Paying Agency for Rural Development and Fishery (PARDF).

The Monitoring Unit, set up within Coordination, Monitoring and Promoting Directorate has responsibilities in delivering information upon the progress in the implementation of the NRDP, through financial, output and result indicators.

According to the Framework Agreement for Delegation signed on the 4th of October 2007, the Paying Agency for Rural Development and Fishery delegates to the Paying and Intervention Agency for Agriculture the implementation and the attributions specific to the paying task for the measures regarding compensatory payments for farmers from less favoured areas and the compensatory payments for agri-environment, comprised in Axis 2, attributions regarding the recording, collecting and storing statistical information necessary for the monitoring, in accordance with the provisions of the technical fiches and the Common Monitoring and Evaluation Framework, as well as other necessary data for the additional monitoring.

In this regard, PIAA uses the Integrated Administration Control System (IACS) as unrolling and financial managing instrument and it is responsible for its development, implementation and maintenance.

This information represents the base for elaborating the monitoring reports necessary to follow the implementation stage and the progress of the NRDP, according with the Common Monitoring and Evaluation Framework and, also, represents the base for the annual progress reports and strategic reporting at national level. The Monitoring Committee will use the information in making its decisions regarding the Programme.

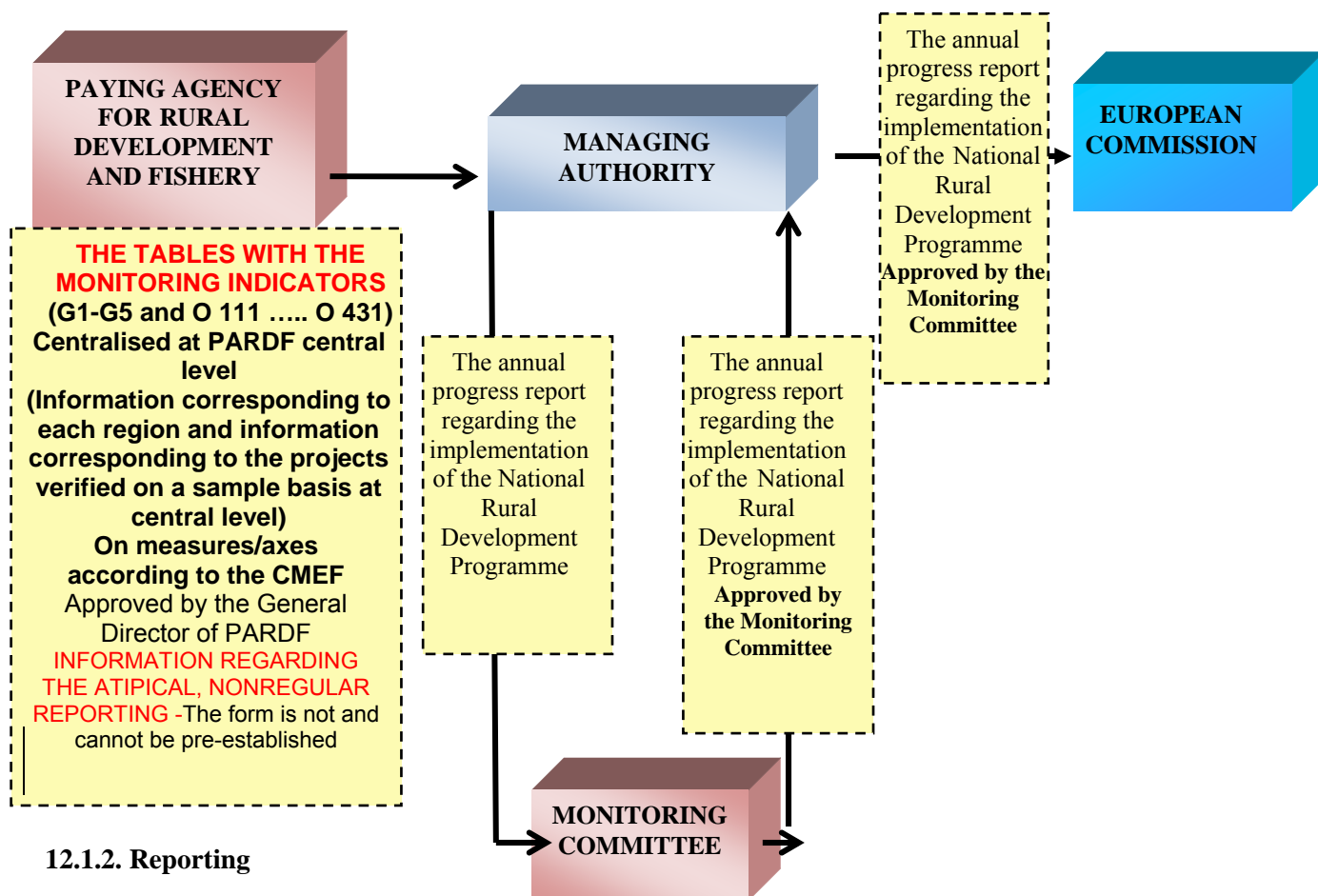
The information necessary for the monitoring of the National Rural Development Programme implementation are being collected by the county and regional structures of PARDF/PIAA from the

financing applications, respectively the payment claims drawn up by the beneficiaries and centralized, at national level, by PARDF. These documents contain the information necessary for the calculation of the financial and output indicators and for part of the result indicators necessary for the monitoring and evaluation of the NRDP's measures.

The collection of the result indicators unavailable at PARDF level, as well as some baseline indicators unavailable when the programming documents were elaborated, will be carried out through studies, inquiries and statistical research financed through the Technical assistance measure.

The data collected for the completion of the baseline indicators must be representative for 2006, so that the studies to reflect the initial situation.

The centralised information at national level, approved by the general director of PARDF, is being electronically transmitted (Excel tables) to the Managing Authority according to the below flow.



The Managing Authority submits to the Commission an annual progress report containing all the information regarding the implementation progress for the NRDP, in accordance with Article 82 of Council Regulation (EC) no. 1698/2005. As regards the NRDP monitoring, the annual report also includes the following elements:

- Monitoring tables regarding the financial implementation of the rural development programme, for each measure/axis;
- Monitoring tables, which will include quantitative information, based on common output and result indicators. These monitoring tables will be inserted in the database which is to be included in the Informatic System of Rural Development following its completion;
- The analysis of the monitoring results.

The annual progress report will be sent by the Managing Authority for NRDP to the Commission, until 30th of June of each year. The last progress report on the implementation of the programme will be sent to the Commission by June 30th, 2016.

b) Strategic reporting

The implementation of the National Strategy Plan for Rural Development shall be monitored pursuant to Article 13 of Council Regulation (EC) No 1698/2005. Strategic monitoring shall provide data related to the progress made in implementing the objectives of the National Strategy Plan as well as its contribution to the achievement of the Community Strategic Guidelines. Starting with 2010, and continuing with 2012, 2014 the annual progress reports will contain a separate chapter which comprises a report regarding the strategy implementation.

This chapter should comprise the following elements:

- The achievements and results of the National Rural Development Programme relative to the indicators set out in the National Strategy Plan;
- The results of the on-going evaluation activities.

12.1.3. IT Monitoring System

Pursuant to Article 75 of Council Regulation (EC) No 1698/2005 the Managing Authority shall ensure the setting up of a system in order to record and maintain statistical information in computerised form, adequate for monitoring and evaluation. Operational data on the National Rural Development Programme's implementation shall be obtained from the Paying Agency for Rural Development and Fishery, as well as from other institutions/units involved in the Programme's implementation. The **IT monitoring system** will facilitate the electronic data transfer between authorities participating in the implementation of the NRDP 2007-2013.

12.2. The Monitoring Committee

The Monitoring Committee will be set up within a maximum of three months following the decision to approve the National Rural Development Programme, with the purpose of ensuring the efficiency, effectiveness, and accuracy of the Programme's implementation.

According to Articles 6(1) and 77 of Council Regulation (EC) No 1698/2005, its provisional envisaged composition will include the following members:

No.	Institutions/organizations
1	Ministry of Agriculture and Rural Development
2	Ministry of Economy and Finances
3	Ministry of Environment and Sustainable Development
4	Ministry of Labour, Family and Equal Opportunities
5	Ministry of Culture and Cults
6	Ministry of SME, Trade, Tourism and Liberal Professions
7	Ministry of Development, Public Works and Housing
8	Paying Agency for Rural Development and Fishery
9	Paying and Intervention Agency for Agriculture
10	National Sanitary Veterinary and Food Safety Authority
11	Guarantee Fund for the Rural Credit
12	Agency for Regional Development South-West Oltenia
13	Romanian Banking Association
14	National Statistics Institute
15	Wine and Vineyard National Inter-professional Organization
16	Romanian Meat Association
17	Romanian Ownership Association of the Milk Industry

18	Romania Agricultural Producers Associations League
19	World Wide Fund for Nature
20	Association Save the Danube Delta
21	Romanian Forest Owners Association
22	National Association for Rural, Ecologic and Cultural Tourism
23	Romanian Commune Association
24	Foundation Centre Partnership for Equality
25	Regional Centre for Sustainable Rural Development - Constanța
26	Romanian Ornithological Society
27	ADEPT
28	Rural Net
29	Chamber of Commerce, Industry and Agriculture Iași
30	AGROSTAR
31	European Commission – observer

This list is a provisional one, aiming to establish the target of representativity within the NRDP Monitoring Committee. During the set up of the Committee or by taking into account the future evolution of the National Rural Development Programme's 2007-2013 implementation, the Monitoring Committee composition can be amended and completed with other representative members.

The structure of the Monitoring Committee aims to ensure the representation of all sectors relevant for the implementation of the National Rural Development Programme. Thus, the participating public authorities with a weight of 43% have the role of ensuring the observance of funds complementarity.

The private partners identified until now as possible Committee members, have a weight of 57% and have been selected by taking into account the scope, the declared mission and their dynamic, as well as the representation level, national and territorial (ex. Regional Centre for Sustainable Rural Development – Constanța, Chamber of Commerce, Industry and Agriculture Iași) in order to cover the priority axes of the programme and, also, the equality of chances domain (Foundation Centre Partnership for Equality).

Thus, the investment sector from NRDP is represented by the specific associations from the production and processing field for agricultural and forestry products, having a weight of about 29% within the private partners.

Regarding environmental protection, partners with national representativity as well as international partners have been selected, having a weight of about 19% out of the total private selected partners. They will contribute, through their expertise, to the activities related to the environmental impact analysis of the programme, the achievement degree for the axis objective, the manner of achieving them and the observance of relevant legislation, as well as the completion of the specific indicators for the environment measures. The Monitoring Committee comprises, also, international partners (WWF Foundation), having in regard the intensive activity carried in the Romanian environmental protection and the involvement in the consulting process for NRDP. WWF carries out its activity in Romania, starting with 1990 and has officially set up a permanent office in 2006.

The organizations that promote sustainable development and support the local initiative and have as purpose the capitalization of resources and support the local initiatives according to the framework provided by the programme, comprise about 29% of the private selected partners. Besides the individual NGO's, the Rural Net partner has also been included, representing an association of over 20 NGO's active in the rural development field, in different country areas, among which the Rural Assistance Centre, the Romanian Fund for Social Development, Civitas Foundation for the civil society, the Regional Community Development Association and the Resource Centre for the Roma people.

Other representative private partners, including trade union organizations, equality of chances promoting bodies and associations that promote the support for business have a weight of about 23% out of the total private partners.

The main responsibilities of the Monitoring Committee are:

- Analyzing the selection criteria of the operations financed, within 4 months following the approval decision for the Programme, and revising these criteria according to programming needs;
- Periodically reviewing the progress made towards achieving the programme's targets, by analyzing the documents submitted by the Managing Authority for NRDP;
- Examining the results of implementing each measure and axis and monitoring the quality of the Programme's implementation;
- Examining the results of the on-going evaluation;
- Analyzing and approving the annual progress report as well as the evaluation reports, prior to sending them to the Commission;
- Providing recommendations and proposals in order to improve the Programme's impact;
- Analyzing and approving the proposals for adjusting/amending the NRDP;
- Analyzing and approving any amendments of the Commission Decision regarding the EAFRD contribution.

The Internal Organizing and Functioning Regulation for the Monitoring Committee will be elaborated by the Managing Authority for NRDP and will be submitted for approval during the first Monitoring Committee reunion.

The Monitoring Committee will be chaired by the secretary of state, coordinator of the Managing Authority, and the permanent secretariat of the Monitoring Committee will be ensured within the Directorate Coordination, Monitoring and Promotion – Directorate General Rural Development Managing Authority for NRDP.

The Committee's decisions are being approved through voting procedure if a quorum established through the Organizing and Functioning Regulation is achieved. For urgent problems or aspects that do not justify organizing a Committee reunion, through the Organizing and Functioning Regulation, the approval in written procedure can be established.

The work meetings of the Committee will be recorded in Minutes. The responsibility for elaborating the minutes belongs to the permanent Secretariat, which has the obligation to communicate the draft minutes to all the members in order to receive their recommendations and comments and to submit the minutes for the approval of the Monitoring Committee.

The Monitoring Committee for the National Rural Development Programme meets at least once every year.

12.3. Description of the evaluation system

12.3.1. Objectives

In accordance with Articles 84, 85, 86 and 87 of Council Regulation (EC) no. 1698/ 2005, the National Rural Development Programme is subject to an evaluation process with the purpose of improving the quality of its implementation by analyzing the efficiency, meaning the best relationship between resources employed and results achieved, and the effectiveness of the programme - the extent to which objectives are achieved.

Through the evaluation process, the National Rural Development Programme's impact is assessed, while having in regard the Community's strategic guidelines foreseen in Article 9 of the Council Regulation (EC) no. 1698/2005 and the specific Romanian rural development problems concerning sustainable development requirements, the environmental impact and the provisions of relevant Community legislation.

The evaluation activities of the National Rural Development Programme fall under the responsibility of the General Directorate for Rural Development – Managing Authority for NRDP - the Evaluation, Reporting Unit, which functions within the Ministry of Agriculture and Rural Development.

12.3.2. The evaluation process

In accordance with Article 86 of Council Regulation (EC) no. 1698/ 2005 a system of on-going evaluation will be set up for the National Rural Development Programme. The on-going evaluation shall include all the evaluation activities to be carried out during the 2007 – 2013 programming period:

- the ex-ante evaluation as part of the National Rural Development Programme;
- the mid-term evaluation, carried out by the end of 2010, with the purpose of rectifying any identified problems and improving the programme's implementation;
- the ex-post evaluation, carried out by the end of 2016 which shall assess the overall impact of the programme;
- any thematic studies examining in closer detail certain measures, axes or specific aspects of the rural development programme.

The entire evaluation process is carried out, in respect to the provisions of the Common Monitoring and Evaluation Framework, by evaluators, which are independent from all institutions involved in the implementation of the Romanian NRDP and are selected through a public tendering procedure. The selection process for the evaluators is set up according to relevant Community provisions and will be presented in detail in the specific Terms of Reference, which will be elaborated by the Managing Authority.

As regards the ex-ante evaluation, in accordance with the Article 85 of Council Regulation (EC) no. 1698/2005, it represents an integrated part of the NRDP. The Scanagri Consortium, selected following a public tendering, has performed the ex-ante evaluation. The recommendations and the indicators provided by the ex-ante evaluator have been taken into account in the design of the NRDP.

The mid-term and ex-post evaluation will be performed under the responsibility of the Managing Authority within the terms and conditions laid down in Articles 86 and 87 of Council Regulation no. (EC) 1698/2005 and shall examine the degree of resource utilization, the effectiveness and efficiency of the EAFRD programming, its socio-economic impact as well as its impact on Community priorities.

After the conclusion of the mid-term evaluation, the Managing Authority shall assess the need for possible amendments to NRDP, in particular as regards the improvement of the quality of the programme and of its implementation.

A special **Steering Committee**, comprising the members of different bodies and departments, which may provide a significant contribution to the quality of the evaluation process, will be set up as a competent partner of the Managing Authority for the coordination of the NRDP evaluations. The main tasks of the Steering Committee consist in analyzing and approving the draft Terms of Reference, analyzing the evaluators' activity reports as well as the final evaluation reports.

12.3.3. Reporting

As regards the reporting procedure, as stipulated by the Article 86 paragraph 3), 4) and 5) of Council Regulation (EC) no.1698/2005, the Managing Authority for NRDP will report on its activities related to on-going evaluation from 2008 onwards. The annual progress reports submitted to the Commission will include a chapter describing the evaluation activities performed by the evaluator and the thematic studies unfold within the reporting year.

The Managing Authority for NRDP, in the first annual report will describe the setting up of the evaluation system, first output concerning the implementation of different measures, administrative procedures as well as a description of the evaluation methods to be applied in the mid-term and ex-post evaluation. Further annual reports will include specific information regarding the development of the evaluation process of the National Rural Development Programme.

Chapter 13

Provisions to ensure that the Programme is publicised

In accordance with the article 76 of the Council Regulation (EC) no. 1698/2005, the Managing Authority for NRDP is under the obligation to publicise the joint action of the European Union and of the national public authorities in regard to the support granted in the field of rural development, to assure the publicity for the National Rural Development Programme (NRDP), taking into account the principles that support such action, the objectives, means and results of such action. In order to ensure an efficient absorption of the European funds it is very significant that the highest possible number of potential beneficiaries should be informed regarding the financial support which they may obtain through the Programme.

The main objective of the actions taken in order to inform and promote the National Rural Development Programme within the rural area is *raising awareness of the public and especially:*

- of the potential beneficiaries in order to access the European funds for the rural development,
- of the beneficiaries of the Programme in regard to the content of the measures,
- of the national and local public administration, vocational organizations, economic and social partners, non-governmental organizations both for the accessing of the European Agricultural Fund for Rural Development and for the diffusion of specific information.

The Communication should be clear, concise, concrete, adapted to the target-public and coherent at county, regional and central level throughout the implementation period. This shall be articulated around three principles:

- *flexibility* (the capacity to quickly respond to the feed-back arriving from the internal and external environment),
- *transparency* (capacity to supply objective and accurate information in regard to the activities of the Managing Authority for NRDP and the contribution of the European Union),
- *efficiency* (optimal use of resources in order to reach the maximum impact).

The implementation of the information and publicity campaign in regard to NRDP shall be ensured by the General Directorate for Rural Development as the Managing Authority for NRDP together with the Paying Agency for Rural Development and Fishery (PARDF) and the budget related to this activity shall be managed by the Technical Assistance Department. Thus, for the publicity of NRDP MA will use 10% from Technical Assistance budget, meaning 35 millions euros for the entire programming period, approximately 5 millions euros / year. (more details in annex 11).

Also, through the PHARE 2005 (800,000 euro) and PHARE 2006 (700,000 euro) programmes training sessions at regional and local level for all the institutions involved in the implementation of NRDP are in progress for the purpose of increasing the capacity to absorb Community funds so as to cover all targeted beneficiary categories and warrant the submission of complex projects for the funds.

MA uses specific tools for communication for different phases of implementation as presented in annex 11.

Following the identified needs, the promotion activities foreseen for 2010 – 2013 will repeat themselves after each implementation stage, taking into account that these actions represent specific communication techniques, important both for the development of the information campaign, for the general public and for those targeted to the potential beneficiaries of the programme (details in annex 11).

In order to make more efficient the promoting activities, MA will externalize certain activities, such as: carry out sociological studies, printing the information materials (design, formatting), carrying out TV and audio spots, as well as other specific activities involving the promoting process.

13.1. Actions foreseen to inform potential beneficiaries and organisations of the possibilities offered by the programme

In accordance with the article 58 of the Council Regulation (EC) no. 1974/2006 the Communication Plan was elaborated by the Managing Authority for NRDP in collaboration with PARDF. The Communication Plan shall be correlated with the plans made by the Managing Authorities responsible for the implementation of the structural funds in order to improve the synergy between the programmes financed from Community funds and to increase their impact.

Starting from the experience of the communication actions accomplished by the Paying Agency for the SAPARD Programme, the following shall be elaborated for the new Programme: information materials (fliers, brochures, guides, posters, etc), radio and TV spots and website especially for NRDP, conferences organized at national and regional level, participation in specialized shows and others.

The Managing Authority for NRDP together with the Paying Agency for Rural Development and Fishery shall put at the disposal of potential beneficiaries information regarding the flow of accessing the rural development funds that shall include: types of eligible investments, categories of beneficiaries, maximum assigned ceilings, eligibility conditions, administrative procedures related to the access to financing, the procedure for examining the financing applications, the selection criteria of the projects, as well as the names of the contact persons at national, regional and local level responsible for the informing and communication activity of NRDP.

The Managing Authority for NRDP shall also ensure the prompt informing about the possibility to obtain European funds by sending information letters directly to the potential beneficiaries.

Specific promotion and training actions of potential beneficiaries for implementing NRDP are realised according with the identified needs in the ***data base of NRDP***, aiming at covering the scope of all NRDP measures. This contains the data base of PARDF which directly aims the potential beneficiaries of NRDP and opinion leaders but also the data base of MA regarding the potential Local Action Groups and local partners active in the rural development field. This database is composed of potential beneficiaries, specialized associations and organisations and other persons that have shown interest in being informed about the content of NRDP. All these were identified by MA and PARDF during the consultation process, through direct, phone or e-mail contacts. As well, during the NRDP targeted conferences, promotion events or information seminars, the contact coordinates of all participants were centralized. Besides, the MA, through its territorial structures (DARD) delivered, at county level, a questionnaire based on which the natural persons and/or legal public or private persons that showed interest in accessing NRDP funds were identified. This database is an opened one that stands a continuous process of updating. In this respect, the direct contact with the potential beneficiaries and other associations and organisations that in their turn could disseminate the information received represents the main method for updating and completing the database.

Direct promotion through brochures, leaflets, direct mailing shall be accomplished using information contained in the data base of NRDP, which are selected following the informing campaigns and the sociological polls organised in the rural area.

In order to facilitate the access to information for potential beneficiaries who are not contained in the data base of NRDP, MA involves in the communication activities both territorial structures of responsible authorities (county Directorates for Agriculture and Rural Development, County Paying Offices for Rural Development and Fishery, Regional Paying Centres for Rural Development and Fishery, Local Centres and County Offices of the Paying and Intervention Agency for Agriculture), representatives of local administration (city halls, local councils) and local opinion leaders (the priest, the teacher and so on). The lack of information and the difficult access of the persons who live in the rural area at specialized information is a barrier in the way of implementing rural development programmes in the rural area and they have a negative effect upon the desire of potential beneficiaries to initiate new businesses within the rural area. Therefore, in order to ensure full success through these programmes, ***the training of the personnel from the Managing Authority, as well as the personnel from the bodies involved in the elaboration of NRDP by creating a specific implementation system*** is considered.

The actions proposed for informing the potential beneficiaries will be carried out starting from the programme preparation stage (before its approval/implementation) and will continue through out the entire implementation period.

Ongoing, midterm and ex-post evaluations shall be capable to assess the impact of the Communication Plan regarding the obligations of the Managing Authority in regard to transparency, equality of chances and non-discrimination as well as the appropriate understanding of the Community actions. Criteria that have to be considered for such evaluations shall be established on mutual agreement with the Managing Authorities of other European programmes together with the members of the Monitoring Committee. For this purpose, the respective criteria shall refer to the following issues as a minimum:

- The evolution of the number of submitted files;
- The evolution of the number of potential beneficiaries who accessed the information included in the informative materials (posters, fliers, guides, brochures, etc.);
- The evolution of the profile of those who submit projects according to the vocational category, gender, equality of chances;
- The number of accessing the website to obtain information from the field of rural development;
- The recognition of the Community logos, carried up through sociological studies, specific checking techniques, methods with good results as regards the SAPARD Programme;
- The visibility of the Managing Authority for NRDP in the mass-media (number of apparitions on TV and the presence in the written press).

The communication policy may be adapted according to the results of the evaluation and the modification proposal shall be presented in the Monitoring Committee.

13.2. Actions foreseen to inform the beneficiaries of the NRDP

In regard to the informing the beneficiaries of the Programme, it is necessary that they know the nature of the European funds in order to properly implement the projects.

Thus, at the moment when the contract between the Contracting Authority or the delegated authority and the beneficiary is signed, the category of the granted financial support shall be explicitly specified, i.e. from the Community budget or from the state budget, as well as the allocated amount and the contribution of each may be expressed in percentages or absolute value.

If the final beneficiaries of the received aid are not the direct beneficiaries of the support, such as the actions of vocational training, the Managing Authority for NRDP shall inform them about the origin of the funds whereby the service is financed. This information and the Community logos may be presented in varied manners: by mentioning the financiers on the forms for the recording of the vocational training stages, on the attendance sheets or e.g. on the participation certificates.

For the beneficiaries of the LEADER Axis, the contract shall be established between the Managing Authority or the delegated authority and the beneficiary, and besides the above-mentioned information the logos LEADER shall be also added by specifying that the support is granted on such Axis basis.

Thus, the Managing Authority for NRDP shall inform the beneficiaries about the actions of co-financing through EAFRD and about the priorities of the axes from NRDP and concurrently it shall publish the list of beneficiaries that receive support through the Programme, the financial destination and the amounts of the public contribution.

The actions proposed for informing the potential beneficiaries will be carried out mainly in the moment of the signing of the contract and will continue through out the entire implementation period of the project. The evaluation criteria of informing actions for the NRDP beneficiaries are:

- The evolution of the number of selected files for financing;
- The decline in number of financing applications refused due to administrative problems;
- Number of documents downloaded from the MARD web page;
- Mass media visibility of the MA NRDP;

- Number of specific informing events organised.

13.3 Actions to inform the general public about the role played by the Community in the NRDP and the results thereof

The public shall be informed about the role, which the European Union plays in the implementation of this National Rural Development Programme by:

- Explanatory signs applied on all investments with a value higher than 50,000 Euro;
- Boards installed on the sites of infrastructures exceeding 500,000 Euro;
- Explanatory signs installed in the offices of Local Action Groups (LEADER);
- Constant publication of annual reports on the National Rural Development Programme.

In order to emphasise and raise awareness regarding the opportunities and success stories of the NRDP implementation as well as the Community involvement in Romanian rural development area, the MA will post on the MARD site the Annual Progress Report which contains specific information regarding evolution of the Programme as well as the complete list of the beneficiaries who have accessed it. Also, constantly during the programming period the MA shall give press releases and announcements regarding the significant actions and events.

The actions proposed for informing the general public will be carried out starting from the programme preparation stage (before its approval/implementation) and will continue through out the entire implementation period, until the evaluation of its results. For informing the general public, specific campaigns will take place, especially in the beginning of the programme implementation (in order to cover an extended range of potential beneficiaries). At the end of this period, the campaigns will be organized with the purpose of informing the public about the results, achieved experience, and the beneficiaries that accessed the EAFRD.

The evaluation criteria for the informing actions for the general public are:

- Number of panels and explanatory signs corresponding to the investments carried out or finalised through EAFRD;
- Number of openings and documents downloaded from the MARD web page;
- Mass media visibility of the MA NRDP;
- Recognition of Community logo following the informing campaigns in the rural area;
- Number of general informing events organised by MA;
- Number of MA representatives attending the events organised by third parties;
- Number of openings concerning the NRDP Annual Progress Report posted on the MARD site.

Chapter 14

The designation of the partners consulted and the results of the consultation

In accordance with the Council Regulation (EC) no. 1698/2005, article 6, Member States are under the obligation to identify and collaborate with the most representative public and private partners in order to draw up the National Rural Development Programme. Thus the Ministry of Agriculture and Rural Development through the General Directorate for Rural Development – Managing Authority (MA) for NRDP organized an ***ample consulting process for the programmatic document in order to elaborate a rural development programme adapted to the specific needs of the Romanian rural area, as well as possible***. The consulted partners are representative at national and territorial level and are active in the economic, social and environmental fields, thus covering all the consulting categories foreseen at art. 6 of Regulation (EC) 1698/2005.

For observing this article, the Managing Authority for NRDP has identified and invited to participate within the consulting process national and territorial partners involved in rural development interfacing fields as well as civil society representatives involved in equality of chances and non discrimination problems. The selection of private partners was based on performance criteria, being invited those whose activity has been recognized by public bodies and authorities, such as ministries.

As well, as mentioned in Chapter 15, the MARD launched invitations for the consultations on NRDP for the minority organisations (especially those representing the Roma minority) as well as those promoting the equal opportunities. It is worth mentioning that some of those representatives declined the invitations explaining that agriculture and rural development do not represent their scope.

In the same time, the representatives of all the interested bodies have access during a seven months period to the working documents of NRDP posted on the ministry website (www.mapam.ro) for the purpose of public consultation. In this way, a sufficient period of time was given in order for all those mentioned above to express their opinions and suggestions through the special set up channels (e-mail, phone, in writing or by fax), even if they did not effectively take part to the organized consultations.

It is worth mentioning that the environmental organisations (NGOs, associations and foundations) have also been invited to participate to the consultative sessions, allowing them to express their preoccupations and proposals regarding the envisaged field. As natural for an opened consultation process, some of those have honoured the invitation and presented pertinent proposals, while others did not attend the consultations nor expressed their opinions, in favour or against the Programme.

Annexes 7, 8, 9 and 10 (a and b) and tables 14.2 and 14.3 present, as cluster, the list of the partners identified which answered the MA's invitation to take part in the consulting works.

The public consultation process for the National Rural Development Programme was structured on three levels and distinctly, in order to analyze the environmental impact of NRDP and elaborate the environmental report a specific consultation process regarding Strategic Environmental Assessment (SEA) was organized (Table 14.1).

The three consultation levels are:

1. The technical level – has pursued a specialized approach of the technical specification of the measures fishes comprised in NRDP;
2. The non-technical level - has pursued the debate of the NRDP content with all partners interested in its implementation, involving specialists ***but mostly social actors who are not specialists but are directly in contact with the local rural reality;***
3. The macro level - has envisaged a wide audience consultation of all persons interested in rural development subject but who have not been included in the previous stages.

The consulting process organized by MA for NRDP has a continuous character, being initiated in the elaboration stage of the programme and unfolding during the entire programming period. The partners involved have contributed constantly to improving the programme, forwarding comments and observations both within the consultation reunions organized by MA as well as through the means of the macro consultation level: e-mail address, phone line, questionnaire posted on the website.

Table 14.1

Public consulting process of NRDP	Consulting level	Number of consultation meetings Total : 49		Subjects approached	Categories of consulted partners
	Technical	Axis 1: - 4 Working Groups organized on measure groups – 2 meetings each; - 6 Working Groups, on individual measures – 1 meeting each;	14	Technical specifications of the NRDP measures	Within the technical working groups, the consulted partners were organized in accordance with the field they are active in, covering all the categories foreseen in art. 6 of Regulation 1698/2005 (see table 14.2): - representatives of ministries involved - representatives of economic, social and environmental partners active at national and local level in the rural development field, including clergy and bank representatives (see Annex 8A)
		Axis 2: - 1 Working Group organized on measure groups - 1 meeting; - 4 Working Groups organized on measure groups – 2 meetings each;	9		
		Axis 3: - 2 Working Groups organized on measure groups – 2 meetings each; - 2 meetings with clergy representatives	6		
		Axis 4 LEADER - 1 Working Group– 2 meetings - 1 consultation seminar for NRDN (<i>see annex 9 and 10</i>) - discussions on the financial aspects of the investments measures	3		
			2	Complementarity between the NRDP requirements regarding investment projects and banking requirements for granting the credits needed for co-financing	- banking institutions representatives
	Non-technical	- regional consultation seminars	5	Presentation of the NRDP, emphasizing the 8 priority measures	- representatives at territorial level of the ministries involved - representatives of economic, social and environmental partners active at local level in rural development field (see table 14.3 and Annex no 8B): NGOs, town halls, local economic actors etc.
	Macro	- MARD website comprising the rural development section; - the NRDP; - afferent legislation; - questionnaire for the NRDP; - e-mail address : feadr@madr.ro ; - phone line		Consulting all NRDP working versions, the comments being addressed through the questionnaire posted on ministry website and by email	- stakeholders directly interested in rural development field
	SEA	- technical sessions - non-technical consultation - public debate (<i>see chapter 3.3</i>)	7 2 1	Environmental impact of the NRDP	- public authorities interested in environmental effects of the NRDP implementation; - EPC Environmental Consultancy; - Partners active in environmental protection issues and natural persons interested

14.1. The designation of the partners consulted

14.1 A Technical-national level

By designating the partners comprised in consulting technical groups, the MA pursued to cover all fields targeted by National Rural Development Programme, in order for the document to approach, in an efficient manner, the specific challenges of each rural development direction. Thus the MA designated, specifically, representatives of economic, environmental and social institutions, authorities and organisation who were specialists in their field of activity and could provide their expertise regarding the technical content of the measure fiches.

In order to ensure the transparency of the consultation process, the Managing Authority for NRDP has published on the MARD website starting with December 2006, both the schedule of the technical groups' session, work agenda and their members, and the working document of NRDP the process of consultation relied on.

The technical working groups were set up on groups of measures and the selection of the partners for each group was based on the relevance of the activity carried out in the scope of the concerned measures. Having regard to this, and in accordance with article 6 (1) of Council Regulation (EC) no. 1698/2005, *the partners included in the technical consulting process have represented the competent public authorities, economic, social as well as environmental partners.*

At technical level, in order to elaborate, with maximum efficiency, the National Rural Development Programme, the technical consultative working groups were structured on each of the four priority axes:

- 10 working groups for Axis 1 “Improving the competitiveness of the agricultural and forestry sector”;
- 5 working groups for Axis 2 “Improving the environment and the countryside”;
- 2 working groups for Axis 3 “The quality of life in rural areas and the diversification of the rural economy” and 1 meeting with clergy representatives;
- 1 working group for Axis 4 “LEADER” and a consultative seminar regarding the National Rural Development Network .

The technical consultation process began at mid-December 2006, each working group having two consulting sessions. The working groups were set up on categories of measures, and for Axis 1 starting as of the 2nd reunion each measure was addressed by a specific working group. As regards the structure of the working groups, they comprised, on average, a number of 10 – 15 persons. Their selection ensured the coverage of all geographical areas of the country as well as the fields referred to in the NRDP (see Annex 8A).

The role of the technical consultative reunions was to ensure the transparency and the awareness of the partners involved regarding the provisions of the measures' technical fiches and to enable them to contribute to the improvement of the measures in accordance with their needs and their expertise.

The description of the consulted partners is detailed in the following table:

Table 14.2

Technical level:
Ministry of Agriculture and Rural Development
General Directorate of Rural Development – Managing Authority for NRDP
General Directorate of Forestry Development and Property Consolidation
Directorate for Land Melioration
Directorate for Property Consolidation, Reform of Exploitation Structures and Soil Preservation
General Directorate for the Implementation of Sector and Market Policies
Directorate of Horticultural Crops
Directorate for Livestock Breeding and Livestock Products

Directorate for Agriculture and Rural Development : Ilfov, Constanța, Giurgiu, Teleorman Prahova, Buzău, Călărași, Dâmbovița, Brăila, Alba, Brașov, Sibiu, Iași
National Agency for Agricultural Consultancy
Councils per product (oilseeds, vegetable – fruits, cereals for beer, hops, meat, milk, wool, textile plants and processed products, tobacco and tobacco products, poultry)
Paying Agencies
Paying Agency for Rural Development and Fishery
Paying and Intervention Agency for Agriculture
Other ministries
Ministry of Labour, Family and Equal Opportunities
Ministry of Economy and Finance
Ministry of Transport
Ministry of Environment and Sustainable Development
Ministry of Development, Public Works and Housing
Ministry of Interior and Administrative Reform
Ministry of Culture and Cults – Relation-Cults Directorate
Non-governmental organizations
ADEPT Foundation
Rural Development – Ex-Ante Evaluation Foundation
Romanian Ornithology Society
WWF – Danube-Carpathians Romania Programme
Foundation of Partners for Local Development
Centre for Rural Support
Romanian Fund for Social Development
United National Development Program
The Pact Foundation
Chamber of Commerce and Industry of Romania
Associations
Association of Forest Administrators from Romania
Association of Forest Owners from Romania
Employers’ Association of Foresters from Romania
National Association of Rural, Ecological and Cultural Tourism
Association of Communes from Romania
Association of Cities from Romania
Romanian Association for Community Development
Association for Area Development Medgidia
Regional Centre for Sustainable Rural Development
National Employers’ Association of Vineyard and Wine
Other partners
Public
National Council for the Vocational Training of Adults
World Bank
National Administration of Land Melioration
National Sanitary-Veterinary and Food Safety Authority
Institute of Forest Researches and Arrangements
Territorial Inspectorate of Forest Regime and Hunting Bucharest
Faculty of Forestry and Forestry Exploitations
Federation for the Protection of Forests
National Agency for Environment Protection
Agency of State Domains
National Tourism Authority
Project Management Unit
Competition Council
National Centre for the Preservation and Promoting of Traditional Culture

The Village Museum
The Academy of Agricultural and Forestry Sciences
Rural Credit Guaranty Fund
Economic
SC ECOINSPECT SRL
SC SUOLO E SALUTE Romania SRL
SC ELEGHOS BIO ELLAS ROMANIA SRL
SIVECO – Romania
SC BIO CERT SRL Romania
GEA Strategy & Consulting
Commercial Bank of Romania
Raiffeisen Bank
BRD Group Societe Generale
Romanian C.E.C
Social
Representatives of clergy
Romanian Group for Investments and Consultancy
National Federation for Ecologic Agriculture
Local Action Groups: Dâmbovița, Snagov – Ilfov, Vidra Copăceni – Ilfov

14.1 B. Non-technical territorial level

At the non-technical territorial level the consultation process emphasized the needs identified in rural area by stakeholders, which could be cover by NRDP. Thus, the consultations were attended by the most important economic, social and environmental actors from rural area, involved in rural development activities interfacing with the 4 axis of NRDP 2007-2013.

Through the non – technical consultation, the Managing Authority for NRDP aimed to improve the programming document by analyzing it also from the point of view of partners who do not possess specific technical knowledge but are deeply involved in the Romanian rural area problems. Thus, MA tried to elaborate a technically correct rural development programme, but suitable to the rural area specific needs which have been identified with accuracy through non-technical consultation.

The purpose of the consultation at this level was the analysis of NRDP content, focusing on the measures considered as priority for Romania in the next period, respectively:

- 121 “Modernisation of agricultural holdings”;
- 123 “Adding value to agricultural and forestry products”;
- 143 “Providing farm advisory and extension services”;
- 211 “Support for mountain areas”;
- 214 “Agri-environment payments”;
- 312 “Support for the creation and development of micro-enterprises”;
- 313 “Encouragement of tourism activities”;
- 322 “Village renewal and development, improvement of basic services for the economy and rural population, conservation and upgrading the rural heritage”.

The high attention for these measures is justified by the special interest of the consulted partners regarding the 8 measures, interest proven by received letters, e-mails and phone requests and also by the MA efforts to prepare the NRDP launching by focusing on the subjects which mostly interested the potential beneficiaries.

In order to ensure constructive discussions which should provide viable solutions for the problems identified, alongside of local consulted partners within territorial consultation sessions, representatives of institutions and partners which have participated at the technical sessions were also invited. Thus, the consultations organised have been equilibrated, presenting for the concrete problems optimum solutions based on the technical expertise of the specialists involved. The attending public institutions

as well as the other national associative organisations and authorities have been invited as they embody territorial structures and can represent the local interest of their members (see table 14.3 and Annex no 8B).

These consultation sessions took place during 11th-15th of June 2007 in five regions of the country and have gathered partners from all the counties, targeting the elaboration of a quality document, which observes the Community regulations and responds to the support needs identified in the rural area.

In order to facilitate the access of stakeholders aimed at this level, the consulting sessions took place at territorial level. The selection of the centres housing the regional reunions has taken into account their geographical position, thus being situated at a comfortable distance from all the partners located in a designated region.

In all the five locations, at regional level, the representatives of about 4 to 6 limitrophe counties were invited, thus covering all 42 counties of Romania. These consultations were organized closely to the deadline for the submission of the NRDP to the European Commission, precisely for obtaining a real feed-back on the elaboration of the Programme.

In the framework of the discussions that took place during two days, representatives of territorial structure of the public authorities, of local and regional economic and social partners, of branches and working points of the associations, owners associations, foundations, and active NGOs have shown their interest for the debates and answered the invitation.

With the purpose of efficiently organizing the *non-technical consultations*, on June 1st 2007 at the Ministry of Agriculture and Rural Development's headquarters a training session was held for the deputy executive directors from rural development from the county DARDs, who ensured the role of organizers and lectors within the consultation process. They were trained to carry out the procedures specific to this type of activity, such as: identifying the consultation partners stipulated in article 6 of the Regulation (EC) no. 1698/2005, organising meetings, sending the invitations, ensuring the location and the necessary logistics, setting the work agenda and minutes.

Table 14.3 details the consulting partners from non-technical territorial level.

Table 14.3

<i>Territorial level</i>
Ministry of Agriculture and Rural Development
County Directorates for Agriculture and Rural Development
County Offices for Agricultural Consultancy
Paying Agencies
Local Centres of Paying and Intervention Agency for Agriculture
County Offices of Paying and Intervention Agency for Agriculture
County Paying Offices for Rural Development and Fishery
Regional Paying Centres for Rural Development and Fishery
Other ministries – territorial structures
Ministry of Economy and Finance
Ministry of Development, Public Works and Housing
Ministry of Labour, Family and Equal Opportunities
Ministry of Culture and Cults
Ministry of Interior and Administrative Reform
Farmers and Processors Associations – regional representatives
Romanian Employers' Association of Pork
National Employers' Association of Vineyard and Wine
VINROM
Union of Poultry Breeders from Romania (UPBR).
General Association of Cattle Breeders from Romania
Association of Forest Administrators from Romania
Association for the Protection of Birds and Nature – the “Milvus Group”
Association of Forest Owners from Romania
National Association of Rural, Ecological and Cultural Tourism

Association of Communes from Romania
Regional Centre for Sustainable Rural Development
Romanian Association for the Community Development
Non-governmental Organizations - regional representatives
Rural Development – Ex-Ante Evaluation Foundation
World Wildlife Fund
Romanian Ornithology Society
ADEPT Foundation
Foundation of Partners for Local Development
Romanian Fund for Social Development
The Pact Foundation
Centre for Rural Support
CIVITAS Foundation
United National Development Program
Other regional partners
Public
National Council for the Vocational Training of Adults
Institute of Forest Researches and Arrangements
Faculty of Forestry and Forestry Exploitations
National Agency for Environment Protection
Research Institute for Pedology and Agro-chemistry
Research and Development Institute for Grassland Braşov
Regional Environment Centre
Project Management Unit
National Centre for the Preservation and Promoting of Traditional Culture
European Council for Villages and Small Towns – ECOVAST
National Tourism Authority
Village Museum
Social
Romanian Group for Investments and Consultancy
LAG Potential
Other partners
Public
Hereclean Cityhall
Livezile town hall
Lunca Town hall
Causu Mic City Hall
Tirlisua City hall
Catina City hall
Jucu City hall
Farcasa City Hall
Chiuieşti City hall
Ernei Town hall
Crasna City hall
Sângeorz de Mureş City hall
Pericei City hall
Poieni City hall
Matei City hall
Parva City hall
Bucium City hall
Teaca City hall
Manastreni City hall
Petresti Local Council
Cluj Prefect's Office

Social
C.O. Foundation
Economic
SME Consulting Cluj Napoca
Wieserconsult S.R.L.
Transilvania Production Cooperative
Petreşti S.A.
Prescon S.A.
S.C. Fanzo Serv S.R.L. Bistriţa Năsăud
Agrotech S.R.L. Bistriţa Năsăud
MIXT Farm NP Hunedoara
S.C. Infoeuropa
Dorna Dairy Products
Apiculture
Farmer Viişoara
S.C. Ordga & Baker S.R.L.
ARDAN Producer Group
S.C. Fermalact S.R.L.
Ziua de Cluj – newspaper
Natural authorized person Bordean
S.C.Assistance Cons.SRL
S.C. Lacto-prod Alba
S.C. Comtleblu S.R.L.
S.C. Agroserv S.R.L.
Comodore Agricultural Society
Eco-Natura Microregion
S.C. Dăiana Max S.R.L.
S.C. Prototpra S.R.L.
S.C. Flancolden S.R.L.
S.C. Culcarn S.R.L.
S.C. Agroradis S.R.L.
S.C. Zoomad S.R.L.
Natural Authorised Person
S.C. Prodfruct S.R.L.
S.C. Capaintertrans S.R.L.
S.C. Legumicoltorul Dăneşti S.R.L.
S.C. Agrind S.A
Agricultural Cooperative Targu Mures
S.C. Riomar S.R.L.

14.1 C The Macro level of the consultation process

The Macro level of the consultation process which aimed to involve the wide audience directly interested in rural development, has comprised the following actions:

- posting on the Ministry of Agriculture and Rural Development website (www.mapam.ro) all the NRDP working versions, modified after the insertion of observations received within the consultation process;
- posting a questionnaire on the ministry website which allows the interested persons to express their opinions regarding the content of the programme and the possibilities for improving it;
- setting up an unique e-mail address feadr@madr.ro and,
- making available a phone line where interested persons can address questions regarding the consulted document.

14.1 D Consultation regarding Strategic Environmental Assessment (SEA)

The National Rural Development Programme 2007-2013 was the subject to a Strategic Environmental Assessment according to Government Decision no. 1076/2004 regarding the setting up of the procedure for carrying out the environmental assessment for plans and programmes which transposes the Directive (EC) no. 42/2001 (SEA) into Romanian legislation.

The consultation process regarding the Strategic Environmental Assessment took place between October 2006 – June 2007 and consisted in *seven reunions* of the working group, comprising representatives of the following ministries:

- Ministry of Development, Public Works and Housing;
- Ministry of Interior and Administrative Reform;
- Ministry of Economy and Finance;
- Ministry of Public Health;
- Ministry of Communications and Information Technology;
- Ministry of Education Research and Youth;
- Ministry of Environment and Sustainable Development;
- EPC – Environment Consultancy.

The subjects discussed within the reunions of working group were the following:

- General presentation of the National Rural Development Programme (NRDP);
- General presentation of Strategic Environmental Assessment (SEA) according to Government Decision no. 1076/2004;
- The setting up procedure for a preliminary set of environment problems and relevant objectives which will be used for the strategic environmental assessment of NRDP;
- The analysis and debate of the “0” Alternative elaborated by environmental expert and the analysis of other alternative proposals for each measure from NRDP (analysis of the new NRDP measures related to the SAPARD measures, analysis of the manner allocating funds between axes or related to other east-European countries, comparative analysis between “agricultural measures” and “environmental measures”, respectively complementarity, interactions and synergy effects of the two types of measures);
- Wording and finalisation of the relevant environmental objectives;
- The debate regarding correlation between the relevant environmental objectives and 2007-2013 NRDP objectives;
- Identifying the potential environmental impact of NRDP, having in regard correlation between NRDP objectives and environmental relevant objectives related to the intervention fields (air, water, soil, biodiversity, human health, etc);
- Identifying the NRDP sensitive interventions fields on the environment which will be the base for the quantification of the NRDP environmental impact;
- Presentations of alternatives having in regard the relevant environment objectives for measure 121 “Modernization of agricultural holdings”, measure 123 “Adding value to agricultural and forestry products” and measure 312 “Support for the creation and development of micro-enterprises”;
- Presentation of the Environmental Report Draft for the National Rural Development Programme 2007-2013.

Also, regarding non-technical consultation related to the environmental impact of NRDP and Environmental Report, the two documents were posted on the website of the Ministry of Agriculture and Rural Development, each stage of the consultation (November 2006 and May 2007) being announced to the wide audience in the central press. At the same time, printed copies of those two documents were available to all interested persons at the Ministry’s registration office.

Technical reunions and non-technical consultations have been ended by the organisation of a public debate attended by members of the working group and representatives of the wide audience (see annex no. 10 b).

14.2. The results of the consultation

In the context of a continuous consultation process, the interested stakeholders constantly addressed observations and comments regarding NRDP content by means of macro consultation. These alongside the observations resulted from the organized consultation sessions, were centralized by the Coordinating, Monitoring and Promotion Directorate and distributed, based on their subject, to axis and measures coordinators. MA NRDP experts have analyzed all comments received and relating of their relevance, have been introduced or not in the content of the programme (see annex 7).

Within the consultative technical reunions, the main remarks about the measures from the National Rural Development Programme (version October 2006) concerned especially:

Within Axis 1, the chapters in regard to the defining of the beneficiaries, the setting out of the eligibility criteria, modifications in regard to the financial support ceiling within the measures.

Concurrently debates took place on the theme of the minimum vocational training level necessary to access the measures 111 “Vocational training, informing actions and diffusion of knowledge”, 112 “Setting up of young farmers” and 121 “Modernizing of agricultural holdings”.

Most of the proposals referring to the measures within Axis 1 were received from the farmers associations, NGOs, consultancy firms and other active bodies in the envisaged domains.

More than two third of these modification proposals for the Axis 1 measures were included in the Programme as they have been in compliance with the Community Regulations, measure fiches and they are addressing a better wording of the text, and thus a better understanding of the measures. Several justifications for the proposals not accepted are presented below:

Measure 111 that supports *Vocational training, informing actions and diffusion of knowledge* cannot be limited *just to informing activities* as proposed during the consultations.

As regards the *support granted to the young farmers for setting up*, this can be used also for investments for developing the farm activity, but the eligible expenditure for investments are not foreseen in the measure 112 technical fiche. *Extending the term for requesting the support* from 12 to 24 months from the date of the farmer set up could not be taking into account because the term established by the EC Regulation no 1698/2005 cannot be longer than 18 months from the date of setting up.

The inclusion of farm owners whose economic dimension is under 6 ESU in the beneficiaries’ category could not be applied either, as the proposal envisaged the cession of a viable agricultural holding and not of a semi-subsistence one, so larger than 6 ESU.

As well, *the improvement and optimising the production, processing and marketing flows* within measure 121 is not possible because this is an objective of measure 123 “Adding value to agricultural and forestry projects”.

Within measure 125 “Improving and developing infrastructure related to the development and adaptation of agriculture and forestry” the inclusion of the costs related *to clearing wooden vegetation* in the eligible costs was proposed, but in breaching of EC Regulation no 1698/2005.

The proposal regarding the maintaining of works not included in the priorities proposed only for the General Town Planning (GTP), and not for the Territorial Town Planning (TTP) was not included in the non-eligible investments, as represents a non-justified restrictive condition. *This measure does not foresee the development of integrated projects*, thus investments in agriculture and forestry infrastructure carried out in common by the neighbour owners of agriculture and forestry land cannot be supported.

Within measure 141 “Supporting semi-subsistence farms undergoing restructuring”, *increasing the value of support granted up to 2,000 Euro/farm cannot be accepted* having in view that this would be against the support approved for Romania of 1,500 Euro/year.

As regards the observation on reducing the number of members forming a producer group from 30 to 15, but maximum 20 members, it must be taken into account that the national legislation in force foresees that ***the minimum number of members for a producer group is of 5.***

The proposal of financing the marketing associations or of supporting the design of web pages for producer groups cannot be included in the Programme because is not an eligible expenditure within measure 142 “Setting up of producer groups”; in turn, this is an eligible expenditure for the Common Market Organisation supported through Pillar I.

In regard to the setting out of the ***eligibility criteria***, the most frequent proposals referred to the inclusion in the category of eligible investments of the (queen) animals and seminal material of high biologic value, agricultural equipment (harvesters, tractors and others), cold storage of agricultural products during their processing, works of restoring and rehabilitation of degraded forest roads, activities of clearing wooden vegetation, agricultural and forestry infrastructure, costs related to the drafting of the documentation for land consolidation and of those related to the registering of lands located in mountain areas. For such purpose the idea of the land consolidation necessity was supported by merging several semi-subsistence holdings following the accessing measure 113 “Early retirement of farmers and agricultural workers”.

For the measures comprised in ***Axis 2*** the most significant subjects discussed within the working groups referred to: the validation of the method to compute compensation payments, the insertion of vineyard crops in the category of eligible crops, the interdiction of ploughing grasslands within ecologic farms, the support for transaction costs for potential beneficiaries, the identification of actions to converse farmland into grassland, as well as the elaboration of a strategy regarding the stages that should be fulfilled in order to implement the measure “Natura 2000” for the involved institutions.

Within Axis 2, the environment NGOs, ecological organisations, the forest protection federations and foundations, made most of the proposals for improving the Axis 2 scope.

All proposals of modifying Axis 2 aimed especially at measure 214 ‘Agri-environment payments’. Out of these proposals, most of them were accepted and inserted in the text, part of them being rejected as presented in Annex 7.

As regards ***the support of beekeepers from organic farming*** through this measure, it should be stressed that ***those cannot be supported through area based payments because they are not agricultural land users*** and thus they could not be asked to respect the requirements of agricultural land management.

Concerning the proposal on ***executing compensatory payments in two instalments*** before and after the execution of agricultural works, ***these cannot be executed before organising on the spot checks.***

As well, in the same measure, ***payments for animal breeders cannot be granted*** based on the number of animals, the payments through this measure could be granted ***only on area base***, as proposed during the consultative working groups.

As a consequence of the consulting process dedicated to the measures from ***Axis 3***, following the debates, in the chapter ***eligibility criteria*** a couple of significant amendments were performed, such as the insertion of investments for restoration, consolidation, protection and preservation of local patrimony buildings from protected areas, investments related to the cultural sites and services. In regard to the financial support for the elaboration of studies on the cultural patrimony, it shall be conditioned by the possibility of the capitalization of studies in practice. It was also proposed and accepted to include NGO’s and cult institutions in the category of eligible beneficiaries defined through Axis 3.

In the case of Axis 3 measures, the public authorities, the representatives of the ministries and of paying agencies made proposals of measures modification.

Concerning the identification of agricultural holdings, within the consultative working groups it was emphasized that this should be carried out based on the agricultural register, in order to allow the following up based on the primary accountancy. As regards this suggestion ***it was accepted that the beneficiaries could be natural persons (not-registered as economic agents)*** but who commit

themselves that until the signature of the financing contract would obtain an authorisation of at least an authorised natural person and to function as micro-enterprise.

The proposal of rephrasing – *investments in development of unbinding and commercialisation of own products and other local products* – instead of the existing one “support for development of shops attached to the farm” *is not possible* because the trade and trade intermediary activities is developed enough, except for the trade of products obtained from one own productive process.

As well, *the inclusion in the category of eligible expenditure of the rent* for the location established for carrying out the activities cannot be considered eligible according to article 55 from EC Regulation no 1974/2006.

The inclusion in the beneficiaries category of the public-private partnerships, other then those foreseen by LEADER Axis will be allowed starting with 2010, when measure 341 will start implementing, this measure being complementary to LEADER Axis measures.

Within measure 322 “Village renewal and development [...]” the terminology of *civic centre* could not be used as proposed, because the legal base for defining it for the rural area does not exist.

Even if the *contribution in labour* is considered eligible expenditure, it will be operational *only* after finalizing an unitary system for labour standardising, thus it could not be implemented from the beginning of the programme.

Also within working meetings, referring to the financial grants weight on priority axis and measures was ascertained that *the finance level of infrastructure in the rural area is insufficient well-balanced* compared with existing projects portfolio and finance needs in this sector. In this way, it was considered that measure “Village renewal and development” could benefit of a substantial financing. This remark was materialized, by modifying the measures but keeping in balance the financial grants regarding rural economic development.

To the discussions of the consultative working groups were also subjected issues related to: the implementation through the *LEADER Axis* of the measures within Axis 2 and Axis 3, the enclosure in the territories of the Local Action Groups (LAG) of the towns having up to 20,000 inhabitants, the granting of financial support for the construction of public-private partnerships to the potential LAG’s, in the initial stage of their setting up.

As regards the LEADER approach, most of the actors involved, from public authorities to owner associations, foundations, associations made proposals on the subjects under discussion.

More than two third of these modification proposals were included in the Programme as they have been in compliance with the Community Regulations, measure fiches and they are addressing a better wording of the text, a better understanding of the measures and they answered to the specific situation of Romania. Following the discussions within the working groups it was decided that the financial support granted to the projects selected and implemented by the LAG *could not exceed 200,000 Euro* public co-financing. The LEADER projects will not have a very high value, as their objective is *to stimulate the cooperation between the actors of the rural area*, in the benefit of the rural territory that the LAG represents.

For ensuring the territorial coherence and necessary critical mass as regards the human, financial and economic resources for sustaining a viable local strategy, the inclusion in the Local Action Groups of the towns up to 30,000 inhabitants. As well, *the inclusion of towns in the area covered by the LAG will enhance the territory homogeneity* and will support the continuing of the relationships established in time between the inhabitants of a territory. Having in view that, according to the definition included in NSP and NRDP, the rural area is composed of villages and communes, and following the negotiations with the European Commission, in order to maintain the rural character of the territory, it was established that towns up to 20,000 inhabitants can be accepted within the LAG.

As well, following the consultation process that involved the stakeholders within rural area, public and private partners (NGOs, public institutions, universities) it was established that the Government Ordinance no 26/2000 on associations and foundations would represent the legal base / legal status of LAG functioning.

Concerning the proposal on *introducing within the LAG the towns with up to 50,000 inhabitants*, this could not be realised because thus the rural character of the covered territory could be influenced.

The **LAG that included in their strategy cooperation actions /projects** will have priority in the selection process. The cooperation projects will have as **a result a real added value for the territory** (supporting the LAG for improving the local activities). As well, having in view that in Romania this approach will be implemented for the first time, **it was decided that the cooperation projects should not become mandatory**, but to emphasize their importance for the support of partnerships.

Concurrently within the chapter on “The national rural development network” it was proposed to **describe** the financial methods and means for the system’s implementation which implies the detailed description of certain issues regarding the programming and implementation components.

Another discussed issue was that of clarifying the definition of the rural area. Following the discussions it was agreed that the definition of the rural area should be performed in accordance with the national legislation referring to Law no. 2/1968 republished, Law no. 350/2001 and Law no. 351/2001.

All detailed supplements proposed within the working groups regarding the technical and legislative issues were noted in order to be inserted in the applicant’s guide.

The consulting at non-technical level reunited the potential beneficiaries (more than 1,500 participants) of the measures proposed from NRDP, respectively:

- **Agricultural and forestry producers, natural persons and legal entities** (Measure 121 “Modernising the agricultural holdings”; Measure 125 ”Improving and developing infrastructure related to the development and adaptation of agriculture and forestry”; Measure 143 “Providing farm advisory and extension services”; Measure 211 “Support for mountain areas”; Measure 214 “ Agri-environment payments”);
- **Local public authorities** (Measure 313 “Encouraging tourism activities”; Measure 322 “Village renewal and development, improvement of basic services for the economy and rural population, conservation and upgrading the rural heritage”);
- **Other inhabitants of the rural space**, both individual producers and legal bodies (Measure 312 “Support for the creation and development of micro-enterprises”; Measure 313 “Encouraging tourism activities”).

The participants to this consulting process showed their interest especially for:

- The selection mode of the consultancy enterprises;
- The manner of granting the milk quota;
- The guarantee conditions for the credits necessary for the co-financing of the projects;
- Clarifying the “consultancy and advisory” terms, as well as of “in kind contribution”.

Following the consultative sessions which took place at **territorial level, the general conclusion was that the 4 axes and the measures comprised shall be a real support for the stakeholders of the rural area for ensuring conditions for a sustainable rural development.**

Further to this extensive consulting process, the National Rural Development Programme benefited from successive improvements that warrant to it the quality and absorption capacity for the amounts allocated through the European Agricultural Fund for Rural Development.

Chapter 15

Equality between men and women and non-discrimination

The elimination of any discrimination forms out of all spheres of the social and economic life is an essential condition precedent to ensure human rights and the welfare of every citizen. The constant, systematic and focused promoting of the principle of equality between men and women besides ensuring an increased participation of women in the economic and social life as protagonists with full rights are constant and sustained preoccupations in Romania. The principle of non-discrimination lies at the very heart of the Romanian legal system and the equality of all citizens is warranted by Constitution. The citizens are equal in the eye of the law and public authorities without any privileges and discriminations based on race, nationality, ethnic origin, language, religion, gender, opinion, political affiliation, belongings or social origin. Moreover, the state recognises and warrants to persons belonging to all national minorities the right to maintain, develop and express their ethnical, cultural, linguistic and religious identity. On the same lines, the Law no. 2002 of April 19th, 2002 concerning the equality between men and women regulates promoting an equal treatment and bans any form of discrimination regarding the access to all levels of education, vocational training or long-life learning.

In order to accomplish this desideratum, in Romania there is an autonomous state authority, under the Parliament's control, that acts in the discrimination field (National Council for Combating Discrimination) and additionally an institution was created that is in charge with promoting of equality between men and women, i.e. the National Agency for Equality of Chances for Men and Women. The first institution is the safeguard for respecting and applying the principle of non-discrimination according to the national and international legislation, while the second organism aims to promote measures in view of the equal remuneration of women and men for the same supplied work, measures that have as a main objective the warranting of an equal treatment on the labour market in regard to vocational training or the promotion opportunities, in order to eliminate any forms of direct or indirect discrimination.

In conclusion, the national legislation shall be the first instrument to appeal to in the fight against any discrimination forms. Furthermore, the Managing Authority for NRDP shall take all measures it deems suitable in order to ensure the observance of the above-mentioned principles in the stages of elaboration, implementing and monitoring the programme.

15.1. Promoting the equality between men and women in the National Rural Development Programme

The problems of the equality between men and women lie in the core of the National Rural Development Programme. Equal opportunities have been and are still deemed as a very significant issue both in the preparation of the National Rural Development Programme and in the subsequent stage of its implementation. The objective is not only that of ensuring equal opportunities for men and women, but also that of increasing their degree of representation in those fields where their participation is not equitable, including the active involvement of women in organizations in charge with the management and implementation of NRDP.

The objective of eliminating any forms of discrimination between men and women applies to all the stages of the elaboration, implementation, up to monitoring and assessment process. Information regarding the baseline situation of women in rural area and minorities is presented in chapter 3.1.1.2. "Overview of Rural Demographics", 3.1.1.3. "Labour Market" and 3.1.4.2. "Micro Business formation and Tourism" and the indicators were identified in Annex 1 "Baseline indicators". In these lines, information regarding the number of active women on labour market (number of women employers, number of self employed women, number of women having a non paid worker status, number of ANP and FA), as well as information concerning the structure of population on ethnical criteria is presented in analyses.

In the stage of NRDP's elaboration, the equality of chances was taken into account by ensuring equal opportunities of participation for men and women. In the created working groups for the consulting process, the equality of chances between men and women was taken into consideration.

In the implementing stage, the decision of granting support shall be determined by the accomplishment of some pre-established conditions, that are based upon transparent and objectives criteria.

The approaches chosen at axes level in order to ensure the observance of the chances equality principle between men and women have in regard the following:

Axis 1: the measures of this axis foresees granting the support without any discrimination based on gender, race, ethnical origin, religious beliefs, invalidity, age or sexual orientation.

Axis 2: this axis takes into consideration the objective of the equality of chances between men and women in the different measures foreseen, not existing any distinction regarding the beneficiaries.

Axis 3: having as basis the structural analyses of the labor force and the unemployment rate, this axis encourages the entering of women on the labor market and raising the number of entrepreneur women. In this purpose, women and youth shall be aimed in the selection criteria established for the measures 312 and 313.

Axis 4: inside the LAGs' selection criteria, priority shall be granted to the groups having a fair representation of women and youth.

In conclusion, within the Axis 3 measures (312 and 313) and within Axis Leader, a special attention is granted to the specific situation of women in rural area, by including this category in the selection criteria.

In the monitoring and reporting stage, according to the article 81 (3) of the Council Regulation (EC) no. 1698/2005, where the nature of support permits, the indicators shall be divided on gender and age of the beneficiaries. In these lines, for the measures 111, 112, 141, 312 and 313, monitoring on gender shall be realized inclusively.

Taken into account the particularities of women situation in Romania, within the NRDP measures an estimated number of about 172,000 women are going to benefit of assistance. Thus, the number of women that shall benefit of NRDP measures can be found in the measures' fiches. Within the measure 111, a number of 122,264 women are expected to be involved in the vocational training, information and diffusion of knowledge actions. Within the measure 112, out of the total number of assisted farmers, 2,075 is estimated to be women, within the measure 141, out of the total number of assisted semi-subsistence farms, 7,617 are going to be farms managed by women, and within the measure 143, out of the total number of advised farmers, 39,881 is expected to be women.

As a result of NRDP's implementation we expect improvements in women and minorities' situation, this fact being reflected in incomes' increases, new jobs opportunities and raises in the training degree of those social categories.

Furthermore, for completing the baseline situation, through the technical assistance component, studies shall be carried out in order to determine baseline indicators divided on gender for the above-mentioned measures. Starting from the monitoring results, on NRDP's carrying out, the Managing Authority shall supply feed back to European Commission through intermediary and ex post evaluations. Therefore, in the evaluation stage shall be analyzed data divided on gender and age of the beneficiaries that shall allow the impact evaluation of the support from men and women equality of chances point of view.

Moreover, it is foreseen encouraging the participation of women in decisional process through a fair participation of women and men in the Monitoring Committee. In the same lines, in the Monitoring Committee's component a non-governmental organism with responsibilities in equality of chances field is included.

The Managing Authority for NRDP shall also encourage the candidateship of women in different stages of implementing and monitoring the Programme, in accordance with the legislation in force.

In order to promote the equality of chances between men and women, the Managing Authority for NRDP considers the implementation of the following types of actions:

- Informing: the *ad hoc* informing sessions shall be also addressed to the potential beneficiaries of female gender, inclusively through an informing campaign financed through the technical assistance component aimed towards women that target the opportunities that NRDP foresees to this segment of the population in rural area,
- Vocational training: the training shall focus on raising the awareness degree of the administrative personnel and of the decision-makers in regard to the issues of equality of chances and besides this, they shall concurrently attempt to grant an increased attention to the specific needs of women,
- Evaluation: by the on-going, mid-term and ex-post evaluations, the actions undertaken for such purpose shall be monitored. Having regard to their conclusions, corrective measures shall be taken.

Concurrently measures to facilitate the entrance of women on the labour market, offering of services to senior citizens shall be considered by NRDP.

15.2. The prevention of any forms of discrimination in the different stages of implementing NRDP

The measures from the National Rural Development Programme observe the secondary legislation of the Community on the prevention of any forms of discrimination based on gender, race, ethnic origin, religious beliefs or faiths, invalidity, age or sexual orientation.

The support granted through such programme is accessible to all potential beneficiaries, once certain pre-established eligibility criteria are fulfilled.

Thus, the same principles mentioned in the previous subchapter shall be used in order to fight against any forms of discrimination.

In order to accomplish the same desire, a specialized institution was also created, the main objective of which is the promotion of actions, projects and programmes to improve the situation of the Roma people (National Agency for Roma People).

The dissemination of information, training and evaluation lie in the core of the mechanism created in order to observe the principle of non-discrimination. Also, through the current organizations and institutions, the dissemination of information shall be accomplished in such a manner as to address to all potential beneficiaries without making any difference. Moreover, in the organised consultations, both in the technical public consultation, as well as at the non-technical public consultation, the responsible institutions with promoting the equality of chances between men and women, as well as organisations representing specific minorities were invited to participate. Furthermore, within the working groups, the Managing Authority tried to involve such organisms, but having in mind the field too technical and specific of the National Rural Development Programme 2007-2013, the above mentioned institutions declined the invitation. On the same lines, has to be mentioned also the incipient stage of the associative forms in Romania, to which is added the fact that the existing structures do not have a proactive involvement in the sectoral issues, that have not direct and immediate incidences over their activities and seldom the organisations involved in non-discrimination, equality of chances and minorities field do not quite understand what might be their role in specific issues. Exactly from the above mentioned facts, the Managing Authority will take into consideration to carry out a campaign to raise awareness regarding the role that these organisms might play within the programme, as well as an informing campaign aimed at minorities and especially toward the Roma minority.

In addition, LAGs', National Rural Network' and Monitoring Committee's composition shall promote the principle of equality of chances and non-discrimination. Thus, in LAGs selection criteria, taking into consideration the situation at local level, priority shall be granted at selection to the groups having representatives of ethnical minorities, thus ensuring a fair representation of the above-mentioned category. The minorities and ethnical groups with a significant weight in the Romania's population

might be involved, in a direct manner, in the National Network for Rural Development in order to develop the rural area that they belong to. Besides, in the National Network for Rural Development, organisations that promotes the equality of chances are going to be included. Among those are: “Association for Promoting the Equality of Chances in Romania”, “Association Maria of Women in Bran”, “National Association of Rural Women”, “Women’s Association of Romania”, “Centre Partnership for Equality”.

The objective of the training shall be to raise the awareness level of the administrative personnel and of the decision-makers in regard to the legislation in force. They shall also attempt to satisfy any specific needs that may occur. The evaluation process shall concurrently attempt to ensure the access of each person to the support granted by the rural development programme and it shall perform a detailed analysis of the actions already undertaken, with the aim to adapt the policies as well as possible and in due time.

Moreover, within the system of *in itinere* evaluation, a study shall be carried out for determining the programme’s impact upon less advantaged categories in order to obtain an image on the most accessed measures by those social categories. Having in mind that including some indicators based on ethnical criteria is not an opportune measure because requesting such information in the application form might lead to a presumption of discrimination, output indicators broken down by ethnical criteria shall be collected and analysed within the evaluation.

In addition, the Managing Authority takes into consideration also the specific problems that less favoured categories are confronted with and, from the above mentioned facts, through the Measures 341 “Animation and skills acquisition for preparing and implementing the local development strategy” of axis 3 that shall be implemented starting with 2010, these less favoured categories living in rural area shall be taken into account in the selection criteria.

Among the specific actions addressed toward these persons are animation activities both at individual level, and group in order to encourage their involvement in a broad range of social and economic activities, capacity building actions to foster the spirit of self-help, experiences exchanges and good practices, as well as animation actions aimed to harness unique potential of the above mentioned groups.

In the same lines, on the entire programming period, the Managing Authority shall acknowledge all changes of the international and European legislation in the field and where necessary, the Romanian legislation shall be modified accordingly. MA shall carry on the collaboration with the institutions in the equality of chances field that shall assist us in implementing and monitoring the equality of chances policy.

Chapter 16

Technical assistance operations

16.1 Description of the preparation, management, monitoring, evaluation, information and control activities of programmes assistance financed by technical assistance

Legal basis

Art. 66(2) of Reg. (EC) no. 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

Art. 40 and point 16.1 from Annex II of Reg. (EC) no. 1974/2006 laying down detailed rules for the application of Reg. (EC) no 1698/2005 on support for rural development by the EAFRD.

Description of the measure

The Technical Assistance measure contributes to the effective, efficient, correct and transparent implementation of the National Rural Development Programme (NRDP) by supporting the preparation, management, monitoring, evaluation, information and control activities of it.

The support offered under the Technical Assistance measure shall be given in order to fulfil the specific activities for the development of NRDP by its beneficiaries and shall have a complementary role for the resources already existing at beneficiaries' level¹⁰⁸

Therefore, the Technical Assistance measure shall act as a tool that ensures a common approach in coordinating the rural development policy.

In order to ensure an effective, efficient, correct and transparent development of NRDP, the beneficiaries of the technical assistance operations shall require support regarding the carrying on of the following types of activities:

- Preparation of the programme by drafting studies, documentations and research etc;
- Management of the programme by training the staff involved in the NRDP development, supporting the audit activities of the EAFRD funds assigned to Romania, setting up and updating the software, ensuring the technical support necessary for the development of NRDP etc.;
- Monitoring and evaluation of the programme by supporting the Monitoring Committee and Managing Authority's activities and the on – going evaluation activities;
- Information and publicity through information, communication and promotion actions in order to maximize the NRDP's impact at national, regional, county and local level;
- Control of the programme by supporting the control activities of NRDP's implementation, carried out by the bodies within the Managing Authority and Paying Agencies, with specifically defined attributions in this field, and by other bodies with control attributions assigned by the first. Performing studies, specific technical expertises, etc, in order to avoid any deviation from legitimacy, regularity and conformity, as well as to prevent the incorrect using of the Community funds from the general budget of the European Communities.

The Technical Assistance measure shall represent 3,75% of the programme's total budget (including the National Rural Network).

Any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation is prevented during the various stages of programme implementation.

Objectives

¹⁰⁸ Referring only to the beneficiaries of Technical Assistance funds, as defined within the sub-chapter 16.1

The main objective of the technical assistance measure is to provide support for the coordination and implementation of the rural development policy in Romania, laid down by the NRDP, in a most efficient, effective, correct and transparent manner.

The funds assigned to the Technical assistance measure are intended to finance activities which shall ensure the carrying out of this measure's major objectives, such as:

- ensuring a good management and use of the resources assigned regarding the efficient development of the NRDP;
- improving and maximizing the impact of the NRDP;
- ensuring the transparency, information, communication and promotion of the NRDP and of the Community support offered for its development;
- ensuring a good cooperation with the European Commission and the social and economic partners;
- setting up and the functioning of the National Rural Network.

Description of the activities regarding the preparation, management, monitoring, evaluation, informing and control of the programme

A) Preparation of the programme

Under the Technical Assistance measure shall be financed activities linked to the preparation of the measures within the NRDP, in order to ensure their efficiency, as well as of the measures that shall be into force during the implementation of the Programme.

The activities regarding the Programme preparation, which shall be supported by the Technical Assistance measure could include:

- 1) Setting up consultations with the partners foreseen at Article 6 of Reg.(EC) no. 1698/2005 concerning the preparation/reviewing of the NRDP measures and of those whose implementation is foreseen for a subsequent phase;
- 2) Future amendment of the NSP and NRDP according to the provisions stipulated by Article 19 of Reg.(EC) no. 1698/2005;
- 3) Drafting studies, research actions, analyses, expertises, etc, with general or specific character associated with the preparation of the NRDP's measures in order to ensure their efficiency, including of those whose implementation is foreseen for a subsequent phase.

B) Management of the programme

In order to fulfil the Managing Authority's tasks and attributions, as well as the programme's objectives, under the technical assistance measure shall be supported actions which can include:

- 1) Increasing the administrative and management competences for the staff of the bodies involved in the NRDP's implementation, by training activities, organising seminars, workshops, information and experience exchanges, including at Community level, study visits, etc;
- 2) Drafting documentations for the preparation of the Technical Assistance projects within NRDP;
- 3) Administrative activities strictly related to the management and implementation of the programme, carried out by the beneficiaries of the Technical Assistance measure (i.e.: paying the salaries of the MA personnel, maintenance and functioning of the MA headquarters, paying the salary for the auxiliary personnel hired by the beneficiaries of the Technical Assistance measure, etc);

The MA and DARD personnel, whose salaries and social contributions are covered by the Technical Assistance budget, carry out tasks exclusively linked to the NRDP implementation and not any other administrative tasks.

The tasks assigned to the MA and DARD personnel, and those attributed to the auxiliary personnel, as well as the payment of their salaries are laid down by an internal specific legislative framework.

- 4) Supporting activities regarding the internal and external audit of the NRDP's implementation;
- 5) Developing and updating the informatics management system of the funds allocated to Romania within EAFRD and the software applications of the technical assistance measure's beneficiaries, necessary for NRDP's efficient implementation, including the development and updating of NRDP's website;
- 6) Ensuring the technical support by purchasing informatics, pedagogical, documentation materials, office equipment etc, necessary to the implementation of NRDP, including software licences, as well as equipments specific for carrying out the control activities;
- 7) Supporting the preparation of the subsequent programming phase.

C) Monitoring and Evaluation of the programme

The NRDP shall be subject to the monitoring and evaluation, in compliance with the provisions of the Common Monitoring and Evaluation Framework. Under the Technical Assistance measure, shall be supported monitoring and evaluation activities, which could include:

- 1) Organising and developing the activities of the Monitoring Committee;
- 2) Assistance concerning the drafting of the materials necessary for the meetings of the Monitoring Committee;
- 3) The functioning within the Managing Authority of the Monitoring Committee's permanent secretariat;
- 4) Supporting the Managing Authority and PARDF's activities necessary to the monitoring of the Programme's implementation;
- 5) Collecting, updating and interpreting the information referring to the monitoring indicators (especially of the base indicators unavailable at the moment of the programmatic documents' drafting);
- 6) Establishing the data sources and collection solutions for the additional indicators;
- 7) Activities regarding the indicators' division, compilation and adapting ;
- 8) Thematic studies regarding the setting up of the Programme's on - going evaluation;
- 9) Mid –term and ex-post evaluation of the Programme;
- 10) Support for the preparation and drafting of the NSP's annual and summary reports;
- 11) Ex-post evaluation of the SAPARD Programme, in compliance with the provisions of Article 3 from Reg. (EC) no. 248/2007
- 12) Ex- ante evaluation for the next programming period.

D) Information and publicity

In order to maximize the NRDP's impact at national, regional, county and local level, under the Technical assistance measure could be supported information, communication and promotion activities such as:

- 1) Organising information, communication and promotion campaigns for NRDP and EAFRD, with general or specific character;
- 2) Organising thematic seminars, workshops and conferences to inform the potential beneficiaries of the Programme's measures;
- 3) Drafting, printing and dissemination of the informative materials;
- 4) Organising informational caravans in the rural area;
- 5) Purchasing mass-media space to broadcast the advertising materials of NRDP and EAFRD;

- 6) The management of electronic information (i.e.: optimizing and technically perfecting the NRDP's web platform, setting up and implementing the softs addressed to the awareness regarding the investments carried out under EAFRD in order to ensure the transparency of the European Funds' implementation).

These activities shall be based on the Managing Authority's information, communication and promotion strategy and plan. The information, communication and promotion strategy and plan shall be updated under Technical Assistance.

E) Control of the programme

Under the Technical Assistance measure shall be supported activities of the bodies with control attributions concerning the NRDP, regarding the effective implementation of those (activities), thus to ensure a correct and efficient implementation of the programme during 2007-2013.

Through the technical assistance measure shall be supported activities, as follows:

- 1) Performing expertises, analyses etc, necessary for carrying out the control activities concerning the measures' implementation, and the management of the expenditures carried out under EAFRD;
- 2) External consultancy and expertise to verify the projects, studies, documentations etc, in order to ensure an efficient control of the Programme's implementation.

Eligibility rules

The activities financed under the Technical Assistance measure must fulfil the following eligibility rules:

- projects shall be contracted in compliance with the national legislation into force regarding the public procurements;
- each project shall be financed only from EAFRD funds –avoiding double financing;
- during the implementation of the technical assistance measure projects, shall be respected the principles of chance equality, non-discrimination and transparency.

The selection criteria

All the projects financed from Technical Assistance funds, regarding the procurement of goods and services, shall be selected by applying the Awarding Procedure of the public procurement contracts foreseen by the national legislation in force(Government's Emergency Ordinance no. 34/2006 with the subsequent modifications and completions).

According to it, the selection criteria of the candidates refer to:

- personal status, as defined by Articles 180 to 182 of the Government's Emergency Ordinance no. 34/2006 with the subsequent modifications and completions;
- technical ability to carry out the professional activity;
- economic and financial status;
- quality insurance standards;
- environment protection standards.

These criteria are laid down depending on the specific exigencies of each project.

In order to apply the economic and technical criteria, the Contracting Authorities shall specify in the Awarding Documentation and in the Participation Announcements the minimum requirements that the candidates must fulfil in order to be selected.

The procedure regarding public procurements (drafting the ToR and instrumentation of the Public Procurement Dossier) shall be applied by:

- The Managing Authority for NRDP for the projects afferent to the activities from points A-E, including for the activities developed by the bodies involved in the EAFRD development (DARD, Certifying Body, Competent Authority and other bodies involved in the implementation of the Programme);
- PARDF for the projects afferent to the activities from points A, B, C (2, 4, 6, 7), D, E, including for projects afferent to the activities developed by the Coordination Body, as well as by the institutions who had been delegated tasks concerning the EAFRD implementation (PIAA, TIFRH and other bodies who shall be delegated PARDF tasks).

Eligible expenditures

In order to ensure the optimal implementation framework of the NRDP, under the Technical Assistance measure are eligible the following types of expenditures:

Expenditures performed directly by the Technical Assistance beneficiaries:

- Payment of the salaries and social contributions for the MA's personnel (including DARD) with attributions regarding the implementation of the programme, according with the existing salary grid and in compliance with the national legislation in force concerning the civil servants' salaries;
- Payment of the salaries and social contributions for the auxiliary personnel employed on the basis of individual labour contract and on determined period, for whom have been defined clear and specific tasks regarding the Programme's preparation, management, monitoring and evaluation, information and control;
- Payment of the salaries stimulants given to the personnel for whom clear and specific tasks have been defined regarding the preparation, management, monitoring and evaluation, information and control of the programme;
- Payment of the expenditures with the renting, maintenance and functioning of the MA's headquarter;
- Payment of the maintenance and functioning expenditures for the MA vehicles purchased under the Technical Assistance funds;
- Expenditures to ensure the internal and external transport of the beneficiaries' personnel (as defined below), for the activities foreseen within this measure;
- Expenditures concerning the accommodation for the beneficiaries' personnel (as defined below), for activities foreseen within this measure;
- Expenditures for the procurement of goods and services that do not need implementation as project;
- Expenditures for translation and interpreting, for the activities foreseen within this measure.

All these expenditures are registered in the beneficiaries' accounting system through the corresponding accountancy documents.

The renting, maintenance and functioning expenditures for the MA headquarter, are eligible if performed in a transparent manner, applying the public procurement procedure.

Expenditures performed within the services and goods projects:

- Expenditures with the procurement of informatics, pedagogical, documentation materials, office equipments etc, including software licence, as well as equipments specific to the development of the control activities;
- Expenditures for the maintenance of the equipments;
- Fees for the experts from the Contractor's project team;
- Expenditures to ensure the transport for the contractor's project team;
- Expenditures concerning the accommodation for the contractor's project team;
- Expenditures to ensure the transport for the participants (final beneficiaries of the projects);
- Expenditures concerning the accommodation for the participants (final beneficiaries of the projects);

- Expenditures for renting adequate places to carry out the activities of the project;
- Expenditures for renting equipments, logistics to carry out the activities of the project;
- Expenditures for consumables within the project;
- Expenditures for the financial audit of the projects;
- Expenditures for the informative materials;
- Expenditures with the setting up and updating the informatics systems;
- Expenditures with the purchasing of vehicles for MA
- Expenditures with the setting up and functioning of the National Rural Development Network.

This list of expenditures is not exhaustive.

The public support granted under the technical assistance measure is of 100%.

Co-financing rate

The communitarian contribution for the programme represents 80% of the financial allocation for technical assistance, and the national co-financing rate represents 20%.

Period of action for the measure

01.01.2007 – 31.12.2013

Beneficiaries

Financial assistance shall be offered to all the institutions and bodies directly involved in the implementation of the specific tasks provided in the NRDP for 2007-2013, such as:

- a) Managing Authority for the National Rural Development Programme, including the structure within DARD with specific attributions in implementing the NRDP;
- b) PARDF, for the functions directly linked to the implementation of the NRDP;
- c) PIAA, for the specific attributions of payment and control functions for NRDP;
- d) TIFRH, for the specific attributions regarding the functions of application form assessment and on the spot control, afferent to the delegated measures within NRDP;
- e) Certifying Body;
- f) Coordination Body;
- g) Competent Authority;
- h) Other bodies involved in the implementation of the NRDP.

Indicators

For the monitoring and evaluation of the Technical Assistance measure, shall be used the following indicators:

I. Performance indicators:

- Number of projects divided according to the type of activity (preparation, management, monitoring and evaluation, informing and control of the programme);
- Number of actions performed directly by the measure's beneficiaries, divided according to the type of performed expenditures;
- Volume of the performed expenditures divided according to the type of activity;
- Volume of the performed expenditures divided according to the type of action, directly carried out by the measure's beneficiaries.

II. Result indicators:

- Number of auxiliary personnel employed and paid under this measure;
- Number of persons trained under the Technical Assistance measure;
- Number of informatics equipments procured;
- Number of informative materials disseminated within the promotion and information actions regarding NRDP and EAFRD.

Demarcation with other Technical Assistance financing

Phare 2005 – „Technical Assistance for the elaboration of the software necessary for the implementation of Rural Development and Fishery funds”

Objective: setting up the management soft that monitors the carrying out of a project starting from the submission of the financing request to the end of the project.

The soft shall contain modules for:

- the EAFDR funds management;
- carrying out the payment;
- accountancy of the payment;
- electronic signature and issuance of electronic/online payment orders;
- audit;
- a data base registering all the data necessary for the monitoring;

Also, it performs the submission of online application forms.

Phare 2005 - „Training of the staff of institutions in designing and implementing the Rural Development Programme and the Fishery Operational Programme and of the potential beneficiaries”

Objective: The project shall improve the skills and knowledge of the staff of the institutions involved in the NRDP and FOP implementation under technical assistance and training, in order to fulfil the EU legislation's requirements for a correct and effective management of the EU financial assistance. At the same time, the awareness of the stakeholders involved in the NRDP and FOP implementation (Monitoring Committee members) and of the potential beneficiaries shall be improved, in order to ensure a wide absorption of the EAFRD and EFF funds.

The first component of this project aims the training of the staff of the institutions involved in the NRDP and FOP implementation (MA, PARDF, PIAA, TIFRH, MA for FOP and members of the NRDP Monitoring Committee)

The second component of the project offer financial support for the elaboration and implementation of the information and communication strategy.

Phare 2006 - „Project addressed to the stakeholders involved in the National Rural Development Programme (NRDP) and Fishery Operational Programme (FOP), aiming at improving the communication and information and strengthening the local administration”

Objective: The project's purpose is to ensure the proper absorption of EFF and EAFRD and increase the number of mature project proposals. The project is based on a detailed and wide awareness of the programme's activities whose purpose is to set up conditions that ensure a correct absorption of the EFF and EAFRD.

One component of the project aims at supporting the National Rural Development Programme's Managing Authority and the Paying Agency for Rural Development and Fishery to prepare the selection of the Local Action Groups according to the criteria defined in the measure 41 and organise the LEADER training for the structures involved in the NRDP implementation. The project also aims at strengthening of the implementation procedure for measures 111 and 143 whose implementation has not been delegated to PARDF and remain under the responsibility of the Managing Authority.

Another component of this project aims at improving the existing communication strategy and elaborating a communication plan to cover the first year. In compliance with the elaborated plan, shall be launched communication actions and ensured the training of the staff involved in the NRDP implementation.

The project also endorses the setting up of a structure responsible with the management of the rural development network and organising the training addressed to the stakeholders and the staff of the structures involved in the NRDP implementation.

Phare 2006 – „Support for the National Rural Development Programme’s Managing Authority regarding the NRDP promotion during 2007-2013 and improving the implementation of the Technical Assistance measure”

Objective: The project aims at facilitating the NRDP implementation in order to ensure a high rate of absorption of the EAFRD funds, in due time, on the good quality of the projects and planning of using the Technical Assistance funds in order to increase the management capacity of NRDP over the Programme’s first three years of implementation.

This project articulated around three components aims at:

- Designing a clear Technical Assistance strategy, an operational action plan and proposing ToR for the most urgent Technical Assistance project;
- Achieving the preparation of:
 - the monitoring and evaluation procedures and training of the staff involved in the carrying out of these tasks;
 - the control quality management procedure dedicated to ensure a sound control by the NRDP’s MA on the delegated tasks, according to the protocols signed with the paying agencies.

Phare 2006 – “Setting up adequate structures in order to ensure the post accession rural development funds’ absorption”

Objective: The project shall improve PARDF’s institutional skills in order to have an efficient absorption of the post accession funds for rural development.

One of this project’s components consists in establishing an efficient monitoring and management system at PARDF’s level, reviewing the efficacy of the financial flow system, internal and evaluation controls on the delegated tasks.

Another component aims at the support concerning the adjustment of the existing implementation procedures, identifying the solutions for implementing the rural development programmes and the payments for the fishery programme. At the same time, another purpose of this component is to grant support for the update/elaboration of a computer system, in order to process the rural development measures and carry out the Fishery programme payments.

The project aims also at identifying training and selection methods of the trainers, their training, study and abroad visits for the participants involved, within PARDF.

All the activities already planned within the Phare projects mentioned above shall not be financed by the Technical Assistance measure of the NRDP. Also, the activities financed under the technical assistance measure shall not concur with other activities financed under other national and communitarian programmes.

16.2. The National Rural Development Network

16.2.1. Legal basis

According to article 68 of Council Regulation (EC) no. 1698/2005, Romania will set up the **National Rural Development Network** which will group, at national level, the organizations and the authorities involved in the rural development process.

The functioning of the National Network for Rural Development will be financed through the Technical Assistance component of the National Rural Development Programme, according to article 66(3) of Council Regulation (EC) no. 1698/2005.

Art. 41 (1 – 5) of Council Regulation (EC) no. 1974/2006 establishing detailed application rules of Council Regulation (EC) no. 1698/2005 and point 16.2 from Annexe II of the same Regulation.

16.2.2. Objectives and responsibilities

Taking into account the main strategic directions established by Romania regarding the rural development for the period 2007-2013 and the consolidation of these directions through the facilitation of their learning and understanding by rural actors, the National Network for Rural Development has as a general objective to enlist the energy of all actors in the rural development process, and to promote an effective flow of information, exchange of ideas and good practices, and cooperation among the actors, grouping the all organisations and institutions which are involved in rural development in order to:

- create an agricultural and forestry economy based on those holdings which should be modernised;
- develop the agriculture which has to favour the biodiversity and environment preservation;
- improve the quality of life and the economic development in rural areas;
- improve the local governance in order to draw up and implement the local development strategies.

This flow of information will support to a great extent to raise the awareness and the construction capacity of all actors and (through these means) will promote the use of measures by actors and the financing within the NRDP.

16.2.3. Setting up and running of the National Rural Development Network

In order to achieve the network objectives, for its set up and running, the following actions will be eligible:

- a) to ensure and develop the human resources, as well as to cover the different expenses;
- b) to ensure the logistical requirements which are necessary for network running;
- c) to ensure the administrative expenses;
- d) network management;
- e) other actions related to the implementation of this activity.

NRDN will function based on some principles, respectively:

- horizontal and vertical cooperation within the Network and with external organizations and institutions at national and European level;
- network;
- voluntary partnership;
- equality;
- representative and organised partnership.

16.2.4. The action plan

The action plan was established taking into consideration the mandatory actions provided by the EC Regulation 1698/2005, article 68, paragraph 2 (b), other additional mandatory actions which have to ensure the achievement of the objectives foreseen in the National Strategic Plan and the National Rural Development Plan, respectively, as well as actions which will be performed in response to the needs identified throughout the implementation process.

In this context, aiming at ensuring the improvement of the local governance, the enhancement of the management and planning capacities of the persons involved in the implementation of the NRDP and the partnership capacity between the territories and actors involved in rural development, the

dissemination of the good practices and of knowledge, as well as the management of the NRDN, the action plan shall contain, at least, the following aspects:

- a). the drawing up of the strategic plan, which would encompass: the clear and precise identification of the tasks, vision, and strategic priorities of the NRDN, themes, deadlines, financial and non-financial necessary resources;
- b). the detailed description of the services provided to the members of the network, as defined and agreed upon by the actors in the consultation process regarding the establishment of the Concept of National Rural Development Network, the description of the rules and procedures regarding the access of members to the foreseen services;
- c). setting up of the IT infrastructure in order to manage and disseminate the information related to Romanian and Community rural development and to support the contact and the links with the European Rural Development Network;
- d). horizontal support for the administrations engaged in the implementation of the NRDP;
- e). the creation of a national permanent forum for partnerships;
- f). support for the monitoring and evaluation of the Network;
- g). the preparation of the training programmes for the Local Action Groups in the build-up process (after 2009);
- h). the organization and establishment of the structure necessary for the exchanges of experience and know-how, as well as of events with general and specific character, as well as the experience and know-how exchanges at the local, national and Community level for the actors from the rural area which are actively involved in rural development;
- i). technical assistance for national and international cooperation (addressed to LAGs etc.), analyses, thematic studies, expertise, monitoring and control;
- j). identifying and analyzing the shared best practices and publicising these, including the dissemination of the information concerning the results and the impact of the NRDP. Examples of possible domains: the four priority axes and different networks, different aspects comprised in the regional E.U. development strategy and the national rural development programmes and strategies (innovations, renewable energy sources, job creation in rural areas etc.), horizontal subjects concerning gender and youth equality in the rural areas, aspects related to the implementation policy, information about selection criteria for projects, monitoring, evaluation, local development strategies etc.;
- k). the transfer of good practices and innovation, and their placing in different contexts;
- l). support for promoting services in the benefit of farmers;
- m). information regarding the content of, and results achieved by the CAP and the Rural Development Policies;
- n). the implementation, management, and functioning of the structures of the NRDN;

Therefore, the network's mission shall consist of:

- a *strategic component* – for the establishment of the main action directions of the network (collecting and disseminating the information regarding the local programmes and policies for rural development; high capitalization of the actors' skills; rural development in general);
- a *technical component* – in order to implement the strategic elements (setting up a data base, a guide, a website, organizing seminars in order to improve communication and transparency; advisory services directly to the beneficiaries etc.).

The Support Unit of the Network will have to perform the activities regarding the running and implementation of the NRDN, correlating them with the established objectives, making use of the specific tools of the network, as well as of those common with the E.U., within the framework of the organizational structure and action plan presented above.

The action plan will be adapted constantly in response to the needs identified throughout the current programming period.

16.2.5. The activities of the National Rural Development Network

The activities and the animation method shall be defined based on the objective of disseminating and acquiring the established strategy for rural development, and the subjects to be discussed in the meetings shall be organised taking into consideration the NRDN objectives.

The main activities of the NRDN are:

- a. encouraging the activities of study and analysis of the NRDP and for the governance of the rural development policy;
- b. supporting the improvement of the efficiency of the NRDP, taking into consideration the evolution of the context and thematic/ territorial priorities provided in the NRDP axes;
- c. support in the preparation and implementation of the documents provided by the national permanent forum for partnerships (related to action from point *e* within the action plan) addressing the specific and thematic issues, strengthening in this way the consensus on public policies, in order to improve the performances of the NRDP;
- d. providing training services for the institutional capacity building in order to support the development of the local governance of the LAGs;
- e. organisation of the exchanges between rural development actors at the national level, as well as with the EU member states (including the facilitation of an expertise exchange, and support concerning the implementation and the evaluation of the rural development policy);
- f. support for the LAGs and other potential actors/partnerships in order to implement the inter-territorial and trans-national cooperation projects;
- g. providing the guidelines regarding the manner to identify the good practices and innovations, their classification and dissemination;
- h. importing the European and international best practices and innovations, through contacts between the members of the NRDN, the European Rural Network, and other National Rural Networks;
- i. technical assistance for the transfer and implementation of the good practices and innovations, based on the requests of the rural actors (complementary with activity *g*);
- j. information and communication regarding the rural development programme and measures;
- k. providing the information concerning the development of rural areas in the E.U. and in other countries;
- l. the organisation of meetings and seminars at the Community level for actors who are actively involved in rural development;
- m. actions of promoting the specific local certified (traditional) products (exhibitions, advertising etc.);
- n. actions of promoting and encouraging the setting up and the administrative functioning of the producer groups, recognised according to the provisions of the national legislation in force;
- o. actions of informing and promoting tourist activities and services (tourist guides, leaflets presenting tourist objectives, etc.);
- p. ensuring the human resources that will permanently work for the NRDN;
- q. animating and coordinating the activities of the NRDN;
- r. support for the physical, procedural and financial monitoring;
- s. coordinating the Thematic Working Groups;
- t. acquisition of goods (computers, IT products, furniture, any other goods related to the structures of the NRDN);
- u. designing the web site of the NRDN (related to all the activities in the Action Plan);
- v. ensuring the costs of participation to the events of the European Rural Network, contacts with other partners and members of the NRN for the organization of the activities in the action plan; general and adjacent costs etc.

Taking into account the need for a greater specific expertise capacity in this field, the NRDN will have to support an ongoing development and the means to provide this type of expertise, in this way ensuring the capitalization, observation and dissemination of the respective studies towards the beneficiaries of the network. The data related to this aspect will be clearly identified and easily accessible, and their keeping up to date will be ensured regularly.

Benefiting from the services of the NRDN, through their co-optation as members within the latter, the consultancy-counselling services (public, private), including through their representatives in the territory, could work towards the enhancement of the competence of the provided services (their added value), so that the latter could offer real advice to the farmers (especially the subsistence and semi-subsistence farmers), for instance as regards the use of the agri-environment and LFA financial support, or for the diversification of their concerns, etc.

It is crucial to ensure that the LAGs are prepared to fulfil their role. Consequently, the NRDN will support the formulation and provision of training services for the institutional capacity building, in order to support the enhancement of the local governance/LAG.

The analysis of the questionnaires addressed to the actors involved in rural development in Romania reveals the fact that the most effective means of communication and information (and available for most rural actors) is represented, at this point, by direct meetings and other informative events, the exchange of good practices and ideas (seminars, conferences, symposiums, fairs etc.) at the local level (mayoralties, schools, etc.). These are followed by the significantly important indirect means of communication employing informative materials (leaflets, brochures, guides, posts, etc.) at the local level, radio and TV spots, the mass media, which are used by some local actors such as agricultural farms – especially the subsistence and semi-subsistence farms, certain forest owners, commercial farms, small communities from the rural areas, ethnic groups and minorities, etc. Although easy to access and use, the internet is in general preferred by the actors from the superior organized levels (ministries, universities and research institutes, public agencies, small networks, public authorities, county councils, certain civil society and non-profit organizations, etc.). In this context, the role of the rural actors in disseminating the information through and within the Network will have to be more and more pronounced, and the means used by the SUN will have to take these aspects into account, and to use the existing communication channels.

Also, the SUN will have to be capable to test different methods of communication and to use that which will prove the most efficient.

In general, the poorly prepared subsistence farmers respect and trust the organisations that represent them, the local authorities, but also the experts, the NGOs, the successful farmers, those who demonstrate examples of good practices. An important segment trust the informal or formal leaders of opinion within the rural communities (depending on the community, these may be the mayor, the vice-mayor, the teacher, the priest, different private actors or organizations of the civil society active at this level). Through its activities, the NRDN has to assume the function of animating these and the small communities involved in rural development, providing the necessary technical assistance for them, generating in this way new ideas that would not emerge otherwise, helping eliminating the conflicts existent in any community, creating a culture of working together for common goals, and creating a strong image and identity of the territory.

A particular segment is represented by the organizations in the small rural communities involved in rural development. The same consultative analysis from the territory reveals that these need, first of all, clear and opportune information concerning the rural development initiatives existent at the national and county levels regarding the financing and co-financing means, the manner to access them. Furthermore, there is the demand for ensuring the professional training and consultancy, support regarding the information and provision of the logistic and technologies, specialized human resources, the creation of synergies between the local initiatives and those concerning the rural environment, as well as the dissemination of the examples of good practices that may lead to the sustainable development of the communities in these areas. To a lesser extent, but important from a practical point of view, there have been expressed needs related to ensuring personnel familiar with the problems of the community and that would organize activities valorising the local resources (human, material, financial), design, exchanges of experience, including capacity building related to Community facilities (initiative groups, the elaboration of local development plans, etc.). An important type of support that was requested is related to finding methods to co-opt and involve the local institutions in rural development.

16.2.6. Necessary structure for the functioning of National Rural Development Network

There are four elements within the proposed Network:

- Ministry of Agriculture and Rural Development;
- Support Unit of the Network;
- National Steering Committee;
- Actors (members of the Network).

Main tasks of the Managing Authority for NRDP (MA for NRDP) are:

- to work closely with all the stakeholders in establishing the National Rural Development Network;
- to establish and fund the Support Unit of the Network (SUN);
- to establish and chair the National Steering Committee (NSC) of NRDN.

In order to carry out its tasks in the setting up and the implementation of the NRDN, MA will be supported in the territory by its representatives (Agricultural Directorates for Rural Development), the latter being actively involved in the drawing up and implementation of the rural development programmes, both as representatives of the MARD, and as inherent members of the national network.

Thus, the ADRDs will support the implementation of the Action Plan of the NRDN by:

- informing the actors and drawing them in becoming members of the network;
- identifying and capitalizing the specific needs of the counties;
- providing the MA and the SUN with the information necessary for the proper development of the activities of the Network (needs, priorities, etc., at the county level);
- supporting the SUN technically and administratively in the development of certain activities (workgroups, seminars, etc.);
- supporting the SUN in consulting the rural actors;

Therefore, MA for NRDP works with a wide range of stakeholders (mentioned below) in order to create the NRDN which will be a large group of organisations that expect to have an active contribution to the implementation of the Programme.

The MA will establish a Support Unit of the Network (SUN), according to article no. 68 of Regulation (EC) no. 1968/2005, to support the NRDN.

The MA will elaborate the Terms of References in accordance with the national and European legislation in force, and will launch a tender procedure in order to select an entity which will administer the NRDN.

In the framework of provision of the necessary services, according to the requirements foreseen in the tender procedure, and to the ulterior contract signed for the accomplishment of objectives, the activities and the implementation of the action plan foreseen within NRDN, in order to bring greater flexibility in the management of certain thematic activities, the selected organisation which will administer the Network might contract, when necessary, certain services, or engage experts on short term (for example, for training activities, etc.).

The SUN mission will be ensured through the setting up of a national office with the provision to establish personnel at the local and regional level, if necessary.

The SUN activity will be coordinated by a National Steering Committee for the NRDN (under the MA presidency). The members of the National Steering Committee for NRDN will be the representatives of the main groups of actors involved in the rural development process.

The representatives of other relevant ministries will also be included in the National Steering Committee.

The role of the National Steering Committee will be:

- to advise on priorities and themes within the work programme of the SUN;

- to approve the Action Plan prepared by the SUN;
- to receive and to analyse the progress reports from the SUN;
- to advise the Ministry of Agriculture on the progress and changes in the work programme of the SUN;
- to monitor the overall activity of the SUN and to consult the Ministry of Agriculture, within the framework of its role of Managing Authority.

Support Unit of NRDN (SUN)

The structure of the NRDN and its links with SUN are designed to ensure the activity and contribution to a wide dissemination, through the members of the Network, of the efficient flow of information, exchange of ideas and good practices, as well as cooperation between actors.

The role of SUN will be accurately detailed by the ToR proposed by Managing Authority in the beginning of 2008, at the earliest. Generally speaking, the SUN will animate this flow of information, exchange of ideas and good practices and cooperation between actors in a sustainable and professional way; will create the necessary materials, will foresee the professional and financial support of the entire process, and will support the professional exchange with the European Rural Development Network. The SUN will be an external entity contracted by the MA in order to provide all required services/expertise designed through the ToR.

The actors of NRDN are all the people interested and who have a stake in the countryside and in the well-being of rural people and businesses, and who intend to contribute actively to the implementation of the National Rural Development Programme. The success of the programme largely depends on their actions. To take advantage of the measures within the programme, and of funds, they need information about the programme. They can also gain greatly from the exchange of ideas with other actors; from knowledge of good practice in many fields, so that they may conclude that it is possible to find solutions to solve common problems also from the cooperation with other organisations.

Each actor may gain from the activities within the Network, but may also contribute to the Network (for example, by offering information about its own activity or pointing towards good practices). In this sense, the actors represent the Network, and the success of Network depends greatly upon their willingness to contribute actively to the process of sharing ideas.

For this reason, the actors are given, from the very beginning, an opportunity to influence the shape of the Network, to suggest the priorities for its activity, and to decide regarding their contribution to it. In this sense, a consultation process has been started with a seminar in Târgoviste (on 30th /31st of May current year), attended by over 60 representatives of stakeholders. They expressed strong support for the principle of creating a National Network for Rural Development.

Also, the representatives that participated in the meeting agreed that the next step should be a process of formal consultation among all the organisations that represent potential actors, in order to gain their reaction to the principle and to the possible form of the Network. This will be followed by a second seminar in the second half of January (2008) when agreement could be reached in a improvement of the form and the activities of Network and of the SUN. With the occasion of the first seminar, as well as following the consultation of the questionnaires sent afterwards in the territory based on the MARD initiative regarding the identification of the most representative actors involved in rural development at the level of each county (with the support of the representatives from the territory - ADRDs), a tentative list (annex 10) has been established, comprising the representatives who have already accepted to become members of the NRDN.

This action was based on the sustained activity of all the ADRD, who sent the questionnaires elaborated by the MA to the most representative actors involved in rural development at the level of each county, questionnaires that were meant to identify the reaction concerning the principle of creating the NRDN, and the needs the stakeholders face in the field.

Besides certain aspects related to the domain of activity of the rural actors, and their option of becoming members of the NRDN, the questionnaire comprised other aspects related to:

- the groups of people, communities, organisations, institutions they work for;

- the geographical area in which they activate;
- the organisational structure (under the form of network, association, union, etc.);
- the current involvement and the desire to get involved in the main activities in the field of rural development, related to the promotion of the flow of information, the exchange of ideas and good practices, cooperation between the actors from the rural areas – at the national and international level, the capacity to organise conferences, seminars, training courses, etc.;
- proposals regarding the structure and role of the NRDN;
- the expectations of the rural actors regarding the involvement of the organizations they represent in the practical activities within the objectives of the NRDP;
- the communication methods that are the most inclusive and efficient, and that will cover to the greatest extent the rural areas/potential beneficiaries of the NRDN;
- the credibility given by the poorly prepared semi-subsistence and subsistence farmers in the remote villages;
- the type of support the organisations involved in rural development in the small communities most need;
- the expectations regarding the priority given by the NRDN to different activities.

Preceding the sending of the questionnaires, the representatives of the ADRDs organised meetings with the identified rural actors, having discussions related to the role and importance of the setting up and implementation of the Network in Romania, as well as regarding the aspects mentioned in the questionnaire.

As a result of this consultation process, 400 questionnaires have been filled in, comprising all the types of actors involved in rural development, in this way helping us in sketching the NRDN by taking into account the real specificities of the Romanian rural area, provided that this consultation process will be continued, with the support of the MA (through consultations with the NSC) and its representatives in the territory (ADR), since, taking into account the novelty of rural development in Romania, it is expected that new organisations (representing certain groups of actors) to appear, the list being open in view of recognising new members.

Within the NRDN, significant attention will be given to the minorities and ethnic groups that represent an important part of the population of Romania (like Roma, Magyar, and other minorities), as well as to other organizations, which, through their representatives in the NRDN, will have the possibility (through the services offered by the NRDN) to become involved in view of the improvement of the social and economic activities, and, at the same time, to bring a significant contribution to the rural development of the rural area they are part of. At the same time, the constant, systematic, and sustained promotion of the principle of equality of opportunity between men and women will be pursued, applying at the same time the principle of non-discrimination regarding sexual and religious orientation, of the disabled, etc. Thus, the NRDN will include (as members) organisations concerned with and responsible in this field (these will be found within the civil and non-profit sectors mentioned in the text and the diagram), framework within which they will be able to bring their contribution to the promotion of the principles of the network, and at the same time, to benefit from the advantages conferred by the latter.

It is envisaged that actors will influence, through their own contributions, the activity of Network. More formally, it is proposed that actors should be represented in the Steering Committee which will supervise the activity of Network. In order to be effective, this Steering Committee needs to have a reasonable size (not more than 20 people). In order to ensure a fair representation in the Committee of different kinds of actors, it is proposed that actors should be grouped into sectors concerning the same type of activity, and that each sector should have one representative on the Steering Committee.

This grouping is not intended to constrain the patterns of exchanges or cooperation between stakeholders. The members of Network will be free – although indeed they will be encouraged - to cooperate with any other members, on an individual basis, or within sector groups, or in groups based on particular themes, or in partnerships at local or regional level.

A list with the main rural actor groups, which will have representatives as members of Network (this is going to be discussed and agreed by the new members of the NRDN organisations), is presented below:

- LAGs;
- Universities and research institutes etc.;
- Public authorities (local councils, county councils, agencies, public services) and their associations;
- Ethnic and minority groups (Roma, Magyar, etc.);
- Non-profit and civil sectors, local, regional, and national (Community organisations, NGOs, etc.) and their networks;
- Economical (secondary and tertiary) sectors;
- Small farms;
- Interested forestry land owners, commercial farms;
- Relevant ministries;
- Producers associations, industrial organizations and associations;
- Organizations promoting gender equality of opportunity (women, young organisations, etc.);
- Religious units (churches, etc.)
- Other organizations that activate in the rural areas (disabled persons, etc.)

Although the inclusion of the actors as members of the Network is based on the principles of free will, the MA and the SUN will have to ensure actively the balance of representation between different types of actors and territories, respecting the principle of proportional representation. At the same time, an important amount of attention (prioritization) will be given to the representation within the Network, to the representatives of certain categories of important actors in the activity of rural development, such as: less favoured areas (in the mountain areas and other areas influenced by conditions and factors limiting the development of agriculture and the rural space), subsistence and semi-subsistence farmers, including those in remote villages, the young and women, representatives of the minorities (Roma, Magyar etc.), small communities involved in rural development. These should have a correct representation within the network.

The existence of a network of public and private organisations in Romania active in local development, some with a wide experience in the unrolling of some local development projects or programmes (including the national and trans-national cooperation) that can rapidly engage in local rural development, may represent an important starting point regarding the setting up of a rural development network which will evolve in time and within which will appear changes from different directions concerning the type of subjects, participants and undertaken actions.

The dimension of the Network will consist in other three important elements:

Thematic Working Groups

It is likely that some of the actors will be willing to work closely with others (within or outside of the grouping shown in the diagram from figure 1), on specific themes or action field in rural development. For example, the theme regarding the added value of local products from farms or forestry can gather food producers, forestry managers, processing firms, and tourism organisations; or the theme of grassland management, that might bring together semi-subsistence farmers, environmental and cultural NGOs, and research institutes, the theme regarding gender mainstreaming that may include, (among others), organisations responsible for the promotion of equality between men and women, etc.

SUN shall be able to foresee support regarding the activity of the thematic working groups, and the representative actors within National Steering Committee should provide advisory for the themes which will be considered as being priorities.

Local Action Groups

NRDP includes for the priority LEADER axis, provisions for building LAGs, which represent partnerships between local authorities, private and civil sectors, at sub regional level.

Their role is to implement the development strategies that will apply the measures from the NRDP.

MARD has already supported the building capacity within over 100 local partnerships; some of them might become formal LAGs according to LEADER axis. These Local Action Groups cut across the boundaries of the groupings in the diagram. One specific role of the Network Support Unit is to

deliver technical assistance for inter-territorial and trans-national cooperation between LAGs and their counterparts in other regions or other countries.

The European Rural Network and its Steering Committee

The EU Member States have agreed that each of them will have a National Rural Development Network, and a formal link between all these networks in establishing the European Rural Development Network, with its own Support Unit and a Steering Committee where the national representatives will be part of.

The importance of this pattern is that a lot is gained from the exchange of information, especially about good practices in rural development - along national borders. This formal link between national and European level will be achieved by professional cooperation, adopting common method between the support units of the networks, and a link between Steering Committees at the two levels.

16.2.6.1. Relationship Chart between the elements of NRDN within the Programme

The chart below (figure 1) shows the proposed formal relationship between the four elements of Network.

At the centre, in its role of supporting and animating the NRDN is the Support Unit of the Network (SUN).

Around the SUN are the radiating groups of actors, shown in a way which symbolises the link between their national representatives and their regional or local branches or constituencies.

Immediately around the SUN are the members of the National Steering Committee (NSC), representing the groups of stakeholders plus relevant ministries.

Chairing the Steering Group, and also holding the main contractual relationship with the SUN for NRDP, is performed by the Ministry of Agriculture for Rural Development.

16.2.7. Instruments used by the National Network for Rural Development

Alongside the common instruments of the National Network for Rural Development and the European Network (data base project based on the use of the common pilot project; elaborating a list of good practices; trans-national data base project; experts data base; LAG's data base; trans-national cooperation instruments), several instruments specific to the national network shall be developed, such as:

- Information – Communication - Promotion

- A website which shall facilitate:
 - the link with the active networks at national level and of different EU Member States;
 - the communication within the European Network;
 - links with total access for certain parts of the network and access with only the actors and other professionals of the network;

The webpage channels shall be presented in different languages.

- Regular and occasional information:
 - technical and procedural publications;
 - events concerning meetings related to priority axes of NRDP and other themes;
 - information concerning organisation of some thematic working groups;
 - elaborating technical information, including information regarding rural development programmes financed by European Agriculture Fund for Rural Development;
 - focusing on instruments, measures and implementation methods;
 - scientific commissions in order to disseminate the knowledge and research in rural development field.
- Promotion means: exhibitions; advertisements; publicity; tourist guides; booklets with tourist objectives; specific local products (traditional) certified; procedures and new technologies etc.

- Exchanges between rural actors

- General or thematic seminars;
- Databases – contacts and projects;
- Regarding the good practices;
- Elaboration of an inventory – databases;
- Seminars in order to disseminate and assist the training sessions – support for development.
- *Disseminating the good practices*
 - Creation of a database;
 - Organizing the seminars in order to disseminate information and support for training.
- *Support for cooperation (national and trans-national)*
 - Methodological support: elaboration of guides;
 - Support for the identification of partners: databases, launching the appeal for partnerships building and so on;
 - Support for cooperation projects: consultancy days for developing cooperation (agreement, elaboration, evaluation);
 - Proactive expertises;
 - Implementation rules regarding the cooperation;
 - Kits for cooperation launch (basic information, methodology, lists of experts that are available and free on themes);
 - Thematic meetings for the cooperation.

16.2.8. Necessary of human and technical resources

The SUN will need staff at the national level, where most of its activity will be undertaken, but provisions will be made for the staff at the level of regional or local centres, where deemed necessary.

The unit will need IT equipment, with its own website, and the capacity to facilitate the operating links to the websites of organisations' members within the Network and with the European Rural Development Network. It will need to be capable of handling complex and regularly updated databases, in several languages.

The team within SUN will need to have a good understanding of rural development concepts, policies and programmes at national and European level. Good command of languages, (especially Hungarian, English and French) would be considered as an added value.

They will need skills in animating the network both top-down and bottom-up, communication (inside the country as well as outside of it), editorial work, marketing, public relations, events organisation, cooperation, evaluation, training, applied research, and administrative procedures.

They will need to be adaptable, since the needs of the Network can be expected to evolve throughout the Programme period.

16.2.9. Calendar for the National Network for Rural Development setting up

Phases	Deadline
1. Preliminary study of the rural network and identifying the potential members of the network	31.01.2008
2. Setting up the National Steering Committee for the National Network for Rural Development	31.04.2008
3. Elaboration of the Terms of Reference and of the action plan for network functioning of NRDN	31.05.2008
4. Launching the tender procedure in order to select the entity in charge with the network	31.07.2008

5. Selection of the entity in charge with the NRDN	15.11.2008
6. Launching the entity activity responsible with the NRDN management	31.12.2008

16.2.10. Financing the National Network for Rural Development

The National Network for Rural Development will be financed through the Technical Assistance, component of the National Programme for Rural Development.

Taking into consideration the dimension of the Romanian rural space and its needs, the fact that this instrument will be used for the first time in Romania, as well as the evaluation of the eligible expenditures necessary for the functioning of the NRDN and the implementation of its action plan, an amount of 5.0% (18 805 990) from the funds allocated to the Technical Assistance measure (376,119,793 Euro) will be granted for the setting up and functioning of the Network.

The financial allocation shall be divided, as follows:

Measure/Axis	Public expenditure (EAFRD+20% national co-financing million Euro)	Private expenditure (million Euro)	Total Costs (million Euro)
Total network (5.0% from the technical assistance) out of which:	18 805 990	-	18 805 990
a) functioning costs (25% of the budget allocated to the network)	4 701 497	-	4 701 497
b) the action plan (75% of the budget allocated to the network)	14 104 492	-	14 104 492

As resulting from this table, within the allocated amount, there will be a clear distinction between the part that covers the structure necessary for the functioning of the Network and the one which covers the action plan.

Within this context, based on the accounts, the Paying Agency for Rural Development and Fishery will supervise that the costs mentioned at point a) from the table above will not exceed 25% from the allocated budget of NRDN.

16.2.11. Expectations from the National Rural Development Network

Through its contribution in setting up of inter-sectoral partnerships for a sustainable rural development, according to the rural actors that were consulted through the addressed questionnaire, the NRDN should give priority (in the order of the expectations expressed) to the following:

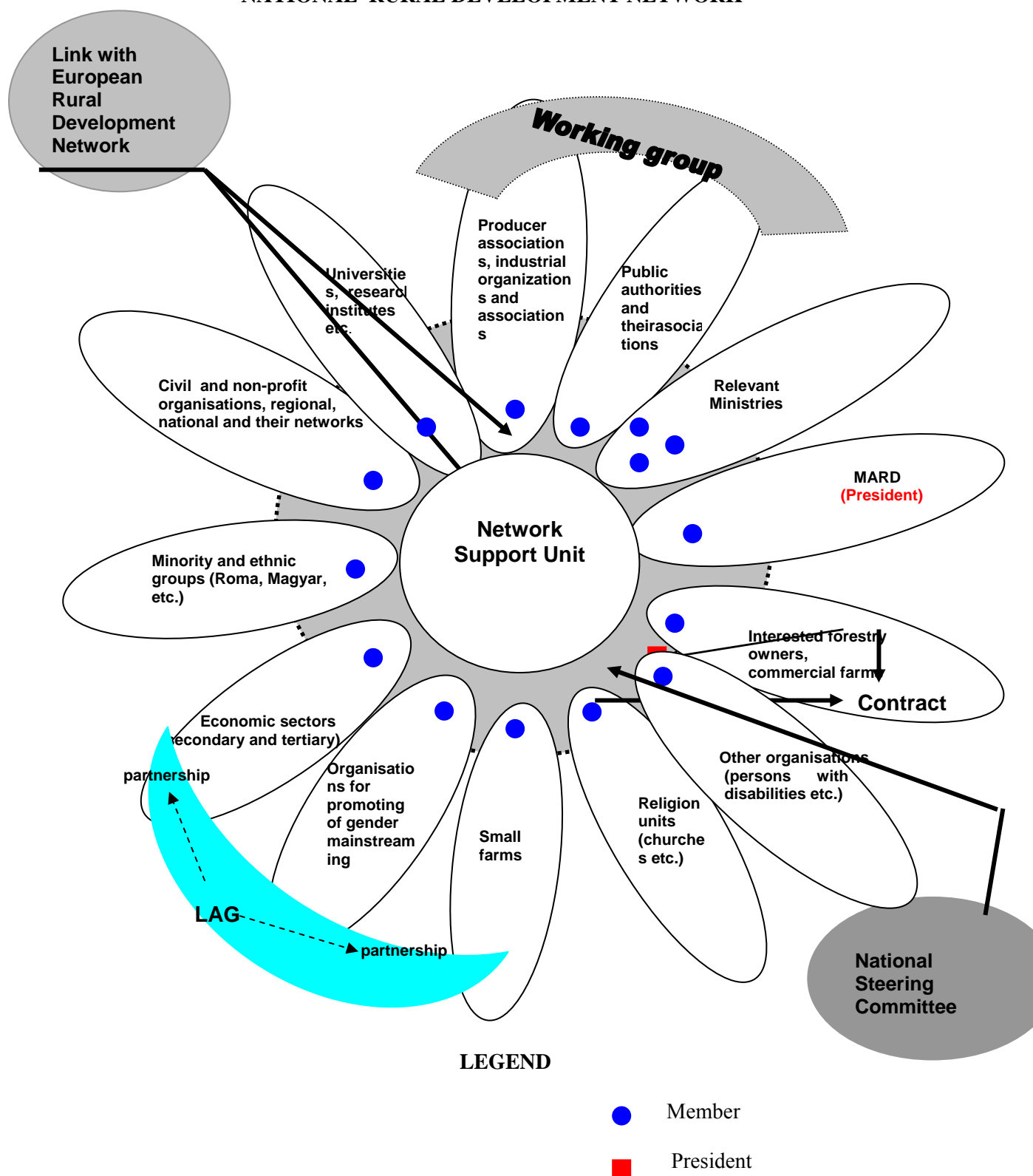
- to ensure the access to the flow of information (clear and opportune) concerning rural development, the manner and methods to access the financial resources from the European funds and to attract projects in this sense, mainly related to the measures corresponding to the axes in the NRDP;
- to provide information regarding the good practices (including opportunities for the exchange of good practices) in the field of local rural development;
- organisation of training courses for farmers;
- to encourage the organisation of rural actors in more refined working and collaboration forms (producer groups, associations etc.), which will allow to optimise the methods to access resources, the market etc.;

- exchanges of ideas and experience with other organisations in the field of rural development;
- to ensure the consultancy/technical assistance/counselling in the field of the management of the rural development areas and the LAGs, the elaboration of the local development strategies for the rural territories, the elaboration of financing projects;
- assistance/consultancy for the institutions of the local and county administration in order to strengthen the capacity to elaborate strategies, programmes, and projects for sustainable local development that regard the diversification of the economic activities, the protection and valorisation of the natural, built, and cultural rural heritage, as well as the improvement of the quality of life;
- to stimulate the cooperation and the communication between organisations and communities in the rural areas by encouraging a strong partnership between all the actors involved in rural development, and working for the common national platform;
- cooperation with other organisations in Romania, and other European countries.

However, the NSC (that includes representatives of the actors) will have to ensure consultations on this topic (giving priority to the expectations) before the tender procedure for the selection of the SUN is completed.

Figure 1

NATIONAL RURAL DEVELOPMENT NETWORK



ANEXES

ANNEX 1
Basic indicators

Common objective related baseline indicators								
AXIS		Indicator	Measuring Unit	Available in	Year	Values for Romania	Values for the EU 27	Value for the EU 15
Horizontal	1*	Economic development	GDP/inhabitant (EU 25 = 100)	National Prognosis Institute (NPI)	2005	34%	95.5%	109.6%
	2*	Employment rate	Employed persons aged 15-64 as a percentage of the population of the same age group (%)	NSI	2005	57.70	62.7	64.5
	3*	Unemployment	Rate of unemployment i.e. unemployed persons as a percentage of economically active population (%)	NSI	2005	7.2	9.2	8.2
AXIS 1 Improving the competitiveness of the agricultural and forestry sector	4*	Training and education in agriculture	% farmers with basic and full education in agriculture attained	NSI	2005	7.3 out of which: <i>complete training</i> 0.96 (men 86.8; women 13.2) <i>basic training</i> 6.31 (men 87.9; women 12.1); <i>only practical agricultural experience</i> 92.7 (men 69.6; women 30.4)	NA	17.5
	the values are for managers of individual holdings							
	5	Age structure in agriculture	Ratio between farmers less than 35 years old and farmers of 55 years old or more	NSI	2005	0.17	0.16	0.12

	6*	Labour productivity in agriculture	GVA /AWU	Eurostat / DG AGRI-FADN	2002-2004	14	79	148
	7	Gross fixed capital formation in agriculture	GFCF in agriculture	Eurostat	2003	498.7	44,511	41,624.5
	8	Employment development of primary sector	Employment in the primary sector thousands	NSI	2005	2,943	14,059.2	6,328.5
	9	Economic development of primary sector	GVA in the primary sector	Eurostat	2002	4576.9	191,025.9	170,715.3
	10*	Labour productivity in food industry	Gross Value Added per people employed in food industry (thousands Euro/employee)	NSI	2004	5	NA	49.8
	11	Gross fixed capital formation in food industry	GFCF in food industry	-	-	NA	NA	NA
	12	Employment development in food industry	Employment in food industry	-	-	NA	NA	3,808
	13	Economic development of food industry	GVA in food industry	Eurostat	2001	3,386	NA	183,491
	14*	Labour productivity in forestry	Gross Value Added per people employed in forestry (thousands Euro/employee)	MARD	2001	3.4	NA	43.9
	15	Gross fixed capital formation in forestry	GFCF in the forestry sector Mio euro	MARD	2001	20.6	NA	1,598.7
	16	Importance of semi-subsistence farming in New Member States	Number of farms < 1 ESU	NSI	2005	3,020,184	% of farms < 1 ESU 47.2%	% of farms < 1 ESU 19%

AXIS 2 Improving the environment and the countryside	17*	Biodiversity: Population of farmland birds	Trends of index of population of farmland birds	-	-	NA	NA	96.2 (15 MS)
	18*	Biodiversity: High Nature Value farmland and forestry	UAA of High Nature Value farmland - million ha	MADR indicative	2007	2.4	33.56	26.54
	19	Biodiversity: tree species composition	Distribution of species per areas of FOWL (% coniferous trees/% broadleaved /%mixed)	MCPFE	2003	28.6/71.4/0.0	50.1/35.8/14.1	52.7/34.8/12.5
	20*	Water quality: Gross Nutrient Balances	Surplus of nutrient per ha.	-	-	NA	NA	89
	21	Water quality: Pollution by nitrates and pesticides	Annual trends in the concentration of nitrates in surface water and in ground water	-	-	NA	NA	NA
			Annual trends in the concentration of pesticides in surface water and in ground water	-	-	NA	NA	NA
	22	Soil: Areas at risk of soil erosion	Areas at risk of soil erosion (class of T/ha/year)	Diagnosis of rural areas	2004	5.29	1.52	1.94
	23	Soil: Organing farming	UAA for organic farming	MARD	2005	0.75	3.4	4.2
	24*	Climate change: Production of renewable energy from agriculture and forestry	Production of renewable energy from agriculture (ktoe)	Ministry of Economy and Finance	2006	0	2,084.3	NA
			Production of renewable energy from forestry (ktoe)			1,663	57,590	44,596
	25	Climatic changes: UAA devoted to renewable energy	Utilised Agriculture Area devoted to energy and biomass crops	-	-	NA	1,383	NA

	26	Climate change/air quality: gas emissions from agriculture	Emissions of greenhouse gases and ammonia from the agriculture (ktoe)	Eurostat	2003	11,946.54	484,328.4	414,427.5
AXIS 3 Quality of life in rural areas and the diversification of the rural economy	27*	Farmers with other gainful activity	% Farmers with other income-generating activities	Eurostat	2003	19.9 (rural 20.2)	27.4	30.4
	28*	Employment development of non-agricultural sector	Employment in secondary and tertiary sectors	NSI	2005	6,204 (rural 1,523)	196,420.2	163,382.9
	29*	Economic development of non-agricultural sector	GVA in the secondary and tertiary sector	Result based on NSI data	2004	46,728.3	8,640,141	8,204,600
	30*	Self-employment development	Self-employed persons – thousand	NSI	2005	3,226 (rural 2,790)	31,542.4	24,276
	31	Tourism infrastructure in rural areas	Total number of bed places in all forms of tourist accommodation	Eurostat	2001	277,047 (rural 269,013)	24,903,503	2,263,284
	32*	Internet take-up in rural areas	Persons having subscribed to DSL internet as a percentage of total population (%)	Result based on NSI data	2005	20.7 (0.64 rural)	NA	7.9
	33*	Development of the service sector	% GVA in services	NSI	2004	51.80	70.70	71.10
	34	Net migration	Rate of net migration	NSI	2005	-0.33	NA	5
	35*	Life-long learning in rural areas	% adult population participating in education and training	NSI	2005	1.6 (rural 0.5)	8.50	9.70
AXIS 4 LEADER	36*	Development of Local Action Groups	% from the population covered by LAG	MARD	2006	0	NA	14.30
	* refers to LEAD indicators							

Common context related baseline indicators								
AXIS		Indicator	Measuring Unit	Available in	Year	Value for Romania	Value for the EU 27	Value for the EU 15
Horizontal	1	Designation of rural areas	designation of rural areas according to the OECD methodology (PR and IR)	Eurostat/DG AGRI	-	-	-	-
	2	Importance of rural areas	% territory in rural areas	Eurostat	2003	99.90	92.70	90.90
			% population in rural areas	Eurostat	2003	91.10	58.30	51.40
			% GVA in rural areas	Eurostat	2002	80.90	45	43.60
			% employment in rural areas	Eurostat	2002	90.30	53.30	46.60
AXIS 1 Improving the competitiveness of the agricultural and forestry sector	3	Agricultural land use	% Utilised Agricultural Area in arable area/permanent grass/permanent crops	NSI	2005	63.9/33.0/2.9	60.6/32.7/6.5	56.7/35.2/8
	4	Farm structure	Number of farms – million	NSI	2005	4.25	15.02	6.23
			Used agricultural area – million	NSI	2005	13.9	172.86	126.05
			Average area farm size and distribution	NSI	2005	3.2	11.5	20.2
			Average economic farm size and distribution	NSI	2005	1.1	9.9	20.7
			Labour force	NSI	2005	2.6	13.35	6.32
	5	Forestry structure	Area of forest available for wood supply (FAWS)	MARD	2005	6,263	95,525	125,642
			Ownership (% area of FAWS under "eligible" ownership – public institutions other than the State/private property)	MARD	2005	13.39/20.35	8.9/60.5	10.9 / 73.5
			Average size of private holding (FOWL)	MARD	2006	0.6	NA	13.6
	6	Forestry productivity	Average net annual volume increment (FAWS)	MARD	2005	5.6	NA	4.8
AXIS 2 Improving the environment	7	Land cover	% area in agricultural/forest/natural/artificial classes	CLC 2000	2000	56.6/29.3/6.2/6.3	47.4/30.9/15.4/4.2	44/30.8/18.6/4.1

and the countryside	8	Less Favoured Areas	% UAA in non LFA/LFA mountain/significant LFA/LFA specific	MARD	2007	65.52/20.14/1.40/12.94	NA	51.6/4.8/36.4/5.3
	9	Areas of extensive agriculture	% UAA for extensive arable crops	Eurostat	2003	25.3	11.60	6.30
			% UAA for extensive grazing	MARD	2005	14.11	22.30	20.60
	10	Natura 2000 area	% of territory under Natura 2000	MARD	2007	17.84	NA	13.20
			% UAA under Natura 2000	-	-	NA	NA	12.10
			% forest area under Natura 2000	-	-	NA	NA	11.80
	11	Biodiversity: Protected forest	% FOWL protected to conserve biodiversity, landscapes and specific natural elements (MCPFE 4.9, classes 1.1, 1.2, 1.3 & 2)	MARD	2005	10/11 (MCPFE 4.9, classes 1&2)	1.69/1.68/3.59/10.44	1.83/1.79/3.75/9.96
	12	Development of forest area	Average annual increase of forest and other wooded land areas	NSI	2001-2005	34.27	494	374.2
	13	Forest ecosystem health	% trees/conifers/broadleaved in defoliation classes 2-4	ICP Forest	2004	11.7 / 7.6 /13.0	19.9/20.3/19.2	21.7/17.5/27.5
	14	Water quality	% territory designated as Nitrate Vulnerable Zone	MARD indicative	2007	8.64	NA	NA
	15	Water use	% irrigated UAA	Eurostat	2003	2.91	6.70	8.60
AXIS 3 Quality of life in rural areas and the diversification	16	Protective forests concerning primarily soil, water and other ecosystem functions	% FOWL area managed primarily for soil & water protection (MCPFE 5.1 class 3.1)	MARD	2005	74	7	5.70
	17	Population density	Inhabitants/km ²	NSI	2005	national 90.7 (rural 45.1)	114.8	121.1
	18	Age structure	% people aged (0-14) y.o./ (15-64) y.o./>=65 y.o. in total population	NSI	2005	national 15.6/69.6/14.8 (rural 17.8/63.4/18.7)	16.9/67.2/15.9	16.7/66.8/16.5

of the rural economy	19	Structure of the economy	% GVA by branch (Primary/Secondary /Tertiary sector)	NSI	2004	14.1/34.3/51.6	2.2/26.7/71.1	2.1/26.4/71.5
	20	Structure of employment	% employment by branch (Primary/Secondary/Tertiary sector)	NSI	2005	national 32.2/30.3/37.5 (rural 64.2/18.7/17.1)	6.8/26.4/66.8	3.9/25.3/70.8
	21	Long-term unemployment	% Long-term unemployment (as a share of active population)	NSI	2005	national 4 (rural 2.7)	4.1	3.4
	22	Educational attainment	% adults (25_64) with medium & high educational attainment	NSI	2005	national 73.1 (rural 55)	70	67.20
	23	Internet infrastructure	DSL coverage (%)	-	-	NA	NA	88

For the baseline indicators were used all the data available at the most recent year, data provided by the official statistics: EUROSTAT, NSI, others institutions. For the non-available indicators (NA), studies financed through technical assistance will be elaborated in 2008. The collected data will be representatives for the year 2006, thus so to reflect the baseline situation.

ANNEX 1A
Quantification of monitoring and evaluation indicators

National Programme for Rural Development 2007 - 2013							
Measures	Inputs (financial) 2007-2013 - real financial allocation, doesn't comprise the allocations for the measures foreseen to be implemented starting from 2010 (excluding measure 214)	Outputs (CMEF Guidance note H)		Results (CMEF Guidance note I)		Impacts (CMEF Guidance note J) at axis level	
	Total cost (euros)	Indicators	Quantified	Indicators	Quantified	Indicators	Quantified
	Public expenditures (euros)						
	12.091.333.192						
	8.698.807.383						
Axis 1 - Improving the competitiveness of the agricultural and forestry sector							
111 - Vocational training and information actions	119.019.347	Number of participants in training; according to CMEF breakdown during implementation by age, gender, content of activity and type of participants Estimation: approx. 16% from the measure will be dedicated	407.548	Number of participants that successfully ended a training activity related to agriculture and/or forestry (111) 80% from the total number of beneficiaries	326.038		

		10 days approx. 22,50% from the measure will be dedicated to training at local level with an average cost/participant/modul = 455 euro, one modul = 5 days approx. 16% from the measure will be dedicated to information actions with an average cost/participant/modul = 70 euro, one modul = 1 day					
	119.019.347	Number of training days received	1.324.624				
		Additional indicator Number of beneficiaries of the agro environment scheme participating at training actions 30% from the training beneficiaries	40.396				
112 - Setting up of young farmers	265.809.876	Number of assisted young farmers; <i>according to CMEF breakdown during implementation by gender and type of agricultural branch</i> Estimation: taking into account the farm structure the beneficiaries will receive as support 19.500 euro, resulting number of assisted young farmers = Total cost/19.500euro	13.631			Economic growth Net additional value added expressed in M.Euro (Axis 1)	2.484
	265.809.876	Total volume of investments (€) = 70% *no. of beneficiaries* average value received by an beneficiary of measure 121 for farm modernization We have used this average value because according to CMEF the TOTAL VOLUME OF INVESTMENT for measure 112 = Total amount (the sum of all public and private expenditure) of all the tangible and/or intangible investments made by young farmers when setting-up a holding, Estimation 70% from the 112 beneficiaries will make investments	404.256.166				
143 - Provision of farm	63.476.985	Number of supported farmers amount allocated for 2007-2009 = 63.476.985 euro	132.937				

advisory and extention services	63.476.985	<p>Estimation: Approx 37% dedicated to consultancy and elaboration of application forms and business plans for semi subsistence measure, cost/project = 470 euro</p> <p>Approx 10,60% dedicated to consultancy and elaboration of application forms and business plans for setting up of young farmers measure, cost/project = 670 euro</p> <p>Approx 42,16% dedicated to consultancy and elaboration of application forms for agro environment measure, cost/project = 670 euro</p> <p>Approx 2,24% dedicated to consultancy and elaboration of application forms for first afforestation of agricultural land measure, cost/project = 470 euro</p> <p>Approx 8% dedicated to consultancy, cost/project = 170 euro</p>					
121 - Modernisation of agricultural holdings	1.840.962.042	<p>Number of farm holdings that received investment support; <i>according to CMEF breakdown during implementation by gender, age and legal status</i></p> <p>Estimations:</p> <p>8% from the measure will be accessed by the semi -subsistence farms (vegetal sector) with an average cost/project = 16000 euro</p> <p>12% from the measure will be accessed by the semi -subsistence farms (animal sector) with an average cost/project = 20000 euro</p> <p>32% from the measure will be accessed by the commercial farms (vegetal sector) with an average cost/project = 46000 euro</p> <p>48% from the measure will be accessed by the commercial farms (animal sector) with an average cost/project = 85000 euro</p>	43.453	<p>Increase in gross value added in supported farms, holdings, enterprises (112-121-122-123-125-143) M€</p> <p>Based on SAPARD experience, analyzing the results of samples of finalized projects on different measures we estimated that the increase of GVA at the beneficiary level due to the implementation of axis I measures will be:</p> <p>Measure 112 – 10.000 euro</p> <p>Measure 121 – 50.000 euro</p> <p>Measure 122 – 10.000 euro</p> <p>Measure 125 – 15.000 euro</p> <p>Measure 123 – 200.000 euro</p> <p>Measure 143 – 910 euro</p>	3.105		

		Additional indicator Number of supported farm holdings which are semi subsistence farms; 8% from the measure will be accessed by the semi -subsistence farms (vegetal sector) with an average cost/project = 16000 euro 12% from the measure will be accessed by the semi -subsistence farms (animal sector) with an average cost/project = 20000 euro	20.251	Additional indicator measure 121 Number of farm holdings which comply with the EU standards due to the support Estimation: 45% from the beneficiaries	19.554		
		Additional indicator Number of supported farm holdings which are owned by members of producers groups; 15% from the measure beneficiaries will be members of producer groups	6.518	Additional indicator measure 123 Number of enterprises which comply with the EU standards due to the support Estimation: 100% from the beneficiaries	3.138		
		Additional indicator Number of supported producers groups; 1,5% from the measure beneficiaries will be producer groups	652				
		Additional indicator Number of supported farm holdings which produce and use renewable energy	435				
	991.827.895	Total volume of investments (euros) = Total cost according to CMEF breakdown during implementation by type of investment and type of agricultural branch	1.840.962.042				
122 - Improvement of the economic value of forests	360.664.689	Number of forest holdings that received investment support = Total Cost / 150000 euro average per project; according to CMEF breakdown during implementation by type of the owner	2.404	Number of holdings introducing new products and/or new techniques (121-122-123) More than 50% of the 121-122-123 beneficiaries	24.498	Labour productivity Change in Gross Value Added per full-time equivalent (Axis 1)	+8%
	198.365.579	Total volume of investments = Total Cost according to CMEF breakdown during implementation by type of the owner	360.664.689				
123 - Adding value to agricultural and forestry products	2.708.792.184	Number of enterprises supported; according to CMEF breakdown during implementation by size of the enterprise, type of sector, type of activity Estimation: 80% from the measure will be accessed by agricultural sector with an average cost/project = 1055.000 euro based on SAPARD experience 2007 - 2013 20% from the measure will be accessed by	3.138				

		forestry sector with an average cost/project = 500.000 euro Number of enterprises breakdown by size of the enterprise: 80% will be micro, meaning 2511 enterprises 18% will be SME's, meaning 565 enterprises 2% will be "others", meaning 62 enterprises					
	1.071.174.126	Total volume of investments = Total Cost <i>according to CMEF breakdown during implementation by size of the enterprise, type of sector, type of activity</i> Total volume of investments breakdown by size of the enterprise: 57% will be dedicated to micro, meaning 1551Mil. euro 31% will be dedicated toSME's, meaning 847,5 Mil. euro 11% will be dedicated to "others", meaning 310 Mil. euro	2.708.792.184				
		Additional indicator Number of enterprises which has restructuring programs until 2009 Estimation: 80% from the total number of enterprises from the list comprise in the measure	425				
		Additional indicator Number of beneficiaries which are constituted as associative forms Estimation: 15% from the total number of beneficiaries	471				
125 - Infrastructure related to the development and adaptation of agriculture and forestry	595.096.737	Number of operations supported; <i>according to CMEF breakdown during implementation by type of land and type of operation</i> Estimations: 206 projects in the irrigation field with an average cost/ha = 1000 euro and average size 650ha/project 74 agricultural roads with an average cost/km = 36.000 euro and average size 10 km/project 1 PP projects in the drainage field with an average cost/ha = 1200 euro and average size 800ha/project	1.597				

		670 forestry roads with an average cost/km = 100.000 euro and average size 3 km/project 536 corection of torrents projects with an average cost/ha = 250 euro and average size 500 ha/project					
	476.077.390	Total volume of investments = Total Cost according to CMEF breakdown during implementation by type of land and type of operation Estimations: 10% from the measure will be dedicated to land consolidation projects = 59.509.673 euro 45% from the measure will be dedicated to projects on agricultural land (out of which 50% for irrigation projects, 10% for agricultural roads, 40% for drainage projects) = 267.793.532 euro 45% from the measure will be dedicated to projects on forestry land (out of which 75% for forestry roads, 25% for torrent projects) = 267.793.532 euro	595.096.737				
141 - Semi-subsistence farming	476.077.390	Number of semi-subsistence farm holdings supported; according to CMEF breakdown during implementation by size of the holding (in ha) Estimations: 30% from beneficiaries of the measure will receive 1500 euro/year during 3 years, because after 3 years the conformity with the business plan will be verified, and if the semi subsistence farm do not comply the conformity the support will not be granted for the next 2 years 70% from beneficiaries of the measure will receive 1500 euro/year during 5 years	76.172	Number of farms entering the market (Measure 141) More than 80% of the 141 beneficiaries	60.938		
	476.077.390	Additional indicator Number of semi-subsistence farm holdings supported located in LFA 20% from the total beneficiaries	15.234				

		<p>Additional indicator Number of semi-subsistence farm holdings supported divided by:</p> <p>Legal status</p> <ul style="list-style-type: none"> - Natural persons, estimation 80% from the beneficiaries aprox. 60938 - Legal body, estimation 20% from the beneficiaries aprox. 15234 <p>Gender</p> <ul style="list-style-type: none"> - male, estimation 90% from the beneficiaries aprox. 68555 - female, estimation 10% from the beneficiaries aprox. 7617 <p>Age structure</p> <ul style="list-style-type: none"> <40, estimation 15% from the beneficiaries aprox. 11426 >= 40, estimation 85% from the beneficiaries aprox. 64747 	76.172				
		<p>Additional indicator Number of semi-subsistence farm holdings supported which are beneficiaries also of the agro-environment measure 10% from the total beneficiaries</p>	7.617	<p>Additional indicator Number of supported semi-subsistence farms introducing new products (Measure 141) More than 40% of the 141 beneficiaries</p>	30.469		
142 - Producer groups	138.855.905	<p>Number of supported producer groups; <i>according to CMEF breakdown during implementation by type of producer groups and type of agricultural branches</i> Estimations: 60% from the measure will be dedicated to producers groups with a turnover < 1 million euro, average cost/ producer group 95.000 euro 40% from the measure will be dedicated to producers groups with a turnover > 1 million euro, average cost/ producer group 240.000 euro</p>	1.108	<p>Number of farms entering the market (Measure 142) 40% from the semi subsistence farms supported on measure 141 will enter in producer groups and will become income generating market players</p>	24.375		

	138.855.905	<p>Turnover of supported producer groups (M€)</p> $=(0,6*\text{no. beneficiaries}*500000*5 \text{ years} + 0,4*\text{no. beneficiaries} *1500000*5 \text{ years})/1000000$ <p>euro</p> <p><i>according to CMEF breakdown during implementation by type of producer groups and type of agricultural branches</i></p> <p>Estimations:</p> <p>For the producers groups with a turnover < 1 million euro, the annual average turnover = 500.000 euro; 60% from the beneficiaries will have turnover < 1 million euro</p> <p>For the producers groups with a turnover > 1 million euro, the annual average turnover 1.500.000 euro; 40% from the beneficiaries will have turnover > 1 million euro</p>	4.988				
		<p>Additional indicator</p> <p>Number of supported producer groups which has more than 10 members</p> <p>50% from the total beneficiaries</p>	554				
		<p>Additional indicator</p> <p>Total number of members in the supported producer groups</p> <p>Estimation: the average number of members in a producer group and the number of producer groups created in the following agricultural branch(es) is:</p> <ul style="list-style-type: none"> - Field crops, 155 groups/103 members per group - Horticulture, 11 groups/5 members per group - Wine, 55 groups/5 members per group - Milk, 332 groups/157 members per group - Grazing livestock, (excl. milk) 166 groups/17 members per group - Pigs and/or poultry, 166 groups/7members per group - Mixed (crops + livestock), 222 groups/34 members per group 	80.020				

Axis 2 - Improving the environment and the countryside

211 - Natural handicap payments to farmers in mountain areas	607.754.544	Number of supported holdings in mountain areas = number of supported ha/6 ha; based on data provided by PIAA a holding has 6 ha as an average	420.000	Agricultural area under successful land management contributing to: (some areas contribute to more than one objective)		Maintenance of high nature value farming areas Changes in high nature value areas	
	607.754.544	Supported agricultural land in mountain areas (ha)	2.520.000	(a) bio diversity and high nature value farming measure 211 = 2 520 000 ha measure 212 = 1 795 000 ha measure 214 (package 1 and 3) = 1 623 000 ha	5.938.000		
212 - Payments to farmers in areas with handicaps, other than mountain areas	493.083.875	Number of supported holdings in areas with handicaps, other than mountain areas = number of supported ha/6 ha; based on data provided by PIAA a holding has 6 ha as an average,	299.167	(b) water quality measure 214 (all packages) = 2 323 000 ha	2.323.000	Additional Reversing biodiversity decline (Crex crex, Lanius minor, Falco vespertinus)	Maintenance of the bird species population
	493.083.875	Supported agricultural land area in areas with handicaps, other than mountain areas (ha)	1.795.000				
214 - Agri-environment payments	963.233.617	Number of farm holdings and holdings of other land managers receiving support; we will support 96667 farms for HNV package; 25000 farms for traditional farming package; 11533 farms for bird conservation pilot package; 46667 farms for green cover crops package <i>according to CMEF breakdown during implementation by the type of beneficiary and the 'age' of the commitment (new or existing commitment)</i>	154.867	(c) climate change measure 214 (package 2) = 375 000 ha	375.000	Reversing Biodiversity decline Change in trend in biodiversity decline as measured by farmland bird species population	
		Total area under agri-environmental support Estimation: we will support 1450000 ha for HNV package; 375000 ha for traditional farming package; 173000 ha for bird conservation pilot package; 700000 for green cover crops package <i>according to CMEF breakdown during implementation by the type of beneficiary, the 'age' of the commitment (new or existing commitment) and type of commitment</i>	2.698.000	(d) soil quality measure 211 (30%* supported arable) = 113.400 ha measure 212 (20%* supported arable other LFA+ 30% supported arable specific LFA) = 346.260 ha	1.159.660		

		Physical area under agri-environmental support under this measure;	2.323.000	measure 214 (package 4) = 700.000 ha			
	963.233.617	Total number of contracts in case of package 1 and 2 on the same surface can be 2 contracts <i>according to CMEF breakdown during implementation by the type of beneficiary, the 'age' of the commitment (new or existing commitment) and type of commitment</i>	179.867	(e) avoidance of marginalisation and land abandonment measure 211 = 2 520 000 ha measure 212 = 1 795 000 ha measure 214 (package 1 and 3) = 1 623 000 ha	5.938.000	Additional Maintenance of high nature value farming and forestry areas (Evolution of semi-natural grassland plant species)	2008 = 100 2013 = 100 (indicator plant species are maintained)
		No. of actions related to genetic resources; we don't support this kind of actions	0				
221 - First afforestation of agricultural land	158.166.440	Number of beneficiaries receiving afforestation aid Estimation: 80% will be individuals beneficiaries, the cost/ha = 4.106 euro, 2.5 ha as an average size for this kind of project and 20% will be communes and the cost/ha = 1707 euro, 10 ha as an average size for this kind of project <i>according to CMEF breakdown during implementation by the type of land ownership, the 'age' of the commitment (new or existing commitment) and the environmental reason</i>	14.180	Forestry area under successful land management contributing to:		Improvement in water quality Changes in gross nutrient balance	
	137.604.802	Number of ha afforested land Estimation: 80% will be individuals beneficiaries and the cost/ha = 4106 euro and 20% will be communes and the cost/ha = 1707 euro <i>according to CMEF breakdown during implementation by the type of land ownership, the 'age' of the commitment (new or existing commitment), the type of tree and the environmental reason</i>	49.348	(a) bio diversity and high nature value forestry	49.348	Contribution to combating climate change Increase in production of renewable energy.	
				(b) water quality	49.348	Growth of biomass (forestry) output as a regional resource (energy, regional value added) in m³ Assumption: 10 m³ increase per ha	493.482
				(c) climate change	49.348		
				(d) soil quality	49.348	Fixing of CO2 (t) Assumption: 1.1t/ha	54.283
				(e) avoidance of marginalisation and land abandonment	49.348		

Axis 3 - The quality of life in rural areas and diversification of the rural economy

312 - Support for the creation and development of micro-enterprises	570.863.049	Number of micro-enterprises supported according to CMEF breakdown during implementation by age category, legal status, type of micro-enterprise (newly created or existing micro-enterprises)	9.895	Increase in non-agricultural gross value added in supported businesses (M€) Measure 312 Based on SAPARD experience we estimate that the increase of GVA at the beneficiary level will be: for investments in productive non-agricultural activities – 25.000 euro; for investments for development of craft and handicraft activities – 10.000 euro; for investments in services executed by micro-enterprises to the rural population – 16.000 euro	149	Economic growth (Axis 3) Net additional value added expressed in Meuro Out of which:	368
				Increase in non-agricultural gross value added in supported businesses (M€) Measure 313 Based on SAPARD experience we estimate that the increase of GVA at the beneficiary level will be approximately 35.000 euro.	268	Measure 312 SAPARD experience indicates that the level of deadweight effects is approximately 20% from the gross effect so we calculated the net value added that can be attributed to the intervention as 80% from the gross value added	119

	371.060.982	Total volume of investments = Total Cost	570.863.049			Measure 313 SAPARD experience indicates that the level of deadweight effects is approximately 20% from the gross effect so we calculated the net value added that can be attributed to the intervention as 80% from the gross value added	215
						Measure 322 Estimation, change in net value added in the programme area that can be attributed to the intervention will be approximately 20.000 euro/project	34
		Additional indicator Number of micro-enterprises supported divided in accordance with the type of investment:		Gross number of jobs created Measure 312 Based on SAPARD experience we estimate that the average number of jobs/project for productive non-agricultural activities = 5; average number of jobs/project for development of craft and handicraft activities = 2; average number of jobs/project for investments in services executed by micro-enterprises to the rural population = 3	28.924	Additional indicator (measure 312 and 313) Additional employment in secondary and tertiary sector (% of rural sectorial employment 2005)	4,42%
		Estimation: 40% from the total cost of the measure will be dedicated to investments in productive non-agricultural activities; average cost/project = 150.000 euro;	1.522				
		Estimation: 20% from the total cost of the measure will be dedicated to investments for development of craft and handicraft activities; average cost/project = 30.000 euro	3.806				
		Estimation: 40% from the total cost of the measure will be dedicated to investments in services executed by micro-enterprises to the rural population; average cost/project = 50.000 euro;	4.567			Additional Indicators Ratio of population in rural areas benefiting from improved life conditions thanks to the supported projects (measure 322)	52,10%

313 - Encouragement of tourism activities	837.265.806	Number of new tourism actions supported, breakdown by type of action:	7.665	Gross number of jobs created Measure 313 Based on SAPARD experience we estimate that the average number of jobs/project for measure 313 = 5	38.327		
				Additional number of tourist visits (Measure 313) (in thousands) Estimation: Additional number of tourist/new tourism action supported = 1000	7.665		
	544.222.774	Number of new tourism actions supported on turism structures and recreational infrastructure Estimation: 82% from the total cost of the measure will be dedicated to turism structures and recreational infrastructure, divided in: <i>65% for turism structures</i> (out of which 30% for agro-tourism and 70% for other tourism structures; average cost/agro-tourism project = 80.000 euro and average cost/ other tourism structures project = 200.000 euro), <i>17% for recreational infrastructure</i> ; average cost/recreational project = 100.000 euro;	5.369	Population in rural areas benefiting from improved services (Measure 322) thousand persons = number of village renewal, basic services, rural heritage actions *3000 inhabitants benefiting from each action	5.053		
		Number of new tourism actions supported on small scale infrastructure Estimation: 15% from the total cost of the measure will be dedicated to small scale infrastructure; average cost/small scale infrastructure project = 70.000 euro	1.794				
		Number of new tourism actions supported on development and marketing of turism services Estimation: 3% from the total cost of the measure will be dedicated to development and marketing of turism services; average cost/development, marketing project = 50.000 euro	502				
		Total volume of investments = Total Cost breakdown by type of action::	837.265.806				

		82% from the total cost of the measure will be dedicated to tourism structures and recreational infrastructure	686.557.961				
		15% from the total cost of the measure will be dedicated to small scale infrastructure	125.589.871				
		3% from the total cost of the measure will be dedicated to development and marketing of tourism services	25.117.974				
		Additional indicator Number of tourism actions in recreational infrastructure and tourism structures divided according to the type of action:	5.369				
		agro-tourism actions	2.041				
		rural tourism actions	1.905				
		recreational actions	1.423				
322- Village renewal and development, improving basic services for rural economy and population and upgrading of rural heritage	1.579.217.870	Basic services actions <i>according to CMEF breakdown during implementation by type of action</i> Estimation 5% from the total cost of the measure will be dedicated to the basic services individual projects and the average cost/project = 300.000 euro	263	Additional indicator (Measure 313) Number of supported tourism structures which diversify the tourism services range Estimation: 30% from the tourism structures will diversify the tourism services range	1.184	Employment creation Net additional Full Time Equivalent jobs created (Axis 3 measures) Net additional Full Time Equivalent (FTE) jobs created is the number of additional jobs created that can be attributed to the intervention. SAPARD experience indicates that the level of deadweight effects is approximately 20% from the gross effect so we calculated the Net additional Full Time Equivalent jobs as 80% from the Gross number of jobs	58.117
		Rural heritage actions <i>according to CMEF breakdown during implementation by type of action (natural or cultural heritage)</i> Estimation 5% from the total cost of the measure will be dedicated to the rural heritage individual projects and the average cost/project = 200.000 euro	395				

		Number of communes where village renewal actions took place = $(\text{Total Cost} \times 50\%) / 2.000.000 + (\text{Total Cost} \times 40\%) / 1.000.000$; <i>according to CMEF breakdown during implementation by type of revitalisation</i> Estimation: 50% from the total cost of the measure will be dedicated to the integrated project which will have a village renewal component and the average cost/integrated project = 2.000.000 euro. 40% from the total cost of the measure will be dedicated to the village renewal individual projects and the average cost/project = 1.000.000 euro	1.026			created Out of which:	
	1.546.087.425	Total volume of investments = Total Cost 50% from the total cost dedicated to the integrated projects which will have a village renewal component = 789.608.935 (40% for village renewal and 10% for basic services and rural heritage) 40% from the total cost dedicated to the individual projects for village renewal = 631.687.148 5% from the total cost dedicated to the individual projects for basic services = 78.960.893 5% from the total cost dedicated to the individual projects for rural heritage = 78.960.893	1.579.217.870			Measure 312	23.139
		Additional indicator Number of supported communes which benefited from investments in water supply/sewerage on SAPARD Programme in order to comply with the environment commitments Estimation: from the total number of investments in water supply/sewerage supported on SAPARD Programme approx. 200 will continue and complete the investments on NRDP in order to comply with the environment commitments	200			Measure 313	30.662
		Additional indicator Number of supported communes which doesn't benefit before of EU financing	513			Measure 322 Estimation, change in Net additional Full	4.317

		Additional indicator Number of km realised through component "village renewal" Based on SAPARD experience regarding the cost/km and taking into account the amount dedicated to this component the estimation are:				Time Equivalent jobs in the programme area that can be attributed to the intervention will be approximately 5 jobs/project for basic sevicees and rural heritage and 1 job/project for village renewal.	
		km of roads (150.000 euro/km)	3.369				
		km of water supply pipelines (40.000 euro/km)	6.317				
		km of sewerage pipelines (100.000 euro/km)	5.053				
Axis 4 - LEADER							
41 - Implementation of local development strategies - 411 Improving the competitiveness of the agricultural and forestry sector - 412 Improving the environment and the countryside - 413 The quality of life in rural areas and diversification of the rural economy	246.317.898	Number of LAG's (see LEADER fiche - Section "Indicative number of LAG's in Romania")	80	Gross number of jobs created (41 and 421) Estimation:average number of jobs/project on measure 41 = 2 average number of jobs/project on measure 421 = 1	measure 41	Economic growth Net additional value added expressed in Meuro (measure 41) Estimation, change in value added that can be attributed to the intervention will be approximately 20.000 euro/project	99
		Total size of the LAG area (km2) = aprox. 40% from total eligible area (rural area + towns up to 20.000 inhabitants)	90.800		9.853		
		Total population in LAG area = aprox. 40% from total rural population + population of towns up to 20.000 inhabitants	4.680.000		measure 421		
		Number of projects financed by LAGs = Total Cost/50.000 euro; according to CMEF breakdown during implementation by axis under which the Leader-type project can be categorized Estimation: average cost/project = 50.000 euro	4.926		160		
	171.604.656	Number of beneficiaries supported = Number of projects according to CMEF breakdown during implementation by axis under which the Leader-type project can be categorized and type of beneficiaries	4.926	Additional indicator for measure 41 Number of beneficiaries developing innovative actions Estimation 10% from the total number of projects	493		
		Additional indicator Number of members of the LAGs = number of LAG's*30 members Estimation:30 members/LAG	2.400				

		Additional indicator Number of privat partners and NGO's members of the LAG's Estimation 40 LAG's will have more than 65% privat partners and for 40 LAG's will have 50% privat partners	1.380	Additional indicator for measure 431.1 Number of participants that successfully ended a training activity related to:	1.940		
421 - Implementing cooperation projects	5.498.827	Number of supported cooperation projects = number of LAG's * 2 projects/LAG according to CMEF breakdown during implementation by the level of cooperation (Inter-territorial or Transnational) and axis under which the Leader-type project can be categorized	160				
		Number of cooperating LAGs = no. of LAG's; Estimation: each LAG will develop cooperation projects according to CMEF breakdown during implementation by the level of cooperation (Inter-territorial or Transnational) and axis under which the Leader-type project can be categorized	80	- General training on LEADER approach Estimation: 40 trainees/county, 41 counties	1.640		
		Additional indicator Number of cooperation projects implying more than two LAG's from Romania Estimation: 50% from the total number of projects will be inter-territorial projects out of which 50% implying more than two LAG's from Romania	40	- Training for the representatives of potential LAGs Estimation: 1 trainee/partnership, 300 partnerships	300		
	4.701.497	Additional indicator Number of cooperation projects implying one LAG from UE with experience on LEADER+ Estimation: 50% from the total number of projects will be trans-national projects out of which 50% implying one LAG from UE with experience on LEADER+	40	Number of participants that successfully ended a training activity Estimation: 20 trainees/LAG/year For the first 40 LAG's will be 5 implementation years and for the next 40 LAG's will be 4 implementation years.	7200	Employment creation Net additional Full Time Equivalent jobs created (measure 41 and 421) Net additional Full Time Equivalent (FTE) jobs created is the number of additional jobs created that can be attributed to the intervention. SAPARD experience indicates that the level of deadweight effects is approximately 20% from the gross effect	8.010
431.1 - Public - private partnerships building	14.161.137	Number of actions supported divided by type of action:	256				
		- General training on LEADER approach Estimation: 40 trainees/county, 40 trainees/ training session (1 action = 1 training session)	41				

		- Training for the representatives of potential LAGs Estimation: 1 trainee/partnership, 300 partnerships, 20 trainees/ training session (1 action = 1 training session)	15			so we calculated the Net additional Full Time Equivalent jobs as 80% from the Gross number of jobs created	
	11.753.744	- Financial support for the preparation of LAGs applications (strategy) Estimation: 200 partnerships (1 action = 1 strategy)	200				
431.2 - Running the Local Action Groups, acquisition of skills and animation of the territory	47.014.974	Number of actions supported regarding running the Local Action Groups, (1 action = 1 yearly budget for a LAG) Estimation: For the first 40 LAG's we will have 5 implementation years so 5 budgets and for the next 40 LAG's we will have 4 implementation years so 4 budgets	360				
	47.014.974	Number of actions supported regarding acquisition of skills for the persons covered by the Local Action Groups (1 action = 1 training session) Estimation: For the first 40 LAG's will be one session/year*5 years; for the next 40 LAG's we will be one session/year*4 years	360				
		Number of actions supported regarding animation of the territory (1 action = 1 animation seminar) Estimation: 4 actions/year/GAL For the first 40 LAG's we will have 5 implementation years and for the next 40 LAG's we will have 4 implementation years	1.440				

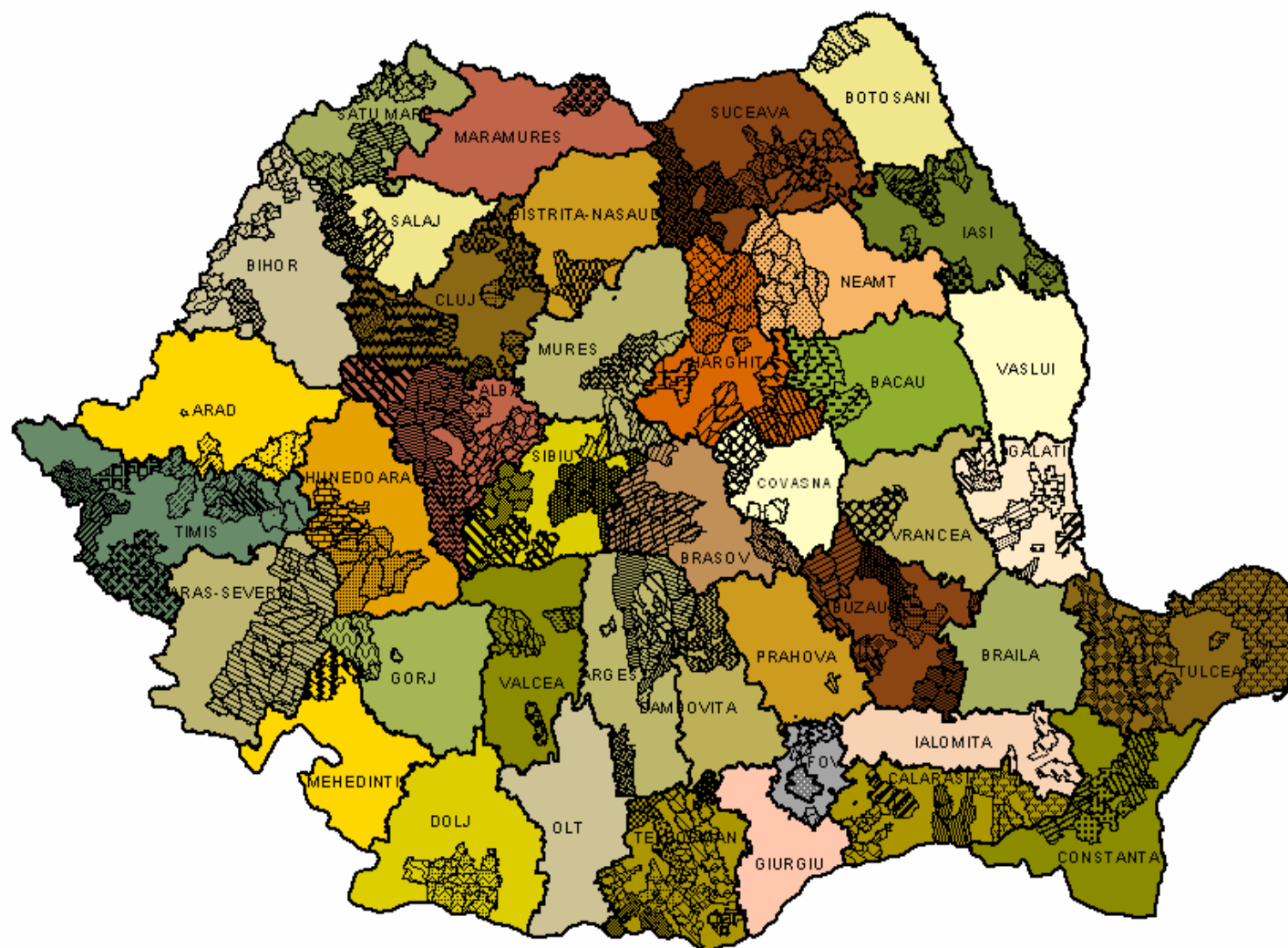
ANNEX 1B
Common impact indicators

Impact indicators	Related baseline indicators	Baseline value	Target 2013 - for the impact indicators
Economic growth <i>Net additional value added expressed in M.Euro</i>	Economic development of primary sector <i>GVA in the primary sector - millions euro</i>	4,576.9 (in 2002)	To increase the value added directly in supported projects and indirectly in the programme area. <i>Estimation: increase the net value added by 3,000 millions euro at the level of direct beneficiaries from the primary, secondary and tertiary sectors</i>
	Economic development of food industry <i>GVA in food industry - millions euro</i>	3,386 (in 2001)	
	Economic development of non-agricultural sector <i>GVA in the secondary and tertiary sector - millions euro</i>	46,728.3 (in 2004)	
Employment creation <i>Net additional Full Time Equivalent jobs created</i>	Employment development of primary sector <i>Employment in the primary sector - thousand persons</i>	2,943 (in 2005)	To create Net additional Full Time Equivalent (FTE) jobs directly in supported projects and indirectly in the programme area. <i>Estimation: creation of 70,000 Net additional Full Time Equivalent jobs, at the level of direct beneficiaries from non-agricultural sector</i>
	Employment development in food industry <i>Employment in food industry - thousand persons</i>	Available after Programme approval, based on studies financed through technical assistance	
	Employment development of non-agricultural sector <i>Employment in secondary and tertiary sectors - thousand persons</i>	national 6,204 rural 1,523 (in 2005)	
Labour productivity <i>Change in Gross Value Added per Full-time equivalent</i>	Labour productivity in agriculture <i>GVA/AWU - euro</i>	14 (in 2002-2004)	To increase the labour productivity directly in supported projects and indirectly in the programme area <i>Estimation: annual growth of labour productivity by 8% at the level of direct beneficiaries from primary sector</i>
	Labour productivity in food industry <i>Gross Value Added per people employed in food industry (thousands Euro/employee)</i>	5 (in 2004)	
	Labour productivity in forestry <i>Gross Value Added per people employed in forestry (thousands Euro/employee)</i>	3.4 (in 2001)	
Reversing Biodiversity decline <i>Change in trend in biodiversity decline as measured by farmland bird species population</i>	Biodiversity: Population of farmland birds <i>Trends of index of population of farmland birds</i>	Available after Programme approval, based on studies financed through technical assistance	Target will be established later on, when the value for the baseline indicators will become available
Maintenance of high nature value farming areas <i>Changes in high nature value areas</i>	High Nature Value farmland and forestry <i>UAA of High Nature Value farmland - million ha</i>	2.4 (MARD indicative2007)	Maintenance of high nature value farmland and forestry areas supported

	Tree species composition <i>Distribution of species per areas of FOWL (% coniferous trees/% broadleaved /%mixed)</i>	28.6/71.4/0.0 (in 2001)	
Improvement in water quality <i>Changes in gross nutrient balance</i>	Gross Nutrient Balances Surplus of nutrient per ha (kg/ha)	Available after Programme approval, based on studies financed through technical assistance	Target will be established later on, when the value for the baseline indicators will become available
	Pollution by nitrates and pesticides <i>Annual trends in the concentration of nitrates in surface water and in ground water</i> <i>Annual trends in the concentration of pesticides in surface water and in ground water</i>		
Contribution to combating climate change <i>Increase in production of renewable energy</i>	Production of renewable energy from agriculture (ktoe)	0 (in 2006)	To increase the production of renewable energy and the Utilised Agriculture Area devoted to energy and biomass crops
	Production of renewable energy from forestry (ktoe)	1,663 (in 2006)	
	UAA devoted to renewable energy <i>Utilised Agriculture Area devoted to energy and biomass crops</i>	Available after Programme approval, based on studies financed through technical assistance	
	Emissions of greenhouse gases and ammonia from the agriculture <i>1000 t CO2 equivalent</i>	11,946.54 (in 2003)	

ANNEX 2

Map of the selected areas for training of the public-private partnership representatives (LEADER)





**European Commission
EuropeAid Co-Operations Office**

**Framework Contract Beneficiaries – Lot 1
Rural Development and Food Security**

Romania

Technical assistance for the ex ante evaluation of the RDP

ROSU39

Report

16th May 2007



DENMARK CONSORTIUM



Consortium Partners



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Prepared by: Morten Kvistgaard

**Ex-ante evaluation
of the
National Rural Development Programme 2007-2013
Romania**

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A 101

Acronyms

€ - Euro

NAAC – National Agency for Agricultural Consultancy

MA- Managing Authority

PIAA – Paying and Intervention Agency for Agriculture

PARDF APDRP- Paying Agency for Rural Development and Fishery

CMEF – Commune Monitoring and Evaluation

CD 114 – Council Decision 2006/144/EC from the 20th of February 2006

DG Agri – Directorate General for Agriculture and Rural Development, European Commission

DGFDPC – Directorate General Forestry Development and Property Consolidation

SEA – Strategic Environment Assessment

EAFRD – European Agricultural Fund for Rural Development

EFRD – European Fund for Regional Development

ESF – European Social Fund

GAEC –Good Agricultural and Environmental Conditions

LAG – Local Action Groups

Ha. - Hectare

NSI – National Statistique Institut

SME- Small and Medium Enterprises

LFA – Less Favoured Areas

Natura 2000 – European Protected Areas Network

M€- million Euro

MAFRD – Ministry of Agriculture, Forestry and Rural Development (presently Ministry of Agriculture and Rural Development)

No. – Number

OECD – Organization for Economic Cooperation and Development

NGO – Non-Governmental Organizations

CAP – Commune Agricultural Policy

GDV – Gross Domestic Value

RDP – Rural Development Programme

NRDP – National Rural Development Programme 2007-2013

NPARD – National Plan for Agriculture and Rural Development

NSP/NSPRD – National Strategy Plan for Rural Development 2007-2013

SOP – Sectorial Operational Programme

SAPARD –Special pre-Accession Programme for Agriculture and Rural Development

SAPS –Single Area Payment Scheme

SWOT –Strengths Weaknesses Opportunities and Threats

ToR – Terms of Reference

EU – European Union

EU-15 – member states at 1st of January 1995

EU -25 – member states at 1st of May 2004

EU -27 – member states at 1st of January 2007

EDU – Economic Dimension Unity

GAV – Gross Added Value

NAV – Net Actualized Value

1. Executive summary of the ex ante evaluation

The conclusions and recommendations from the ex ante evaluation are summarized in this chapter. In order to make the recommendations as operational as possible a table is inserted, where reference is given to the relevant chapter of the NRDP and the relevant section of the ex ante evaluation report.

1.1 Conclusions

Analysis of the current situation

The NRDP is based on a comprehensive analysis of the current situation in Romanian rural areas. The development of the country is dramatic these years making it difficult to prepare recent analysis reflecting the rapid development process. We recognise that and appreciate the effort done to use as new data and statistics as possible.

However we also find that some improvements might be useful concerning issues of central importance for the NRDP. These issues relate to the description and analysis of the competitiveness of Romanian agriculture and food industry, innovation activities, Research and Development and the transfer of results from universities to users in the industry and on the farms. This information will be an adequate response to the regulation requirements to address the Lisbon strategic objectives.

We are also pleased with the fact that the analysis is based on common indicators and that baselines are defined for almost all indicators. We suggest that an additional effort is made to ensure that all baselines are included and measured. Furthermore we find that it will be useful, if comparisons with selected international benchmarks are included in order for the analysis to provide a clear picture of the relative relations between Romania and EU 15 and EU 27, if relevant.

Furthermore we will appreciate if the analysis of the current situation is supplemented with reflections of the new CAP regime and the effects of this regime on the NRDP and the rural development policies in general.

Finally, we do not see much attention in the NRDP of disparities and causes to disparities in the rural areas compared to urban areas, or regionally vs. nationally. We are aware that regional disparities play an important role and that the development potentials are important.

SWOT

The presented SWOT analysis is generally considered to be good. However we find that the tool is not utilized to its full potential as a strategy selection tool. The SWOT analysis follows only to some extent the logic of this tool in order to facilitate the strategy formulation. In order to make the strategy-building potential of the SWOT even more obvious, it could be considered including a section that reflects upon how the identified internal Strengths and Weaknesses on the one hand and external Opportunities and Threats on the other hand can be turned into possible strategies ensuring that internal strengths are utilized and internal weaknesses eliminated in order to take advantage of the external opportunities and to meet the external threats.

NRDP Objectives and Financial allocations

The RDP 2007-2013 will be implemented in a period of dramatic change for the Romanian agriculture and rural areas as it takes its first steps into the EU market and full effect of CAP reforms will take place during this period. The first effects are experienced during these years where dramatic

changes also take places. Also the economic growth of the broader economy has significant impacts on the agricultural and rural economy sectors in terms of opportunities as well as threats.

The overall economic and social context of elaborating the RDP 2007-2013 is thus more complex, than that which prevailed in 2000. The new RDP focus is on enhanced competitiveness and scale and at the same time taking into considerations the need for protection of nature, environment, land and water resources in rural areas and an improved quality of life for the rural dwellers.

The current NRDP will focus on issues such as competitiveness, environment, and rural quality of life, having as general objectives:

- Increasing the competitiveness of the agricultural and forestry sector
- Improve the rural environment
- Improve the quality of life and diversification of rural economy;
- starting and functioning off local development initiatives (LEADER).

The overall objectives are broken down into a number of strategic objectives reflecting the given local and regional economic situation in rural areas and the challenges ahead.

Axis 1 measures are primarily intended to improve the efficiency of agriculture and forestry sector to enable them to confront the competitiveness issues resulting from an open external trading environment. The results will be a better trained agricultural workforce, with an improved age structure, a better land structure, subsistence farms entering the market, modernized commercial agriculture, improved value added and produce quality, which will further enhance the productivity and competitiveness of agricultural and forestry sector.

The support will mainly be oriented towards the small and medium enterprises, considered to be better able than big commercial enterprises to develop new products, to valorise the local resources through innovation and adaptation. The priorities chosen inside this axis take into consideration both the development needs and also the needs to continue some of the preaccession measures. We find however that some considerations could be done concerning the economic efficiency of targeting a relatively large share of the Axis I allocations on semi subsistence farms. We must expect that competitiveness, modernization and restructuring are core issues under this axis, but we do not expect that this particular measure will contribute to this overall objective. On the contrary we find that the resources here could be better used on other measures more in line with the overall objective of the NRDP.

The objectives of Axis 2 measures are to improve the rural environment, enhance biodiversity through a sustainable management of the agriculture and forestry land.

The measures include LFA, Natura 2000 and the afforestation programme. The LFA scheme is intended to support continued agricultural activity in Less Favoured Areas (LFAs) thus maintaining the countryside. The Natura 2000 scheme is aimed at farmers in areas of high value natural habitats. The main element of the forestry programme – the support for afforestation - is also included in this Axis. The programme will endeavour to maintain planting at a level sufficient to achieve economic and environment targets.

Improving the quality of life in rural areas, diversification of the rural economy, promoting knowledge and improving human potential represents the strategic objective of axis III. Measures are centred on the wider rural community such as the development of rural enterprises based on local natural resources, tourism, village enhancement and environmental initiatives in order to complement on-farm measures and provide alternative and suitable employment opportunities for people living in rural areas. These measures were chosen according to the rural area weaknesses (such as low income, over dependency on subsistence agriculture, low entrepreneurial skills, inadequate infrastructure) and strengths (high natural resources, rich cultural patrimony etc). Thus rural areas should approach the quality of life as in urban areas.

The axis 4 measures aim to support the sustainable rural development by improving the local governance and promoting the local potential. The Leader approach will contribute to the accomplishment of axis 1 and 3 objectives through local integrated development strategies and innovative actions.

In conclusion we find that the NRDP is in line with the NSP and that the NRDP represents a good structured programming document with clear overall objectives, strategic and specific objectives leading down to the level of measures. We appreciate the use of tables and schemes in order to illustrate the intervention logic. However, we also recommend that the tables are supported with comprehensive text explaining and justifying the interventions. This is not a crucial issue, but can facilitate the reading of the NRDP also contributing to transparency.

In total, the NRDP will represent almost 10,000 million Euro in public support to the investments in the sectors compared to 1,278 million Euro in total public expenditures under the SAPARD programme. It is an amount, which is almost 8 times higher reflecting the needs in rural Romania on the one hand, but also a big challenge in order to ensure an adequate use and uptake of the funds on the other hand. A total of 12,316 million Euro are expected to be invested under the programme from 2007 to 2013.

The balance in the programme is in line with the regulative requirements, although axis II with 24.5 pct is very close to the lower limit of 25 pct of public expenditures, excluding the complementary direct payment. The majority of the allocations are for axis I with 42.45 pct, while axis III and IV takes 29.7 pct and 2.5 pct respectively.

The allocations are in compliance with the strategy and with the heavy emphasis of the programme on modernization and restructuring of Romanian agriculture reflecting the urgent needs of the sector. We appreciate the relatively high allocations for axis III making the overall balance of the programme in line with the intentions of the regulation. Also allocations for axis IV are in line with the requirements.

Lessons learned

The NRDP is prepared taking relevant experiences from previous and on going programmes into consideration. This is in particular the case in the quantification of targets and estimation of unit cost for projects and actions, where SAPARD experiences are used.

However, we find that one issue could deserve even more attention than so far showed in the NRDP. The experiences from the SAPARD programme implementation show that the overall issues to address in the future program is the financial engineering issue and to lift unnecessary restrictions on the potential uptake of projects. Hence, the financial system must be upgraded to meet the needs of the potential beneficiaries. This will include the utilization of advance payments, contributions in kind and leasing arrangements. We recommend that these experiences are used to the largest extent possible in the future programme.

Selected measures

The NRDP frames 24 measures, expressing a big challenge for the administration responsible for the implementation of the programme. The selected measures are all useful and are addressing urgent needs of the rural society, although some more than others. The individual comments to the measures must be read in the main text of the report. Here we will take up only a few generic issues.

Generally we find that the justification of the measures is in place in the measure descriptions and in the general strategic chapters of the NRDP, but the intervention logic is often very loose and not as precise as could be wished. Intervention logic (overall, specific and operational objectives reflecting the expected output, results and impacts of the intervention) is not described in a detailed and coherent way.

Indicators are prepared for the output level and we find quantified targets on output level as well, but indicators for results and impacts are only scattered and not quantified in the measure sheets. This is however done in chapter 5 of the NRDP and editing making the various sections of the NRDP in

compliance with each other could be useful. In sum the measures sheets presented in the NRDP deserves a great deal of attention in order to reflect the intentions of the measure and the planned administration of the implementation.

Expected impacts

The NRDP contains a good and very rarely seen attempt to estimate the expected impacts of the programme. We appreciate the effort done in order to try to provide an image of the scale of the results and impacts referring to the CMEF guideline indicators.

The latest developments recorded concerning core indicators show a very dramatic increase in investments from 2000 with 357 M€ to 2004 with almost 1,300 M€. These investments have influenced the GVA and the output from the agricultural sector. The average investment of 100 Euro in the sector generates 1200 Euro in production output and 700 Euro in GVA. This relationship between investments and production and GVA is stable per year for the period from 2000. Parallel to the developments in investments, the number of employees in the sector is going down from 3.6 million in 2000 to 2.6 million in 2004. This tendency is representing an average yearly reduction of 8 pct. With increased GVA, we will get an increase in labour productivity from 712 Euro/FTE in 2000 to 3,412 Euro/FTE in 2004. The annual growth in labour productivity is 18.29 pct. This link between investments and production, GVA and labour productivity can be used to estimate the expected impacts of the investments under the NRDP programme period 2007–2013.

The total investment under the programme is expected to be 12.316 M€. With these investments we will generate a production in the sector in total of almost 150.000 M€ during the programme period or a GVA of 85.000 M€. This production will be made possible with only 1.7 million jobs in average per year from 2007 to 2013, and at the end of the period we will have only 1.5 million jobs left out of estimated 2.3 million jobs in 2006 and factual 2.6 million in 2004. This is based on the precondition that only labour productivity increases, while we see no dramatic contributions to the total factor productivity from capital input beyond the effects on labour productivity. Labour productivity will increase to 9,000 Euro/FTE by the end of the period from 3,400 Euro in 2004. Average labour productivity will be 5,000 Euro / FTE.

The contribution to the growth in the key indicators is made as a combination of the allocations on the measures under the programme. We have made the assumption that each Euro allocated to each measure contributes with the same impacts.

One dramatic consequence is the loss of jobs. There is no doubt that job losses will come due to the restructuring and modernization of the sector taking pace these years and being intensified during the coming programme period, but some jobs will also be generated. From SAPARD we know that investments under measure 1.1 provided 50 jobs form 1 million Euro, measure 3.1 did give us 25 jobs per million Euro and diversification gave us 20 jobs per million Euro in total investment costs. A total of around 175,000 jobs can be expected of the investments under the programme.

A comparison to the expected impacts included in the NRDP shows a rather large compliance between our calculations and the expected impacts inserted in the NRDP.

Complementarity

The NRDP is clearly complementary to other EU interventions under the structural funds. The overall objectives of the NRDP are in line with the EC Regulation 1698/2005, and it is in principle in compliance with the CSG outlining the general principles of assistance. This complementarity and conformity is spelled out in the NSP in general terms.

From our assessment of the individual measures we find that the demarcation lines are not clearly indicated. It is not clear to us, whether the demarcation lines actually are prepared making it possible for the potential beneficiary to see where to apply for a specific project, either in the NRDP or in other programmes. We recommend an enhancement of the demarcation lines in the NRDP as such and in the description of the measures.

Administrative set-up

In conformity with requirements of EC regulation 1698/2005, an administrative system has been set up, and it is described in chapters 11 and 12 of the NRDP. The system is based on existing structures of the MAFRD, including the Paying Agency for Rural Development and Fishery (PARDF - former SAPARD Agency), the Paying and Intervention Agency for Agriculture (PIAA) and the Directorate General for Forest Development and Property Consolidation (DGFDPD).

Before launching the new NRDP, the MA should be sure that PARDF, PIAA and DGFDPD has prepared and simulated the IT based implementation system, and that all necessary procedures are applicable, functional and well defined. As for the moment the IT system is not finalized, attention should be paid to its design, in order to permit data collection for all implementation levels and bodies and to be able to automatically generate different type of reports. An application could be developed also for beneficiaries, to allow them to submit monitoring data in electronically form.

Furthermore we find that the described monitoring and evaluation system is in compliance with requirements, but we will emphasize that the system is depending on adequately developed application forms, reporting templates and an IT system supporting the use of these forms.

The Information Plan included in the NRDP addresses both public and private beneficiaries and will be implemented using different media, including information letters to potential beneficiaries. In order to obtain maximum results, the plan will be improved based on implementation results. As observed from previous SAPARD Programme, there is a need to have a very good structure of the information activities and a coherent approach in the entire country. County level implementation structures should be prepared. If considered opportune to develop more the specific skills of county experts in order to improve the contact with beneficiaries/potential beneficiaries, to advice them on programme opportunities in the context of agri-business environment development at county, national and European level.

The objectives and activities of the Romanian National Rural Development Network is described in the NRDP providing good information on the design of the rural network and its organizational set up. The amount of money allocated for the network is realistic. 7.5 million Euro, shall be granted for the setting up and functioning of the network as well as for the implementing of the action plan.

Consultation with stakeholders

We find that the described and experienced consultation process with stakeholders is adequate. The process has generally been useful and the input from the working groups has been taken aboard the measures. We believe that the process has contributed in a positive way to the formulation of the individual measures. However, we find also that some important stakeholders are missing on the list of participants and we would find it appropriate to include in the chapter of the NRDP why some of the se stakeholders not did participate.

Strategic Environmental Assessment

The Strategic Environment Assessment (SEA) of the National Rural Development Plan (NRDP) was prepared in conformity with the requirements of the European Directive SEA 2001/42/EC as well as of Government's Decision no. 1076/ 2004 transposing the provisions of the above-mentioned directive.

The assessment revealed the different contribution of axes to reaching the relevant environmental objectives. Thus:

Axis no.1 significantly contributes to:

- Improvement of the population's pro-active behaviour;
- Improvement of the population's health condition;
- Maintaining the ecologic functions of rivers.

Axis no.2 will greatly contribute to:

- Conservation of wild species habitats;
- Maintaining the ecologic functions of rivers;
- Natural landscape protection;
- Maintaining the biodiversity on the protected areas;
- Soil protection against erosion.

Axis no.3 will generate positive effects on:

- Sustainable tourism development;
- Improvement of the population's health condition;
- Facilitating the use of renewable resources;
- Utilization of traditional practices;
- Maintaining the ecologic functions of rivers;
- Diminution of spot and diffuse pollution of water.

Axis no. 4 will have a direct positive contribution to the improvement of pro-active behaviour by encouraging the sustainable agricultural practices.

In conclusion, we assess that NRDP implementation will have a positive effect upon the environment, mainly upon the Romanian rural area, with a significant contribution to sustainable development in these areas. It can be stated that this program will permit the social and economic development of the Romanian rural area through the consolidation and protection of its natural foundation.

1.2 Recommendations

No.	Chapter RDP	Subject	Recommendations	Reference to report chapter
General and cross-cutting issues				
1.	3.2	Current situation	Inconsistence in the current situation description concerning GVA indicator level is observed, see pages 7, 8 and 25. It is recommended that this is aligned	3
2.	3.2	Current situation	The analysis situation chapter does not contain a description of the expected effects of the Common Agricultural Policy. It would probably be useful for the program to include a short presentation of the context in witch RDP is realized (fast growing economy, main changes in farming due to the effects of CAP, Pillar 1). This would prepare for a better understanding of the chosen strategy.	3
3.	3.2	Current situation	It is recommended clearly to define and emphasize that innovation is something different from modernization and is as such a new element in the 2007-2013 programme compared to previous programmes. Innovation and R&D systems should be described.	3
4.	3.2	Current situation	The statistic data regarding the economic dimension of the holdings don't refer to the categories chosen for support in the framework of the measure (2-16 ESU) stating that 'the holdings segment taken into consideration for support will include holdings with dimensions between 2-6 ESU'. This should be corrected. The backbone of the future development of the Romanian agricultural sector is expected to be the commercial family farms. However, we find it difficult to get a clear image of this segment of the sctor compared to subsistence and semisubsistence farms on the one hand and legal entities on the other. We recommend that this picture is made clearer.	3
5.	3.2	Current situation	Aspects referring to the use of consulting services are not explicitly mentioned neither in the SWOT analysis (although they are indirectly connected to the low level of farmers training) nor in the current situation description chapter. There is a well-made description for this type of intervention in the rationale of the measure (including aspects referring to the new CAP context), which should be included in both SWOT analysis and in the current situation description in order to ensure coherence. This is recommended done.	3

No.	Chapter RDP	Subject	Recommendations	Reference to report chapter
6.	3.2	Current situation	Enclosure of aspects regarding the new context created by the effects of the new CAP (cross-compliance, GAEC, SAPS etc) both in SWOT analysis and in the current situation description chapter in order to achieve the coherence with the measures 121 modernizations of agricultural holdings; 112 setting up young farmers, etc.	3
7.	3.2	Current situation	The interpretation according to which the highest population percentage within the age limits 30-34 years (in 2005) would be due to finding better perspectives in the rural areas should be maybe corroborated with the demographic policy effects that came with the communist regime (1967,1968).	3
8.	3.2	Current situation	Information on the insufficient basic infrastructure or even the lack of it, should be provided such as information about the IT (internet) infrastructure and the promotion of its development. This should be considered in the context of all Axis 3 and 4 measures (selection criteria, etc) as one of the most important tool especially for the remote areas.	3
9.	3.3	SWOT	It is recommended that the lists presented in the context of SWOT are checked with the purpose of ensuring consistency with the chapter outlining the current situation.	3
10.	3.3	SWOT	For increasing the utility of the SWOT analysis we recommend the creation of a weaknesses and strengths hierarchy, according to their importance. This will be very helpful further on in RDP, in formulating the strategy in a transparent way, choosing the most urgent and important aspects that are to be solved.	3
11.	3.4	Regional disparities	We recommend improving the description of disparities and their causes: urban – rural, national – regional, national – international.	3
12.	4.2	Objective hierarchy	We find that the NRDP is in line with the NSP and that the NRDP represents a good structured programming document with clear overall objectives, strategic and specific objectives leading down to the level of measures. We appreciate the use of tables and schemes in order to illustrate the intervention logic. However, we also recommend that the tables are supported with comprehensive text explaining and justifying the interventions. This is not a crucial issue, but can facilitate the reading of the NRDP.	4
13.	4.3	Consistency of programme objectives with the analysis and SWOT	The objectives reflect the weak and strong points presented in the SWOT, but the link between them could be more explicitly stated. The chosen strategy will be made clearer and transparent by including the opportunities, threats and the driving forces at the end of the 3 rd chapter. The link from the measure sheets to the programme objective hierarchy is satisfactory to a great extent, but it could be improved for some measures (i.e. leader measures) taking into consideration the comments of the next chapter. It is recommended that this is considered	4

No.	Chapter RDP	Subject	Recommendations	Reference to report chapter
14.	4.3	Consistency of programme objectives with the analysis and SWOT	We will like to point to the fact that the SWOT analysis only to some extent follows the logic of this tool in order to facilitate the strategy formulation. In order to make the strategy-building potential of the SWOT even more obvious, it could be considered including a section that reflects upon how the identified internal Strengths and Weaknesses on the one hand and external Opportunities and Threats on the other hand can be turned into possible strategies ensuring that internal strengths are utilized and internal weaknesses eliminated in order to take advantage of the external opportunities and to meet the external threats.	4
15.	4.4	Baseline and impact indicators	Objectives and context related baseline indicators were defined and quantified for all the programme measures and based on the CMEF, but they are nevertheless not presented in the measure fiche according to the Guidance pattern recommended. It would - of course if possible - be recommendable that baseline data is identified for the remaining indicators and inserted according to the recommended measure sheet pattern for each measure.	4
16.	5.1	Lessons learned	The experiences from the SAPARD programme implementation show that the overall issues to address in the future program is the financial engineering issue and to lift unnecessary restrictions on the potential uptake of projects. Hence, the financial system must be upgraded to meet the needs of the potential beneficiaries. This will include the utilization of advance payments, contributions in kind and leasing arrangements. We recommend that these experiences are used to the largest extent possible in the future programme.	5
Axis 1 Measures				
17.	5.2	Training, information and diffusion of knowledge	In the rationale of the measure there is no reference to the level of education of the population occupied in the agricultural and forestry sector. There are no references to the new environment, with a decoupled direct payment, encouraging a market focused business regime and requirements to a broadened range of management and economic skills. We recommend building in this rationale in the justifications of the measure.	5
18.	5.2	Training, information and diffusion of knowledge	It is recommended to prepare a clear presentation of the objective hierarchy for the measure.	5
19.	5.2	Training, information and diffusion of knowledge	In the section describing the actions, there is a inconsistency: in the first paragraph it is stated, that the measure will contribute to improving and perfecting the knowledge (2 types of courses); in the second paragraph it is said that the actions will be initiatory, specialization/improving and perfecting (3 types of courses).	5

No.	Chapter RDP	Subject	Recommendations	Reference to report chapter
20.	5.2	Training, information and diffusion of knowledge	We have also noticed some hesitations in defining clearly who are the beneficiaries of this measure. It is recommended defined.	5
21.	5.2	Training, information and diffusion of knowledge	Also, there are no quantification of the impact indicators, meaning net additional added value and labour productivity. It is recommended to improve the objective hierarchy and to apply the quantified targets in the indicator table. Perhaps additional quantification will be necessary.	5
22.	5.2	Setting up young farmers	The main problem addressed by the measure is as such not described in the rationale for the intervention. We recommend including a justification of the measure into the measure sheet	5
23.	5.2	Setting up young farmers	It would have been useful to define more clearly the operational indicators and to specify whether the measure will compensate the cost of setting up or partly co-finance the modernization of the farms? We recommend that to be done.	5
24.	5.2	Setting up young farmers	The objectives of the measure are not quantified, except for input and output in terms of numbers of assisted young farmers. It is recommended done.	5
25.	5.2	Setting up young farmers	There are no defined targets for the impact and the result indicators. Also, there are no numerical data about the types of the agricultural sectors affected by the implementation of the measure. Probably, this explains why there is no quantification for the expected growth of GVA in assisted holdings nor for the expected economic growth or the growth of labour productivity. If possible, it is recommended done.	5
26.	5.2	Early Retirement of farmers and farm workers	The objectives are rather general presented and is described in a way, which could be considered to be beyond the scope of the measure. For example it is doubtful that a significant structural change in Romanian agriculture will be the result of the measure, and it is also doubtful whether the measure contributes to innovation and diversification for farms in the future. We recommend reconsidering these formulations.	5
27.	5.2	Early Retirement of farmers and farm workers	The objectives presented in the objective hierarchy are not quantified. It is recommended done.	5
28.	5.2	Use of Advisory and Consultancy services	The objective hierarchy doesn't respect the terminology (overall, specific, operational), and it could be considered to revise it in order to present the intervention logic better and in accordance with the indicators proposed in the last section of the measure sheet, which is recommended.	5
29.	5.2	Use of Advisory and Consultancy services	The objectives presented in the objective hierarchy are not quantified.	5

No.	Chapter RDP	Subject	Recommendations	Reference to report chapter
30.	5.2	Modernisation of agricultural holdings	As the structure and terminology of the intervention logic is crucial in many aspects of the programme implementation (formulation of quantified targets, indicators, monitoring and evaluation), it is recommended to reorganize the description of the objectives in line with this logic = overall, specific and operational objectives.	5
31.	5.2	Modernisation of agricultural holdings	Regarding the objectives referred to as b) the present formulation indicates that support is targeting introduction of new technologies and innovation aiming to improve the quality and the organic production. This formulation could be understood in a way that only organic production is eligible for support. This is probably not the case, and this could be clarified. It is recommended that the objectives presented in the measure be quantified.	5
32.	5.2	Modernisation of agricultural holdings	It is recommended to quantify results and impact indicators.	5
33.	5.2	Increase the Value Added of agricultural and forestry products	it is recommended to make the objective hierarchy respect the usual terminology (overall, specific, operational).	5
34.	5.2	Increase the Value Added of agricultural and forestry products	It is recommended that the objectives presented in the measure be quantified.	5
35.	5.2	Increase the Value Added of agricultural and forestry products	It is suggested to go through the indicators once more and to quantify those that are not quantified yet	5
36.	5.2	Improving and developing the infrastructure related to the development and adaptation of agriculture and forestry	The objectives presented in the not so clearly described objective hierarchy are not quantified. However, the indicator table of the measure sheet includes some targets, which could be assimilated to the objectives of the measure. It is recommended that the objective hierarchy is quantified	5
37.	5.2	Improving and developing the infrastructure related to the development and adaptation of agriculture and forestry	The indicators and the targets are not quantified at all, except for the output indicator, the number of actions supported (2.401) and the total amount of investments (634.769.915 €). The experience gained through national and World Bank programs should be used in order to quantify the indicators. This is recommended considered	5

No.	Chapter RDP	Subject	Recommendations	Reference to report chapter
38.	5.2	Support for Semi-subsistence farms	<p>The objective hierarchy is not complete in the sense that the measure sheet specifies only the overall objectives of the measure being to support semi subsistence farms in order to be economically viable and competitive farms, which will be difficult to achieve, see above. The distinction between the objectives a) and b) is not clear, and objective b can be deleted as it is covered of objective a. No specific objectives, as well as no operational objective are presented, although the expected numbers of beneficiaries are indicated. The section Scope of action introduces new objectives, but it is not clear how these new objectives relate to the overall objectives described in the section Objectives of the measure. There seems to be some overlap between the various objectives.</p> <p>It is recommended to consider focusing the measure on farms in the upper end of the range of ESU, as an exaple from 10 – 16 ESU in order to increase the chances for a successful tranformation of the farms into commercial family farms.</p>	5
39.	5.2	Support for Semi-subsistence farms	It is indicated that a package of support actions will be available for the beneficiaries comprising measures under axis 1 in particularly. It is not clear how this package should be utilized and administered. This is urgently needed and recommended.	5
40.	5.2	Support for producer groups	The objectives presented in the objective hierarchy are not quantified. This is suggested done	5
41.	5.2	Support for producer groups	The result and impact indicators are not quantified in the measure sheet. This is recommended done.	5
5.2 5.2 Axis 2 Measures				
42.	5.2	Natura 2000 payments and payments linked to Directive 2000/60/EC	The measure contains output, results and impact indicators. None of the indicators are quantified. It is recommended done if possible	5
43.	5.2	Natura 2000 payments and payments linked to Directive 2000/60/EC	The expected result and the impact are presented in the table of indicators. They are not quantified and it is recommended to do this.	5
44.	5.2	Agri-environment payments	We recommend including an analysis of organic farming from a market point of view in the NRRDP.	5

No.	Chapter RDP	Subject	Recommendations	Reference to report chapter
45.	5.2	Agri-environment payments	There is apparently an overlap to investments under measure 121 concerning conversion into organic farming. It could be considered to avoid this overlap by taking out for the support for conversion to organic farming from measure 121. It is recommended to consider this	5
46.	5.2	First afforestation of agricultural lands	No targets and no quantification of the objectives are presented. It is recommended done	5
47.	5.2	First afforestation of agricultural lands	We recommend including indicators for impact on environment and landscape.	5
48.	5.2	First afforestation of non agricultural lands	No targets and no quantification of the objectives is available at the moment. It is suggested to deal with these issues	5
49.	5.2	First afforestation of non agricultural lands	The measure has no indicators and outputs, and we find need for impact on environment and landscape indicators.	5
50.	5.2	Natura 2000 payments	It is not clear how Natura 2000 and forestry coverage comply to each other. The argumentation could be improved to make the reader understand the connection better.	5
51.	5.2	Natura 2000 payments	There is no objective hierarchy. The objective is formulated within a large paragraph giving information about the eligible area (Natura 2000 sites) and the intention to compensate losses due to the necessity for conformation with the environmental legislation. Furthermore, the objective is not quantified. It refers to an area (forested area within Natura 2000 sites), which is unknown yet. It is recommended to do this.	5
52.	5.2	Natura 2000 payments	The measure contains output, results and impact indicators. None of the indicators are quantified. It is recommended done.	5
Axis 3 Measures				
53.	5.2	Support for diversification into non-agricultural activities; support for business creation and development	The objective hierarchy doesn't respect the terminology on overall, specific, operational objectives, and this could be useful to describe the measure intervention logic better. Furthermore the objectives are not quantified.	5

No.	Chapter RDP	Subject	Recommendations	Reference to report chapter
54.	5.2	Support for diversification into non-agricultural activities; support for business creation and development	Under demarcation with Axis 1 of the NRDP reference is made to integrated projects. What is this and how should it be managed? Clarification is needed and recommended.	5
55.	5.2	Encouragement of Rural Tourism Activities	The objectives are not quantified and it is recommended that this be done.	5
56.	5.2	Encouragement of Rural Tourism Activities	The second result indicator presented in the measure description is “gross number of jobs created “. We suggest it is replaced with the indicator “increase of tourism income” for two reasons: One similar indicator is also presented as impact indicator; the indicator concerning the growth in income on tourist per day is very relevant in appreciating the attractiveness level of an area and would correspond better to this measure objectives.	5
57.	5.2	Village Renewal and development, conservation and upgrading of rural heritage	The objectives are not quantified. It is recommended done. Indicators are developed for the measure (output, result and impact). The indicators are not quantified, but are suitable for monitoring and evaluation. It is recommended to quantify the indicators	5
58.	5.2	Animation and Skills acquisition for the drafting of the local development strategy	The objectives presented in the objective hierarchy are not quantified. However, the indicator table of the measure sheet includes some targets, which could be assimilated to the objectives of the measure.	5
Axis 4 Measures				
59.	5.2	Implementation of local development strategies	There is a need for an improved presentation of this new approach in the rational of the measure sheet in order to present in a better way its basic ideas. The Leader Approach is a novel procedure for Romania and for the moment, little is known about the practical application, and this could be an obstructive factor for its implementation.	3
60.	5.2	Implementation of local development strategies	The objective hierarchy is not respecting the terminology (overall, specific, operational) and is not quantified. We recommend that this be aligned.	5

No.	Chapter RDP	Subject	Recommendations	Reference to report chapter
61.	5.2	Implementing cooperation projects	Indicators are developed for the measure (output, result and impact). Only the output indicators are quantified. It is recommended to ensure this	5
62.	5.2	Implementing cooperation projects	The result indicators consist in “Gross number of job created”. The cooperation process provides both tangible and intangible results, and employment generation could be indeed one of the tangible result. But we could also add: newly developed technologies (no), improvement of the market access, increase in labour productivity etc	5
63.	5.2	Running the Local Action Groups, acquisition of skills and animation of the territory	The objectives are not quantified, which is recommended done	5
General and cross-cutting issues (cont'd)				
64.	7	Demarcation lines	We recommend an enhancement of the demarcation lines in the NRDP as such and in the description of the measures.	7
65.	7.3	State Aid	The NRDP contain explicit reference to the state aid and competition rules, but no list of authorised aid schemes is appended to the programme. If state aid schemes are planned, this should then be notified and justified.	7
66.	8.1	Monitoring and Evaluation	It is recommended that financial and payment requests are to be submitted at the county level. It is also recommended that all correspondence with beneficiaries to be done by county level, national and regional level should take place between the beneficiaries and the county level. If this is already provided in the established procedures, it could be useful to mention it in the administrative chapter	8
67.	8.1	Monitoring and Evaluation	In order to have more information regarding the efficiency of the proposed implementation system, it would be recommended also to describe in chapter 11 of the NRDP the call of proposal organisation and the evaluation/processing envisaged time for each type of application.	8
68.	8.1	Monitoring and Evaluation	In order to avoid confusion, if the procedure of the Coordinating Body mentions that the management of PARDF do not interfere at all in its activity, some details could be added to chapter 11.	8
69.	8.1	Monitoring and Evaluation	In order to ensure the readiness of the Competent Authority to perform the required tasks, more details are recommended provided in chapter 11, as is done for all the others bodies.	8

No.	Chapter RDP	Subject	Recommendations	Reference to report chapter
70.	9.1	Rural Network	We recommend the MAFRD to ensure that all regions have representations in the network, and not only some of them.	9
71.	10.3	The results of the consulting process	Generally, we consider the description of the consultation process as good and detailed and recommend adding the ToR for the working groups and for the coordination group as annexes to the RDP.	10
72.	10.3	The results of the consulting process	The program does not report on the comments received via public debates to what extent the views and advices received were accepted and included in the program. We recommend that these issues be reported in the chapter. Finally we recommend explaining the selection of stakeholders in the working groups, and why central farmers organisations did not participate.	10

2. Introduction

The introductory chapter of the ex ante evaluation report includes the following sections:

- **The purpose of this report**
- **The structure of this report**
- **The main sources of evidence and information on which it is based**

2.1 *The purpose of the report*

The formal objective is presented in the box below.

Box 1: Formal objectives for the ex ante evaluation

As stipulated by Article 85 of EC Regulation 1698/2005,

Ex ante evaluation shall form part of drawing up each rural development programme and aim to optimise the allocation of budgetary resources and improve programming quality. It shall identify and appraise:

- The medium and long term needs;*
- The goals to be achieved;*
- The results expected;*
- The quantified targets particularly in terms of impact in relation to the baseline situation;*
- The Community value-added;*
- The extent to which the Community's priorities have been taken into account;*
- The lessons drawn from previous programming;*
- The quality of the procedures for implementation, monitoring, evaluation and financial management.*

The programming logic behind EC regulations 1085/2006 and 1698/2005 as well as all supporting guidelines and instructions prepared by the EC Commission, can be illustrated as in the figure below. This EU programming logic has been elaborated and improved over the years, however the basis logic

is the same. The ministerial staff from MAFRD might recognise the logic from the presentation made during the Inception mission on ‘what to expect from an ex ante evaluation’. The logic is inserted below as an illustration of the basic steps to take and the elements to include in the NRDP.

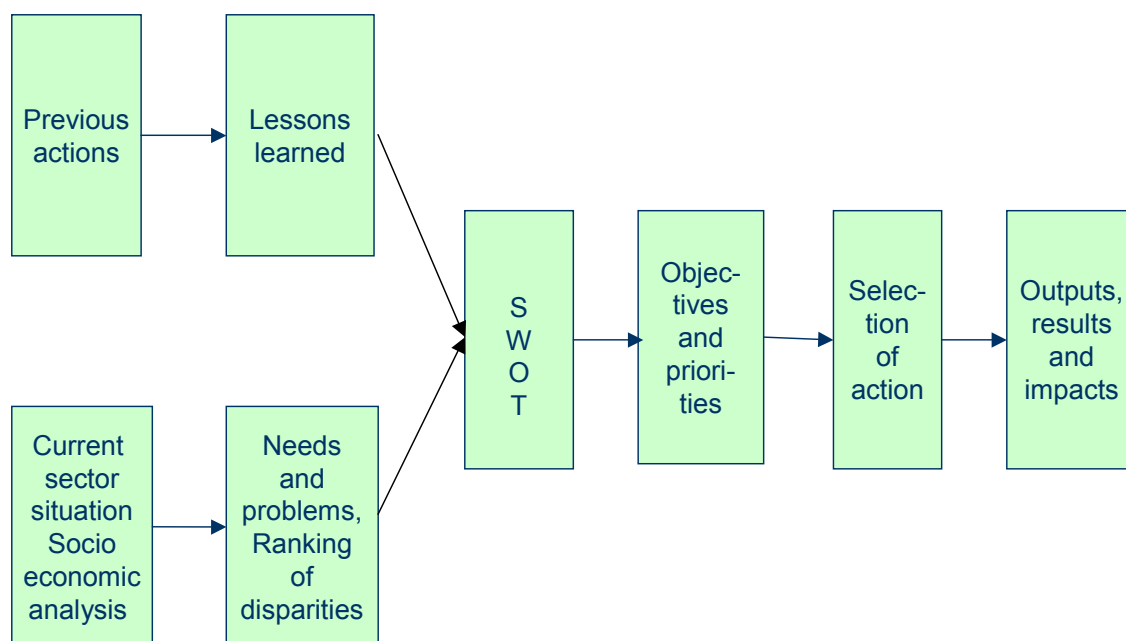


Figure 1: Programming logic

The figure underlines the sequential logic and the issues to cover during the programming process. In the following we will assess, as a part of the ex ante evaluation, to what degree the present draft NRDP does comply with the requirements of the programming logic.

The ex ante evaluation has been carried out as an iterative process between the MAFRD and the ex ante evaluation team started in September 2006. The ex ante evaluators have been in close dialogue with MAFRD and several missions, meetings and day-to-day assistance have been accomplished as well as notes, presentations etc. have been prepared in order to enhance and strengthen the programming process of the NRDP 2007- 2013 for Romania. Despite of this iterative approach, we are as external evaluators fully responsible for the result of the evaluation and the content of the present report.

2.2 The structure of the report

The report is structured in line with the ex ante evaluation guidelines. Chapter 3 assessing the RDP analysis of the current situation, the SWOT analysis and the ranking of needs and disparities follows the introductory chapter. Chapter 4 contains an assessment of the objectives of the programme, while chapter 5 evaluates the individual measures selected under the RDP. Chapter 6 answers the evaluation questions related to cost-effectiveness of the programme and addresses the expected positive and negative impacts of the RDP. Chapter 7 covers the question of added value of the intervention. Chapter 8 covers the administrative set-up including the monitoring and evaluation system and the rural network is evaluated in chapter 9. Chapter 10 outlines the consultation process with the stakeholder and chapter 11 is intended to the main findings of the Strategic Environmental Assessment (SEA) presented in the so-called non-technical summary. The full SEA report is attached as annex.

It should be emphasised that this report might not cover all the very detailed information pointed out in the working paper on evaluation measure sheets and the SEA report. It is therefore recommended that the axis/measure responsible staff reads the relevant notes carefully.

2.3 Main sources of evidence and information

The evaluation is based on two main documents:

- **The National Strategic Plan, March 2007, in English language (below referred to as NSP) and**
- **National Rural Development Programme 2007 – 2013, April 2007, in Romanian language (below referred to as NRDP).**

A few chapters of the NRDP have been available in English. This is first and foremost the description of the individual measure sheets. Our evaluation of the measures is based on the English version of the measures dated March 2007.

Both documents (the NSP and the NRDP) must be compliant with Council Regulation (EC) 1698/2005 of 20th September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (below referred to as CR 1698 or simply the regulation) and Council Decision 2006/144/EC of 20 February 2006 on Community Strategic Guidelines for rural development (programming period 2007 to 2013) (below referred to as CD 144).

The ex ante evaluation is based on the Rural Development 2007-2013 Common Monitoring and Evaluation Framework (CMEF) including the Guidelines for Ex ante Evaluation, September 2006, here after referred to as the ex ante guidelines.

Furthermore the evaluation is based on numerous reports, studies, evaluations etc. carried out by the consultants and otherwise taken into consideration in our assessment of the presented documents. We have also used official national statistics where ever possible.

Finally, the ex ante evaluation is drawing on parallel ex ante evaluations in other countries as well as experiences from our ex ante evaluations of 2000-2006 programmes, basically following the same procedures and demand to the content of the evaluation.

3. Assessment of the problems the draft programme is expected to tackle

3.1 Introduction

This chapter deals with a range of sub questions included in the ex ante evaluation guidelines. All sub questions refer to the overall evaluation question: which problems, is the RDP supposed to address. The sub questions are:

- **What are the problems, risks and needs in Romania in terms of social, economic and environmental criteria?**
- **What are the driving forces, strength and opportunities in the programme area concerned, de facto Romania**
- **What are the causes of disparities identified?**
- **What are the concrete target groups and what are their needs?**
- **Which problems will not be addressed by the implementation of the programme?**

The analysis of the current situation is included in the RDP as chapter 3 and it will form the basis for the evaluation with references to the specific issues covered in the analysis.

3.2 The analysis of the current situation

Romanian Rural Development Programme reflects the priorities defined under the “Community Strategic Guidelines for Rural Development Policy” for the programming period from 1 January 2007 to 31 December 2013” and also the priorities stated in the National Strategy Plans on the basis of the Community Strategic Guidelines, identifying national strategies.

Extensive information and analysis background on the agricultural sector, environmental current situation and rural economy are provided in this chapter. The description is based on the ‘baseline objectives and context related indicators’, as defined by the Commission in the Note G guidance CMEF.

Nevertheless, the current situation rarely refers to the international comparisons. In their absence, it is not obvious whether for some aspects we have to deal with a deficit and what is its extent. For a better understanding it could be useful to include in the text of this chapter information comparisons data from EU-25 and EU-27 (for example regarding labor productivity in agriculture, the ‘gross fixed capital formation’ in agriculture).

We have also noticed some inconsistency in the current situation description concerning GVA indicator level, presented one time for the year 2005 and then for the year 2004 (and this one with different values on distinct pages- see pages 7, 8 and 25).

The analysis situation chapter does not contain a description of the expected effects of the Common Agricultural Policy. It would probably be useful for the program to include a short presentation of the context in which RDP is realized (fast growing economy, main changes in farming due to the effects of CAP, Pillar 1). This would prepare for a better understanding of the chosen strategy.

We appreciate the improvements in the description of the current situation compared to previous versions included in the NSP, and we also recognise that the NRDP version is in line with the version in the NSP.

A few issues still could be useful to include as a reflection on our previous comments.

- 1) **International trade and the competitiveness of Romanian export.** (Page 13 NRDP) The results of a study analyzing the competitiveness of Romanian products (without providing the name of this analyze) are used in order to provide a list of Romanian competitive products. The conclusion of this study is that Romanian products present a comparative disadvantage due to lack of competitiveness!! We have in our December report suggested that causes for the lack of the competitiveness should be given in order to highlight the need for investment.
- 2) **Low yields** (Page 9 NRDP) Reference is given to yield per hectare of various crops. Low yields compared to so-called average country potentials are caused of natural conditions. Is this correct or do other factors play a role? What are average country potentials? For wine, reference is made to average EU yield per hectare, which is clear.
- 3) **Innovation is crucial in the Lisbon strategy.** How is innovation covered? There are no quantitative or qualitative information about research and development and innovation. It should be clearly defined and emphasized that innovation is something different from modernization and is as such a new element in the 2007-2013 programme compared to previous programmes.
- 4) **About forestry**
 - i. **Wood harvest** in the period needs to be differentiated on large regions, wood formations, relief forms or altitude for a better analysis of the impacts on socio-economic system (flooding, erosion, landslides etc.).
 - ii. Comparative data concerning the **average productivity** of operator companies (2m³/day/employee!!)
 - iii. Comparative analysis of **the ratio growing volume/harvest** at European and Romanian level. High risk for overstanding volume (wind, snow and insect damages);
 - iv. **harvest used by the rural population.** 40% of harvest used by the rural population: $40\% \times 15 \text{ mil m}^3/\text{year} = 6 \text{ mil m}^3/\text{year} = 0,6 \text{ m}^3/\text{pers}$ of rural area. Comparison with the European average, with the industry needs, the quality of products;
 - v. **information on the structure of the forestry export:** % of the primary processed wood export, the efficiency of the export

We have not crosschecked all comments made in our December 2006 report on the National Strategy Plan, December 7th 2006, but we recommend that the comments above taken into consideration.

3.2.1 The improvement of the competitiveness of the agricultural and forestry sector (Axis 1)

The current situation analysis in the framework of NRDP is based on a descriptive characterization of the main sectors - agriculture, forestry, food industry; especially with the help of the macro-economic indicators as regards to the GVA, employment rates and their trends, economic structure.

The Commission recommendations were taken into account concerning the definition of the rural areas using both the definition of the OECD and the national one, or the one referring to the indicators expression as weight in the EU average.

However, the driving forces were not shown and in their absence, the establishment of a strategy and of potential developments is to some extents difficult.

Other comments regarding the analysis are:

- The backbone of the future development of the Romanian agricultural sector is expected to be the commercial family farms. However, we find it difficult to get a clear image of this

segment of the sector compared to subsistence and semisubsistence farms on the one hand and legal entities on the other. We recommend that this picture is made clearer.

- The statistic data regarding the economic dimension of the holdings don't refer to the categories chosen for support in the framework of the measure (2-16 ESU) stating that 'the holdings segment taken into consideration for support will include holdings with dimensions between 2-6 ESU'. We recommend this corrected.
- Aspects referring to the use of consulting services are not explicitly mentioned, neither in the SWOT analysis (although they are indirectly connected to the low level of farmers training) nor in the current situation description chapter. There is a well-made description for this type of intervention in the rationale of the measure (including aspects referring to the new CAP context), which should be included in both SWOT analysis and in the current situation description in order to ensure coherence.
- Enclosure of aspects regarding the new context created by the effects of the new CAP (cross-compliance, GAEC, SAPS etc) both in SWOT analysis and in the current situation description chapter in order to achieve a coherence with the measures 121 modernizations of agricultural holdings; 112 setting up young farmers, etc.

3.2.2 Environment and land management

We appreciate that the section dedicated to Axis 2 is consistent and emphasizes the main development trends in the field. The sector is analysed in depth in the SEA report attached to this evaluation and will not be commented further here.

A small comment is as follows: The entire protected surface of the rural area (page 17) should probecause with the currently used measure unit (km²) this protected area surpasses 9 times the country surface.

3.2.3 Rural economy and quality of life

The section is well conceived, although the introduction of information referring to the EU-25 would have permitted a better understanding of the extent of presented issues.

In addition, the interpretation according to which the highest population percentage within the age limits 30-34 years (in 2005) would be due to finding better perspectives in the rural areas should be maybe corroborated with the demographic policy effects that came with the communist régime (1967,1968).

Finally, considering the insufficient basic infrastructure or even the lack of it, it is important to provide information about the IT (internet) infrastructure, and the promotion of its development should be considered in the context of all Axis 3 and 4 measures (selection criteria, etc) as one of the most important tools especially for the remote areas.

3.2.4 Leader Axis

There is a short presentation of the Axis 4 in terms of gained experience and already started initiatives in the current situation chapter. This information is supplemented in the strategy chapter, and we find it in the SWOT analysis also. There is nevertheless a need for an improved presentation of this new approach in the rationale of the measure sheet in order to present in a better way its basic ideas. The Leader Approach is a novel procedure for Romania and for the moment, little is known about the practical application, and this could be an obstruction for its implementation.

The description of these axes in the current situation is very much problem-oriented and, although not always directly formulated, the **problems within each sector** could be identified in the text. Nevertheless, as we have already emphasized, some additional information is sometimes required in order to understand how important they are and what can be done to overcome them. Below we give

some examples:

- Unsuitable land structures, including farm and forestry fragmentation
- Structural problems resulting from the age profile of farmers,
- Inadequate training of farmers
- Inadequate investment at farm level especially in key sectors where competition is increasing
- Inadequate, outdated or even lack of technologies
- Low yields in both crop and livestock production,
- Low productivity, low standards
- Low income level in rural area; co financing difficulties;
- Services providers shortage
- Large damaged soil areas
- Lack of forestry survey
- Undeveloped forestry roads infrastructure
- Climate change
- Renewable energy
- Over dependency on agriculture in rural areas
- Inadequate local infrastructure and services essential to community well being
- Inadequate tourism infrastructure
- Degradation of cultural and historical local patrimony
- Lack of rural enterprise that will provide employment in rural areas
- Lack of financial resources
- Inadequate or inappropriate entrepreneurial skill levels among the rural population
- Partnerships fragility
- Distrust of associative structures of ownership and/or cooperation

The needs for resources and measures that could be used to solve identified problems are neither outlined in a substantial way nor quantified. Nevertheless SWOT analysis leads us indirectly to select the following needs:

- Need to provide people leaving farming with associated training in new business and employment opportunities (1.1 million people leaving agriculture between 2002 – 2005).
- Need to support people remaining in farming to improve their incomes through increased efficiency by providing effective knowledge and technology transfer
- Need to develop competitiveness of the agri-food sector by encouraging investment in new technologies and new products
- Need to develop the agri-food sector to increase value added
- Need to promote environmentally friendly initiatives and conservation
- Need to promote environmental awareness by farmers and provide training/skills to deliver desired environmental outputs
- Need to encourage and facilitate farm diversification into non-agricultural activity, to meet wider needs of the rural economy such as tourism
- **Need to improve provision of services to rural areas, especially less accessible areas.**
- Need for village and countryside enhancement
- **Need to target job creation to rural areas**
- **Need to encourage local partnerships**

We find that the needs covered are adequate and in line with the realities in rural Romania.

3.3 The assessment of the SWOT related program

According to the programming logic and the EC regulation 1698/2005, the analysis of the current situation must be reflected in the SWOT analysis. In the current RRDP a table collecting the main strengths and weaknesses have been included (page 31), without any references to the main opportunities and challenges of the rural areas.

We also notice that for some aspects included in the SWOT (strengths or weaknesses) there is no justification/ data delivery in the previous chapter, for example:

Market access and market information, few contracts with the processing industry (which is indeed a weakness);

Performance of management of the forestry state administration (strength);

Weak private forestry administration management (weaknesses);

Development of firms that put together production into good use (presented as a strong point, but it needs justifying and rephrasing)

Therefore, we recommend that the lists presented in the context of SWOT are checked with the purpose of ensuring consistency with the chapter outlining the current situation.

In addition, for increasing the utility of the SWOT analysis we recommend the creation of a weaknesses and strengths hierarchy, according to their importance. This will be very helpful further on in RDP, in formulating the strategy in a transparent way, choosing the most urgent and important aspects that are to be solved, see also chapter for 4 for comments on the SWOT.

The key driving forces for change in Romanian rural areas are not directly formulated, although it is obvious that some of the following will play an important role in the years to come:

Decline in employment in key sectors, agriculture and manufacturing in rural areas

Increasingly competitive market place for agricultural commodities and food products

Increasing need for new/higher level skills

Increased consumer demand for differentiated food products, for quality products, for leisure activities and services

CAP Environmental regulation – Single Payment cross compliance, Nitrates Directive

Renewable energy generation targets

Increased demand for basic services in rural areas

Increasing energy costs for agriculture and food processing/distribution

In response to these, key opportunities of NRDP, as they could be read through measures selection, include:

A more competitive, knowledge-led agriculture sector, using new technology and best practice and focused on developing markets

A more competitive agri-food sector, focused on added value and innovation for domestic and export markets

Environmentally sustainable farming systems producing ‘green’ products

Diversification of farming to provide services and products for rural dwellers and tourists

Promoting the environmental and heritage assets of the countryside to visitors
Creation of new rurally based businesses which respond to new markets
Improved services and rural infrastructure to support the economy and its people

3.4 What are the causes of disparities identified?

Based on the information presented in the chapter 3 we can mainly distinguish the rural-urban disparity. The necessity of investment support in rural area is therefore reinforced, not only on physic terms but also as regards to the human and institutional capacities. We recommend improving the description of disparities and their causes: urban – rural, national – regional, national – international.

3.5. The NRDP target groups and areas of identified needs

The table below details the various target groups that the Programme aims to support and the needs that has been identified in the NRDP.

The whole rural population is the target for one or more of the measures in the NRDP. While the competitiveness measures are mainly oriented towards farmers who are actually or potentially commercial operators, the environment measures in Axis 2 extend the support to the whole agricultural community, active or not. The non-farming rural community (as well as farmers) are eligible for measures in the third axis, quality of rural life. LEADER organisations cover the whole of rural area and actions such as conservation of heritage conservation, village renewal and improvement basic services are beneficial to all rural dwellers.

Table 3.1: The NRDP target groups

Code	Measure	Beneficiaries	Needs
111	Vocational training, information and diffusion of knowledge	<ul style="list-style-type: none"> ➤ The providers of activities of vocational training; <p>The final beneficiaries are adult persons engaged in the agricultural, forestry and food sectors (*)</p>	<p>To improve the competitiveness of farm businesses in through the provision of a range of innovative and focussed training and information actions</p> <p>To diversify into non-agricultural activities and to increase the income of the farm</p>
112	Setting up of young farmers	<p>Persons: under 40 years of age and who are setting up for the first time on an agricultural holding as head of the holding;</p> <p>who possess adequate occupational skills and competences;</p>	
113	Early retirement of farmers and farm workers	Farmers or agricultural workers, 55 years old	
114	Use of farm advisory services	farmers and other persons engaged in the agricultural and forestry sectors (*)	<p>To improve the competitiveness of farm businesses in through the provision of a range of innovative and focussed training and information actions</p> <p>To diversify into non-agricultural activities and to increase the income of the farm</p>
121	Modernisation of agricultural holdings	Agricultural producers – authorised physical persons, authorised family associations and legal entities,	To improve the competitiveness of farm businesses
122	Improving the economic value of the forest	forest owners/holders or their associations , communes, towns, municipalities which have forests in their possession or the associations set up by municipalities ; state-owned forests are excluded from financing.	To improve the competitiveness of forest business
123	Adding value to agricultural and forestry products	<ul style="list-style-type: none"> ➤ SME ➤ Other enterprises with < 750 employees and with a turnover < 200 million EUR. 	To improve the economic performance and international competitiveness of the agri-food processing sector and forestry

		For forestry products: Micro-enterprises defined in compliance with Recommendation (EC) no. 361/2003, with less than 10 employees and with a turnover of less than 2 million EUR	
125	Improving and developing the infrastructure related to the development and adaptation of agriculture and forestry	<ul style="list-style-type: none"> ➤ Farmers and foresters (Private natural persons and legal entities and their associations) ➤ Local councils and their associations; Administrators of the state forest fund.	To improve the competitiveness of farm businesses and forest business
141	Support for semi-subsistence agricultural holdings	Farmers (Physical persons, authorised physical persons and their associations) on holding of 2-16 ESU.	To improve the competitiveness of farm businesses
142	Setting up producer groups	Producer groups officially recognized until the 31 st of December 2013	To improve the competitiveness of farm businesses
211	Support for less favoured areas	Farmers who perform farming activities in less favored areas.	To support and maintain traditional agriculture in disadvantaged area (vulnerable to economic decline and depopulation)
213	Natura 2000 payments on agricultural land	Farmers who perform farming activities in the areas of Natura 2000 sites	
214	Agri-environmental payments	Farmers	
221	First afforestation of agricultural lands	Holders of agricultural lands	To encourage the development of agri-forestry systems which have a high ecological and social value
223	First afforestation of non-agricultural lands	Holders of non-agricultural and/or deserted lands	To extend and improve forest resources
224	Natura 2000 payments	Private forest owners or the associations in the areas of Natura 2000 sites	
312	Support for diversification into non-agricultural activities and for business creation and	<ul style="list-style-type: none"> - members of rural households who perform agricultural activities; - micro-enterprises (enterprises which employ fewer than 10 persons and whose total does not exceed 2 million EUR). 	<p>To use the natural to create new employment opportunities and develop the rural economy.</p> <p>To diversify into non-agricultural activities and to increase</p>

	development		the income of the farm To create employment opportunities through promoting entrepreneurship and developing economic infrastructure in rural areas (excluding farmers and farming families)
313	Encouragement of tourism activities	The local councils and their associations (as defined in the legislation in force); Non governmental organisations (NGOs).	To improve or maintain the living conditions and welfare of those living in rural areas and to increase the attractiveness of such areas through the provision of more and better basic services for the economy and the rural population.
323	Village renewal and development, conservation and upgrading of the rural heritage	- The Local Councils and their associations for all four types of actions a)-d). - NGOs for the components c) and d) - Natural persons, legal entities, cultural institutions and churches for the component c)	To improve or maintain the living conditions and welfare of those living in rural areas and to increase the attractiveness of such areas through the provision of more and better basic services for the economy and the rural population.
341	Animation and skills acquisition for preparing and implementing the local development strategy	- local public and private bodies performing rural development actions and activities related to the preparation of local development strategies or establishment of public-private partnerships	
41	Implementing local development strategies	the beneficiaries of the measures 111, 114, 123 and 311, 312, 313, 321,322 and 323	
421	Implementing cooperation projects	LAGs	
431	Running the local action group, acquiring skills and animating the territory	LAGs and potential LAGs (public-private partnerships non-registered as legal entities)	
	National Rural Development Network	Members of the National Rural Development Network: public, private and non-governmental sectors, thus bringing together representatives of local/ central public authorities involved in rural development, of local societies, institutions, directly interested NGOs, (professional associations, foundations) etc., as well as the promotion of intra and trans-national cooperation in this fie	

Some key problems (and opportunities) are not addressed by the Programme at this stage, and they include:

Social infrastructure (schools, hospitals, etc)

Issues of land access/use in the context of tourism development

Need to encourage the business in less accessible rural areas; support should be targeted and solutions may be different of those of semi-urban areas.

These issues could be considered taken aboard in the NRDP if deemed relevant.

4. Consistency and objectives of the NRDP

The analysis in this section refers to the DG AGRI Common Monitoring and Evaluation Framework (CMEF), which give guidance on setting objectives and indicators. Comments are made on the suitability of proposed objectives and indicators for the Programmes in terms of relevance, consistency and availability of data sources.

The structure of the chapter is centred on the following questions:

- What is the overall policy objective in terms of expected impacts?
- What are the general, specific and operational objectives and expected results?
- Which baseline and impact indicators are proposed for measuring the draft?
- How far do programme objectives match with those defined under the National Strategy Plan?
- Which baseline and impact indicators are proposed for measuring the draft programmes success and are they applied in a meaningful manner?

The chapter provides an indicative evaluation of the objectives and expected results/impacts of the programme. The detailed expected results are described at the level of individual measures presented in chapter 5. Therefore, the results are in this chapter only discussed only at level of quantified objectives (targets).

4.1 What are the general (overall), specific and operational objectives and expected results and impacts?

The RDP 2007-2013 will be implemented in a period of significant change for Romanian agriculture as it takes its first steps into the EU market and full effect of CAP reforms will take place during this period. Also the economic growth of the broader economy impacts significantly on the agricultural and rural economy sectors and presents them with opportunities and threats.

Until the end of 2006 support was provided to Romanian farmers from national programmes (e.g. the Farmers' Programme, the Life Annuity Programme) and from the EU co-financed SAPARD programme. Given the increasingly competitive environment after the EU accession, issues as competitiveness and scale will become even more critical for Romanian agriculture.

The overall economic and social context of elaborating the RDP 2007-2013 is thus more complex than that which prevailed in 2000. The new RDP focus is on enhanced competitiveness and scale and at the same time taking into considerations the need for protection of nature, environment, land and water resources in rural areas and an improved quality of life for the rural dwellers.

The current Romanian National Programme for Rural Development has thus sought to emphasis on issues such as competitiveness, environment, and rural quality of life, having as general objectives:

- Increasing the competitiveness of the agricultural and forestry sector
- Improve the rural environment
- Improve the quality of life and diversification of rural economy;
- starting and functioning off local development initiatives (LEADER).

The overall objectives are broken down into a number of strategic objectives reflecting the given local and regional economic situation in rural areas and the challenges ahead.

Axis 1 - objectives and expected impacts

Axis 1 measures are primarily intended to improve the efficiency of agriculture and forestry sector to enable them to confront the competitiveness issues resulting from an open external trading environment. The results should be a better trained agricultural workforce, with an improved age structure, a better land structure, subsistence farms entering the market, modernized commercial agriculture, improved value added and produce quality, which will further enhance the productivity and competitiveness of agricultural and forestry sector.

The support will mainly be oriented towards the small and medium enterprises, considered to be better able than big commercial enterprises to develop new products, to valorise the local resources through innovation and adaptation. The priorities chosen inside this axis take into consideration both the development needs and also the needs to continue some of the preaccession measures.

Axis 2 - objectives and expected impacts

The objectives of Axis 2 measures are to improve the rural environment, enhance biodiversity through a sustainable management of the agriculture and forestry land.

The measures include LFA, Natura 2000 and the afforestation programme. The LFA scheme is intended to support continued agricultural activity in Less Favoured Areas (LFAs) thus maintaining the countryside. The Natura 2000 scheme is aimed at farmers in areas of high value natural habitats. The main element of the forestry programme – the support for afforestation- is also included in this Axis. The programme will endeavour to maintain planting at a level sufficient to achieve economic and environment targets.

Axis 3 - objectives and expected impacts

Improving the quality of life in rural areas, diversification of the rural economy, promoting knowledge and improving human potential represents the strategic objective of this axis.

Measures are centred on the wider rural community such as the development of rural enterprises based on local natural resources, tourism, village enhancement and environmental initiatives in order to complement on-farm measures and provide alternative and suitable employment opportunities for people living in rural areas. These measures were chosen according to the rural area weaknesses (such as low income, over dependency on subsistence agriculture, low entrepreneurial skills, inadequate infrastructure) and strengths (high natural resources, rich cultural patrimony etc). Thus rural areas should approach the quality of life as in urban areas.

Axis 4 - objectives and expected impacts

The axis 4 measures aim to support the sustainable rural development by improving the local governance and promoting the endogen potential. The Leader approach will contribute to the accomplishment of axis 1 and 3 objectives through local integrated development strategies and innovative actions.

In conclusion we find that the NRDP is in line with the NSP and that the NRDP represents a good structured programming document with clear overall objectives, strategic and specific objectives leading down to the level of measures. We appreciate the use of tables and schemes in order to illustrate the intervention logic. However, we also recommend that the tables are supported with comprehensive text explaining and justifying the interventions. This is not a crucial issue, but can facilitate the reading of the NRDP also contributing to transparency.

4.3 Consistency of programme objectives with the analysis and SWOT

The objectives reflect the weak and strong points presented in the SWOT, but the link between them could be more explicitly stated. The chosen strategy will be made clearer and transparent by including the opportunities, threats and the driving forces at the end of the 3rd chapter. The link from the measure sheets to the programme objective hierarchy is satisfactory to a great extent, but it could be improved for some measures (i.e. leader measures) taking into consideration the comments of the next chapter.

Additionally we will like to point to the fact that the SWOT analysis only to some extent follows the logic of this tool in order to facilitate the strategy formulation. In order to make the strategy-building potential of the SWOT even more obvious, it could be considered including a section that reflects upon how the identified internal Strengths and Weaknesses on the one hand and external Opportunities and Threats on the other hand can be turned into possible strategies ensuring that internal strengths are utilized and internal weaknesses eliminated in order to take advantage of the external opportunities and to meet the external threats. As an example: If Romanian farmers produce organic products of high quality and low prices and the national control and authorization system is in place and fully recognised, the organic sector can be considered a strength of Romanian agriculture, compared to other countries, where quality might be lower and authorization/control is not enforced. This internal Romanian agricultural strength can take advantage of the external opportunity expressed as an increasing demand for organic products, not only in Romania, but also on the international market. The strategic choice is to invest in organic production, utilizing the internal strength and benefiting from the external opportunity. We recommend the SWOT analysis being developed this way.

4.4 Which baseline and impact indicators are proposed for measuring the effect of the draft RDP? (Quantified objectives at programme level)

Objectives and context related baseline indicators were defined and quantified for all the programme measures. They are based on the Commission working paper on "Common Monitoring and Evaluation Framework", but they are nevertheless not presented in the measure fiche according to the Guidance recommended pattern. It would - of course if possible - be recommendable that baseline data is identified for the remaining indicators and inserted according to the recommended measure sheet pattern for each measure.

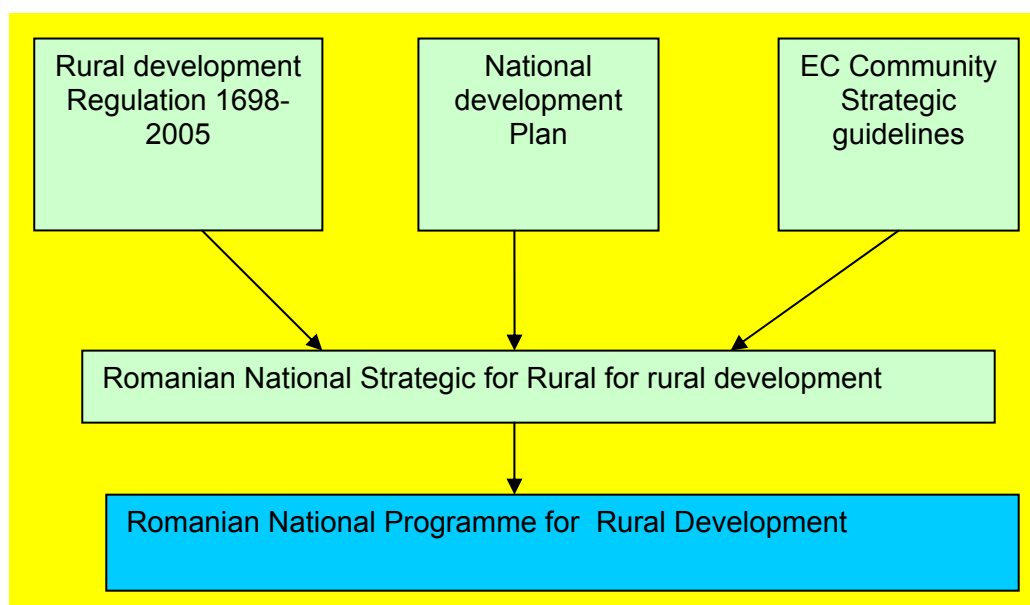
Specific comments and suggestions on this issue will be presented in chapter 5.

4.5 Consistency with the NS and Community priorities & with long-term objectives of agricultural policy in Romania

The Romanian National Strategic Plan for Rural Development confirms the objectives of the current Romanian National Programme for Rural Development:

- increase the economic dynamics of Romanian rural areas including the development of a sustainable agriculture and forestry sector;
- preserve, protect and consolidate nature, environment and natural resources;
- enhance the social dynamics and the quality of life in rural areas.

The objectives of the strategy are in full compliance with Regulation 1698/2005 and take into account the Community strategic orientations. See the figure below.



5. Assessment of the measures proposed

- **What lessons and evidence have been taken into account in designing the draft programme?**
- **Which measures will be applied to in the view of achieving the programme's objectives?**
- **What is the intervention logic of each applied measure?**
- **Which is the baseline (needs and objective) for the intervention envisaged?**
- **What is the balance among the measures applied in view of objectives pursued?**

5.1 Lessons learned

5.1.1 Objectives of the section

The objective is to collect experiences and lessons learned from the implementation of the SAPARD programme implemented from 2001 until 2006. The lessons learned are used in the preparation of the National Rural Development Plan 2007-2013, where a specific section 3.4 in the NRDP is devoted to this issue. The content of this section is drafted in order for the MAFRD to use the text in the NRDP

The implementation of the SAPARD programme has been monitored and evaluated in accordance with the requirements in the relevant regulations as well as in the MAFA, and this section is based on available data and documents from these sources.

5.1.2. SAPARD Agency monitoring and reporting

The programme implementation is monitored of the SAPARD Agency with the help of monitoring indicators measuring the financial input in terms of resources applied for, committed and paid out. Further more the implementation is monitored in terms of physical indicators measuring the output of the programme in terms of number of projects, measure by measure and distributed on sectors and sub-sectors as well as on project objectives. Finally physical indicators are used to monitor the output of the projects such as km. of roads constructed, number tourism facilities established etc.

These monitoring indicators are used in the 2007-2013 programming to define average unit investment costs for various types of projects under the relevant measures. This means that experiences from the SAPARD programme is used in order to define more precisely the quantification of targets at the operational level in particular, and at the specific level where possible. The experiences are used to improve the links between the experienced project unit investment costs, the quantified targets and the financial allocations for the individual measures.

5.1.3 Midterm Evaluation Up-date

The SAPARD Programme has been subject to two evaluations. First A Midterm Evaluation accomplished during 2002, finalized primo 2003. This evaluation was accomplished when

only a few measures were accredited and implemented for a short period of time: Investments in processing and marketing and Rural Infrastructure. The results of the evaluation were limited due to these circumstances. Consequently a Midterm Evaluation Up-date was implemented from October 2005 to March 2006. The conclusions from this evaluation are summarized below, but attention should be paid to the full evaluation report as well as to the comprehensive executive summary of the evaluation including 36 recommendations.

The midterm evaluation up-date examined the results of the Romanian SAPARD Programme almost 5 years into the Programme implementation period. The overall conclusions were as follows:

The Programme implementation demonstrated considerable effects on all relevant indicators used to measure the results and the impacts. These effects include important contributions to economic growth of the supported beneficiaries especially in agriculture and food processing, far beyond average Romanian national economic growth rates, creation of numerous jobs in primary production and in processing, and improved competitiveness and productivity achieved in compliance with EU standards for product quality and safety, environment, working conditions and animal welfare.

The Programme has contributed significantly to improve the living standards in rural areas through investments in rural infrastructure and through creation of new alternative income possibilities. The programme has made the rural areas a considerable better place to live than what would have been possible without the programme support.

The administration of the programme was accomplished in a cost effective way and with a very high degree of user's satisfaction. The programme did contribute to the build up of relevant competences and qualifications to administer EU programmes in the SAPARD Agency and in the MAFRD, and it did contribute to the development of the competences among stakeholders and beneficiaries in general, providing good promises for future development of the sector.

In the light of these positive results it is also the conclusion that the financial absorption until the end of 2005 was relatively limited, except for measure 2.1 Rural infrastructure. This was disappointing in the sense that effects of what were implemented of projects were considerable and that the needs in rural areas are big. The primary causes to the relatively low absorption of funds were the late accreditation of important measures, such as Measure 3.1 Agricultural Holdings, but also lack of risk willingness among the banks as well as among the potential applicants. Measures taken to reduce risks without compromising additionality of investments are needed.

According to the NPARD more than 20,000 projects were anticipated during the programme period. It was the conclusion of the evaluation that the quantified targets were beyond what could be expected from a realistic point of view. The low effectiveness by the end of 2005 was therefore not only due to low financial uptake, but was also caused of the very high targets set in the NPARD. The experience is that adequate links between needs, absorptive capacity, quantified targets, unit investment costs of projects and allocations are needed for the 2007-2013 programming period.

The low financial and technical effectiveness is disappointing in the sense that the programme so far has demonstrated very good results and impacts. The programme is highly relevant and coherent with other national and EU interventions leading to creation of many jobs, higher competitiveness, income and yearly turnover growth rates easily outmatching the general growth rate of the economy as well as several positive effects concerning EU standards (food quality, hygiene, animal welfare) and environment protection.

More specifically the measure 3.1 and measure 3.4 are both targeting rural dwellers, while both measure 1.1 and 2.1 are considered to have a positive effect regarding stabilisation of the rural population due to improved infrastructure facilities as well as an enhanced opportunity for job keeping or creating of new jobs. More than 19,000 jobs in total are generated as an effect of the programme so far, of which 8,000 are jobs for women. Extrapolating these figures to the programme level we find that around 45,000 jobs are generated of the programme, of which 17,000 are jobs for women.

Below are inserted effects for the three revenue generating investment support measures estimated in the Midterm evaluation update and used in the 2007-2013 programming.

Measure 1.1 Processing and marketing

258 million Euro invested in total (public and private)

212 projects approved

Average project investment 1.22 million Euro

2003: Real growth in turn over 4 pct among supported beneficiaries

2004: Real growth in turn over 8 pct among supported beneficiaries

Growth caused mainly due to increased productivity (total factor productivity)

Romania real growth in GDP: 5 pct.

Job creation (new and sustained): 13,000 fulltime jobs to the cost of 258 million Euro.

50 jobs per 1 million Euro in total investment costs

Measure 3.1 Agricultural holdings

98.9 million Euro invested in total (public and private)

514 projects approved

Average project investment 0.19 million Euro

2003: Real growth in turn over 6 pct among supported beneficiaries

2004: Real growth in turn over 17 pct among supported beneficiaries

Growth caused mainly due to increased productivity (total factor productivity)

Romania real growth in GDP: 5 pct.

Job creation (new and sustained): 2,500 fulltime jobs to the cost of 98.9 million Euro.

25 jobs per 1 million Euro in total investment costs

Measure 3.4 Diversification

47 million Euro invested in total (public and private)

403 projects approved

Average project investment 0.12 million Euro

Job creation (new and sustained): 1,000 fulltime jobs to the cost of 47 million Euro.

20 jobs per 1 million Euro in total investment costs

As indicated the financial engineering issue is probably the most important to address if enhanced participation in future programmes shall be envisaged, and the evaluation points at a number of recommendations to be considered in the future programming.

During the SAPARD programme period it has only been allowed for beneficiaries to have two projects during the programme period. The rationale for this has been to ensure a broad dissemination of project funds and to avoid monopolization of funds among the largest and richest beneficiaries. It has however shown to be a restriction on the financial effectiveness of the programme, and for future programming it is recommended to remove this restriction, at least for a certain limited period. If the effects of lifting the restriction are considered politically unacceptable, the restriction can be introduced again.

The programme has had various upper limits (ceilings) for eligible investments of supported projects under the measures. The limits have been increased a few times (Measure 1.1 from 2 million Euro to 4 million Euro; Measure 3.1 from 0.5 million e to 2 million Euro), and these increases are generally appreciated of beneficiaries and stakeholders, as limits restrict the possibilities for the beneficiaries to implement investments of a satisfactory size. It is recommend lifting the restrictions either to higher level depending on the character of the measures or totally.

As a consequence of programme adjustment, investments under measure 1.1 must ensure that the firm is in compliance with EU standards, when the project is accomplished. Together with the upper ceiling of eligible investments and restrictions on number of projects per beneficiary, this requirement makes it difficult for some and especially smaller beneficiaries to engage in investment projects. The criterion is therefore restricting the uptake. It is recommended making it possible for beneficiaries to modernize their facilities in order to respect EU standards step-wise project by project in accordance with their financial strengths.

5.1.4. SAPARD during 2006

During 2006 after the finalization of the Midterm Evaluation Up-date a number of new measures were accredited and opened. These measures were Measure 1.2 Improving the structures for quality, veterinary and plant-health controls, for the quality of food stuffs and for consumer protection. Measure 3.2 Setting-up producer groups. Measure 3.3 Agricultural production methods designed to protect the environment and maintain the countryside and Measure 3.5 Forestry.

The experiences from these measures are still very scarce and no formal evaluation is made of the relatively small number of projects committed for each of the measures.

During 2006 the most important experience was the very big increase in the number of project applications and consequently of commitments experienced. The huge increase in number of new projects came as a big surprise for most stakeholders and responsible authorities. The following reasons structured mainly by sectors are identified causing this big increase in project applications.

Approaching the 2007 accession

- During 2005 and 2006 a lot of information was available in the media regarding the moment of accession in 2007 and the need to adapt farms and factories to conditions in compliance with EU standards.
- The Sanitary and Veterinary as well as the Environmental Protection Authorities progressed considerably regarding the harmonization of Romanian legislation with the EU legislation, and several food industries were sanctioned for non compliance, and were facing the threat to be closed.

Private co-financing

- Private banks became increasingly concerned about the risk of losing clients and/or not being able to have refund for on-going production credits due to the risk of close down of activities.
- The MAFRD Farmer's Programme encouraged banks to put their own money into agriculture business.
- The years 2004 and 2005 were very good for agriculture and the financial figures of farms were promising for banks, and the general attitude to financing agricultural businesses changed dramatically from the beginning of 2006.

Processing industry

- For the milk, meat and fish and fishery sector it was a big need of adoption of EU standards in order to continue activity. New factories replaced on the market the old factories not able to do accomplish the required modernization.
- In fruits, vegetable and potatoes sectors there were also needs for adoption of standards, but the sector also represented a market niche, where most products available on the market were imported and very expensive, and the few existing Romanian products on the market were poor of quality due to old capacities.
- In wine sector, the submission of projects was speeded up by adoption of legislation and need to modernize the old existing capacities.
- The primary textile sector in Romania is not working properly due to old technologies and to general problems on the European market due to non European competitors.
- Investments in the cereals sector were animated by increasing the financing rate from 30% to 50% and by standard compliance.
- For all sub-measures, the programme change increasing the total support from 2 to 4 million Euro was important.

Agricultural holdings

- Lack of information about the programme in the rural area was dealt with through intensive information campaigns.
- 60% of submitted project were in the field crops sector, mainly machineries, mostly due to good results in 2004 and 2005s, resources were available to meet the competitive challenges in the market. Many beneficiaries were encouraged by what can be labelled the "neighbourhoods" experience in receiving SAPARD funds in previous year.
- Horticulture, Vineyards, Fruit growing and Greenhouse sectors were encouraged to be developed by the market, as available products in the market mostly were imported products, very expensive and with a different taste than Romanian people are used to and like.
- The dairy sector was animated by quota repartition and standards.
- For the cattle-rearing and fattening, Sheep/goats breeding, Young mutton fattening and Other vegetal and animal poultry breeding farms the number of project increased only with a slow rate and with no special reason.
- The poultry sector was animated by the Bird Flue, increased need to adopt standards and quality management procedures.
- The pig sector was influenced by increase of imports, therefore opportunity for local business, as Romania is a big pig meat consumer and the old capacities were destroyed after 1990. Also the need to adopt standards and quality management procedure due to pig illness.

Diversification

- 65% of the projects represent investments in rural tourism and other tourism activities. The interest for this type of investment was experienced from the beginning of the programme, and the type of projects is considered relatively easy to manage of people from other businesses. The support was considered very attractive.

- The bee-keeping sector was also relevant and progressed, as there was a lot of publicity given to examples of affordable projects such as bee-keeping, handicraft, aquaculture, frogs, mushrooms etc.

Rural infrastructure

- The need is bigger than the financing capabilities. The reallocation of funds to this measure was relevant, as is important also for private investment in rural area to benefit from infrastructure.

5.1.5. Conclusions on Lessons learned

The experiences from the SAPARD programme implementation show that the overall issues to address in the future program is the financial engineering issue and to lift unnecessary restrictions on the potential uptake of projects. Hence, the financial system must be upgraded to meet the needs of the potential beneficiaries. This will include the utilization of advance payments, contributions in kind and leasing arrangements. We recommend that these experiences are used to the largest extent possible in the future programme.

5.2 Assessment of the selected measures

According to the identified problems of Romanian agriculture described in the NRDP, 24 measures will be financed from EAFRD distributed on 4 axes:

- The increase of competitiveness of agricultural and forestry sector
- The Improvement of quality of environment and rural areas
- The increase of quality of life in rural areas and the diversification of rural economy
- LEADER

Each of the measures will be commented below.

5.2.1 Axis 1

Training, information and diffusion of knowledge

Justification

The measure addresses the stated programme objective: “improving the skills of the farmers and the workers in the agri-food and the forestry sector allowing a better management of the agriculture and forestry sector”. The sectors will be able to adapt their production according to the demands of the market, according to the requirements of efficiency, and respecting the various farm and forest standards.

There is a strong correlation between education and training and the business environment. The well-known low level of qualification of rural population makes it necessary to improve and intensify vocational training and permanent information actions. But in the rationale of the measure there is no reference to the level of education of the population occupied in the agricultural and forestry sector. There are no references to the new environment, with a decoupled direct payment, encouraging a market focused business regime and requirements to a broadened range of management and economic skills. We recommend building in this rationale in the justifications of the measure.

The main message is that the agricultural and forestry sectors (primary and processing) require an improved level of skills and knowledge and that training and dissemination activities are the way through which this can be achieved.

The presentation of the overall, specific and operational objectives is not clear. The one that could be assimilated with the general objective is formulated as such: „to facilitate the access to training”. It would be more suitable to propose „acquiring of knowledge and competences” or “to improve the competitiveness through innovative training actions” In the section describing the aims, we find no special reference to acquiring knowledge concerning Axis 1: competitiveness of the agricultural and forestry sector. Further, to the section describing the actions, there is an inconsistency: in the first paragraph it is stated, that the measure will contribute to improving and perfecting the knowledge (2 types of courses); in the second paragraph it is said that the actions will be initiatory, specialization/improving and perfecting (3 types of courses). Clearly defining and dividing type of courses is appreciated if linked to specific target beneficiaries e.g. improving knowledge for adult farmers, or structured module training courses for young people seeking careers in farming.

We have also noticed some hesitations in defining clearly who are the beneficiaries of this measure. Also the description of the operations doesn't clearly include the actions referring to the growth of competitiveness and certain aspects are neglected, like: new information technology, the results of the research etc.

The argumentation is pertinent mostly because we have a short description of the last 7 years of experience in terms of training. Thus, while active rural population register over 4 millions of people, only 37,826 individuals have followed training courses. In sum, the argumentation is satisfactory, but we recommend emphasizing at least the educational level by age categories for total active rural population to have a clear image about the real/quantified need for skills and knowledge acquisition in rural areas. See NIS 2005 – Structural Survey in agriculture for further data.

The Objective hierarchy can be identified in the following sections of the measure sheet: “objectives of the measure”, “scope and actions” and “description of the type of operations”. The objective hierarchy doesn't respect the terminology (overall, specific, operational), and there is some lack of structure in the measure concerning the description of the objectives. It is recommended to reconstruct the hierarchy.

Objectives are not quantified. However, the indicator table in the last section of the measure sheet includes some examples of quantified targets for the output and the result level.

The link to the hierarchy of the entire programme is not made explicitly in the measure sheet. However, in the first section, the argumentation related to the rationale of the measure underlines the link between the measure and all the objectives of the NRDP.

Indicators, targets, quantification

The output, results and impact indicators are identified and enumerated. Nevertheless we notice some inconsistency concerning the number of participants for the output indicator; and about the number of farmers and forest owners for the result indicator. The possible participation of the associations' representatives, of workers in food industry it is not taken into consideration. Maybe the term „trainees” should be used in order to include all of them.

The output and result indicators are evaluated, but there are no information concerning the structure of the participants on sub-sectors, types of courses, age etc. A number of 99,183

participants is intended to be trained, i.e. 14,169 participants/year. Comparing to the Romanian needs, this target could be considered satisfactory, but if SAPARD experience (272 participants to the training courses in total, as it is stated in the current situation description) or even ANCA experience (35,538 trainees during 7 years), then the target could be considered optimistic. The logistic problem should maybe also be considered: For a number of 15,000 training days /year, some 21 locations/classrooms would be fully and exclusively booked for these actions 365 days/year starting with 1 January 2007 till 31 December 2013 (for 750 groups with 20 participants/group).

The listed indicators seem all relatively easy to collect and utilize for monitoring and evaluation. More detailed indicators could be available from the RDP management database if the application forms and reporting forms are designed adequately and thereby ensuring that the right questions are asked so that the right data is collected (type of courses, gender, age etc).

As mentioned above, the listed objectives are not entirely quantified. For example, there is no measurement regarding the division of the participants in function of gender, age, type of occupation etc. Also, there are no quantification of the impact indicators, meaning net additional added value and labor productivity. Once again, it is recommended to improve the objective hierarchy and to apply the quantified targets in the indicator table. Perhaps additional quantification will be necessary.

Internal coherence

The measure sheet presents the relations with a series of other measures and briefly lines out how the measure is linked to other measures. There seems to be a good consistency between the measures; thus, the presentation is assessed to be adequate.

Nevertheless, we have not noticed the presence of certain actions stated in the EU regulation, like new information technology, diffusing the results of the research (see the title of the measure) etc. in the description of the measure. We recommend that these issues are considered in the redrafting of the measure.

External coherence is ensured through the formulation of demarcation lines to the ESF and the ERDF. Especially the demarcation lines to the ESF are adequate, while the demarcation lines to the ERDF are open to interpretation. What are the criteria defining or categorizing spin off and high tech programmes for micro-enterprises? And how will the criteria be used? How will the demarcation lines concerning tourism and the setting up of micro enterprises be? We recommend the demarcation lines being better described.

Setting up of young farmers

Justification

The main problem addressed by the measure is as such not described in the rationale for the intervention: that young farmers need capital in order to establish productive farms that can compete on the Romanian and the international markets. This is without any doubt the case, but not referred to, although this is in line with arguments presented in the NRDP. We recommend including that in the justification.

The Objective hierarchy can be identified in the following sections of the measure sheet: “objectives of the measure” and “scope and actions”. The objective hierarchy doesn’t respect the above terminology (overall, specific, operational), and there could be a reason to improve the argumentation and to address the weak description of the objectives to be addressed. The overall and the specific objectives of the measure are to promote structural adjustment and development of competitive farms, which perform sustainable agriculture by means of a better management and new workforce. It would have been useful to clearer define the operational indicators (will the measure compensate the cost of setting up or partly co-finance the modernization of the farms?), and we recommend that to be done.

The objectives of the measure are not quantified, except for input and output in terms of numbers of assisted young farmers.

Indicators, targets, quantification

Indicators have been developed for the measure (output, result and impact) to provide an overall monitoring of the measure.

Only the output indicator is quantified: 8,022 young farmers assisted. There are not defined targets for the impact and the result indicators. Also, there are no numerical data about the types of the agricultural sectors affected by the implementation of the measure. Probably, this explains why there is no quantification for the expected growth of GVA in assisted holdings, nor for the expected economic growth or the growth of labor productivity.

Internal coherence

The measure sheet presents the relations with a series of other measures and briefly lines out how the measure is linked to other measures. There seems to be good consistency between the measures.

The presentation is assessed to be adequate, although it is not quite clear how the beneficiaries should take advantages of these other measures, see our comment above concerning the need for clarification of the use of measure 121.

Early Retirement of farmers and farm workers

Justification

The measure sheet does address the stated programme objectives: contributions to structural changes, including age structure, will impact competitiveness of farming in the country. The correspondence between measure objectives and programme objectives is satisfactory.

The argumentation of the measure is in line with the analysis of the Current Situation in the NSPRD and in the NRDP. The main problems to be considered are the inadequate farm and age structure in Romanian rural areas.

The Objective hierarchy can be identified in the following sections of the measure sheet: “objectives of the measure” and “scope and actions”. The objectives are rather general presented and is described in a way, which could be considered to be beyond the scope of the measure. For example it is doubtful that a significant structural change in Romanian agriculture will be the result of the measure, and it is also doubtful whether the measure

contributes to innovation and diversification for farms in the future. We recommend to reconsider these formulations.

The objectives presented in the objective hierarchy are not quantified.

The link to the entire programme hierarchy is not made explicitly in the measure sheet. However, the appropriate description of the reasons why early retirement is supported and the descriptions from NSPRD and the NRDP explain the link between the measure and the overall objectives of the programme to a satisfactory extent.

Indicators, targets, quantification

Special indicators have been developed for the measure (output, result and impact) to provide an overall monitoring of the measure.

RDP presents (page 179) the indicators (output, result and impact) developed for each axis and each measure selected. The output indicator is estimated to be 6,358 farmers and 2,119 farm workers early retired. In this way it is estimated that a number of 751,155 hectares will be released, i.e. 88,61ha/beneficiary. This target seems unrealistic, if we consider that the average dimension of Romanian agricultural holdings is 3,27 ha (RDP-page 10). We recommend adjusting this target.

A set of proposed quantified indicators is presented in the Annex.

Internal coherence

The measure sheet states that the measure is linked to the measure “Setting up of young farmers”. The link is briefly described and there seems to be good consistency between the measures, as stated in the regulation.

Use of Advisory and Consultancy services

Justification

The measure addresses certainly the programme objectives on Axis I and II. It can be recommended to consider combining the two stages of implementing described in the measure into one phase. In fact, the consultancy firms and the semi-subsistence farms should benefit at the same time for advisory and consultancy services. In this case we will have only one set of indicators, see Annex.

The argumentation of the measure is consistent with analysis of the current situation and programme objectives and is as such satisfactory. However, it can be considered to target not only semi subsistence farmers defined from 2 to 16 ESU (or maybe from 6 to 16 ESU?), but also commercial family farms beyond 16 ESU after 2010 (or beyond 6 ESU). It could be argued that the focus of the measure should be these large scale family farms and not non-viable semi subsistence farms, and we recommend adjusting the measure in that direction.

The Objective hierarchy can be identified in the following sections of the measure sheet: “objectives of the measure”, “scope and actions” and “actions supported by the measure”. The objective hierarchy doesn’t respect the terminology (overall, specific, operational), and it could be considered to revise it in order to present the intervention logic better and in accordance with the indicators proposed in the last section of the measure sheet, which is recommended.

The objectives presented in the objective hierarchy are not quantified.

Indicators, targets, quantification

Indicators are developed for the measure (output, result and impact) and provide for an overall monitoring of the measure.

The measure sheet specifies that the national legislation will set-up the type and amount of support based on specific fees for different services provided. Until then, it is difficult to offer a credible set of quantified indicators.

The RDP presents (page 180) the indicators (output, result and impact) developed for each axis and each measure selected. The listed indicators are partially quantified, meaning that the only target settled is the number of expected beneficiaries of the measure, respective 105,795, divided by number of farmers supported (84,636) and number of forest holdings supported (21,159).

Internal coherence

It is mentioned that this measure shall contribute to improving the implementation of other measures in the RDP and the selection criteria of the measure support this aim.

Modernisation of agricultural holdings

Justification

The measure certainly addresses the programme objectives of Axis I corresponding to the development of a competitive and sustainable Romanian agriculture complying with all EU requirements and with cross compliance principles in particular. The argumentation of the measure is satisfactory and consistent with the analysis of the current situation.

The Objective hierarchy can be identified in the following sections of the measure sheet: “objectives of the measure”, “scope and actions” and “description of the requirements and targets with regard to the improvement of the overall performance of the agricultural holdings”. Although, the measure description doesn’t respect the usual intervention logic terminology (overall, specific, operational), there is as such no need to address this aspect in the adjustment of the measure description. However, as the structure and terminology of the intervention logic is crucial in many aspects of the programme implementation (formulation of quantified targets, indicators, monitoring and evaluation), it is recommended to reorganize the description of the objectives in line with this logic = overall, specific and operational objectives. An example could look like the following:

Overall objective: to contribute to the development of a competitive and sustainable Romanian agriculture complying with all EU requirements and with cross compliance principles in particular

Specific objectives: a, b, c and d in present section of the description of the measure objectives, although improved in terms of language in order to provide clearer description of the objectives

Operational objectives: In line with the indicative list of investments representing the physical outputs of the investments.

Regarding the objectives referred to as b) the present formulation indicates that support is targeting introduction of new technologies and innovation aiming to improve the quality and the organic production. This formulation could be understood in a way that only organic production is eligible for support. This is probably not the case, and this could be clarified.

The objectives presented in the measure are not quantified.

The link to the hierarchy of the programme is made clear. Especially the link with the first pillar is underlined. Furthermore, in the first section, the argumentation related to the reason of the measure underlines the link between the measure and all the objectives of the NRDP.

Indicators, targets, quantification

Indicators are developed for the measure (input, output, result and impact). The impact indicators are selected from the CMEF guidelines and are as such in compliance with them. Financial indicators are useful as input indicators: Public support, private investments, total investments, as it is usual to use these indicators, also in the monitoring of SAPARD.

The proposed output indicators are good concerning number of beneficiaries broken down to the various categories, as well as on types of investments. This output indicator could refer to the operational objectives of the measure, see above, making it possible to monitor how the measure produces outputs in compliance with the operational objectives. The SAPARD programme does provide good experience with the linkage between operational objectives and outputs and the related monitoring indicators; see below.

No indicators are quantified, except for the output indicator:

1. Number of agricultural holdings supported – 46,676 beneficiaries
2. Volume of total investments – 1,348,886,070 Euro

The quantification of the target at the output level is difficult to understand and it seems not to be realistic. The support of 46,676 beneficiaries will be equivalent with an average of 28,898 Euro per beneficiary. This figure is considered to be far too small. In the SAPARD programme a total of 1,669 projects were approved representing a public investment support of 168,920,000 Euro under measure 3.1 Agricultural Holdings. Each beneficiary could receive a maximum of 0.5 million Euro in public support per project, but used only 100,000 Euro in average = 20 pct. Under this new programme the public support for modernization of agricultural holdings is 1 million Euro per project. If we expect that the ceiling will be utilized as a general rule we can foresee no more than 1,348 projects under this measure. However, if we expect a utilization of the support rate of 20 pct. per project as under the SAPARD programme we can expect around 6744 projects. This figure is still far from the quantified target of 46,676 projects. A justification could be useful to improve the understanding of the target and we recommend that.

Furthermore, there is no division in the quantification between projects for modernization of agricultural holdings (public support 1,000,000 Euro/project) and renewable energy projects (public support 1,500,000 Euro/project). It is recommended. The factual demand for each type of investment will make a difference regarding the total number of beneficiaries: The higher the number of energy projects, the lower the total number of beneficiaries. (see also the RDP page 180).

We do not find any quantification of the result and impact indicators in the measure sheet and we have further more a request for clarification of the result indicator proposed: “No. of holdings generating new products and/or introducing new technologies, divided according to the reorganization of the production”. It is not clear to us, what this means? A clearer formulation will be useful defining the reorganization of the production and how this will be measured. This is recommended.

Also, RDP offer in chapter five (page 180) a set of indicators (result and impact) build at axis level/multiple measures level. Thus, the growth of GAV is constructed for the measures 112, 113, 114, 121, 122 and 125 summarizing to 1.112 mil. Euro, i.e. an annual rate of growth for GAV of 5,63%. What does this mean? It is recommended to explain in more details how the calculations are prepared from the result to the impact level of the table. The GVA generated by the beneficiaries submitting projects for all the measures considered? What about the investments related only to measure 121? Another result indicator (also for the measures mentioned above) is the number of beneficiaries introducing new products and technologies, quantified at 25.781. So, a number of 25.781 holdings and enterprises investing in average 149,408 Euro will create new products and will use new production technologies. This is difficult to understand and a clarification could be asked for.

Regarding the impact indicators, one of them is the growth of NAV measured at 5,51%/year. The other one is related to labor productivity, which is estimated to register a rate of growth of 8%, probably for the entire period of the programme. We know that this figure is based on experiences from the SAPARD programme, but it is not made clear in the RDP and we recommend that this explanation is inserted.

Internal coherence

The measure is assessed to be in consistency with and coherent with other measure within and between axes, as indicated in the measure sheet. The measure is linked to other measures mentioned. No synergies as such are described.

Reference is made to complementarity of the measure to the interventions under other structural funds, but it is not described, how this complementarity is managed, and which demarcation lines are set up to avoid overlaps and to avoid gaps between funds in terms of sectors, geographical areas and types of beneficiaries. We recommend improving this description of demarcation lines.

Increase the Value Added of agricultural and forestry products

Justification

The measure addresses certainly the programme objectives on Axis I.

The argumentation of the measure is detailed and consistent with analysis and objectives and is satisfactory.

The Objective hierarchy can be identified in the following sections of the measure sheet: “objectives of the measure”, “scope and actions” and “description of the requirements and targets with regard to the improvement of the overall performance of the enterprises”. Although not a crucial issue, it is recommended to make the objective hierarchy respect the usual terminology (overall, specific, operational).

The objectives presented in the objective hierarchy are not quantified.

Indicators, targets, quantification

Indicators are developed for the measure (input, output, result and impact). All indicators are quantified, except impact indicators. The indicators are suitable for monitoring and evaluation. But, the total volume of investment specified in the measure sheet (page 108) is different from the financial allocation per measures in chapter 7 (page 192). So, we recommend the figures from the measure sheet be reconsidered.

The output indicator includes the number of enterprises expected to submit projects through the measure, targeted at 2.500 enterprises, but at page 181 we find out 2.482 estimated beneficiaries. These are distributed according to size and according to sector and type of activity.

Also, through the output indicators the expected demand from the enterprises that have less than 750 employees and less than 200 million Euro in turnover is not quantified. They will receive a public support accounting for 25% from total eligible costs approved, but not more than 2 million Euro/project. Further clarification is required.

We mention above that chapter 5 (page 179) is related to indicators (output, result and impact) at axis level/multiple measures level. For measure 123 we have an estimated rate of growth for GVA of 11.58%. Is this for the entire programme period or on yearly basis? We recommend that this is clarified.

The impact indicator is related to number of jobs created (74,982), in average 30 jobs created by each beneficiary. Depending on each type of investment this target can be considered too high or reasonable. Furthermore, in the measure sheet (page 109) two other indicators are mentioned, but not quantified.

Internal coherence

The measure is assessed to be in consistency with other measures within and between axes. In one of the measure sections, other measures are linked to the current one and synergies are described.

The measure is mentioned to be complementary to the other structural funds, but it is not described how this is the case.

Improving and developing the infrastructure related to the development and adaptation of agriculture and forestry

Justification

The measure addresses certainly the programme objectives on Axis I.

The argumentation of the measure is detailed and consistent with analysis and objectives and is satisfactory.

The Objective hierarchy can be identified in the following sections of the measure sheet: “objectives of the measure”, “scope and actions” and “description of the type of operations”.

The objectives presented in the (not so clearly described) objective hierarchy are not quantified. However, the indicator table of the measure sheet includes some targets, which could be assimilated to the objectives of the measure. These will be addressed below.

Indicators, targets, quantification

Special indicators have been developed for the measure (output, result and impact) to provide an overall monitoring of the measure.

The indicators and the targets are not quantified at all, except for the output indicator, the number of actions supported (2.401) and the total amount of investments (634.769.915 Euro).

The experience gained through national and World Bank programs should be used in order to quantify the indicators.

Internal coherence

The measure is assessed to be in consistency with other measures within and between axes.

Complementarity with other structural funds must be described and ensured.

Support for Semi-subsistence farms

Justification

The measure objective addresses the programme objectives of Axis I aiming to contribute to the development of a competitive agriculture in Romania.

The argumentation of the measure (rationale for intervention) is relatively concise, and it is consistent with the analysis and the programme objectives. The main aspect addressed of the measure is the lack of capital for investment in semi-subsistence farms aiming at being competitive on the future market. However, the figures used in the argumentation are not clear.

“From the total number of 4,256,152 agricultural holdings, 90.96% are subsistence farms, with an economic size less than 2 ESU and 8.74 % are semi-subsistence farms, with an economic size between 2-16 ESU.”

We propose the replacement of the above paragraph with the next paragraph:

“From the total number of 4,256,152 agricultural holdings, 99.57% are family farms, and only 18,263 holdings being legal entities. In average, every family farm exploits 2.15 hectares against 263.08 hectares administrated by the legal entities. National statistics reveal the fact that only 1.246.159 holdings out of all agricultural holdings surpass the level of 1 ESU, while the majority has a standard gross margin of less than 1.200 Euro/year. Out of the 1.246.159 agricultural holdings, almost 371.987 are semi-subsistence farms, with an economic size between 2-16 ESU, representing a farm size between 10 – minimum 100 hectares”.

On the other hand the National Strategy Plan refers to a targeted number of semi-subsistence farms of about 350.000 with a size of 2-6 ESU. This discrepancy is recommended solved or explained. We find that it will be difficult to see how targeting farms between 2 and 6 ESU will contribute to the development of the competitiveness of Romanian agriculture.

The objective hierarchy is not complete in the sense that the measure sheet specifies only the overall objectives of the measure being to support semi subsistence farms in order to be economically viable and competitive farms, which will be difficult to achieve, see above. The distinction between the objectives a) and b) is not clear, and objective b can be deleted as it is covered of objective a. No specific objectives, as well as no operational objective are presented, although the expected numbers of beneficiaries are indicated. The section Scope of action introduces new objectives, but it is not clear how these new objectives relate to the overall objectives described in the section Objectives of the measure. There seems to be some overlap between the various objectives.

The link to the entire programme hierarchy is not made explicit in the measure sheet. However, as mentioned above the description of the measure and rationale behind it demonstrates that the measure and the overall objectives of the programme correspond with those of the NRDP.

Indicators, targets, quantification

Indicators are developed for the measure (output, result and impact), but no quantification is present in the measure sheet. Some similar figures can be found in chapter five (page 181). Thus, here it is expected that 95.215 semi-subsistence farms to be assisted through this measure. In this way, more than 80% of them will be able to be competitive commercial farms. The impact indicator is described as “increase in economic viability” and quantified at 2,4%. (For the entire programmer period? On an yearly basis? For each beneficiary? Clarifications could be asked for)

Furthermore, a family farm producing an income equal to existence minimum of 200 Euro per month per household member would demand probably more than 40 hectares, while a commercial viable farm would require even higher numbers of hectares, probably beyond 100 hectares as a point of departure for investments, actually close to the 16 ESU in the upper end of the range. Model calculations tell us that commercial viable family farms should reach around 400 hectares or more to be able to produce the required income and return of the investment. As a consequence of these considerations, the targeted number of semi subsistence farms is too high, and the lower levels in the range of ESU are not likely to succeed in accordance with the measure objective. We recommend, from an economic point of view, to target the measure on semi subsistence farmers with at least 6 ESU equal to around 30-40 hectares. If this redesign of the measure is made the success rate of turning the farms into commercial family farms might raise from the indicated 5 pct, see the table below, but the level of success must still be expected to be modest. As a consequence the financial allocations should be changed, as the number of beneficiaries probably will be lower than the referred 95,215. If the target based on the number of farms between 6 and 16 ESU is down to 25,000 (as an example) the allocations could be reduced to 187,500,000 Euro and the surplus transferred to other measures more directly supporting the development of the sector, such as measure 121. The model explained above is presented in chapter 6.

Internal coherence

The measure is assessed to be in consistency with other measures within and between axes. The measure is linked to other measures and synergies are indicated, but it is not described how synergies will be achieved.

However it is indicated that a package of support actions will be available for the beneficiaries comprising measures under axis 1 in particularly. It is not clear how this package should be utilized and administered. This is urgently needed and recommended.

The complementarity to axis 2 and 3 is not described either.

Reference is given to the structural funds and it is said that the measure is complementary to the support available under these funds. How this complementarity is achieved and what is the content of it, is not presented.

Support for producer groups

Justification

The measure certainly addresses the programme objectives of Axis I.

The argumentation of the measure is detailed. Moreover, it is satisfactory, as well as consistent with the analysis and the objectives.

An Objective hierarchy is presented and includes an overall aim and 4 operational objectives.

The objectives presented in the objective hierarchy are not quantified.

The link to the hierarchy of the entire programme is made clear. Furthermore, in the first section, the argumentation related to the reason of the measure underlines the link between the measure and all the objectives of the programme.

Indicators, targets, quantification

Indicators are developed for the measure (input, output, result and impact). Indicators are not quantified. The indicators are suitable for monitoring and evaluation.

As is the case with all the measures, chapter five (page 182) offers some quantifications of the indicators of the measure. The output target is 1.583 established producer groups, but there is not made any sector division (crop, animal, mixed production). The output target turnover of established producer groups is 7.126 million Euro equal to an average of 4.501 Euro per producer group with an investment volume of 125.309 Euro/producer group. This figures seems to be overoptimistic. How feasible is to expect that 1 Euro invested will generate a turnover of 35,92 Euro?

The result and impact indicators are not quantified in the measure sheet. One of the impact indicators is the number of “workplace generated”. It should be expected that the labor force employed to decrease in order to increase the labor productivity and the efficiency of the group. So this indicator is redundant.

Internal coherence

The measure is assessed to be in consistency with other measures within and between axes. The measure is linked to other measures and synergies are described in details.

5.2.2 AXIS II

Support for mountain areas and Payments to farmers in areas with handicaps, other than mountain areas

Justification

The measure addresses both the specific and strategic objectives of Axis 2. It is doubtful whether the measures as such can ensure continuation of agricultural land use, but they might contribute to this objective. An average of 2.15 ha means support between 90 Euro and 130 Euro per year, depending on the type pf handicap. This support is around 10 pct of one ESU = 1,200 Euro and will probably not be the single factor determining to continue or to abandon farming.

The designation criteria cover 64 pct of the Romanian territory, which is considered to be a very large designation. A more restricted designation could be considered bringing the allocations for the measures in line here with. Is it needed to have areas between 400 meters altitude and 600 meters altitude with an average slope of at least 15 pct. included?

The argumentation of the measure is very briefly presented in the section „description of the measure”. It addresses directly one of the main problems identified in the analysis of the programme: handicap areas. The description also refers to the objective of counteracting

depopulation. Again it is doubtful if the measures will have a significant impact on depopulation.

Indicators, targets, quantification

There are only two general objectives formulated in the description of the measures, while the output is presented in the section on indicators in terms of number of commitments and hectares covered.

The overall objectives are not quantified. It refers to the “maintaining of agricultural activities” without specifying the targeted area (handicap areas). The second objective refers to the “promotion of sustainable agricultural systems” most probably referring to the conformance to the GAEC. The objectives have no reference to the expected results of the measure.

The first objective is identical with the first specific objective of the axis 2. More explicit reference to environmental and nature protection objectives could be recommended to supplement the rather optimistic objectives of counteracting depopulation and contributing to a sustainable agriculture.

The measure contains input, output, results and impact indicators. The indicators are extracted from the CMEF, which is good. However, it is difficult to see, how LFA support to any type of area will contribute to the impact in terms of increase in production of renewable energy and change in the gross nutrient balance. It is though expected that continuation of agricultural activity not based on intensified production methods will have positive impacts on farm land birds index and the number of high nature value land.

Targets are quantified for output and results indicators. The value associated with the target for the output indicator “total area engaged in the measure” (26.075.000 ha) represents the sum of the areas receiving payments in each year. That can induce some confusion, considering that the sum is larger than the total area of the country. Number of hectares per year could be used as an alternative indicator.

The second impact indicator (changes in the high natural value agricultural land) is not specified, but the expected trend is supposed to rise.

Problems with the availability of data are in the case of impact indicators. Firstly, no data are available so far concerning the index of farmland bird populations.

The expected result and the impact are presented in the table of indicators. They are not quantified. The indicator for the result refers to the “total area on which the objectives were attained”, but without providing any target. There are two impact indicators. The first one refers to the “stopping of biodiversity decline” taking in consideration the evolution of the index for farmland birds. This will be quite difficult to assess considering that we have no evaluation for this index before the start of the programme. The second indicator will assess the changes in the high natural value agricultural area, providing no explanation how this indicator is related to the objectives of this measure.

Counteracting depopulation and supporting sustainable agriculture are not mentioned in the indicators, and in order to monitor fulfilment of the set objectives, indicators should be prepared in accordance with this.

Internal coherence

The measure is in line with the other measures from the second axis in terms of promoting sustainable use of agricultural land and with the measures from the first axis in terms of maintaining the permanent utilization of agricultural land.

Natura 2000 payments and payments linked to Directive 2000/60/EC (WFD)

Justification

The measure title in the Romanian version of the NRDP is different: „Compensatory payments for agricultural land users within the areas designated for natura 2000”. Compliance must be ensured. The measure addresses directly the overall objective, the second strategic objective and the third specific objective of Axis 2.

The argumentation of the measure is focusing on presenting the state of the implementation of Natura 2000 network in Romania emphasising the need for compensatory payments orientated to sustain the agricultural activities in this protected areas and their conformation with the environmental legislation.

In the section “description of the measure” there are no information regarding the Water Framework Directive.

There is a general objective and three specific objectives, and the general objective has a good quantification at least in terms of eligible area (almost 8 pct of total area of Romania). The specific objectives are not quantified. They refer at the same issue: sustaining the agricultural activities by compensating farmer’s loss. The second and third objectives are focused more on the results of the compensatory payments: “maintaining the attractiveness and characteristics of the rural landscape” and “conservation of biodiversity by maintaining agricultural activities”. The objectives formulated here are in line with the entire hierarchy of programme’s objectives.

Indicators, targets, quantification

The measure contains output, results and impact indicators. None of the indicators are quantified. At this moment the exact area of Natura 2000 network is unknown. Also, the total agricultural area inside the network is unknown. Nevertheless, we do have a clear value of the proposed SCIs and SPAs which can be used as reference.

The expected result and the impact are presented in the table of indicators. They are not quantified. The indicator for the result refers to the “total area on which the objectives were attained” but without providing any target.

There are four impact indicators. The first one refers to the “stopping of biodiversity decline” taking in consideration the evolution of the index for farmland birds. This will be quite difficult to assess considering that we have no evaluation for this index before the start of the programme. The second indicator will assess the changes in the high natural value agricultural area. The third indicator refers to “changes in the nitrogen balance”, most probably referring to underground and surface waters. The fourth indicator is “increasing the production of renewable energy”. The last impact indicator is not linked with the content of the measure

Internal coherence

The measure is consistent with the other measures of Axis 2 in terms of supporting the conservation of biodiversity and with the measures of 1st and 3rd Axes in terms of maintaining good agricultural practices on land.

Agri-environment payments

Justification

The measure addresses both the second specific objective and the second strategic objective of Axis 2. The argumentation of the measure is very briefly presented in the beginning of the measure sheet. It is concise and includes most of the aspects that the rural areas have to deal with, especially sustainable agriculture and biodiversity. We recommend including an analysis of organic farming from a market point of view in the NRRDP.

There is a general objective and three specific objectives. The specific objectives are broadly expressed but they indicate the main issues of the sub-measures, for which they were formulated: ecological agriculture, pastures, soil and water protection. The objectives of the measure are in line with the objectives of the 2nd axis.

Indicators, targets, quantification

The measure contains input, output, results and impact indicators. For the supplementary sub-measures (with a starting point in 2009) there is only one output indicator (for genetic resources) which has no corresponding impact indicator. Increased production of renewable energy is not adequate as indicator for this measure. Only the targets for the output indicators are quantified.

Regarding the impact indicator for biodiversity, we have to mention that there are no data available at this time for the quantification of the index of farmland birds in Romania which means we have no baseline indicator.

The indicator for the HNV agricultural land refers only to “changes” without indicating which changes and what are the expectations. The third impact indicator refers to “changes in the nitrogen balance” without indicating which environmental factor is addressing and what the expected trend is. The fourth impact indicator refers to the “enhancing the renewable energy production” but is not relevant for this measure

Internal coherence

A brief description of the measure complementary with the Pillar 1 and other payments under NPRD is presented. The measure can also be applied in the areas targeted by the rest of the measures under the second axis (mountain areas, other handicap areas, agricultural areas in Natura 2000 network) considering that the criteria for the areas are met.

There is apparently an overlap to investments under measure 121 concerning conversion into organic farming. It could be considered to avoid this overlap by taking out for the support for conversion to organic farming from measure 121

First afforestation of agricultural lands

Justification

The description of the measure is a copy paste of the measure 223 and some corrections in the editing is needed in order to distinguish between non-agricultural land (measure 223) and agricultural land (measure 221).

The measure encourages the afforestation of agricultural land with low yield or abandoned agricultural land. The afforestation will provide multiple use of forests and mainly protection to soil erosion and other degradation forms.

The measure specifies several objectives related to improve landscape and environment and to improve production and CO₂ absorption.

Indicators, targets, quantification

No targets and no quantification of the objectives are presented. A prioritization can conduct to a more realistic evaluation of the costs and effectiveness The objectives of the measure are in line with the hierarchy of the entire programme

The measure has indicators and outputs. Indicators for results and impacts are also presented. We recommend indicators for impact on environment and landscape.

Target on output are given in terms of number of beneficiaries and number of hectares afforested. No quantified targets on result and impact level. Supplementary examples of indicators: Increase of forest area, hectares. Reduction of eroded area, hectares.

A more focalized analysis is needed and prioritization for the next 7 years is requested. Only general assessment of the needs and impacts is included. A more professional estimation of the targets in relation with the funds can give a measure of the efforts

Internal coherence

The measure has strong synergies with other measures in axes 1 – 3 and will promote a better landscape use and diminish the environment costs in the future.

Coherence with the National afforestation programme is mentioned, but there is no specific description of the coherence and/or the overlap to this programme.

First afforestation of non agricultural lands

Justification

The measure encourages the afforestation of agricultural land with low production potential and / or abandoned. The afforestation will provide multiple use of forests and mainly protection to soil erosion and other degradation forms

The measure specifies several objectives related to improve landscape and environment and to improve production and CO2 sequestration

Indicators, targets, quantification

No targets and no quantification of the objectives. A prioritization can conduct to a more realistic evaluation of the costs and effectiveness The objectives of the measure are in line with the hierarchy of the entire programme

The measure has no indicators and outputs, and we find need for impact on environment and landscape indicators.

No quantification of targets are presented, and examples can be: Increase of forest area. Reduction of eroded area. Increase of agricultural products in the nearby area etc. There are necessary a more focalized analysis and prioritization for the next 7 years Only general assessment of the needs and impacts is included. A more comprehensive estimation of the targets in relation with the funds can give a measure of the efforts.

Internal coherence

The measure has strong synergies with other measures in axes 1 – 3 and will promote a better landscape use and diminish the environment costs in the future.

Natura 2000 payments

Justification

The measure addresses directly the general objective, the second and the third strategic objectives and the sixth specific objective of Axis 2.

The argumentation of the measure is very brief. It contains two paragraphs. The first one refers to the forestry area in Romania arguing that the increase of this area is a priority of the forestry strategy. The second paragraph describes briefly the Natura 2000 Network. However, it is not clear how N2000 and forestry coverage comply to each other. The argumentation could be improved to make the reader understand the connection better.

Indicators, targets, quantification

There is no objective hierarchy. The objective is formulated within a large paragraph giving information about the eligible area (Natura 2000 sites) and the intention to compensate losses due to the necessity for conformation with the environmental legislation.

The objective is not quantified. It refers to an area (forested area within Natura 2000 sites), which is unknown yet.

The objective is well linked with the entire objective hierarchy of the programme.

The measure contains output, results and impact indicators. None of the indicators are quantified. At this moment the exact area of Natura 2000 network is unknown. More than that there is no available information regarding the forested area within these sites.

There are no targets associated with the indicators. The impact indicators are: “changes in the high natural value areas”, “changes in the nitrogen balance” and “increasing the renewable energy production”. The second impact indicator refers to a problem which is not directly targeted by this measure. That means that the impact of the measure will be difficult to identify from the impact of the legislative and management limitations. The third impact indicator refers to a problem which is not addressed by this measure. Wood exploitation may be in conflict, in some cases, with the management plans of the future Natura 2000 sites.

Internal coherence

The measure is complementary to all the other measures of the second axis and with measure 122 from the first axis. It is strongly correlated with the measure 213 which address the agricultural land within the Natura 2000 sites (also, both of them will start in 2010).

5.2.3 AXIS III

Support for diversification into non-agricultural activities; support for business creation and development

Justification

The measure is well justified based on identified needs in Romanian rural areas. Although, more information could with advantages be added to the rationale of the intervention on the diversification of non- agricultural activities.

The Objective hierarchy can be identified in the following sections of the measure sheet: “objectives of the measure”, “scope and actions” and “description of the type of operation covered”. The objective hierarchy doesn’t respect the terminology on overall, specific, operational objectives, and this could be useful to describe the measure intervention logic better.

The objectives are not quantified.

The link to the hierarchy of the entire programme is made clear. Furthermore, in the first section, the argumentation related to the rationale of the measure underlines the link between the measure and all objectives of the programme.

The measure is extended for supporting micro enterprises on the whole Romanian territory, but further on in the text it becomes clear that the reference is made to the urban area registered micro enterprises, but these have to place the investment in the rural area. Maybe a clearer presentation of applicability area and target beneficiaries could be useful.

There is no uniform expression in the presentation of the measure, for example: the title is “support for creation and development of micro enterprises, and further in the text it becomes: ”support for creation and development of micro enterprises activities” (Romanian version).

Indicators, targets, quantification

Indicators are developed for the measure (output, result and impact). Except for impact indicators, all others indicators are quantified. The indicators are suitable for monitoring and evaluation.

As for axis I, in chapter 5 (page 187), axis indicators are developed. Thus, for this measure is estimated a number of 9,948 beneficiaries (6,237 farmers and 3,711 micro-enterprises) for 1.060.238.816 Euro total volume of investment. This investment could generate a GVA of 120 million Euro (around 11 pct), a net added value of 96.2 million Euro and 21.205 new jobs (in average 2 new jobs / investment project.). These figures are based on SAPARD experience and we appreciate that.

Internal coherence

The measure is assessed to be in consistency with other measures within and between axes.

Coherence and complementarity with other structural funds are described. Concerning demarcation with NRDP – SOP the description is not clear. What is regarded as spin off and high tech micro enterprises? We recommend to clarify that.

Under demarcation with Axis 1 of the NRDP reference is made to integrated projects. What is this and how should it be managed? Clarification is needed and recommended.

Encouragement of Rural Tourism Activities

Justification

The measure is well justified based on identified needs in Romanian rural areas. Although, more information could with advantages be added on the real status of tourist areas.

The Objective hierarchy can be identified in the following sections of the measure sheet: “objectives of the measure”, “scope and actions” and “description of the type of operation covered”

The objectives are not quantified.

The link to the hierarchy of the entire programme is made clear. The measure is addressing the programme objective of Axis III to improve the quality of life and increase the employment in rural areas. No need to address this further.

Indicators, targets, quantification

The output indicators are structured according to the main type of supported actions: (1) recreational infrastructure; (2) marketing and promoting of rural services; (3) small-scale infrastructure. On this logic, a fourth type of output should be included referring to the fourth supported action, i.e. the number of studies and analysis concerning the necessities and the tourist potential of rural areas. The total volume of investments divided on the type of action is also presented as an output indicator.

Result indicators classification includes: additional number of tourist's visit (or more clear "additional number of tourists"). This is an indicator with strong relevance when comparison with the baseline indicators is presented. This output indicator is further divided in "number of bed-nights" and "number of tourist per day. We suggest the structure of this output indicator ("additional number of tourists") as follows:

"overnight tourists"= tourist staying for the night;
"same day tourists"= tourists not staying for the night.

These indicators are present in the national and international statistics, and can easily be monitored and they (because of the weight of "over night tourists" indicator) offer a general view over the attractiveness criterion of a certain rural area.

The second result indicator presented in the measure description is "gross number of jobs created ". We suggest it is replaced with the indicator "increase of tourism income" for two reasons: One similar indicator is also presented as impact indicator; the indicator concerning the growth in income on tourist per day is very relevant in appreciating the attractiveness level of an area and would correspond better to this measure objectives.

The impact indicators include (1) economic growth, (2) new jobs creation. This means that the new created tourism infrastructure (output) results in increased number of tourists (result indicator), which again leads to economic growth and increased employment (impact).

Internal coherence

The measure is closely related to other measures in Axis I, II and III as well as other structural Funds. However, it is also closely related to Measure 322 of Axis III (Conservation and upgrading of rural heritage). Synergies are possible between the measures and synergy can be supported through prioritising projects of the two measures located in the same region / district / local area.

Village Renewal and development, conservation and upgrading of rural heritage

Justification

The measure is well justified based on identified needs in Romanian rural areas. Although more information could be added to underline the current status of rural areas.

The Objective hierarchy can be identified in the following sections of the measure sheet : "objectives of the measure", "scope and actions" and " description of the type of operation covered".

The objectives are not quantified.

The link to the hierarchy of the entire programme is made clear. Furthermore, in the first section, the argumentation related to the rationale of the measure underlines the link between the measure and all objectives of the programme.

Indicators, targets, quantification

Indicators are developed for the measure (output, result and impact). The indicators are not quantified, but are suitable for monitoring and evaluation.

Internal coherence

The measure is assessed to be in consistency with other measure within and between axes.

Animation and Skills acquisition for the drafting of the local development strategy

Justification

The measure addresses certainly the programme objectives on Axis I.

The argumentation of the measure is detailed and consistent with analysis and objectives and is satisfactory.

The Objective hierarchy can be identified in the following sections of the measure sheet: “objectives of the measure”, “scope and actions” and “description of the type of operation covered”.

The objectives presented in the objective hierarchy are not quantified. However, the indicator table of the measure sheet includes some targets, which could be assimilated to the objectives of the measure.

Indicators, targets, quantification

Two types of indicators were developed for this measure, respective output and result indicators, but no quantification in the measure sheet. Quantified indicators were developed in chapter five (page 189)

Only the output indicators are quantified, consisting in:

- ☐ Number of skills acquisition and animation actions: 825
- ☐ Number of participants in actions: 247,389
- ☐ Number of supported public/private partnerships: 210

The “number of participants that successfully ended a training activity” is the result indicator and is viewed as redundant because a similar indicator was develop in the output section.

Internal coherence

The measure is closely related to other measures in Axis III; measure 311&312, 313 and 322.

AXIS IV

Implementation of local development strategies

Justification

The measure indeed addresses the stated programme objectives. The LEADER approach involving all relevant actors, whether they are farmers, foresters or local enterprises, can contribute to all stated program objectives: increasing the competitiveness of the region's local products, increasing the region's ability to benefit from its natural and cultural heritage, increasing tourism and environmental awareness, also in term of renewable energy and climate change. The correspondence between the measure objectives and the programme objectives is consequently satisfactory.

The measure justification is presented in the analysis of the current situation in the NSPRD. The measure sheet does not include any detailed presentation of the current situation. This could be prepared.

The Objective hierarchy can be identified in the following sections of the measure sheet: "objectives" and, "Axes – measures covered by the Leader Axis". The objective hierarchy is not respecting the terminology (overall, specific, operational).

The objectives are not quantified.

The link to the hierarchy of the entire programme is made clear. Furthermore, the second section underlines the link between the measure and all the objectives of the programm

Indicators, targets, quantification

Indicators are developed for the measure (output, result and impact), but no quantification is given in the measure sheet (page 166). The indicators are suitable for monitoring and evaluation.

The output target is 80 LAG's, with 4,042 projects, but there is not made any division according to the type investment (axis, measure), type of beneficiary. Even though there is no division based on types of activities 50 projects/LAG seem to be a high number for a new 4-year program starting in 2010 taking into consideration the novelty of the approach for Romania.

As part of the measure, we notice that the definition for rural area used in the measure is in accordance with the current national definition (communes and villages), but is in contrast to the definition used in chapter 1. Compliance in the definitions of rural areas should be ensured.

The result indicators are "Number of participants having graduated a training course" and "Gross number of job created".

The impact indicators refer to "Net additional value" and "Net additional FTE jobs creation". None of them are quantified.

Job creation is mentioned both as a result and an impact indicator at the same time. Although the job creation represents a very valuable impact indicator, we recommend also other indicators reflecting the LEADER capacity of generating "less tangible effects", more difficult, but not impossible to measure. LEADER projects reinforce local identity and self-respect (cultural capital) for example throughout:

- Regional product development (no.);
- Local labeling (no.);

- Formerly isolated sectors association: agriculture and tourism (no.);
- Cultural and environmental assets commercialization: nature parks cultural festivals (no.);
- Development of new applications of information and communication technologies (no.);
- Reviving particular local skills (furniture, stone walls) (no.);
- Linking these local skills with training and tourism (no.);

All these are key “less tangible assets” that lead to higher incomes and quality of life in rural communities.

Internal coherence

The measure is closely related to other measures in Axis I and III; measures 111, 114, 123, 311&312, 313 and 322. The measure is closely related to Axis 3 measures, which also are the most relevant when implementing the horizontal Leader Axis.

However, Leader Approach represents a good opportunity to strengthen Romanian Rural Communities by allowing them to plan and implement measures under Axis 1 and 2 at local level. From this point of view maybe Axis 2 should not be excluded (see point 5, which refers to financing measures through LEADER Axis) in this way allowing more flexibility to respond to innovative projects and different contexts, which is fundamental to the philosophy of supporting “bottom up” initiatives.

Implementing cooperation projects

Justification

The measure addresses the stated programme objectives. The correspondence between the measure objectives and the programme objectives is satisfactory.

The measure is well justified based on identified needs in Romanian rural areas. The cooperation process enables LAGs to share successes and solve problems through working with other groups, to take advantage of complementary expertise in a common area, to achieve economies of scale by offering a joint supply of products, to reach market outside the area, to introduce a new technologies or processes at a local level.

An Objective hierarchy can be identified in the description of the measure and through the type of eligible costs. These specific objectives could maybe be more clearly expressed in the description of the measure.

The objectives are not quantified and the link to the hierarchy of the entire programme is made clear.

Indicators, targets, quantification

Indicators are developed for the measure (output, result and impact). Only the output indicators are quantified. The indicators are suitable for monitoring and evaluation.

The output target is 80 LAG's. The output could be structured in: number of regional cooperation actions; number of transnational cooperation actions.

The result indicators consist in “Gross number of job created”. The cooperation process provides both tangible and intangible results, and employment generation could be indeed one of the tangible result. But we could also add: newly developed technologies (no), improvement of the market access, increase in labour productivity etc.

The impact indicator refers to “Net additional FTE jobs creation”.

Internal coherence

The measure is closely related to other measures in Axis I and III; measures 111, 114, 123, 311&312, 313 and 322.

Running the Local Action Groups, acquisition of skills and animation of the territory

Justification

Since the Leader methodology will be utilized to implement integrated rural development projects, the efficient administration of the Local Action Group is the key element. The measure addresses to the stated programme objectives. The correspondence between the measure objectives and the programme objectives is satisfactory.

The measure is well justified based on identified needs in Romanian rural areas.

The Objective hierarchy can be identified in the following sections of the measure sheet: “objectives”, “sub- measure 1” and “sub- measure 2”. The objective hierarchy doesn’t respect the terminology of overall, specific, operational objectives, which could be useful in order to describe clearly the intervention logic of the measure.

The objectives are not quantified.

The link to the hierarchy of the entire programme is made clear.

Indicators, targets, quantification

Indicators are developed for the measure (output and result). The indicators proposed however do not appear appropriate, since they relate only to training activities. The resources allocated for this measure should produce a network of professionally run local action groups, with strong local participation, and a portfolio of innovative projects, which contribute significantly to local development. This should be reflected in the indicators.

Only the output indicators are quantified. The selected output indicators are suitable for monitoring and evaluation.

The output target is 514 supported actions.

The result indicator is “Number of successful training results”, which is rather difficult to judge. How is the indicator measured?

Internal coherence

The measure is closely related to other measures in Axis I and III; measures 111, 114, 123, 311&312, 313 and 322.

6. What positive and negative impacts are expected from the measures to be applied?

In this chapter the following questions will be answered:

- **What are the financial allocations of the programme and on measure level?**
- **What is the cost-effectiveness of the programme?**
- **What are the expected impacts of the measure to be applied (social, economic and environmental)**
- **How are the impacts expected to manifest over time?**
- **What are the potential conflicts between different impacts?**
- **Who is (positively or negatively) affected by the programme?**

Our approach to try to estimate the impacts of the NRDP is two-fold. On the one hand we look closer at the allocations at measure level and compare the measures with the size, production and income of average model farms. On the other hand we use statistical data to assess the impacts of the programme.

6.1 Financial allocations of the NRDP

Our point of departure for evaluating the expected impacts of the programme is to look at the allocations for each of the measures. The allocation of funds from the EAFRD was decided based on the strategy for rural development presented in the NRDP, chapter 3.

The tables below provide an overview of the measures included in the Romanian 2007 – 2013 NRDP. Table 6.1 shows the public expenditures (EAFRD amount and national co-financing) allocated per axis and per measure. The private co-financing included in table 6.2.

The balance in the programme is in line with the regulative requirements, although axis II with 24.5 pct is very close to the lower limit of 25 pct of public expenditures, excluding the complementary direct payment. The majority of the allocations are for axis I with 42.45 pct, while axis III and IV takes 29.7 pct and 2.5 pct respectively.

The allocations are in line with the strategy and with the heavy emphasis of the programme on modernization and restructuring of Romanian agriculture reflecting the urgent needs of the sector. We appreciate the relatively high allocations for axis III making the overall balance of the programme in line with the intentions of the regulation. Also allocations for axis IV are in line with the requirements.

Table 6.1 Financial allocations on measures and total NRDP

Financial Allocations NRDP, public expenditures, 2007-2013		
		Public expenditure
AXIS I		3,967,311,968
111	Professional training and information activities, including the dissemination of new scientific knowledge and innovative practices for the employees in agriculture, food industry and forestry	119,019,359
112	Setting up of young farmers in rural areas	238,038,718
113	Early retirement of farmers and farm workers	79,346,239
114	Use of agriculture consulting services by farmers and forest owners	158,692,479
121	Modernisation of agricultural holdings	674,443,035
122	Improving the economic value of the forests	198,365,598
123	Increased Value Added of Farming and Forestry Products	1,071,174,232
125	Improving and developing the infrastructure, in connection with the development and adjustment of agriculture and forestry	634,769,915
141	Supporting semi-subsistence agricultural holdings	595,096,795
142	Support for the establishment of producer groups	198,365,598
AXIS II		2,293,266,820
211	Support for less favoured areas from mountain areas	699,446,380
212	Support for less favoured areas, other than mountain areas	676,513,712
213	Compensatory payments from Natura 2000 areas	16,052,868
214	Agro-environment payments	671,927,178
221	First afforestation of agricultural lands	137,596,009
223	First afforestation of non-agricultural lands	75,677,805
224	Natura 2000 payments	16,052,868
AXIS III		2,473,890,571
312	Support for diversification into non-agricultural activities; support for business creation and development	742,167,171
313	Encouragement of tourism activities	173,172,340
322	Village renewal and development, conservation and upgrading of the rural heritage	1,546,181,607
341	Animation and skill acquisition for the drafting of the local development strategy	12,369,453
AXIS IV		235,074,894
41	Implementation of local development strategies	177,481,545
<i>411</i>	<i>Increase in competitiveness of agricultural and forestry sector</i>	<i>5,876,872</i>
<i>413</i>	<i>Quality of life and diversification of rural economy</i>	<i>171,604,673</i>
421	Implementing cooperation projects	4,701,498
431	Running the Local Action Groups, acquisition of skills and animation of the territory	52,891,851
<i>4311</i>	<i>Creating public-private partnership</i>	<i>5,876,872</i>
<i>4312</i>	<i>Creating operational LAGs</i>	<i>47,014,979</i>
511, Technical assistance		376,119,830
611, Complement direct payments		625,136,101
TOTAL		9,970,800,187

Table 6.2 Financial allocations on measures and total NRDP

Financial Allocations, public + private, 2007-2013, Euro	
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		Total amount of Investments
AXIS I		5,875,228,361
111	Professional training and information activities, including the dissemination of new scientific knowledge and innovative practices for the employees in agriculture, food industry and forestry	119,019,359
112	Setting up of young farmers in rural areas	238,038,718
113	Early retirement of farmers and farm workers	79,346,239
114	Use of agriculture consulting services by farmers and forest owners	158,692,479
121	Modernisation of agricultural holdings	1,348,886,070
122	Improving the economic value of the forests	360,664,724
123	Increased Value Added of Farming and Forestry Products	2,142,348,464
125	Improving and developing the infrastructure, in connection with the development and adjustment of agriculture and forestry	634,769,915
141	Supporting semi-subsistence agricultural holdings	595,096,795
142	Support for the establishment of producer groups	198,365,598
AXIS II		2,364,358,092
211	Support for less favoured areas from mountain areas	699,446,380
212	Support for less favoured areas, other than mountain areas	676,513,712
213	Compensatory payments from Natura 2000 areas	16,052,868
214	Agro-environment payments	671,927,178
221	First afforestation of agricultural lands	183,461,346
223	First afforestation of non-agricultural lands	100,903,740
224	Natura 2000 payments	16,052,868
AXIS III		2,814,345,468
312	Support for diversification into non-agricultural activities; support for business creation and development	1,060,238,816
313	Encouragement of tourism activities	176,228,322
322	Village renewal and development, conservation and upgrading of the rural heritage	1,565,508,877
341	Animation and skill acquisition for the drafting of the local development strategy	12,369,453
AXIS IV		260,448,520
41	Implementation of local development strategies	202,057,841
411	<i>Increase in competitiveness of agricultural and forestry sector</i>	7,052,531
413	<i>Quality of life and diversification of rural economy</i>	195,005,310
421	Implementing cooperation projects	5,498,828
431	Running the Local Action Groups, acquisition of skills and animation of the territory	52,891,851
4311	<i>Creating public-private partnership</i>	5,876,872
4312	<i>Creating operational LAGs</i>	47,014,979
		1,001,255,931
511	Technical Assistance	376,119,830
611	Direct Payments	625,136,101
TOTAL		12,315,636,372

In total, the NRDP will represent almost 10,000 million Euro in public support to the investments in the sectors compared to 1,278 million Euro in total public expenditures under the SAPARD programme. It is an amount, which is almost 8 times higher reflecting the needs in rural Romania on the one hand, but also a big challenge in order to ensure an adequate use and uptake of the funds on the other hand. We will come back later in this section to this investment volume compared with general investments in the sector.

6.2 Analysis of financial allocations at measure level

We will in this section have a closer look at the allocations at measure level in order to assess the quantified output with the allocations and the baselines for each measure, and in particular with the baseline of two types of family farms.

The following table describes the current situation of the Romanian agricultural holdings for mixed production. It is considered that this farms are representative due to the fact that according to NIS, 75% of Romanian agricultural holdings develop mixed production activities.

Table 6.3 Baseline model farms

	Family Farms	Legal Entities
1. Average size of farm (ha)	2,15	263,08
2. Human Capital		
2. 1. Average Labour Force	6	4
Farmers/farm	1	1
Farm workers - full time/farm	5	3
Farm workers - seasonal/farm	0	0
2.2. Average cost of labour force (Euro/year/individual)		
Farmers	1,140	2,400
Farm workers - full time	960	1,200
Farm workers - seasonal	0	0
2.3. Average value of labour force (Euro/year)	6,277	6,114
Farmers	1,140	2,400
Farm workers - full time	5,137	3,714
Farm workers - seasonal	0	0
3. Technical Capital		
3.1. Average endowment with technical capital (pcs)	9,23	3,73
3.2. Average cost of technical capital (Euro/year/pcs)	3,500.00	20,000.00
3.3. Average value of technical capital (Euro/year)	32,297.45	74,642.19
4. Production		
4.1. Quantitative production		
Cereals (tons)	2,97	780,03
Lucerne (tons)	1,75	
Beef meat (head/year)	2	70,71
Milk (l/year)	6,736.40	6,000.00
Pork (head/year)	3	759,80
Poultry (head/year)	25	19,992.28

Eggs (head/year)	2,479.61	2,998,842.54
4.2. Market Price		
Cereals (Euro/ton)	70,00	90,00
Lucerne (Euro/ton)	120,00	
Beef meat (Euro/head)	300,00	1.600,00
Milk (Euro/l)	0,20	0,25
Pork (Euro/head)	200,00	500,00
Poultry (Euro/head)	1,50	2,00
Eggs (Euro/pcs)	0,15	0,15
4.3. Production Value	2,773.51	803,792.98
Cereals (Euro/year)	207,55	34,421.93
Lucerne (Euro/year)	209,63	
Beef meat (Euro/year)	336,82	56,569.24
Milk (Euro/year)	1.347,28	53,033.66
Pork (Euro/year)	281,70	189,949.48
Poultry (Euro/year)	18,60	19,992.28
Eggs (Euro/year)	371,94	449,826.38
5. Intermediate costs	846,93	457,930.57
Cereals (Euro/year)	56	9.839
Lucerne (Euro/year)	148	
Beef (Euro/year)	332	51.158
Pork (Euro/year)	97	52.379
Poultry (Euro/year)	214	344.555
6. Gross Value Added	1,926.58	355,701.61
Cereals - fodder	212,93	34,421.93
Beef	1,352.19	58,445.22
Pork	184,60	137,570.83
Poultry	176,87	125,263.63
7. GVA	1,926.58	355,701.61
8. AWU	6	4
9. Labour Productivity	303	86.862
10. Average Age of farmers		
Farmers	58 years	48 years
Farm workers	44 years	42 years

Looking at the family farms we find that their economic performance at average is very poor. The average GVA varies from one sector to another. Based on data from public statistics on the different types of production we have identified the typical family farm in terms of size (how big is the farm in number of hectares?) and sector orientation (what does it produce?). We have described two farm types: One specialized and one with a typical production combination. The purpose is to identify the baseline situation for each type farm. The objective of the NRDP is among others to improve the competitiveness of the agricultural sector, including these farm types, or at least to lift the income level of the farms for example to the existence minimum. In order to do so, we have a number of measures available e.g. support for investment to increase GVA/AWU though investments in new machinery or new buildings.

The question is: If we want to improve a farmer's annual household income level from the present level, how big needs the GVA/AWU then to be, if unit market prices and unit costs

are constant? How big an investment is needed for the farmer to increase his production and his productivity to this level? The combination of the two strategies (more land, animals and production and higher productivity) is probably the most realistic solution. What is then required in terms of investment and in terms of support from the programme?

Based on these results we have tried to model the value of investments necessary to transform the semi-subsistence farms into viable commercial farms. We have studied 2 cases:

- 1) Specialised production (cereal production)
- 2) Mixed production (cereal and animal production)

Regarding specialised production (cereal production) the data are presented in table 6.4 for the actual situation for the family farm and in table 6.5 for the modernized family farm.

Table 6.4 Actual specialized family farm	
Actual size of family farms (ha)	2,15
Unitary production (t/ha/year)	2,97
Production (tonns/years)	6,37
Price (Euro/tonne)	70,00
Sales (Euro/year)	446,23
Production costs (Euro/ha)	70,00
Total production costs (Euro/year)	150,50
GVA (Euro/year)	295,73
GVA (Euro/month)	24,64

Table 6.5 Modernized specialized family farm	
Required size of family farms (ha)	205,10
Unitary production (t/ha/year)	5,00
Production (tonns/years)	1.025,50
Price (Euro/tonne)	85,00
Sales (Euro/year)	87.167,50
Production costs (Euro/ha)	94,00
Other costs (Euro/ha)	309,92
Total operational costs (Euro/year)	82.844,40
GVA (Euro/year)	4.323,10
GVA (Euro/month)	360,26
Necessary investments (Euro)	
Irrigation system	60.000,00
<u>Water (Euro/year)</u>	2.051,00
Machinery and equipments	150.000,00
Land (Euro/year)	10.255,00
TOTAL	210.000,00
Depreciation (Euro/year)	21.000,00
Maintenance (Euro/year)	210,00
Required Credit	210.000,00
interest (Euro/year)	23.100,00
Instalments (Euro/year)	30.000,00

The specialized family farm will need more than 200 hectares to generate an income an income at a level considered to be representative for a commercial family farm. The investments will be more than 200,000 Euro making it very unrealistic to expect.

For the mixed (cereal and animal production) family farms the situation is a little better, see the tables 6.6 and 6.7.

Table 6.6 Actual mixed family farm	
Actual size of family farms	
Land (ha)	2
Beef (heads)	2
Pork (heads)	3
Poultry(heads)	25
Quantitative Production	
Cereals (tonns/year)	3
Fodder (tonns/year)	2
Milk (l/year)	10.105
Pork meat (heads/year)	1
Poultry (heads/year)	12
Eggs (pcs/year)	2.480
Market Prices	
Cereals (Euro/tonne)	70
Fodder (Euro/tonne)	120
Milk (Euro/l)	0,20
Pork meat (Euro/head)	200,00
Poultry (Euro/head)	1,50
Eggs (Euro/pcs)	0,15
Sales (Euro/year)	3.110
Production costs (Euro/year)	847
Cereals	56
Fodder	148
Beef	332
Pork	97
Poultry	214
GVA (Euro/year)	2.263
GVA (Euro/month)	189

Table 6.7 Modernized mixed family farm	
Actual size of family farms	
Land (ha)	330
Beef (heads)	100
Pork (heads)	85
Poultry(heads)	125
Quantitative Production	
Cereals (tonns/year)	455
Fodder (tonns/year)	268
Milk (l/year)	450.000
Pork meat (heads/year)	43
Poultry (heads/year)	63
Eggs (pcs/year)	12.500
Market Prices	
Cereals (Euro/tonne)	70
Fodder (Euro/tonne)	120
Milk (Euro/l)	0,20
Pork meat (Euro/head)	200
Poultry (Euro/head)	1,5
Eggs (Euro/pcs)	0,15
Sales (Euro/year)	164.500
Production costs (Euro/year)	156.188
Cereals	8.663
Fodder	22.688
Beef	14.781
Pork	2.930
Poultry	1.077
GVA (Euro/year)	8.312
GVA (Euro/month)	693
Necessary investments (Euro)	
Irrigation system	0,00
Water (Euro/year)	700,00
Machinery and equipments	350.000,00
Land	16.500,00
TOTAL	350.000,00
Depreciation (Euro/year)	35.000,00
Maintenance (Euro/year)	350,00
Required Credit	350.000,00
interest (Euro/year)	38.500,00
installment (Euro/year)	50.000,00

It is known that most of the Romanian agricultural farms have size less than the average of 2,15 ha. Consequently, the agricultural production or activity generates only small incomes and the investments necessary to develop the activity can not be sustained. The investments will never be feasible, and it will be very difficult to be able for the farmers to find private co-financing for the investments.

6.2.1 Axis I

Professional training and information activities, including the dissemination of new scientific knowledge and innovative practices for the employees in agriculture, food industry and forestry

- **Financial allocation : 119. 019.359 €**
 - **Public expenditure:** 119.019.359 €
 - **Private investment:** 0 €
- **Number of beneficiaries:** 99.183
- **Average allocation/beneficiary:** 1.200 €

The financial allocation per beneficiary seems realistic based on our experience from similar activities. The need for training and information is without any doubt very urgent and important. However, the expected number of beneficiaries is very big compared with previous experiences gained through the SAPARD programme (272 beneficiaries trained), and trainings made by ANCA (35.538 beneficiaries in 7 years). The quantified output target is almost 3 times the experience from the present period, and some problems with up-take of funds could be expected.

Setting up of young farmers in rural areas

- **Financial allocation : 238 038 718 €**
 - **Public expenditure:** 238.038.718 €
 - **Private investment:** 0 €
- **Number of beneficiaries:** 8.022

The financial allocation can be hardly analysed in the absence of quantified result and impacts indicators.

Early retirement of farmers and farm workers

- **Financial allocation : 79 346 239 €**
 - **Public expenditure:** 79.346.239 €
 - **Private investment:** 0 €
- **Number of beneficiaries:** 8.477
- **Number of hectares released:** 751.155

The financial allocation can be hardly analysed in the absence of quantified result and impacts indicators. Although, it can be noticed that, in average, it is forecasted that every early retired farmer/farm worker will release 88,61 ha. This is hardly realistic.

Use of agriculture consulting services by farmers and forest owners

- **Financial allocation : 158 692 479 €**
 - **Public expenditure:** 158.692.479 €
 - **Private investment:** 0 €
- **Number of beneficiaries:** 105.795
- **Average allocation/beneficiary:** 1.500 €

Financial allocation seems justified, but not for 105.795 beneficiaries, because it is unlikely that the farmers and agricultural/forestry holdings will receive quality consultancy service for 1.500 €. Financial allocation on measures 111 and 114 is in line with the priorities established in the rural strategy (RDP page 44) on Axis I.

Modernisation of agricultural holdings

- **Financial allocation : 1.348.886.070 €**
 - **Public expenditure:** 674.443.035 €
 - **Private investment:** 674.443.035 €
- **Number of beneficiaries:** 46.676
- **Average allocation/beneficiary:** 28.899 €

Financial allocation related to the present number of expected beneficiaries (46.676) is entirely unfeasible. Otherwise, financial allocation on measure 121 represent 22,96% of the funds allocated on Axis I, which is in line with the strategy described at page 44 in RDP.

Improving the economic value of the forests

- **Financial allocation: 360.664.724 €**
 - **Public expenditure:** 198.365.598 €
 - **Private investment:** 162.299.126€
- **Number of beneficiaries:** 2.404
- **Average allocation/beneficiary:** 150.027 €

Increased Value Added of Farming and Forestry Products

- **Financial allocation : 2.142.348.464 €**
 - **Public expenditure:** 1.071.174.232 €
 - **Private investment:** 1.071.174.232 €
- **Number of beneficiaries:** 2.482
- **Average allocation/beneficiary:** 863.154 €

Financial allocation on measure 123 represent 36,46% of the funds allocated on Axis I, which is in line with the strategy described at page 44 in RDP.

Improving and developing the infrastructure, in connection with the development and adjustment of agriculture and forestry

- **Financial allocation : 634.769.915 €**
 - **Public expenditure:** 634.769.915 €
 - **Private investment:** 0 €
- **Number of beneficiaries:** 2.401
- **Average allocation/beneficiary:** 264.377 €

Financial allocation on measure 125 represent 10,8% of the funds allocated on Axis I, which is in line with the strategy described at page 44 in RDP.

Supporting semi-subsistence agricultural holdings

- **Financial allocation : 595.096.795 €**
 - **Public expenditure:** 595.096.795 €
 - **Private investment:** 0 €
- **Number of beneficiaries:** 95.215
- **Average allocation/beneficiary:** 6.250 €, which means 893 €/semi-subsistence farm/year. This is not in line with the public support mentioned in the measure sheet (1500 €)

Financial allocation on measure 141 represent 10,13% of the funds allocated on Axis I, which is in line with the strategy described at page 44 in RDP. But, this is not enough. It is unrealistic to believe that through the measure will be supported 26% from the semi-subsistence farms estimated in RDP (**371.987 semi-subsistence farms with a size between 2-16 ESU**) How many semi-subsistence farms are able to sustain an investment project on others measures (Axis I or Axis III)? If they aren't able to that the support receive through this measure is only a social help, which it is hardly to believe that will generate additional value.

This is the problem that should be addressed when we think of implementing this measure.

Support for the establishment of producer groups

- **Financial allocation : 198.365.598 €**
 - **Public expenditure:** 198.365.598 €
 - **Private investment:** 0 €
- **Number of beneficiaries:** 1.583
- **Average allocation/beneficiary:** 125.310 €
- **Turnover of supported producer groups:** 7.126.000.000 (643.083 €/producer group/year)

It is feasible to believe that through this measure a number of 1.583 producer groups will be supported, when on SAPARD only few producer groups were supported? Experience from other countries should be taken into consideration.

6.2.2 Axis II

Support for mountain areas

- **Financial allocation: 699.446.380 €**
 - **Public expenditure: 699.446.380 €**
 - **Private investment: 0 €**
- **Number of beneficiaries: 512.425**
- **Number of hectares: 1.537.245**
- **Average allocation/beneficiary: 1,365 €**
- **Average allocation/hectare: 455 €**

See next measure for comments.

Payments to farmers in areas with handicaps other than mountain areas

- **Financial allocation: 676.513.712 €**
 - **Public expenditure: 676.513.712 €**
 - **Private investment: 0 €**
- **Number of beneficiaries: 700.325**
- **Number of hectares: 2.100.974**
- **Average allocation/beneficiary: 966 €**
- **Average allocation/beneficiary: 322 €**

The average area of each holding expected to receive payments under these measures is estimated to be 3 ha. Considering the level of payments, the number of hectares necessary to compensate for 50% of the average income of agricultures is at least 10 ha. The compensation payments are based on calculations of the standard gross margin on LFA designated areas and compared to non-LFA. Average SGM/ha in € is calculated to be 219 € with differences between 115 € for mountain areas and 45 € specific LFA. According to our model calculations the calculated SGM is probably too high for non-LFA farms. However, the calculations are difficult to do because of lack of reliable data and high variations in mechanization levels, use of production factors etc. Our conclusion is that it is recommended to provide a second view on the calculations in order to avoid too high compensation payments and deadweight.

Natura 2000 payments

- **Financial allocation: 16.052.868 €**
 - **Public expenditure: 16.052.868 €**
 - **Private investment: 0 €**
- **Number of beneficiaries: 13.377**
- **Number of hectares: 40.132 ha.**
- **Average allocation/beneficiary: 1,200 €**
- **Average allocation/hectare: 400 €**

The allocation for this measure is 16.052.868 €. This allocation may cover around 0.2 % of the total area proposed for Natura 2000 network. We find it difficult to appreciate the justification of the allocation in the absence of an estimation of the total agricultural land under Natura 2000 network.

Agri-environment payments

- **Financial allocation: 671.927.178 €**
 - **Public expenditure: 671.927.178 €**
 - **Private investment: 0 €**
- **Number of beneficiaries: 53.453**
- **Number of hectares: 2.881.943 ha**
- **Average allocation/beneficiary: 12.570 €**
- **Average allocation/hectare: 233 €**

The annex of the measure sheet presents in detail the methodology for calculation. The assumptions and estimations are reasonable, making the allocation for this measure to be justified.

First afforestation of agricultural land

- **Financial allocation: 137.596.009 €**
 - **Public expenditure: 137.596.009 €**
 - **Private investment: 0 €**
- **Number of beneficiaries: 13.629**
- **Number of hectares: 52.418**
- **Average allocation/beneficiary: 10.096 €**
- **Average allocation/hectare: 2.625 €**

The NRDP measure sheet does not include any justification for the allocation compared to needs and compared to cost of investing in afforestation on agricultural land. We recommend to develop the justification and the calculations based on experience from the FOREST RESEARCH INSTITUTE.

First afforestation of non-agricultural land

- **Financial allocation: 75.677.805 €**
 - **Public expenditure: 75.677.805 €**
 - **Private investment: 0 €**
- **Number of beneficiaries: 12.108**

- **Number of hectares: 40.361**
- **Average allocation/beneficiary: 6.250 €**
- **Average allocation/hectare: 1.875 €**

The NRDP measure sheet does not include any justification for the allocation compared to needs and compared to cost of investing in afforestation of non-agricultural land. We recommend developing the justification and the calculations based on experience from the FOREST RESEARCH INSTITUTE.

Natura 2000 payments, forests

- **Financial allocation: 16.052.868 €**
 - **Public expenditure: 16.052.868 €**
 - **Private investment: 0 €**
- **Number of beneficiaries: 5.351**
- **Number of hectares: 26.755**
- **Average allocation/beneficiary: 3.000 €**
- **Average allocation/hectare: 600 €**

The NRDP measure sheet does not include any justification for the allocation compared to needs in Natura 2000 forestry areas. We recommend to develop the justification and the calculations based on experience from the FOREST RESEARCH INSTITUTE.

6.2.3 AXIS III

Support for diversification into non-agricultural activities; support for business creation and development

- **Financial allocation : 1.060.238.816 €**
 - **Public expenditure: 742.167.171 €**
 - **Private investment: 318.071.645 € (30%)**
- **Number of beneficiaries: 9.948**
- **Average allocation/beneficiary: 106.578 €**

Financial allocation is realistic and in accordance with the priorities established in RDP on axis III (page 48).

Encouragement of tourism activities

- **Financial allocation : 176.228.322 €**
 - **Public expenditure: 173.172.340 €**
 - **Private investment: 3.055.982 € (1,73%)**

- **Number of actions supported: 2.073**
- **Average allocation/action: 85.011 €**

Financial allocation is realistic and in accordance with the priorities established in RDP on axis III (page 48), but indicators should be develop for each action supported.

Village renewal and development, conservation and upgrading of the rural heritage

- **Financial allocation : 1.546.181.607 €**
 - **Public expenditure: 1.546.181.607 €**
 - **Private investment: 0 €**
- **Number of actions supported: 1.566**
- **Average allocation/action: 987.345 €**

Financial allocation is realistic and in accordance with the priorities established in RDP on axis III (page 48)

Animation and skill acquisition for the drafting of the local development strategy

- **Financial allocation : 12.369.453 €**
 - **Public expenditure: 12.369.453€**
 - **Private investment: 0 €**
- **Number of actions supported: 825**
- **Number of beneficiaries participating on actions supported: 247.389 (**
- **Number of PPP: 210**
- **Average allocation/action: 14.993 €, i.e 50 €/participant.**

300 individuals per action seem to be a high number. Is this really feasible? The cost of 50€/participant seems on the other hand to be very low. We recommend to reconsider these calculations.

Axis IV

The feasibility of the financial allocation on Axis IV is difficult to assess in the absence of any previous experience. Additional information from other countries should be collected. The logic of the measures on axis IV and the strategy presented in NRDP, which generate the volume of public support allocated appears to be realistic.

6.3 Could the expected results be achieved at lower cost?

Professional training and information activities, including the dissemination of new scientific knowledge and innovative practices for the employees in agriculture, food industry and forestry

The measure sheet specifies a level of 1.200 €/ beneficiary (120 € X 10 days), which is a normal cost regarding the present prices request by the training specialised firms, so we can expect that the best training companies enter in the programme, but not at a lower price.

Although, the measure would be more efficient, if the targets will be set according with different types of knowledge diffusion (specialised trainings/information campaign).

Setting up of young farmers in rural areas

The planned unit costs is in accordance with the maximum payment ceiling per holding, which is 40.000 € and with the minimum payment of 25.000 € ceiling per holding. The cost of taking over and setting up the farm to meet the market demand will vary according to the type of the farm, geographical area or whether the farm was owned by the parents, relatives or bought on the market, if investment is made for meeting hygiene standards or encouraging diversification in agricultural activities

There is no specification on the area for which maximum support of 40.000 € is granted. Is 40.000 € allocated for 32 ha (i.e. the average allocation of 1 250 €/ha), or are resources also allocated for farms with an area of 21 ha (> than the minimum limit)? We recommend a clarification.

Early retirement of farmers and farm workers

The issue is, if the transfer of agricultural land to younger farmers could be achieved through other means and to a lower cost than available under the measure and in accordance with regulation 1698/2005. Discussions concerning the cost effectiveness are difficult in the absence of information of the results of any previous programmes.

Use of agriculture consulting services by farmers and forest owners

The financial allocation seems justified, but not for 1.500 €/beneficiary. The cost of consultancy services is to low, mostly if we want to support high quality advisory services.

Modernization of agricultural holdings

The total investment budget is 1.218,628 Million €, to be allocated for modernizing the agricultural holdings and for investments in renewable energy. (Increased to 1,348,886,000 € and 46,676 projects in NRDP version 18.04.07).

The budget is distributed on the output target of 42.400 projects, equal to 28.741 € per project. However, maximum support rate per project is stated to be 1.000.000 € for the modernization of agricultural holdings and 1.500.000 € investments in renewable energy. Further consideration is recommended.

The support will cover up to 50 – 100 % of eligible costs based on the type of project. The support of 75 -100 % is for implementation of Council Directive 91/676/EE, Council Directives 79/409/EEC, 92/43/EEC regarding Natura 2000 and for the restoration of the productive potential affected by natural disasters. Based on the experiences collected from earlier programmes, including assessments of deadweight, and based on the maximum support of 40 – 75 % of eligible cost, it is expected that the cost-effectiveness is satisfactory and that lower cost probably cannot be achieved. However, a more detailed breakdown on sub-sectors and investment types is needed in order to assess the cost-effectiveness of the individual investments.

Increased Value Added of Farming and Forestry Products

The total investment budget is 2,256,718,938 € (2,142,348,464 € in the latest NRDP version as of 18.04.2007) to be distributed to agricultural food processing and forestry industries. The support is given to cover costs for new equipment, machinery, biogas systems, new buildings and investments to comply with new standards (micro-enterprises).

The budget amount is to be distributed among the output target of 2.500 enterprises (projects), equal to almost 1 Million € per project. Maximum support rate per project is 2 Million €. The support will cover up to 50 % of eligible costs.

Based on the experiences collected from earlier programmes and because the public support amounts maximum 50 % of eligible cost, it is believed that the cost-effectiveness is satisfying and that a lower cost probably cannot be achieved.

Improving and developing the infrastructure, in connection with the development and adjustment of agriculture and forestry

The measure sheet indicates two types of public support: 100% form the eligible expenses (max. 1.mill – 1,5 mill €) for investments for public and private utility, which also serve the community; 60% form the eligible expenses (max. 0,6.mill – 0,75 mill €) for investments for private utility.

Due to the fact that the measure addresses infrastructure problems, this type of investments is rather expensive. It is unlikely that the expected results could be achieved at a lower cost.

Supporting semi-subsistence agricultural holdings

The measure sheet indicates the support payment as a flat rate of 1.500 € per year in five years. The quantified targets are only formulated on the output level, while no quantification is mentioned regarding potential results and impacts to be expected from the support. There is an adequate link between the funds allocated and expected outputs in terms of number of beneficiaries, which is logical. The quantification of results and impacts is more doubtful. We have indicated a success rate of only 5 pct. in terms of semi subsistence farms developing into commercial family farms. However, there is no basis for assessing whether the entering of 4.650 farms on the market could have been achieved in a more cost effective way.

Support for the establishment of producer groups

The total public budget is 311,490 million € to be distributed to the 1.359 expected producer groups to be established. This provides an overall average of 229.000 € for each producer group. Support is to be provided based on a percentage of sale turnovers using higher rates in the first years and for larger groups. There is no basis for precise assessment whether this is cost-effective, but support rates from 5 to 1.5 % seem very realistic.

Axis II measures

The measures under axis II are all area based measures where the support rate per hectare is derived from the regulation. Consequently the cost-effectiveness is given what concerns the output level, and no further comments are provided here.

Support for diversification into non-agricultural activities; support for business creation and development

The average public support/project values 134.510 €, which is lower than the maximum ceiling of 200.000 €/project. Depending on the type of investment this amount could be too high, but also insufficient, therefore it is difficult to estimate if the number of projects is realistic.

Encouragement of tourism activities

The average support, all kind of projects under this measure included, is 85 000 €. This amount seems rather high for small-scale projects (e.g.: sign boards) and is maybe underestimated for larger projects such as establishment of a camp site. Breakdown of output indicators on type of actions is necessary in order to appreciate the cost effectiveness.

If we analyze this indicator from the point of view of additional number of tourists (result indicator), an average of 1.5 more tourists attracted in the area for every type of action based on a public investment of 85 000 € is expected. This is equal to 56 663 € for attracting one tourist in a certain area. This is maybe rather high.

The average amount allocated per projects is about 84.000 €. We propose another quantification:

- Small scale infrastructure – max. 170.000 €/project
- Recreational infrastructure – max . 170.000 €/project
- Development/marketing of services for rural tourism – about 72.000 €/project

Village renewal and development, conservation and upgrading of the rural heritage

The average public support/project value is 1 mill. €, equal to the maximum ceiling of public support (€/project). Depending on the type of investment this amounts could be too high, but also insufficient, therefore is difficult to estimate if the results could be achieved at a lower cost.

Animation and skill acquisition for the drafting of the local development strategy

- The allocation of 50 €/participant seems unrealistic. It is hard to believe that it is possible to support different types of actions with only 50 €/participant.

Axis IV

The feasibility of Financial allocation on Axis IV is hard to judge in the absence on any previous experience. Additional information from other countries should be collected. Otherwise, the logic of the measures on axis IV and the strategy presented in RDP, which generate the volume of public support allocated appears to be realistic.

In general we find that the expected outputs and results will be generated with a good cost-effectiveness.

6.4 What are the expected impacts of the measures to be applied (social, economic and environmental)

The implementation of the measures financed from EAFRD will generate positive results and impacts in terms of:

- ✓ Competitiveness
- ✓ Acquisition of skills
- ✓ Job creation
- ✓ Increase of labour productivity
- ✓ Improve the living standards
- ✓ Diversification of rural economy
- ✓ Increase in GVA
- ✓ A better management of rural economy at local level

In this section will be described the results and impacts expected to be generated by the implementation of each measure.

Professional training and information activities, including the dissemination of new scientific knowledge and innovative practices for the employees in agriculture, food industry and forestry

- **Social Impacts:** the measure will improve the skills and knowledge of individuals involved in agriculture, food industry and forestry (workers, managers), which will upgrade the labour productivity and the competitiveness of farms and enterprises from agriculture, food industry and forestry.
- **Economic Impacts:** inputs in terms of specialised/technical knowledge will increase the labour productivity and the competitiveness of farms and enterprises from agriculture, food industry and forestry by developing practical and modern practice.
- This positive impact will take place only if the training and information activities will have a practical component (agri-food management practices, modern technologies, knowledge about project management etc.) and if after the training sessions and information activities the beneficiaries will continue to receive up-to-date information.

Setting up of young farmers in rural areas

- **Social Impacts:** setting up of young farmer in rural areas will modernize the agri-food business medium through a modern and flexible management brought out by a younger generation.
- **Economic Impacts:** a modern and flexible management leads to a better competitiveness of the economic agents from rural areas through innovations, up-to-date knowledge, continuous learning etc.

Early retirement of farmers and farm workers

- **Social Impacts:** the measure will lead to an increase of living standards of early retired farmers/farm workers.
- **Economic Impacts:** the transfer of farms from old farmers/farm workers to young farmers will help to create modern and competitive farms. Besides that, the dimensions of farms will increase contributing to a better competitiveness. In this way, the new farms, will be able to sustain investment projects leading to modernisation and diversification of farm activities

Use of agriculture consulting services by farmers and forest owners

- **Economic Impacts:** helping farmers and forest owners to use consulting services will lead a bigger rate of absorption of funds, due to the fact that most of the population from rural areas do not know how to administer an investment project/how to use the funds from EAFRD. Also, this measure will help them in the futures activities, in terms of management.

Modernisation of agricultural holdings

- **Social Impacts:** increase in living standards due to investments generating additional value.
- **Economic Impacts:** the measure will help Romanian farms to diversify and modernize their activity. The diversification and the modernization of production activities will increase the competitiveness of agricultural holdings. As a consequence of use of modern technologies, machineries and equipments, labour productivity will increase and new jobs will be created. In sum, the investments implemented through this measure will create additional value in terms of inputs (production practices, distribution etc) and outputs (production quality and quantity, market value of production)
- **Environmental Impacts:** investments in up-to – date technologies and in renewable energy will generate positive externalities in terms of environmental factors (less CO2 emissions, better management/use of natural factors etc.)

Increased Value Added of Farming and Forestry Products

- **Social Impacts:** increase in living standards due to investments generating additional value.
- **Economic Impacts:** the measure will help agri-food processors to diversify and modernize their activity. The diversification and the modernization of production activities will increase the competitiveness of the entire sector. As a consequence of use of modern technologies, machineries and equipments, labour productivity will increase and new jobs will be created. In sum, the investments implemented through this measure will create additional value in terms of inputs (production practices, distribution etc) and outputs (production quality and quantity, new products, market value of production).
- **Environmental Impacts:** investments in up-to – date technologies and in renewable energy will generate positive externalities in terms of environmental factors (less CO2 emissions, better management/use of natural factors etc.)

Improving and developing the infrastructure, in connection with the development and adjustment of agriculture and forestry

- **Social Impacts:** the measure will improve the quality of life in rural areas.
- **Economic Impacts:** the measure will improve the competitiveness of the agricultural holdings and forest owners helping them to reduce their costs (production and administrative costs) and to better organize their activities (supply, production, distribution etc.)

Supporting semi-subsistence agricultural holdings

- **Social Impacts:** the measure will lead to an increase of living standards of farmers if they will be able to create viable commercial farms.
- **Economic Impacts:** in order to transform semi-subsistence farms in commercial viable farms it is necessary that the beneficiaries of this measure to be able to support investments projects on other measures. This is likely to happen only if the farms will have a proper size, which could enable semi-subsistence farms to co-finance an investment project. Thus, the measure should support only semi-subsistence farms that have a viable development plan and which are able to invest in the modernization/diversification of activity.

Support for the establishment of producer groups

- **Social Impacts:** increase in living standards due to investments generating additional value.
- **Economic Impacts:** the measure will improve the competitiveness of agricultural sector through the economies of scale generated by the dimension of potential producer groups. It can be expected that the producer groups be more competitive than every single farm / semi-subsistence farm.

Support for diversification into non-agricultural activities; support for business creation and development

- **Social Impacts:** increase in living standards due to investments generating additional value and new jobs created.
- **Economic Impacts:** diversification into non-agricultural activities will generate additional value to the value created by agriculture. Also, it will generate new jobs which will improve the skills and knowledge in rural areas. It is known that an economic agent with a diversification activity it is more able to compete in the market due to the ability to cope with external shocks.

Encouragement of tourism activities

- **Social and Economic Impacts:** Increase in living standards due to investments generating additional value and new jobs created.

Village renewal and development, conservation and upgrading of the rural heritage

- **Social and Economic Impacts:** increase in living standards due to investments generating additional value and new jobs created.

Animation and skill acquisition for the drafting of the local development strategy

- **Social and Economic Impacts:** the measure will increase the local capacity with the purpose of implementing local development strategies and public-private partnerships (other than local action groups). This will lead to a better implementation of local strategies ensuring a more rapid development at local level.

Running the Local Action Groups, acquisition of skills and animation of the territory

- **Social and Economic Impacts:** the measures on axis IV will improve the local governance and will promote the local potential generating the following expected results:
 - Improve the competitiveness of the agriculture and forestry sector and also the quality of life and diversifying the rural economy
 - Encourage the innovative actions (for instance, new solutions for old problems, introducing and development of new products, new market systems, modernization of traditional activities by applying new technologies, etc.)
 - Involving the members of rural communities in the process of rural development

6.5 Expected impacts and their manifestation over time

In the NRDP were developed impact indicators at measure level (page 77-178), but only few of them are quantified. More information about the potential of the programme can be found in chapter 5, where the indicators relevant for each axis as a whole are represented. However, the indicators constructed in chapter 5 are unclear and we recommend that the text to the table is developed demonstrating how the logic of the table is constructed. We are informed that the table is constructed from the input side with the allocations per measures as point of departure. Unit costs per project/action is taken either from regulation or from experiences from the SAPARD programme, but the calculations on result and on impact level are not very well documented and justified in the text.

For example, for measure 111 were quantified impact and result indicators, but for measures 112, 113, 114, 121, 122, 125 these indicators were quantified at aggregate level (page 180). Why is this procedure followed and how? Measure 111 is relevant at least for all the measures from axis I. We agree that many measures contribute to the same impact level measured of the CMEF indicators. However it is a complex image to prepare and it is difficult to estimate the results and impacts on programme level based on the actions/projects under the individual measures. However we appreciate the attempt and ask only for a deeper explanation of the calculations.

In order for us to check the calculations in chapter 5, we have taken another approach. Based on the information from NIS, we have tried to quantify the GVA, Labor Productivity and Economic growth for every single measure and for the entire programme in order to have a better image of the results and impacts of the programme. See tables below.

Table 6.8 Baselines, selected indicators, NIS						
Year	I, M€	GVA	I/GVA, pct	Agri production, M€	Labour force, 000 persons	Labour productivity, €/FTE
2000	357	2542	14		3570	712
2001	583	4461	13	8328	3498	1275
2002	776	4913	16	9539	3011	1642
2003	1019	6524	16	12297	2884	2262
2004	1282	8988	14		2634	3412
Expected NRDP investment						
2007-13	12316	84935	14.5	148680	1700 (average)	7135 (average)

Table 6.9 Estimated GVA generated by EAFRD (2007-2013)				
Type of investment (Axis, measure)	Volume of investment (€)	GVA (€)	Average labour productivity (GVA/FTE)	Agri production programme
Axis I	5.875.228.361	40.518.816.283	3.404	71.090.263.168
111	119.019.359	820.823.166	68,96	1.440.134.244
112	238.038.718	1.641.646.331	137,91	2.880.268.488
113	79.346.239	547.215.441	45,97	960.089.492
114	158.692.479	1.094.430.890	91,94	1.920.178.996
121	1.348.886.070	9.302.662.552	781,51	16.321.521.447
122	360.664.724	2.487.342.924	208,96	4.364.043.160
123	2.142.348.464	14.774.816.993	1.241,23	25.922.416.414
125	634.769.915	4.377.723.552	367,77	7.680.715.972
141	595.096.795	4.104.115.828	344,79	7.200.671.220
142	198.365.598	1.368.038.607	114,93	2.400.223.736
Axis II	2.364.358.092	16.305.917.876	1.370	28.608.732.913
Axis III	2.814.345.468	19.409.279.090	1.631	34.053.580.163
312	1.060.238.816	7.311.991.834	614,28	12.828.889.674
313	176.228.322	1.215.367.738	102,10	2.132.362.696
322	1.565.508.877	10.796.612.945	907,02	18.942.657.412
341	12.369.453	85.306.572	7,17	149.670.381
Axis IV	260.448.520	1.796.196.690	151	3.151.427.092
41	202.057.841	1.393.502.352	117,07	2.444.899.876
421	5.498.828	37.922.952	3,19	66.535.819
431	52.891.851	364.771.386	30,64	639.991.397
	1.001.255.931	6.905.213.317	580	12.115.196.765
511	376.119.830	2.593.929.862	217,92	4.551.049.943
611	625.136.101	4.311.283.455	362,19	7.564.146.822
TOTAL	12.315.636.372	84.935.423.255	7.135	149.019.200.101

The latest developments recorded concerning core indicators are presented in the table 6.8. We see a very dramatic increase in investments from 2000 with 357 M€ to 2004 with almost 1,300 M€. These investments have influenced the GVA and the output from the agricultural sector. We can see from the table that in average investment of 100 € in the sector generates 1200 € in production output and 700 € in GVA. This relationship between investments and production and GVA is stable per year for the period. Parallel to the developments in investments, the number of employees in the sector is going down from 3.6 million in 2000 to 2.6 million in 2004. This tendency is representing an average yearly reduction of 8 pct. With increased GVA, we will get an increase in labour productivity from 712 €/FTE in 2000 to 3,412 €/FTE in 2004. The annual growth in labour productivity is 18.29 pct.

We are aware that many other factors influence the employment situation in agriculture, and that the link between investments and jobs is not as dramatic as indicated here. However, under all circumstances, the link between investments and production, GVA and labour productivity can be used to estimate the expected impacts of the investments under the NRDP programme period 2007 –2013.

The total investment under the programme is expected to be 12.316 M€. With these investments we will generate a production in the sector of total almost 150.000 M€ during the programme period or a GVA of 85.000 M€. This production will be made possible with only 1.7 million jobs in average per year from 2007 to 2013, and at the end of the period we will have only 1.5 million jobs left out of estimated 2.3 million jobs in 2006 and factual 2.6 million in 2004. This is based on the precondition that only labour productivity increases, while we see no dramatic contributions to the total factor productivity from capital input beyond the effects on labour productivity. Labour productivity will increase to 9,000 €/FTE by the end of the period from 3,400 € in 2004. Average labour productivity will be 5,000 € / FTE.

Compared to the year 2003, the agricultural production will increase from 12,300 M€ to 21,240 M€ (average annual growth = 18 pct) and GVA will increase from 8,988 M€ in 2004 to 12,134 M € in 2007 (average annual growth 12 pct).

This is only the programme effect. Investments outside the programme might also play a role, but the NRDP support combined with private co-financing will probably cover the majority of investments in the sector.

The contribution to the growth in the key indicators is made as a combination of the allocations on the measures under the programme. In the table 6.9 it is demonstrated how each measure will contribute depending on the volume of resources allocated to the measure. We have made the assumption that each € allocated to each measure contributes with the same impacts. This is not the case in real life, but is here used as a simplification. Changed weight in the contribution from some measures can be made, but the total figure should not be changed, as the basic assumption is the relationship between investments and impacts from the 2000 to 2004 period.

One dramatic consequence is the loss of jobs. There is no doubt that job losses will come due to the restructuring and modernization of the sector taking pace these years and being intensified during the coming programme period, but some jobs will also be generated. From SAPARD we know that investments under measure 1.1 provided 50 jobs form 1 million €, measure 3.1 did give us 25 jobs per million € and diversification gave us 20 jobs per million € in total investment costs.

If we use these data as reference, we will create new jobs under the measures 121, 123 and 312 and 313 and 322 follows:

Table 6.10: Job generation effects

Jobs			
Measure code	Investments, million €	SAPARD experience, jobs per 1 million €	Number of jobs expected
121	1349	25	33725
123	2142	50	107100
312	1060	20	21200
313	176	20	3520
322	1566	5	7830
Total	6293	n.a.	173375

Additional net value added measures in Purchasing Power Standards (PPS) are here estimated to be 80 pct of the increase in GVA, which from 2004 to the 2007-2013 average is 3146 M€. The yearly additional net value added measured in € is 2,517 M € equal to 8,334 M RON, calculated with the official exchange rate between RON and €. With the official €stat conversation rate of 1.65901 between RON and PPS, the additional net value added measured in PPS is 5,024 million PPS per year in the programme period in average.

If not all measures contribute as productive measures the impacts will be lower. If we base our calculations only on measures with private contributions, the total investment volume is not 12,316 M € but only 7,158 M € or 58 pct of the total investment envelope. Consequently the impacts will be lower. For agri production we will see an average increase on 11 pct from 2003 to 2007 equal to a growth from 12300 M€ to 17500 M€. For GVA it will be down to an annual increase on 7 pct from 8988 M€ to 10817 M€ and labour productivity growth will be down from 18 pct to 11 pct.

A comparison to the expected impacts included in the NRDP shows a rather large compliance between our calculations and the expected impacts inserted in the NRDP.

We have in chapter 5 of the NRDP the expected impacts of the programme implementation as follows:

- GVA increase at beneficiary level: 3.5 pct
- GVA increase holdings: 1,112 M € (measures 112,113,114,121,122,125)
- GVA increase processing: 248 M € (measure 123)
- Axis 1 Net additional value added, PPS: 1,088 (not understood)
- Labour productivity: 8 pct.
- Jobs: 74,982 (in processing measure 123)
- Viable farms: 80 pct of supported = 2.3 pct of total semisubs.
- GVA increase: 120 M € (measure 311,312,313)
- Jobs created: 36062
- Axis 3 Net additional value added PPS: 96.2 (not understood)
- Jobs village renewal: 12525

Concerning GVA growth:

The NRDP expects growth in GVA of totally 1.48 M €, where we have 1.829 M € and a growth rate of 7 pct. against the NRDP 3.5 pct (for agricultural measures).

Labour productivity is in our calculation up with 11 pct, and in the NRDP it is 8 pct.

We cannot compare the PPS calculations in the NRDP, as they are not clear to us from the table in the NRDP.

Concerning jobs:

The NRDP has an effect of 124.000 jobs while our expectations are higher = 175.000 jobs. In total the expectations for job generation are rather low compared to the need for jobs. Between 125000 and 175000 jobs created or safe guarded is not much compared with the loss of jobs envisaged from 2.6 million in 2004 down to 1.5 million in 2013.

Concerning number of farms viable. Too high a share of supported semi subsistence farms will make it to be commercial farms. 80 pct is too high, in our opinion. Depending on the size of the farms (in ESU) it will increase, the bigger farms are supported, and go down if 2-6 ESU size farms are supported. We recommend the share of successful farms be reduced.

Environmental impacts

The evaluation of environmental effects generated of the NRDP implementation is presented in the separate Strategic Environmental Assessment report (SEA). Here we have inserted a core table from the SEA report describing the effects of the interventions under the programme in relation to main environmental objectives. The non-technical summary of the SEA report is inserted as chapter 11 of this report.

The conclusion of the evaluation is that premises exist for the NRDP implementation to contribute to reaching most of the relevant environment objectives. The effect of NRDP implementation is mostly positive.

Table 6.11 Environmental impacts of the NRDP

Relevant environment objectives	Cumulative evaluation of effects	Are there premises for reaching the objective ?
<i>Diminution of air polluting emissions</i>	<p>This is the relevant environment objective, which is the most affected by the implementation of the program. The negative cumulated value of the impact is due to the large volume of construction works (mostly infrastructure). There are two important elements in relation to the analysis of this negative impact upon the air:</p> <ul style="list-style-type: none"> • The emissions generated by these works will have <u>a local character</u> (at the level of the investment area) and <u>a low duration</u> (during the period of construction works); • These emissions in the air represent the small necessary negative impact for generating a significant positive effect upon the ground water, soil and surface 	<p>No – on short term (2007 – 2013);</p> <p>Yes – on long term (> 2013).</p>

	<p>water quality (due to building up / extension / rehabilitation of water supply and sewerage networks and waste disposal facilities);</p> <ul style="list-style-type: none"> • On long term the effect of infrastructure building works upon the air quality will be positive by the diminution of emissions characteristic to the exhaust gases and of the emission of particles due to the improvement of traffic conditions. 	
<i>Limiting the level of spot and diffuse pollution of water</i>	<p>NRDP implementation will have a considerable positive effect upon underground and surface water quality. This is mostly due to:</p> <ul style="list-style-type: none"> • Support to extension of sewerage networks; • Direct or indirect activities related to the diminution of the amount of fertilizers applied in agriculture; • Support to revamping and equipment of the processing units of agricultural and forestry products 	Yes
<i>Limiting the level of spot and diffuse pollution of soil</i>	<p>PNDR implementation will considerably contribute to limiting the pollution level of soils in rural areas. This will be achieved by:</p> <ul style="list-style-type: none"> • Limiting the use of fertilizers and pesticides in agriculture; • Creating the facilities for a better waste collection and storage; • Extension of sewerage networks. 	Yes
<i>Soil protection against wind and water erosion</i>	<p>We estimate that the carrying out of the activities stipulated in the NRDP will greatly contribute to limiting the soil erosion phenomena. We mainly have in view:</p> <ul style="list-style-type: none"> • Support provided to the continuous use of agricultural land; • Afforestation of agricultural and non-agricultural land areas; • Establishment of green crops and of buffer strips (agro-environmental measure) 	Yes
<i>Diminution of glasshouse gas emissions</i>	<p>For this environment objective an important component was quantified with negative impact. The benefits (positive impact) of program implementation are much more consistent and have a long-term effect.</p>	<p>No – on short term (2007 – 2013);</p> <p>Yes – on long term (> 2013).</p>
<i>Increase of the level of glasshouse gas absorption and stocking</i>	<p>NRDP will bring an important contribution to reaching this relevant environment objective by the support provided to the increase of areas under forests and rehabilitation of forestland areas.</p>	Yes
<i>Maintaining the high natural value of</i>	<p>The program will have a positive impact upon the maintenance of the natural value of</p>	Yes

<i>agricultural land</i>	agricultural land areas by their permanent utilization and compensation of losses due to the application of agricultural production methods compatible with environment protection.	
<i>Ensuring a favourable condition of habitat and wild flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>	The cumulated effect of NRDP implementation is mostly positive. The limitation of anthropic pressure, the increase of areas under forests, maintaining the habitats of species associated to cultivated crops represent important elements in ensuring favourable conditions for the conservation of wild species. The negative effect was due to the infrastructure works that can contribute to the extension of the habitat fragmentation. This negative effect may be reduced by considering those aspects in the designing stage of the respective works. It should be also reminded that for this objective we discuss about potential cross-border positive effects.	
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	NRDP will represent an extremely useful tool for the protected areas management. We have in view here the indirect mechanisms (compensatory payments) that can produce direct positive effects by limiting the anthropic pressure upon the natural components, as well as the direct measures that envisage reforestation actions on the Natura 2000 sites.	Yes
<i>Maintaining the ecologic functions of rivers (Framework Directive Water)</i>	One of the most significant contributions brought by NRDP is the protection and maintenance of the ecologic functions of rivers. This will be achieved by: <ul style="list-style-type: none"> • Diminution of nutrients and other pollutants entries from the farming activities by limiting the use of chemicals; • Limiting the entries of used waters by building up and extension of sewerage networks. • The agro-environmental measures that will contribute to biodiversity protection and increase on the river banks; • Increase of areas under forests with an important role in regulating the hydrological regime. 	
<i>Increasing population's protection against natural risks</i>	NRDP will contribute to the increase of rural population's protection against natural risks both through measures with impact upon the hydrological regime (e.g. increase of the land areas under forests and by prevention works in relation to these phenomena (e.g. rectification of torrents in the forests, fire protection measures).	Yes
<i>Maintaining the agricultural activities in</i>	Two-thirds of the measures stipulated in NRDP directly or indirectly target the maintenance of	Yes

<i>the countryside by encouraging the utilization of traditional practices</i>	farming activities in the rural areas. The use of traditional practices is also encouraged as a measure for limiting the anthropic impact upon high natural value land areas or land areas located within the sites proposed for Natura 2000 network.	
<i>Ensuring the protection of natural and cultural landscape by the revitalization of degraded areas</i>	Measures are envisaged with a direct impact upon the natural and / or cultural landscape (afforestation, use of abandoned land, set-up of historical centers of the localities) as well as with an indirect impact (e.g. maintenance of agricultural land use).	Yes
<i>Diminution of waste production, increase of waste collection, increase of waste utilization level</i>	The impact upon this objective is mostly positive and is due to the support to revamping activities and investments for a better waste management at enterprise level, on one hand, and to the investments on waste storage platforms on the other hand.	Yes
<i>Facilitating the use of renewable resources</i>	The direct positive impact is ensured by the support to the establishment / operation of forests as bioenergy source. In the second place, support is provided to the establishment of biofuel crops.	Yes
<i>Improving the utilization efficiency of energy sources</i>	NRDP will have a positive impact upon this environment objective through: <ul style="list-style-type: none"> • Direct investments in equipment / revamping of economic activities in the rural areas for energy consumption efficiency increase; • Measures are also envisaged for the stimulating the use of alternative energy sources. 	Yes
<i>Improving the health condition of the rural population</i>	The main contribution to the improvement of people's health will come from: <ul style="list-style-type: none"> The increase of access to drinking water (extension of water supply networks); Diminution of soil and underground water pollution by the extension of sewerage networks and limiting the use of chemicals in agriculture; Increase of work safety for farmers and forest operators or for the employees in the processing sector; A better waste management in the rural area (collection and storage). 	Yes
<i>Transport infrastructure modernization in rural areas</i>	The positive effect upon this relevant environment objective is given by the investments envisaged for building up inter- and intra-communal roads as well as for the procurement of new vehicles for the agricultural and social activities.	Yes
<i>Promoting the rural areas through sustainable tourism activities, mainly</i>	NRDP will have a positive effect upon sustainable tourism development. This is due to investments foreseen to support the tourism	Yes

<i>by encouraging agro-tourism</i>	activities as well as to the investments for the development of the tourism potential of rural areas and the related infrastructure.	
<i>Improvement of pro-active behaviour by encouraging sustainable agricultural practices</i>	This objective sums up the most contributions for a positive impact. This fact is due in the first place to the important component foreseen under the program to support the training and information activities, vocational training included.	Yes

6.6 Potential conflicts between impacts

Agriculture, food industry and forestry sector have always caused negative externalities in terms of degradation of the environment and nature (decrease in biodiversity, pollution of ground and surface waters, soil erosion, overexploitation of resources)

Economic development of rural areas can lead to negative impacts in terms job loss, caused by the increase in labour productivity and technological changes.

In developed economies agriculture has a very low contribution to GDP or GVA and this is the tendency for Romania. Nevertheless, the potential of Romanian agriculture have to be stimulated and supported in the same time with the application of measures which sustain the development of rural economy structure (agricultural production and services, non-agricultural production and services)

Allocation of funds between axis and within axis reflects such conflicts between impacts. On axis I were allocated 47,7% of funds, on axis II 19,2% and on axis III 22,85%. It can appear that the competitiveness is favoured in detriment of environment protection and quality of life in rural areas. But, the economic adjustments and development will increase the living standards and social and environmental responsibility.

6.7 Who are affected of the programme?

The programme aim to support the development of rural areas, in terms of social, environment and economic development. In order to fulfill this aim, the targeted beneficiaries of the programme are individuals, private enterprises and public institutions.

The following paragraph describes the beneficiaries for each measure and the people affected by the investments made on each measure.

Professional training and information activities, including the dissemination of new scientific knowledge and innovative practices for the employees in agriculture, food industry and forestry

- The providers of the vocational training (public and private institutes).
- The final beneficiaries: adult people engaged in the agricultural, forestry (including forest holders) sectors and food industry.

Setting up of young farmers in rural areas

- Persons under 40, who are setting up for the first time on an agricultural holding as head of the holding and who submit a development plan for the farming activities.,
- Persons possessing or making a commitment to acquire relevant vocational skills,

Early retirement of farmers and farm workers

- **Farmers** who fulfil the following conditions:
 - are owners and/or tenant farmers, heads of agricultural holdings
 - are not younger than 55 years old but not yet of normal retirement age at the time of transfer or not more than 10 years younger than the normal retirement age in Romania at the time of the transfer;
 - have practiced farming for the 10 years preceding transfer;
 - transfers the holding to a young farmer or other person
 - decide to stop all farming activity definitively except for self-consumption activities;
 - do not beneficieate and will never beneficieate of any type of support granted by the measures of the NRDP or direct payments.
- **Farm workers** who fulfil the following conditions:
 - are not younger than 55 years old, but not yet of normal retirement age at the time of transfer or 10 years younger than the normal retirement age in Romania (60 years for women and 65 years for men) at the time of the transfer;
 - have devoted at least half of their working time to farm work, during the preceding five years, as a family helper or farm worker;
 - have worked on the transferor's agricultural holding for at least the equivalent of two years full-time during the four-year period preceding the early retirement of the transferor;
 - are not engaged anymore in any remunerated activity;
 - belong to a social security scheme.

Use of agriculture consulting services by farmers and forest owners

- **For the 2007-2009 period:** Selected public institutions and private bodies which provide agricultural and forest advisory and consultancy services, including the forest holders.
- **For the 2010-2013 period:** Farmers and other persons engaged in the agricultural and forestry sectors.

Modernisation of agricultural holdings

- Agricultural producers
 - authorised natural persons,
 - authorised family associations and legal entities, settled up according to the legislation in force.

Improving the economic value of the forests

- Forest owners/holders or their associations, communes, towns, municipalities which have forests in their possession or the associations set up by municipalities.

- State-owned forests are excluded from financing.

Increased Value Added of Farming and Forestry Products

- For agricultural products:
 - Micro, small and medium enterprises – defined in compliance with Recommendation (EC) no. 361/2003
 - Other enterprises which are not micro, small and medium enterprises, defined in compliance with Article 28 of Regulation (EC) no.1698/2005, with less than 750 employees and with a turnover of less than 200 million EUR
- For forest products
 - Micro-enterprises - defined in compliance with Recommendation (EC) no. 361/2003, with less than 10 employees and with a turnover of less than 2 million EUR.

Improving and developing the infrastructure, in connection with the development and adjustment of agriculture and forestry

- Private natural persons and legal entities and their associations, agricultural and forest land owners/holders, established in accordance with the legislation in force;
- Local councils and their associations;
- Administrators of the state forest fund.

Supporting semi-subsistence agricultural holdings

- Semi-subsistence farms (holding which produces for self-consumption and also markets a part of its output and has an economic size between 2-16 ESU). It is unlikely that the farms under 6 ESU will be able to support an investment project. Further consideration is required.

Support for the establishment of producer groups

- Producer groups officially recognised until the 31st of December 2013, in accordance with the provisions of the legislation in force.

Support for diversification into non-agricultural activities; support for business creation and development

- Members of rural households (i.e. natural authorised persons and their associations or legal entities and their associations, which are registered in the Agricultural Register and perform agricultural activities when they apply for support);
- Micro-enterprises as defined by the legislation in force (enterprises which employ fewer than 10 persons and whose total does not exceed 2 million EUR);

Encouragement of tourism activities

- The local councils and their associations (as defined in the legislation in force)
- Non governmental organisations (NGOs)

Village renewal and development, conservation and upgrading of the rural heritage

- The Local Councils and their associations (according to the legislation in force) for all four types of actions
- Natural persons, legal entities, NGOs, cultural institutions and churches for the following investments:
 - a) Studies and investments for protecting the cultural patrimony of local interest (e.g. the cultural features of villages)
 - b) Investments for improving the basic services for the rural population

Animation and skill acquisition for the drafting of the local development strategy

- Rural population
- Local councils from rural areas
- Civil society involved in rural areas
- Rural legal entities

Running the Local Action Groups, acquisition of skills and animation of the territory

- Local Action Groups with the following structure
 - Public
 - Public administration (at local and county level – city halls, local, county councils, etc.)
 - Public services (social services, services for transportation and health, schools, universities, etc.)
 - Private
 - Commercial sector (joint-stock companies, limited liability companies)
 - Financial sector (banks, credit institutions)
 - Agricultural sector (agricultural cooperatives, producers groups, etc.)
 - Organisations of entrepreneurs
 - Companies providing community services (cultural, radio, TV, non cultural services)
 - Civil society
 - non-profit organisations, associations, foundations, federations (associations for environment, cultural, social, religious associations, chambers of commerce, cult units, etc)
 - natural persons, groups of persons not registered officially

At the decision-making level within the LAG, private and NGOs representatives shall account for more than 50%, while public representation shall account for less than 50%.

7. Added value of Community involvement including state aid

According to the EC regulation 1698/2005 the NRDP and the NSP must to ensure coordination with other common agricultural policy instruments, the EAFDR, the ESF, the CF, the Community support instrument for fisheries and the EIB.

The submitted NRDP draft for Romania is clearly complementary to other EU interventions under the structural funds. The overall objectives of the NRDP are in line with the EC Regulation 1698/2005 and it is in principle in compliance with the CSG outlining the general principles of assistance. This complementarity and conformity is spelled out in the NSP in general terms.

From our assessment of the individual measures it is clear that the demarcation lines are not clearly indicated, and it is not clear to us, whether the demarcation lines actually are prepared making it possible for the potential beneficiary to see where to apply for a specific project, either in the NRDP or in other programmes. We recommend an enhancement of the demarcation lines in the NRDP as such and in the description of the measures.

7.1 RDP consistency with other segments of agricultural policy

Consistency with CAP Pillar I

The objectives of the CAP pillar 1 are to provide for a standard level of competitiveness in Romanian agriculture and to contribute to a more sustainable agricultural sector. The NRDP is supplementary to these payments and contributes to a great extent to higher effectiveness of the Common Agricultural Policy, mainly by means of measures for improving the quality of agricultural production, improving marketing, higher productivity, better management and other results.

It is a strong synergy between Axis 1 and Axis 2: Training and advice provided to the farmers and adult persons dealing with agricultural, food and forestry matters as regards environmental protection are related and linked to the respect of farm standards, pro-environment land management projects, and high quality food and environment protection.

7.2 NRDP consistency with other policies and instruments

Consistency with Complementary National Direct Payments

The main objective of the Complementary National Direct Payments is the agriculture restructuring and farming development in a balanced way, and to respect PAC objective of production decoupling and market orientation in farmer's behaviour. The direct payments are made in accordance of art. 42 (5) and 69 in Regulation (CE) nr. 1782/2003. According to the allocation of the CNDP aggregate envelope the maximal amount to grant per hectare.

- Romania has opted for the simplified area payment scheme SAPS for a period of 3 years, with the possibility of a 2-year extension, based on the Commission agreement. In the meantime, Romania will perfect its Integrated Administration and Control System, so as to be able to answer the EU requirements;

- To compensate the 10 - year period impact generated by the gradual implementation of direct payments, Romania has decided to supplement the direct payments granted under SAPS with complementary national direct payments – CNDP;
- For the animal-breeding sector, the CNDP will be financed 100% from the national budget.
- The CNDP amounts will be allocated to sectors playing a significant role in Romanian agriculture and that need to be supported according to the provisions indicated in the NSP, without prejudice to the interests of the Common Agricultural Policy.
- For the **vegetal sector – decoupled payments on area provisioned** will be financed from the national budget and from the National Rural Development Plan (20% co-financing). All Romanian direct payments from the vegetal sector are in compliance with I.A.C.S – implemented by Payment Intervention Agency for Agriculture.
- For **animal breeding sector** the premiums are fully decoupled of production. The policy target: bovines for the milk quota production, bovines for improving the veal and beef production, and the sheep and goat sector for the traditional products and livestock improvement. For bovines the policy target (1) premium for slaughtering – article 130 – EC Regulation 1782/2003; (2) special premium for bovines – article 123 - EC Regulation 1782/2003; (3) extensification premium – article 132 – EC Regulation 1782/2003 ; (4) suckler cows premium – article 125 – EC Regulation 1782/2003 ; (5) dairy premium – article 95 – EC Regulation 1782/2003 and additional dairy premium. Sheep and goats are defined in accordance with art. 112 of Council Regulation 1782/2003. Sheep and goats premium are defined in accordance with art. 112 of Council Regulation 1782/2003, and the objectives are target the incentives for meat production and traditional production and for livestock improvement.

Cohesion and Structural Funds

The section regarding “cohesion fund - objective and priorities” explains and demonstrates the connection and coordination with other funds. The demarcation lines between the NSP/NRDP and the EU Cohesion policy and Structural Funds are better described.

7.3 Assessment of state aid and competition rules provisions

Article 16(g) of the Council Regulation EC/1698/2005 spells out that the Rural development plan should contain “the elements needed for the appraisal under competition rules and, when applicable, the list of aid schemes authorised under Articles 87, 88 and 89 of the Treaty to be used for the implementation of the programmes”.

The basic principle of the European Community is to support the system of free and undistorted competition. Common policy in relation to state aid tries to make sure that the free competition is ensured as well as an efficient allocation of resources and the utility of the international commitments of the European Union.

State aid rules in the agricultural sector are based on different perspective (1) the agricultural state aid rules follow the principles of the EU competition policy. State aid rules within the agricultural sector have furthermore to be coherent with the common agricultural and rural development policies in EU.(2) The state aid rules have to be compatible with the Community’s international obligations, in particular the agreement on agriculture decided in WTO.

The NRDP contain explicit reference to the state aid and competition rules, but no list of authorised aid schemes is appended to the programme. If state aid schemes are planned, this should then be notified and justified.

As for the **competition rules**, the regulation sets out maximum levels of payments per hectare for various types of actions. The design of the measures must be in line with these maximum levels of payments, but there are possibilities to supplement the payments with state aid, if it can be justified. Notification needs to demonstrate that payment increase is legitimate and not a breach of the competition rules.

State aid must make a real contribution to the development of certain economic activities or certain regions, in accordance with the Court of Justice principles. State aid, which improve the financial situation of the recipient, without any counterpart from the beneficiary, can never be considered compatible with the EC Treaty.

State aids on agriculture are including aid measures financed by para fiscal taxes, granted for activities related to the production, processing and marketing of agricultural products.

8. Monitoring and evaluation

8.1 Assessment of programme implementation and administrative setup

8.1.1 Administrative setup

In conformity with requirements of EC regulation 1698/2005, an administrative system has been set up and it is described in chapters 11 and 12 of the NRDP. The system is based on existing structures of the MAFRD, including the Paying Agency for Rural Development and Fishery (PARDF - former SAPARD Agency), the Paying and Intervention Agency for Agriculture (PIAA) and the Directorate General for Forest Development and Property Consolidation (DGFDP). Although that experience from previous SAPARD Programme has been taken into consideration, we believe that high attention should be paid to the measures for which tasks delegated by the Managing Authority (MA) to PARDF are delegated by PARDF to PIAA and DGFDP.

As learned from the previous SAPARD Programme, delegation of tasks can induce delay in financial application and payment request processing. In order to avoid non-performance in regard of beneficiary's expectation, controls done by MA and PARDF on tasks performed by PIAA and DGFDP should be very well procedural defined from point of view of document processing timing.

Before launching the new NRDP, the MA should have insurance that PARDF, PIAA and DGFDP has prepared and simulated the IT based implementation system, and that all necessary procedures are applicable, functional and well defined.

In the implementation system, The MAFRD will play the role of MA, responsible for implementing and managing the Programme, having delegated task for all measures, excepting 111, 114, 511 and the selection of LAG, to the accredited Paying Agency - PARDF. PARDF, responsible for the paying function will perform day-to-day NRDP implementation task, including call for applications, projects selection and approval, controls, for all measures excepting:

- control tasks of good agricultural and environmental conditions (GAEC) and the surfaces measurement for the Agri-environmental schemes – delegated to PIAA
- all the implementing and paying tasks for the Less Favoured Areas schemes – delegated to PIAA
- control tasks of the good agricultural and environmental conditions (GAEC) and the surfaces measurement for the forestry measures of Axis 2 – delegated to PIAA
- assessment of the application forms and the on the spot control regarding the specific requirements for the forestry measures of Axis 2 – delegated to DGFDP

Regarding the implementation the measures of Axe 4 – LEADER measures, due to the fact that there is a lack of experience in Romania for this issue, 120 local experts had been selected in order to be trained. When the 80 LAG's will be selected by the MA the responsibility of project selection will be given to them, eligibility checking, approval, implementation of payments being the responsibility of PARDF.

From point of view of the territorial representativeness of the implementing administrative structures, we have the following situation:

- MA – national level and represented at county level by Agriculture and Rural Development Directorates
- PARDF – national, regional and county level
- PIAA – national and county level

- DGFDPC – national level and represented at county level by Territorial Inspectorates for Forestry Regime and Hunting

In order to simplify the fund accession it is important to limit as much as possible the contact of the potential beneficiaries and beneficiaries with the national and regional administrative structures. It is recommended that financial and payment requests are to be submitted at the county level. It is also recommended that all correspondence with beneficiaries to be done by county level, national and regional level should take place between the beneficiaries and the county level. If this is already provided in the established procedures, it could be useful to mention it in the administrative chapter.

In order to have more information regarding the efficiency of the proposed implementation system, it would be recommended also to describe in chapter 11 of the NRDP the call of proposal organisation and the evaluation/processing envisaged time for each type of application.

According to the provision of Article 74 of Council Regulation (EC) no. 1698/2005 regarding the support for rural development granted through EAFRD, in order to ensure that the European Community's financial interest are protected in an efficient manner, Romania has set up also a Certifying Body. The Certifying Body is represented by the Audit Authority, set up within the Romanian Court of Accounts and is responsible for certifying the truthfulness, completeness, and accuracy of the accredited Paying Agency's.

The coordination of both paying agencies PARDF and PIAA is ensured by a Coordinating Body. The Coordination Body is within PARDF, the Directorate for Coordinating the Paying Agencies and is acting as a sole correspondent with the European Commission. Although that it is mentioned that the attributions of the Directorate for Coordinating the Paying Agencies are exercised independently from all the Romanian institutions involved in the implementation of the CAP, as well as from their management, at page 208 the Directorate is represented as *subordinated* to the general manager of PARDF.

In order to avoid confusion, if the procedure of the Coordinating Body mentions that the management of PARDF do not interfere at all in its activity, some details could be added to chapter 11.

A Competent Authority was set up as an MAFRD Unit and is directly subordinated to the Minister of Agriculture being responsible for transmitting, to the Commission, the Accrediting Certificate for PARDF, PIAA and for the Coordinating Body, as well as the documents describing its functions according to Article 8.1 (a)(i) and (ii) of Council regulation (EC) no. 1290/2005. In the administrative chapter are the tasks of the Competent Authority described, but no information are provided regarding the legal framework for its functioning.

In order to ensure the readiness of the Competent Authority to perform the required tasks, more details are recommended provided in chapter 11, as is done for all the others bodies.

8.2 Monitoring and evaluation system

A description of the monitoring and evaluation system is made in chapter 12 of NPRD. The general description is in accordance with requirements of Council regulation (EC) no. 1698/2005. Previous experience from SAPARD Programme is taken in to consideration. The system proposed is similar to the previous: PARDF being in charge to collect data/indicators from projects and beneficiaries, monitoring the progress of programme implementation. For

carrying out this task in good condition it is very important to collect and process all the necessary data in due time and in the right form.

In order to have the necessary relevant information, the content of financial application/payment request forms and monitoring questionnaires should be in accordance with monitoring needs, following all the categories of indicators established in plan and in strategy.

As for the moment the IT system is not finalized, attention should be paid to its design, in order to permit data collection for all implementation levels and bodies and to be able to automatically generate different type of reports. An application could be developed also for beneficiaries, to allow them to submit monitoring data in electronically form.

Generally, for each axes and measures are established context and horizontal indicators for measuring financial allocation, outputs, results and programme impact. A methodology was established and used in order to determine indicators, where national statistic sources were not available.

In order to be able to correctly measure the result/impact of the programme, it is necessary to follow the same methodology during implementation period, to have comparable figures.

Regarding the reporting system, we consider that it is in accordance with Council regulation (EC) no. 1698/2005, including all necessary annual and strategic evaluation reports.

Programme evaluations will be done under the responsibility of MA and will examine the degree of resource utilization, the effectiveness and efficiency of the EAFRD programming, its socio-economic impact as well as its impact on the Community priorities. The evaluations will be performed by evaluators, independent from all institutions involved in the implementation of the Romanian NRDP, selected through a public tendering procedure.

8.3 Information plan

In accordance with Council regulation (EC) no. 1698/2005, an Information /communication Plan was prepared by MA and PARDF. The plan was done based on previous experience gained through SAPARD Programme and will in the future be correlated with communication plans for structural funds, in order to improve the synergy between programmes financed by community funds.

The Information Plan addresses both public and private beneficiaries and will be implemented using different media, including information letters to potential beneficiaries.

In order to obtain maximum results, the plan will be improved based on implementation results, upon proposal presentation to the Monitoring Committee.

As observed from previous SAPARD Programme, there is a need to have very good structure of the information and a coherent approach in the entire country. County level implementation structures should be prepared to give more support in publicity issues. It is considered opportune to develop more the specific skills of county experts in order to improve the contact with beneficiaries/potential beneficiaries, to advise them on Programme opportunities in the context of agri-business environment development at county, national and European level.

For the LEADER axis and for the training programme, information regarding financing support will be provided also by contracting authorities or training providers. In order to ensure the transparency of funds, special actions are established for public, not beneficiaries of the programme.

8.4 Administrative set-up and implementation at measure level

Experience gained on previous programmes represent a major advantage, if used, for the results of the implementation of NRDP programme. We can benefit from the previous experience for almost all the measures in the current programme. The assessment regarding the administrative set-up including eligibility criteria and selection criteria of the current measures can be found in the box below, extracted from our working paper on Measure sheet evaluation, April 2007.

Professional training and information activities, including the dissemination of new scientific knowledge and innovative practices for the employees in agriculture, food industry and forestry

Previous programme experience is taken into consideration at least in terms of budgeting. The unit cost of the output is evaluated to 1200€ / participant/year for 10 training days. We can compare this cost with the average cost/participant/day of the SAPARD Programme (between 70-115€/participant/day for the different training projects). The low effectiveness of the previous training programme could be avoided by an early opening of the measure.

The projects under this measure are not profit investments and training organisations are mostly short budget or even non-profit institutions. The measure requires relatively high investments from training providers during the project, which represents a problem for many high quality training providers. There is a need to base financing of training and educative activities on pre-payment principles.

The measure mentions only the general eligible beneficiaries. No any selection criteria are provided. We notice a certain hesitation in clearly defining the beneficiaries of this measure. We also notice the use of the expression “public and private authorities” (see sub point “beneficiary” and sub point “Definition of bodies providing the training and information actions”. Maybe the expression “public authorities and private entities” will be more appropriate. It is specified that more specific themes and requirements will be specified in the documents of the invitation to tender.

No bottlenecks have been identified expected to interfere in the implementation of the measure.

Eligibility criteria are described at a general level. Nothing about selection criteria. But, in this way the criteria mentioned appear to be flexible, which is of a great importance for the success of the measure. The more easily the active rural population can apply the training programme, the better the objectives targeted through the programme/measure will be reached

Setting up of young farmers in rural areas

There are no analogous previous EU programmes, but other national programmes for young people should be taken into account.

No bottlenecks have been identified in the measure sheet and there is no indication that the measure will be hampered by bottleneck problems of any kind.

Eligibility and selection criteria are adequately described. The criteria are adequate concerning the assessment part and they are in accordance with regulation 1698/2005. The selection criteria are

coherent with the overall objectives of the programme, One issue could be clarified. The support is linked to the preparation of a business plan describing how the farm will be modernized using measures such as Modernization of Agricultural holdings, measure 121. It is however not clear, how the support should be used. Is the support meant for investments under measure 1.21 in accordance with the scope of actions? If yes, this could be made more explicit underlining the need for the young farmer to provide private co-financing supplementary to the support under the measure.

Early retirement of farmers and farm workers

No previous experience has been taken into account in the content of the measure.

No bottlenecks have been identified in the measure sheet and there are no indications that the measure will be hampered by bottleneck problems of any kind.

Eligibility and selection criteria are clearly described for each category of targeted beneficiaries. The criteria are adequate as far as the assessment is concerned and it is in accordance with regulation 1698/2005. The selection criteria are coherent with the overall objectives of the programme.

Use of agriculture consulting services by farmers and forest owners

Eligibility and selection criteria are generally described. A more detailed presentation will be made through national legislation. Definition of beneficiaries for the period 2010-2013 only includes farmers and other persons. Are legal entities not eligible?

As regarding bottlenecks, information from World Bank project could be useful to avoid bottlenecks.

The measure has not developed eligibility and selection criteria and these needs to be developed. Interdisciplinary approach of the training programs can better contribute to improve the feasibility of the whole program. Experience of other countries which had in the past similar problems will be useful. Case-studies and visits can also help the effectiveness.

Modernisation of agricultural holdings

We have no doubts that lessons were learned regarding the administrative set-up and implementation, due to the comprehensive experiences collected through the SAPARD Programme, although this is not described explicitly in the measure sheet. However, we are not sure that experiences have been utilized in the quantification of targets. Furthermore some issues regarding the experienced problems under the SAPARD programme concerning private co-financing could deserve some attention in the measure design. One such issue is the possibility to use in kind contribution as to the private co-financing. This is eligible for investments in setting up fruit trees, shrub and vine plantations for a value up to 20 pct. of the eligible investment of the project. Over all we find 20 pct. an adequate level of in kind contribution, but we do not see any reason for having this financial engineering instrument restricted to these investment types. It could be considered to open up for in kind contributions also for other types of investments. In this connection it could also be considered to use the instrument only for family farms, and not for legal entities expecting that legal entities have better possibilities for providing the co-financing than family farms and because of the fact that staff of legal entities are employed and as such not able to provide in kind contribution in the same way as the owner of a family farm. Other types of financial engineering instruments could be considered, and it should be ensured that no steps are taken to make private co-financing more difficult for the beneficiaries under the new programme than under SAPARD, for example regarding for example requirements to guarantees for access to bank loans prior to project approval.

It should be considered to justify or make clear, why investments related to the conversion to and development of organic farming and agri-environmental production principles are eligible investments under this measure, and not as a part of the agro-environment schemes under axis 2.

It should finally be considered if it is technically feasible to have the eligible investments under this measure to be included also within the framework of so-called integrated projects under axis 1. What does this mean and how is it administered? Integrated project should be justified carefully, as the administrative requirements to manage these types of projects typically are higher than single measure projects. It is our experience that EC representatives are sceptical in their assessment of so-called integrated projects.

Finally, the criteria do not present a clear priority or distribution of funds between the two listed activities: renewable energy and modernization of agricultural holdings. It is recommended to make that distribution.

Improving the economic value of the forests

The National Forest Administration and the Ministry have valuable experiences and the lessons learned must be presented

The eligibility criteria are not established.

Increased Value Added of Farming and Forestry Products

Due to the comprehensive experiences collected in the area of providing support to the food processing sector, it is trusted that lessons learned regarding administrative set-up and implementation, are included into the current measure, though this is not explicit described.

Eligibility and priority criteria are adequately described. We have one comment: What is the number of micro-enterprises of the forestry sector, which - according to NSP - has a total number of 7.450, because in the forestry sector only micro-enterprises are eligible in this measure? Also, it should be verified what the structure of the beneficiaries (micro, SMEs, large enterprises) related to wood processing on SAPARD was, in order to see if this criteria of eligibility applied of the enterprises from the forestry sector is realistic.

No financial engineering instruments are foreseen for this measure. It could be considered, for example advance payments or in kind contributions.

Improving and developing the infrastructure, in connection with the development and adjustment of agriculture and forestry

The measure sheet does not make any reference to the administrative experience gained through previous programmes. This aspect should be mentioned for a better implementation of the current measure on NRDP.

Due to the comprehensive experiences collected from previous programmes, it is trusted that lessons learned regarding administrative set-up and implementation, are included into the current measure, though this is not explicit described

Eligibility and selection criteria are described in a general manner, i.e. , operations supported for investment, beneficiaries and types of the eligible and non-eligible expenses. In this respect we appreciate the eligibility of up to 20 pct of investments as contributions in kind for private utilities.

Supporting semi-subsistence agricultural holdings

The type of aid should be clarified: An annual flat rate support of maximum 1,500 € per year will be paid for a period of maximum 5 years.

Beneficiaries are defined as natural persons and natural authorised persons and their associations. It is not clear that support from this measure can be provided to associations of semi subsistence holdings. Clarification should be provided.

Definition of the potential beneficiaries should be re-considered.

The presented definition of future economic viability could be re-considered. An increase of 20 pct. seems acceptable, but if the point of departure is very low, say 10 ESU, the target level for viability will be a level of 12 ESU, which is not sufficient to represent a viable commercial family holding.

No bottlenecks have been identified in the measure sheet as such, and there is no indication that the measure will be hampered by bottleneck problems of any kind. However, it could be argued that the support rate of 1,500 € per year in five years is insufficient to change behaviour of the beneficiaries, when it is also taken into account that they also must present a business plan demonstrating their economic viability in the future.

Support for the establishment of producer groups

Eligibility and priority criteria are adequately described. The measure is rather simple in terms of activities and the eligibility and the priority criteria are straight forward and logic.

Support for diversification into non-agricultural activities; support for business creation and development

Eligibility and priority criteria are adequately described. The measure is rather simple in terms of activities and the eligibility and the priority criteria are straight forward and logic. Furthermore, they are similar with those on the previous programme, measure 3.4 under SAPARD, so we could expect that no bottlenecks interfere in the implementation/administration of the measure.

For the investments diversification and in micro enterprises in kind contribution are eligible as part of the eligible costs. Will there be no limit to this contribution? A limit should be included in the description in line with the regulation 1698/2005.

Concerning types of support, the lower limit of project support is set to 1,500 €. This is very low and could be increased in order to avoid too big administrative burdens with far too many micro projects. Experiences from SAPARD could indicate where the lower level of project support should be.

Encouragement of tourism activities

It is not explicit explained how earlier experiences have been included in the planned implementation and administration of the current measure. However, the specific description of eligible expenditure and eligibility criteria is interpreted as inclusion of the earlier experiences.

Eligibility and selection criteria are adequately described. The measure is rather simple in terms of activities and the eligibility and the selection criteria are straight forward and logic. Furthermore, they are similar with those on the previous programme, so we could expect that no bottlenecks interfere in the implementation/administration of the measure.

We have one comment related to selection criteria. In order to assure an efficient implementation of this measure we propose an additional selection criterion “the beneficiary should prove the existence of a minimum 40 accommodation places in the commune where the investment will take place”.

Finally, the measure presents some similarities with measure 322 from the point of view of the investment type (infrastructure), beneficiaries (local authorities), public support (100%) and relevant aspects of the identified needs, and both measures could make use of the experience acquired from measure 2.1 under SAPARD.

Tourist infrastructure, just as rural infrastructure, is considered to be very poor and even absent in certain locations. Considering the importance, which these infrastructures play for the growth in community attractiveness, the local councils could show the same high mobilization in project applications as proved for the SAPARD measure 2.1, and a peak of applications could be expected from the beginning of the program.

Village renewal and development, conservation and upgrading of the rural heritage

No previous administration experiences have been collected. However, it is trusted that general experiences from managing and implementing measures related to the current one have been taken in consideration when this one was planned.

Eligibility and priority criteria are adequately described. The measure is rather simple in terms of activities and the eligibility and the priority criteria are straight forward and logic. Furthermore, they are similar with those on the previous programme, so we could expect that no bottlenecks interfere in the implementation/administration of the measure.

Animation and skill acquisition for the drafting of the local development strategy

It is trusted that experiences from administration and implementation of the previous programmes in taken into account in the current measure, though not explicit described.

The selection criteria are clear and support the intentions of the measure, and focus on locations of the proposed projects and the implementation through LAGs.

Implementation of local development strategies

As mentioned above, the administrative pattern applied for the LEADER approach is well described in the measure sheet outlining the division of the responsibilities between the LAG and the Paying Agency. It would be useful to include also the financial circuit applicable to LAGs (the division of task between the applicants and the LAG), i.e funding projects, applying for the reimbursement etc.

Eligibility criteria are listed- with the specification of taking into account the rural area definition according to the current national legislation.

The selection criteria inform only on the main aspects on which focus will concentrate: partnership, territory, strategy. We emphasize the importance of including selection criteria related to the partnership's age and gender balance (importance if young persons and women for this approach), the partnership's management structure, administrative ability and financial status.

Taking into consideration the lack of experience in implementing this approach, the fact that the project implementation depends on the nature and success of the partnership, it is extremely important to prevent the program being “captured” by most powerful groups in the area (Additional appropriate selection criteria, assistance for setting up, etc. are needed). Area covered by the Leader strategy should

of course offer sufficient critical mass (human, financial, economic); but the larger the Leader areas become (150,000 inhabitants), the less the connection to local people they will be. This could be an obstacle for the successful implementation of the first generation Leader projects in Romania.

Implementing cooperation projects

No previous administration experiences have been collected. However, it is trusted that general experiences from managing and implementing measures related to the current one have been taken in consideration when this one was planned and setup.

The selection criteria are clear and support the intentions of the measure

Running the Local Action Groups, acquisition of skills and animation of the territory

No previous administration experiences have been collected. However, it is trusted that general experiences from managing and implementing measures related to the current one have been taken in consideration when this one was planned and set up.

Only eligibility criteria are presented, and here we see one potential problem referring to the financing of future potential Local Action Groups. The beneficiaries for the sub-measure 1: Building public – private partnership are “public private partnerships not legally registered” and it could raise the problem of the administrative and financial ability. Clarifications could be needed.

9 Rural Network

Romania will prepare and setup the **National Rural Development Network (NRDN)** by the end of the year 2008. The NRDN will represent, at national level, the organizations and authorities involved in the rural development process. The national rural network as a body plays an important role in the programme implementations and will involve not only all the governmental units, but also several non-government organizations. Their participation is also necessary due to the social aspect and that probably many groups of people will be involved in the implementation of the programme.

The objectives and activities of the Romanian national rural development network is described in the NRDP providing good information on the design of the rural network and its organizational set up e.g. that the network will be administrated by a permanent entity appointed by MAFRD on the basis of national tender. The amount of money allocated for the network see realistic, approximately 2% of the EAFRD allocation for Technical Assistance measure equal to 7.5 million €, shall be granted for the setting up and functioning of the network as well as for the implementing of the action plan.

The action plan is detailed ensuring that the NRDP is fully in compliance with the EC Regulation 1698/2005 article 68(b), which specifies that the amount allocated for the rural network shall be used for “An action plan containing at least the identification and analysis of good transferable practices and the provision of information about them, network management, the organisation of exchanges of experience and know-how, the preparation of training programmes for local action groups in the process of formation and technical assistance for inter-territorial and translational cooperation”.

We find it relevant to add a indicative timetable for the action plan, including a description of the necessary prioritization of the activities.

For the establishment of the national rural development network as such a specific timetable is inserted in the draft NRDP, and here we can see the deadline for each phase.

The major risk for the NRDN is the lack of local rural development organizations in Romania. Therefore it is important to make the network a success that the MAFRD takes steps to ensure that social partners are represented, and that this representation is significant compared to the number of administrative partners in the network. We also recommend the MAFRD to ensure that all regions have representations in the network, and not only some of them.

10 Consultations with economic and social partners

10.1 Introduction

According to the Council's Regulation CE nr. 1698/2005, article 6, the Member States have the obligation to set up Consultative Committees concerning the elaboration of the National Program for Rural Development and further the preparation, implementation, monitoring and its evaluation.

Therefore, as it is stated in Chapter 14 of NARDP, the MARD through Directorate General for Rural Development - Management Authority for the NRDP - started this process through consulting the programming document with the economical and social partners.

10.2. Organizing the consultation process

The NRDP describes the two types of consultation processes organised:

- at the technical level: consultative working groups
- at the regional and national level: public debates

At a national level, technical working groups were established for groups of measures and the partners invited to participate in the technical consulting process covered:

- **the competent public authorities:** MAFRD (including 6 national directorates and 13 county directorates), 7 other ministries (Labour, Social Solidarity and Family Ministry, the Ministry of Trade and Economy, Ministry of Transport, Construction and Tourism, the Ministry of Environment and Water Management, the Ministry of European Integration, the Ministry of Administration and Internal Affairs, the Ministry of Culture and Cults), the two payment agencies.
- **Representatives of academic institutions:** (The Agricultural and Forestry Science Academy, the Faculty of Forestry and Forest Exploitation);
- **Other 15 public partners;**
- **11 associations and 10 civil society organisations;**
- **5 economic partners;**
- **3 Local Action Groups** - the list being presented in the Chapter 14.

The main objective of the working group consultations was the improvement of the first drafts (October 2006) of the measure technical sheets. These working groups, with an average of 10-15 persons, were structured on each of the 4 Priority Axes, on groups of measures or on each individual measure, as follows:

- 10 working groups for Axis 1 (starting with the second reunion, working groups for each measure have been set);
- 5 working groups for Axis 2;
- 2 working groups for Axis 3;
- 1 working group for the Leader Axis.

The technical consultation process took 10 weeks, and was initiated in the middle of December 2006, and each group did have two consulting sessions.

The MAFRD did have the chair for each working group and covered the secretary tasks, making sure that feedbacks from the meetings were taken into consideration.

On the website of the MAFRD, the agenda and the working groups timetable were announced, as well as the structure of the consultative groups. After each consulting session, the proceedings presented were sent to the participants.

The public level of the consulting process implied:

- posting the improved measure versions (March 2007), with inputs received during the technical consulting process included, on the site of the MAFRD (www.mapam.ro)
- posting on the MAFRD site a questionnaire in order to allow the interested persons to express their opinions regarding the provisions of the measures and proposals for their improvement.
- disseminating the draft measures at regional level.

10.3 The results of the consulting process

A detailed account of the feedback received from the Consultative Partnership, is presented in the NRDP Chapter 14 on the base of meetings minutes. The main elements of the feedback are as follows (technical and legislative details proposed in the working groups, were noted in order to be introduced in the applicant guide):

Table 10.1: Consultative Partnership inputs by Axis

AXIS	TAKEN INTO CONSIDERATION	COMMENT
		<i>Inclusion in the eligible investments of the following items:</i>
1	√	Animals and the seminal material with a high biological value,
1	√	Agricultural equipment (combines, tractors and others),
1	√	Cold place preservation of the agricultural products along the processing process
1		The reconsolidation and rehabilitation works of the damaged forestry roads
1		Woods cutting
1	√	Forestry and agricultural infrastructure,
1	√	Costs related to the elaboration of the documentation for decreasing land fragmentation
1	√	Costs related to the registration of the land of the mountain area in the landbook
2		Validation of the calculation method for compensatory payments
2	√	Introducing grape crops in the category of eligible crops
2		Prohibition of ploughing meadows in an ecological farm
2	√	Sustainability of the transactional costs for potential beneficiaries
2		Identifying the transformation actions of arable land into meadows
2		Elaboration of a strategy concerning the stages that must be followed in implementing „Natura 2000”measure
3	√	Eligibility of reconstruction investments, consolidation, protection and preservation of buildings that belong to the local heritage in the protected areas, investments for establishments and cultural services.
3	√	Conditioning the financial support for elaborating studies concerning cultural heritage by the possibility of valorising it once applied.
3	√	Including NGO's in the beneficiaries' category
3	√	Introducing the labour contribution as an eligible investment
3	√	Growth of finances allocated to „Village Development and Reconstruction ” measure

AXIS	TAKEN INTO CONSIDERATION	COMMENT
4	√	Implementing 111, 114, 123, 311, 312, 313, 321, 322, 323 measures through <i>Leader Axis</i>
4	√	Introducing into the Local Action Groups (LAG), the cities that have up to 30.000 inhabitants
4	√	Giving the financial support for creating private-public partnerships to potential LAG's, in the initial stage of setting-them up them.
		Other comments referred to:
	√	Description of some aspects concerning the programming and implementing components of the „Rural National Network”
	√	Clarifying the definition of rural space – it was agreed to be done in compliance with the national legislation

Generally, we consider the description of the consultation process as good and detailed and recommends adding the ToR for the working groups and for the coordination group as annexes to the RDP.

The cooperation with economic and social partners, as it is described in NRDP, had as the main objective improving the first draft (October 2006) of the measure technical sheets. There is no specification about the consulting process concerning the NSP even though we are aware of this process. It is recommended that this process is added to the description of the involvement of the stakeholders.

We notice that no Farmers associations, employers' representatives or any trade unions in the agricultural sector appear in the list of **economic and social partners**. We expect they have been invited to the process and we recommend that this is added to the description together with the reasons for the associations not to participate. In prolongation to this observation we notice that there are no farmers included in the group of the economic agents invited. 4 economic agents out of 5 presented on the list are inspection and certification units accredited by MAPDR.

We also see no explicit indication of governmental and non-governmental organisations dealing with gender equality being represented in the working groups.

The program does not report on the comments received via public debates to what extent the views and advices received were accepted and included in the program. We recommend that these issues are reported in the chapter.

11. Strategic Environmental Assessment (SEA): Non-Technical Summary

This chapter contains the non-technical summary of the report presenting the Strategic Environment Assessment (SEA) of the National Rural Development Plan (NRDP). The Environment Report was drawn up in conformity with the requirements of the European Directive SEA 2001/42/EC as well as of Government's Decision no. 1076/ 2004 transposing the provisions of the above-mentioned directive.

The NRDP program addresses the Romanian rural territory (with a population density lower than 150 inhabitants/km²), i.e. to 93.6% of Romania's area where 48% of the country's total population is living.

Many public and private stakeholders were involved in the preparation process organized into four working groups (for each of the four axes) consisting of experts of the MAFRD, of other governmental institutions, of NGOs, professional associations and of regional authorities, see also chapter 10 of this ex ante evaluation report.

NRDP was designed on the basis of other national strategic documents, primarily the National Development Plan for 2007 - 2013 (NDP), which is the main programming instrument prioritizing the public investments for development, by which Romania will contribute to bridge as fast as possible the socio-economic development gaps compared with the European Union countries, and the National Strategy Plan for Rural Development 2007-2013 specifying the rural development priorities and directions in close connection to the Community priorities.

The general objectives of the NRDP are the following:

1. Increase of competitiveness of the agri-food and forestry sectors;
2. Improvement of the environment and rural area by the sustainable use of agricultural and forestland;
3. Life quality increase in the rural area and fostering the rural economy diversification;
4. Initiation and operation of local development initiatives

The financial support for the four main objectives listed above totals 11.314.380.441 Euro. Out of this amount, about 6.526.042.597 (~57%) Euro can be considered as potential environmental investments (that directly or indirectly benefit the environment).

The evaluation methodology of the impact upon the environment generated by NRDP implementation includes several steps. The first step was represented by the analysis of the current environment situation in the rural areas. Following this analysis, a set of relevant environmental problems was identified for which relevant environmental objectives were formulated. The environment assessment of the NRDP contains further more an analysis of the way in which the program contributes to reaching these relevant environment objectives. The positive and negative contributions to reaching these objectives were highlighted and those situations were identified, where the program does not bring any contribution or does bring a low contribution to reaching the above-mentioned objectives. Finally, by summing up the scores applicated of each of the assessed themes, a cumulative assessment of the NRDP effects upon the environment could be made. *The assessment results reveal mostly a positive effect.* The negative effects were mainly found in the field of emissions in the air. A significant part of these emissions (air pollution) will be generated by the construction works and will occur in the period of the implementation of these works on a reduced land area. On the second hand, emissions will also occur as a result of the increase in the size of the fleet of

vehicles (mainly utility vehicles) and of the procurement of processing equipment and installations.

The assessment revealed the different contribution of axes to reaching the relevant environmental objectives. Thus:

Axis no.1 significantly contributes to:

- Improvement of the population's pro-active behaviour;
- Improvement of the population's health condition;
- Maintaining the ecologic functions of rivers.

Axis no.2 will greatly contribute to:

- Conservation of wild species habitats;
- Maintaining the ecologic functions of rivers;
- Natural landscape protection;
- Maintaining the biodiversity on the protected areas;
- Soil protection against erosion.

Axis no.3 will generate positive effects on:

- Sustainable tourism development;
- Improvement of the population's health condition;
- Facilitating the use of renewable resources;
- Utilization of traditional practices;
- Maintaining the ecologic functions of rivers;
- Diminution of spot and diffuse pollution of water .

Axis no. 4 will have a direct positive contribution to the improvement of pro-active behaviour by encouraging the sustainable agricultural practices.

The NRDP implementation will not generate negative effects with trans-frontier potential. However the possibility was identified that certain positive effects, i.e. the improvement of the wild species habitats conservation and maintaining the ecologic functions of rivers, could generate positive effects on a larger territory, which exceeds the limits of Romania's national borders.

In order to reduce the potential negative effects generated by project implementation, a set of recommendations was proposed having in view: The contents of the future financing guidelines carrying out impact assessment studies for the future investment projects and the implementation of programs monitoring the effects upon the environment.

As regards the monitoring of the effects of NRDP implementation upon the environment, the impact indicators proposed under the program were analyzed and proposals were made with regard to the additional indicators that should permit a most complete evaluation of the impact of actions that will be carried out within the NRDP.

In conclusion, we assess that NRDP implementation will have a positive effect upon the environment, mainly upon the Romanian rural area, with a significant contribution to sustainable development in this area. It can be stated that this program will permit the social and economic development of the Romanian rural area through the consolidation and protection of its natural foundation.

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List of abbreviations and acronyms

CSNR	National Reference Strategic Framework
SEA Directive	European Council Directive no. 2001/42/EC on the assessment of the effects of certain plans and programs upon the environment
EIA	Environment Impact Assessment (assessment of environmental effects at project level)
CF	Cohesion Fund
EAFRD	European Agricultural Fund for Rural development
EFRDF	European Fund for Regional Development
GAEC	Good Agricultural and Ecological Conditions – Good agricultural and environmental practice
GGE	Glasshouse gas emissions
GD 1076/2004	Government's Decision no. 1076/8.07.2004 on the establishment of environment assessment procedure for plans or programs (Official Journal no. 707/5.08.2004)
HNV	High Natural Value
SME	Small and medium-sized enterprise
LFA	
Manual GRDP	Manual on SEA for the cohesion policy 2007-2013
MAFRD	Ministry of Agriculture, Forests and Rural Development
MEWM / MESD	Ministry of Environment and Water Management /since April 2007 Ministry of Environment and Sustainable Development
Natura 2000	European network of protected areas established for the conservation of habitats and species of Community interest
NGO	Non-governmental organization
CAP	Common Agricultural Policy
NDP	National Development Plan
NRDP	Natiojal Rural Development Plan
NSPRD	National Strategy Plan for Rural Developemnt
UAA	Utilized Agricultural Area
SEA	Strategic Environment Assessment
ESDS	European Sustainable Development Strategy (Gothenburg Strategy, 2001)
SCI	Sites of Community importance
SPA	Special Avifauna Protection Areas
EU	European Union
WFD	Water Framework Directive

Introduction

The present study is the Environment Report for the Strategic Environmental Assessment of the National Rural Development Plan (NRDP). The SEA Environment Report was produced within the Technical Assistance for Ex-ante evaluation of the NRDP.

The environment Report was drawn up in conformity with the contents requirements of Annex no.2 of Government's Decision no. 1076/ 2004 "on the establishment of the procedure for drawing up the environment assessment for plans and programs".

The National Rural Development Program (NRDP) was elaborated by the Management Authority for the National Rural Development Plan within the Ministry of Agriculture, Forests and Rural Development from Romania in conformity with Article 11 and 12 of the European Council regulation no.1698/2005 and the Community Strategic Guidelines for Rural Development.

NRDP represents the instrument for accessing the European Agricultural Fund for Rural Development (EAFRD) and was elaborated for the period 2007 – 2013.

NRDP is addressed to the Romanian rural territory (with a population density lower than 150 inhabitants/km²), 93.6% of Romania's area respectively, corresponding to 48 % of the total population of the country. The program is based upon an integrated territorial approach by ensuring the complementarity, consistency and conformity with other Community and national funds.

In the process of NRDP elaboration, numerous public and private actors were involved, organized into four working groups (for each of the 4 axes), consisting of experts of the Ministry of Agriculture, of other governmental institutions, of NGOs and professional associations and of regional authorities.

Elaboration methodology of SEA for NRDP

The objective of the strategic environmental assessment is to contribute to the integration of considerations referring to the environment in the preparation and adoption of the NRDP. Going through SEA procedure is a guarantee of promoting sustainable development within the NRDP.

The Strategic Environment Assessment was achieved on the basis of the the SEA Directive requirements (European Council Directive no. 2001/42/EC on the assessment of the effects of certain plans and programs upon the environment) and of Government's Decision no. 1076/8.07.2004 for establishing the procedure of drawing up environment assessment for plans or programs (Official Gazette no. 707/5.08.2004).

The methodology used in the strategic environmental assessment of the NRDP included all the requirements of the above-mentioned documents, as well as the methodological recommendations from the „SEA Manual for the Cohesion Policy 2007-2013”, elaborated under the project Interreg IIIC “Greening Regional Development Programmes” (“Programs for regional ecologic development”). This manual was considered by DG Regio and DG Environment in 2006 as adequate for drawing up SEA by the programs for the EU cohesion policy in 2007-2013.

The SEA procedure (according to Government's Decision 1076/2004) presupposes going through the following stages:

- a) program framing into the environment assessment procedure;
- b) definitization of the draft program and drawing up the environment report;
- c) analysis of the environment report quality .

Framing stage

In conformity with the requirements of Art.9 paragraph (2) from Government's Decision 1076/2004, the General Directorate of Rural Development from the Ministry of Agriculture, Forests and Rural Development, as titular of the National Rural Development Program, notified the Ministry of Environment and Water Management by address no. 68582/08.11.2006 with regard to drafting the first version of the program.

In conformity with the requirements of Art.9 paragraph (3) of Government's Decision 1076/2004, together with the notification, the first version of the NRDP was also sent and the initiation of the framing stage was asked for, so as to decide if the program is subject to the strategic environment assessment.

The first NRDP version was analyzed within the General Directorate Impact Assessment, Pollution Control and Risk Management from the Ministry of Environment and Water Management. As an answer to the MAFRD notification, the MEWM by address no. 169378/AF/13.11.2006 found out the following:

- NRDP falls into the frame of the programs subject to the environment assessment provided for in art. 5 paragraph 2 from Government's Decision 1076/2004;
- The stages of draft program definitization and drawing up the environment report are to be gone through, as well as the stage of environment report analysis;
- It is obligatory to establish the social working group for NRDP.

By the above-mentioned address, the MEWM also indicated the necessary componency of the working group, i.e. representatives of the following institutions:

- Ministry of Agriculture, Forests and Rural development, as titular;
- Ministry of Health;
- Ministry of Public Finance;
- Ministry of European Integration;
- Ministry of Transport, Constructions and Tourism;
- Ministry of Labour, Social Solidarity and Family;
- Ministry of Education and Research;
- Ministry of Administration and Interior;
- Ministry of Economy and Trade;
- Ministry of Communications and Information Technology;
- Ministry of Environment and Water Management. Nature Preservation – Biodiversity Directorate;
- Two physical or legal entities attested according to the legal provisions into effect but also experts that can be hired if the case.

Referring to the opportunity to carry out the SEA procedure, it should be mentioned that on 16.12.2006, Romania's Mission to EU - Bruxelles transmitted the infogram no. 7335, addressed to the Ministry of European Integration, Ministry of Public Finance and MEWM, which informs about the opinion formulated under written form of the Directorate General Environment of the European Commission [ENV.D.3/DK D(2006) 24315/12.12.2006] that highlights the obligativity of SEA Directive application for the oprational programs 2007 – 2013 (those funded by the European Agricultural Fund for Rural development inclusively). The above-mentioned document specifies that SEA can be incorporated into the ex-ante evaluation and the latter should mention the extent to which the SEA results have been taken into consideration in the respective programs.

The Ministry of Agriculture, Forests and Rural Development respected the requirements expressed by MEWM by address no. 169378/AF/13.11.2006. Thus:

- In conformity with Art. 29 from Government's decision 1076/2004, by the Notification no.68604 din 10.11.2006, it was decided to post on the MAFRD Internet site (www.maa.ro) of the first version of the NRDP. At the same time, a printed version of that document was put at the disposal of the Communication and Public Information Directorate of the MAFRD so as to be consulted by the public.
- On 14.11.2006, an announcement was published in the newspaper „România Liberă” stating that the project titular announces the interested public that the framing stage was initiated in order to decide if the program is subject to the strategic assessment procedure. The announcement specified that the program can be consulted on the site of the Ministry of Environment and Water Management and at the registration office of that institution. The deadline for receiving the observations, suggestions and comments was 15 days in conformity with the requirements of the legislation into effect.
- On 5.12.2006, by address no. 68810, MAFRD informed the ministries indicated on MEWM address about the intention to establish the SEA Working Group, asking for the designation of two persons that should participate to the working grup meetings. The first meeting of the working group was established for 17.01.2007.
- On 14.12.2006 (address no.68895), a list with 7 employees of the same ministry was approved by the Secretary of State of MAFRD, Mr. Dănuț Apetrei, to participate to the working group meetings. The nominated and accepted persons are the following: Rodica Matei, Vasile Mihaila, Viorica Popescu, Mihai Constantinescu, Andrei Stefan Balan, Andreea Agrigoroaiei, Teodora Popa.

Following the MAFRD address no.68810/05.12.2006, each solicited institution nominated people (see Table no. 2-1).

Table no. 0-1 Members of SEA Working Group

Institution	Directorate	Nominated person	Address no.	Contact data
Ministry of Environment and Water management	General Directorate Impact Assessment, pollution Control	Mr. Constantin Pulbere	92108/28.01.2007	Tel: 3167735; 3166154 Fax: 3150421 e-mail: constantin.pulbere@mmediu.ro
Ministry of Public Health		Ms. Dr. Anca Tudor.		Tel: Fax: e-mail:
Ministry of Education and Research	Pre-University education Directorate	Ms. Gabriela Scarlat	45339/07.12.2006	Tel: 3104221 Mobile: 0741222473 e-mail: gabriela.scarlat@mec.edu.ro
Ministry of Administration and the Interior	Public Policy Unit	Ms. Veronica Mihai	70362/14.12.2006	Tel: 3037080 int 11357 e-mail: mihai.veronica@mai.gov.ro
Ministry of Economy and trade	Quality Infrastructure and environment Directorate	Ms. Daniela Galatanu	213002/12.12.2006	Tel: 2025181 e-mail: daniela_galateanu@minind.ro
Ministry of European Integration		Mr. Ionuț Sandu	43926/07.12.2006	Tel: 3011541; Fax: 3011636; e-mail: ionut.sandu@mie.ro
Ministry of Public Finance	Analysis and Programming Directorate	Mr. Dorin Dorian	102564/21.12.2006	Tel: Fax: e-mail:
Ministry of Communication and Information Technology	Communications and European programs Directorate	Mr. Adrian Ionescu	623/13.12.2006	Tel: Fax: e-mail:
Ministry of Agriculture, Forests and Rural Development	Rural Development Directorate			
EPC Environment Consultancy	Legal entity attested by MEWM	DI Marius Nistorescu		Tel/Fax: 3355195 Mobile: 0745084444 e-mail: office@epcmmediu.ro

Stage of draft program definitization and environment report making

In the period January - May 2007 *the definitization of the draft NRDP* took place (process initiated in June 2006). In parallel with this process the meetings of the SEA-NRDP working group took place and the environment report was produced.

The working modality in the working group was the following:

- Representatives of MAFRD proposed to debate on the NRDP by presenting the hierarchy of objectives, the measures under the program, and the modality of allocating the funds;
- The MEWM representative presented the requirements referring to the SEA procedure and the contents and quality of environment report;
- The environment expert presented the working methodology and the main steps to drawing up the environment report;
- The environment expert proposed to the working group to debate on the following issues:
 - Level at which the environment impact analysis is made (general objectives / specific objectives / measures);
 - Assessment modality and adequate assessment scale;
 - Relevant environmental objectives;
 - “0” Alternative of NRDP implementation.
- The proposals made by the expert on environment were analyzed separately by the working group members and debated during the meetings. The opinions and recommendations contributed to a large extent to modelling the working methodology and the environment report contents;
- The MAFRD representatives provided for the integration into the final NRDP version of all the proposals made by the working group members, including the conclusions and proposals from the environment report.

The calendar of the working group meetings and the themes of debates are presented in table 2-2. The minutes of the meetings are presented in Annex.

Table no. 0-2 The SEA-NRDP working group meetings

Nr.	Date	Theme	Participants	Observations
1	17.01.2007	Preliminary meeting	MAPDR; MEC; MAI; MIE; MTCT; MFP; MCTI; MEdC; MMGA; EPC.	<ul style="list-style-type: none"> • Presentation of the first version of NPRD; • Presentation of the SEA procedure; • Proposals and discussions.
2	02.02.2007	Second meeting – assessment methodology	MAPDR; MEC; MAI; MIE; MTCT; MFP; MCTI; MEdC; MMGA; EPC.	<ul style="list-style-type: none"> • Identification of relevant environmental issues; • Criteria selection for the assessment of the significant environmental effects; • Selection of the assessment level.
3	20.02.2007	The third meeting – selection of the relevant environmental objectives	MAPDR; MEC; MAI; MIE; MTCT; MFP; MCTI; MEdC; MMGA; EPC.	<ul style="list-style-type: none"> • Proposal and analysis of the relevant environmental objectives; • Presentation and analysis of coordinates for assessing the “0” alternative.
4	12.03.2007	The fourth meeting – “0” alternative	MAPDR; MEC; MAI; MIE; MCTI; MEdC; MMGA; EPC.	<ul style="list-style-type: none"> • Presentation and analysis of the “0” alternative.
5	22.03.2007	The fifth meeting –	MAPDR, MEC, MCTI, MSP, MMGA, EPC.	<ul style="list-style-type: none"> • Presentation and analysis of the preliminary assessment

		assessment of the significant effects		of NPRD on environment.
6	11.04.2007	The sixth meeting – NPRD alternatives	MADR, MEC, MCTI, MSP, MIE, M.Ed.C, MEF, MMGA.	<ul style="list-style-type: none"> • Discussions regarding the alternatives for the measures with negative impact.
7	09.05.2007	Seventh meeting – presentation of the Environmental Report	MAPDR; MEC; MAI; MIE; MTCT; MFP; MCTI; MEdC; MMGA; EPC.	<ul style="list-style-type: none"> • Presentation of the final form of the NPRD; • Discussions on the measure's alternatives; • Analysis of the SEA report.

The drawing up of the environment report presupposed going through the following stages:

- Analysis of *environment situation* in the rural area, taking the existing data and information into consideration, including here those that lay at the basis of the characterization of environment conditions within the NRDP;
- Following the characterization of the current environment situation, a set of *environmental aspects and problems* was identified that are relevant for the rural area and can be directly approached through NRDP;
- For the identified environmental aspects and problems *relevant environmental objectives* were identified that should be addressed by the program;
- *The critical analysis of the contents of the first version of NRDP.* The analysis considered both the context in which the programming document was elaborated, the way in which the document responds to the requirements identified for the rural area and the way in which the environmental issues are included in the document;
- An analysis of the probable evolution of environment was achieved (of those relevant environmental aspects that were previously identified) under the conditions of non-implementation of the NRDP (*alternative „0”*);
- *The potential impact upon the environment* was assessed, generated by NRDP implementation, at the level of specific objectives (see chapter 8.1 for the set of arguments that led to selecting this analysis level);
- On the basis of assessment by objectives, a *cumulative evaluation* was produced, that could provide an overall picture of the possible future evolutions of environment situation under the conditions of NRDP implementation;
- At the same time, *an assessment on the monitoring indicators* was made, indicators that were had in view by NRDP with the recommendation of additional indicators, where it was the case;
- On the basis of analyses made, *a set of recommendations* was proposed regarding the prevention, diminution and compensation of any potential adverse effect upon the environment associated to NRDP implementation.

- After going through all these stages, a draft environment report was compiled that was submitted to the debates of the working group on May 9, 2007.

Brief presentation of the National Rural Development Program

Present context

On January 1, 2007, Romania became a EU Member State. The European Union has 27 Member States at present, united around common historical, political, economic, cultural and social values.

Among the Member States there are significant disparities as regards the gross domestic product (GDP) per capita. In order to remove these disparities, EU has in view to promote a cohesion policy in the period 2007 – 2013, based upon three objectives:

1. Convergence;
2. Regional competitiveness and employment;
3. Territorial co-operation.

These objectives will be reached by granting financial support to the Member States from:

- European Regional Development Fund - ERDF;
- European Social Fund - ESF;
- Cohesion Fund – CF;
- European Agricultural Fund for Regional Development – EAFRD.

The access to Community funds is conditioned by the drawing up by the Member States of certain programming documents that should indicate the fields where the EU financial support will be oriented.

EAFRD is of great interest for the Romanian rural area, as the co-financing of the rural development policy is to be achieved through this fund. This policy is targeted on the increase of the economic dynamism of the rural areas from Romania, while maintaining the social dynamism, sustainable agriculture and ensuring the preservation and improvement of the natural resources.

In December 2005 the **National Development Plan** (NDP) for 2007 – 2013 was finalized, as instrument to prioritize the public investments for development by which Romania will try to remove as fast as possible the socio-economic disparities compared to the other EU Member States. NDP established the directions of public funds allocation for investments with a significant impact upon the economic and social development from internal sources (state budget, local budgets, etc.) or external sources (structural and cohesion funds, EU funds for rural development and fisheries, foreign credits, etc.). In NDP six national development priorities were identified, clustering inside them various priority sectors and sub-sectors:

1. Increase of economic competitiveness and development of knowledge-based economy;
2. Development and modernization of transport infrastructure;
3. Protection and improvement of environment quality;
4. Development of human resources, promoting the employment and social inclusion and administrative capacity strengthening;
5. Rural economy development and productivity increase in the agricultural sector;
6. Diminution of development disparities between the regions of the country.

The elaboration of the **National Strategic Plan for Rural Development** that covers the programming period 2007 – 2013 is of direct interest for NRDP. This document specifies the rural development priorities and directions in close connection with the Community priorities. NSP represents the basis for the National Rural Development Plan implementation for 2007-2013. NSP elaboration relied upon the (EC) Council Regulation no. 1698/2005 of September 20, 2005 regarding the support for rural development through the European Agricultural Fund for Rural Development (EAFRD). The National Strategic Plan measures take into consideration the Community Strategic Guidelines that refer to rural development.

Under NSP an analysis of the socio-economic and environment situation was made and following this analysis the baseline indicators were also selected. At the same time, the general strategy is presented and the way in which the Community priorities have been transposed, as well as the establishment of the national priorities, the axes are presented, the quantifiable targets and the strategic indicators. The NSP also presents the financial resources of the NRDP as well as the modality of financial allocation among the axes.

NRDP structure

The National Rural Development Program 2007 – 2013 is a 300 pages document, structured by 16 chapters, as follows:

1. Title of program

Title of program is: National Rural Development Program 2007 – 2013.

2. Geographical area where the program is applied

It is specified that the program will be implemented on all Romania's territory. In chapter 3.1 Romania's rural area is defined (87.1% of the territory and 45.1% of population on July 1 2005).

3. Current situation analysis

The situation of the agricultural, forestry and food sector is presented. The environmental conditions are described (main characteristics, biodiversity, management of natural resources in agriculture and forestry, organic farming and issues related to climate changes). At the same time, a characterization of rural economy and life quality in the rural area is presented (demographic situation, SMEs, tourism, rural infrastructure and services, culture, education and training). The chapter ends with SWOT analysis, presentation of the chosen strategy for touching upon the strengths and weaknesses and the conclusion of the ex-ante evaluation.

4. Justification of proposed priorities

The justification of the priorities proposed in the report is presented in connection with the Strategic Guidelines of the European Community and the National Strategic Plan. The hierarchy of objectives is presented, as well as the measures and the justification of priorities under each axis. Here is also included a section where the transition requirements are described from the programming period 2000-2006 to the programming period 2007 – 2013 and an identification of the complementarity with other relevant CAP instruments. This chapter also included the detailed fiches of all the proposed measures.

5. General requirements

An information on the proposed measures under each axis is presented under table form, as well as their description (a summary of measure fiches).

6. Finance plan

It is presented under the form of two tables representing: a) annual contribution within EAFRD and b) financial plan by axes.

7. Indicative allocation for the rural development measures

A table is included presenting the indicative allocation by measures and a breakdown by public and private expenses.

8. Additional national financing

This chapter is lacking in the NPRD version from April 2007.

9. Necessary elements for the assessment in agreement with the competition rules

There are presented the elements of conformity with the requirements of Art. 87, 88 and 89 from the EC Accession Treaty.

10. Complementarity with the measures funded from other CAP instruments

The complementarity elements with other financing instruments (structural instruments) are identified and presented.

11. Designation of authorities responsible of NRDP implementation

The elements of the institutional system of NRDP administration, control and implementation are presented in details and schematically (management authority, agency of payments, certification body, PIAA, co-ordination body).

12. Monitoring and evaluation

The structure of the monitoring system is described, of the reporting and data management modality. At the same time, the description of the assessment system is presented (objectives, evaluation stages, reporting modality).

13. Information and publicity actions

It describes the modality in which people's and potential beneficiaries' awareness will be raised, with regard to the modality of accessing the funds, to the contents of measures and the modalities of promoting the program results.

14. Designation of partners in the consultation process

It describes the methodology and results of the consultation process in the elaboration of the NRDP. The list of partners in the working groups organized for each axis is included.

15. Equal opportunities for women and men and non-discrimination

The measures taken for promoting equal opportunities for men and women and for preventing any discrimination forms are presented.

16. Technical assistance operations

The training, management, monitoring, evaluation, information and control activities are described.

In the period of document elaboration several revised variants were proposed. The latest work variant was on 17.04.2007.

Program objectives

The National Rural Development Plan is structured on the basis of a clear hierarchy of objectives, as follows:

- General objectives;

- Strategic objectives;
- Specific objectives.

Four **general objectives** were formulated, each associated to a priority Axis:

5. Increase of the competitiveness of agri-food and forestry sectors (Axis 1);
6. Improvement of the environment and rural area by sustainable use of agricultural and forestry land (Axis 2);
7. Life quality increase in the rural areas and fostering the rural economy diversification (Axis 3);
8. Initiation and operation of local development initiatives (Axis 4).

For the first 3 axes 3 **strategic objectives** and 6 **specific objectives** were formulated. For Axis 4 2 strategic objectives and 2 specific objectives were proposed. For the 20 specific objectives 25 **measures** were proposed. The objectives and measures, as well as the correlation between them are presented in Table no. 3-1.

The basic elements in the strategy carried out by NRDP are the following:

- Following the European Commission Guidelines, that in their turn target certain priorities:
 - Improving competitiveness of agricultural and forestry sector;
 - Improving the environment and natural landscape;
 - Improving and fostering rural economy diversification;
 - Development of local entrepreneurship.
- The consolidation of CAP guiding principles, established at Goteborg and in the Lisbon Strategy, the ideas of which range from fostering the development of high quality products to the application of the best practices so as not to damage the environment and to protect biodiversity.
- The experience of previous programs run through the Ministry of Agriculture, such as:
 - SAPARD (2000-2006);
 - Farmer Program – for supporting the investments in agriculture and in the processing, storage, preservation sectors as well as from other sectors related to the agricultural activities.
 - Program Agricultural Life Annuity – payments to the agricultural annuitant, providing a reliable life annuity source, guaranteed by the state.
 - Program for increasing foodstuffs competitiveness – dedicated to the economic operators in order to increase quality in the food sector (approved by Council Resolution no. 1999/C 56/01).

Brief presentation of priorities in the 4 axes

Axis 1 – Increasing the competitiveness of agricultural and forestry sectors

The priorities under Axis 1 target a **better utilization of the rural potential**, as well as the **competitiveness improvement** in order to increase the value added to agricultural and forestry products. The development of semi-subsistence farms into commercial family farms is had in view, as well as the modernization of commercial farming, represented by the family farms and the large enterprises.

A peculiar focus is laid upon the modernization and restructuring of agricultural holdings by introducing new technologies and innovations. This will facilitate a balanced development from the qualitative and quantitative standpoint of the primary production sector compared to the processing and marketing sectors. The modernization and restructuring of agricultural

holdings will permit to increase quality and organic production, production diversification, including the production and utilization of renewable energy and the respect of Community cross-compliance norms.

Competitiveness promotion is intended through:

- Transformation of semi-subsistence farms into family farms;
- Agricultural farm transfer from elderly farmers to other farmers, mainly to young farmers, thus a revigoration of agricultural labour being achieved and the management activity will be improved;
- Increase of the farm size, as well as the association of farms for the joint marketing of their products.

The support provided for increasing the competitiveness of the agricultural and forestry sector will be mainly oriented towards the small and medium-sized enterprises, considered as the most suitable to best use the local potential and increase the value added to the local products, to traditional products in particular. At the same time, for the improvement of agricultural and forest land resources and the adaptation of agriculture and forestry in agreement with the competitiveness increase measures, investment support is targeted in order to increase the accessibility level, for a better water management and for ensuring the necessary utilities on the farms.

In order to improve the general performance of the enterprises dealing with the processing and marketing of agricultural products, to develop new products and technologies, procedures and technologies related to agricultural and forestry products as well as to improve the application and respect of food safety norms, the EU requirements will be introduced and complied with in all the enterprises from the processing and marketing sectors in all the production stages, in the processing and distribution of products. For the development of the agri-food sector, support will be provided to introducing new innovations and technologies, by the production and use of renewable energy as well as through investments in the physical capital of the enterprises. Thus premises will be in place for introducing non-polluting technologies, that will ensure food quality and will have a low impact upon the environment.

At the same time, it is intended to support the rational forest management and ensure the continuity and biodiversity of forest ecosystems and to increase the forest economic and ecologic value through the improvement of the forest composition with valuable domestic species, by the utilization of efficient harvesting and planting equipment, as well as by carrying out other specific activities.

An important component of Axis 1 is the vocational training of farmers having in view production modernization and adaptation to the EU market requirements, focusing upon quality, environment protection improvement, renewable energy production, safety at the place of work. Access to the training services will be facilitated, as well as to the information and dissemination of knowledge for the adult people working in agriculture, forestry and agri-food industry; in this way, information and skills will be acquired that will contribute to the sustainable management of agricultural and forest land, to the structural transformations of agricultural holdings having in view unemployment diminution and improvement of the living conditions in the rural areas.

Table no. 0-1 Correlation between the strategic objectives, the specific objectives and the measures proposed under Axis 1 of the NRDP

Strategic objectives	Specific objectives	Measures
Improving the skills of farmers and people working in the agri-food and forestry sectors, that should permit a better management of the agricultural and forestry holdings	Support to farmers and people working in the agri-food and forestry sectors for human capital improvement by supporting them to adjust to the new context	111 Professional training, information and knowledge dissemination
		114 Utilization of counselling and consultancy services
Improving the competitiveness of commercial and semi-subsistence farms	Speeding up the structural adaptation of agriculture and encouraging the semi-subsistence farms to enter the market	112 Set-up of young farmers
		113 Early retirement of farmers and agricultural workers
		141 Support to agricultural semi-subsistence farms
	Modernization of agricultural holdings	121 Modernization of agricultural holdings
	Increasing the adaptation of farms from economic, physical and environmental point of view	125 Improvement and development of infrastructure related to agriculture and forestry development and adaptation
Restructuring and modernization of the sectors processing and marketing agricultural and forestry products	Support to agri-food industry	142 Establishment of producers' groups
	Improvement and development of forestry products	123 Increasing the value added to agricultural and forestry products
		122 Improvement of forest economic value

Axis 2 – Improvement of environment and rural area through the sustainable use of agricultural and forest land areas (Axis 2)

Under this axis, the priority considered is the support to less-favoured areas (areas on which agricultural productivity is affected by altitude, slope, low soil productivity, unfavourable weather conditions, etc.), so as to ensure the continuation of sustainable agricultural activities.

The presence of these constraining factors determine the abandon of farming activities, resulting in the loss of biodiversity and traditional landscape – also with negative effects upon the rural tourism potential.

Another priority addressed by this axis is the preservatiuon of the traditional agricultural systems and of the extensively managed agricultural land as elements supporting the diversity of wild animal species and their habitats (it is mainly the case of semi-natural meadows). At the same time, priority will be given to the support of forest land areas characterized by a high biological diversity.

Another priority is represented by the support provided to the management of Natura 2000 sites through the compensation of losses suffered by farmers and forest men as a result of restrictions imposed in these areas.

Under this axis the adoption of certain measures will be encouraged having in view soil protection against erosion (e.g. establishment of green crops) or for the land use change (e.g. transformation of arablke land into meadows).

In order to contribute to the respect of international agreements to reduce the level of glasshouse gas emissions under this axis support was provided for the increase of forested areas (thus contributing to the increase of the absorption of gas with glasshouse effects) and to encourage the biomass supply coming from agriculture and forestry as renewable energy source. At the same time, the support to the forestry sector development as well as fostering its sustainable management will directly contributed to flod prevention, as well as to soil conservation and soil degradation prevention.

Table no. 0-2 Correlation between the strategic objectives, specific objectives and measures proposed under Axis 2 of NRDP

Strategic objectives	Specific objectives	EAFRD measures
Ensuring the continuous use of agricultural land areas	Ensuring the continuous use of agricultural land areas, thus contributing to maintaining the viability of rural communities	<p>211 Support to the Mountain Zone</p> <p>212 Support to less-favoured areas – other than mountaineous areas</p>
Preservation and improvement of the condition of the natural resources and habitats	Introduction or continuation of agricultural production methods compatible with the protection and improvement of biodiversity, soil, water and air quality	214 Agro-environmental payments
	Support to farmers by the compensation of specific disadvantages resulting from Natura 2000network implementation, on the basis of obligations resulting from the Birds and Habitats directives	213 Natura 2000 payments for agricultural land

Promoting sustainable management of forest land areas	Enlargement of forest land areas on the agricultural land in order to contribute to soil erosion diminution, to flood prevention and for supporting the actions fighting against the climate changes	221 First afforestation of agricultural land areas
	Enlargement of forest land areas on non-agricultural land in order to contribute to soil erosion diminution, to flood prevention and for supporting the actions fighting against the climate changes	223 First afforestation of non-agricultural land areas
	Support to forestland owners by compensating the specific disadvantages resulting from the implementation of Natura 2000 network, on the basis of obligations resulting from the Birds and Habitats directives	224 Natura 2000 payments for forestland

Axis 3 – Quality of life in the rural areas and fostering the rural economy diversification

A first priority under this axis is represented by infrastructure building and modernization in the rural areas, as an important factor for the economic and social development of these areas and for a balanced regional development.

Another priority of this axis is represented by the increase in the awareness of local communities and in their involvement in the elaboration and implementation of local development strategies.

Here it is proposed to encourage the micro-enterprises in initiating economic activities in the rural areas and to focus upon services and a traditional model. By this it is attempted to support the transfer of labour from the agricultural to non-agricultural activities as a result of the increase of agricultural sector competitiveness.

Another priority is represented by the support to the development of rural micro-entrprises in order to respond to the population's needs from these areas. At the same time, it is proposed to support the rural tourism and recreational activities, as diversification activities with a high potential, that can create opportunities for rural women's integration on the labour market with significant positive consequences upon the social dynamics.

Last but not least, under this axis support will be provided for the preservation and commercial use of the rich material and non-material heritage from the rural areas. In parallel to this, support will be provided for the improvement of the natural and social environment, of services, as well as for the actions taken for a better structuring of the marketing of specific traditional products.

Table no. 0-3 Correlation between the strategic objectives, specific objectives and measures proposed under Axis 3 of the NRDP

Strategic objectives	Specific objectives	EAFRD measures
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Maintaining and development of economic activities targeting the increase in the number of jobs	Diversification of economic non-agricultural activities on the agricultural households and encouraging the small entrepreneurs in the rural areas	312 – „Support for diversification towards non-agricultural activities and the creation and development of micro-enterprises” Linked to training (ESF link)
Increase of rural area attractiveness	Creation, improvement and diversification of tourism facilities and attractions	313 – Fostering tourism activities Linked to training (link with ESF-SOP DRU)
	Creation and modernization of rural infrastructure	322 – „Village renovation and development, rural heritage improvement”
	Improvement of the quality of the social, natural and economic environment in the rural areas	
	Protection of the rural cultural heritage	
Development of habilities and stimulating the awareness of local players with regard to the importance of local governance	Vocational training	It will not be provided through NRDP but it will be linked to the vocational training actions implemented through ESF (SOP DRU)
	Development of local players' competences in order to stimulate territory organization	341- „Acquiring skills, animation and implementing the local development strategies”

Axis 4 – Initiation and operation of local development initiatives

The principle formulated under this axis is the development of local communities through the active involvement of people in the decision-making process. Thus support will be provided to building up at local level of certain structures that should reunite the representatives of public, private sectors and civil society from an established territory, identify the weaknesses and establish the priorities of the territory, implement the adequate actions and then share the experience and good practice with similar partnership structures.

Pentru acest lucru în cadrul acestei axe se va oferi sprijin pentru:

- Institutional capacity building at local level through the mobilization of local actors, representatives of the rural population, to be involved in the control of rural area development through drawing up strategies focusing upon the problems identified in their communities and commercial use of their resources;
- Collaboration between the rural areas in order to exchange and transfer experiences;
- Balanced territorial development through the implementation of strategies;

- Acquiring and development of skills at local level through training and animation actions.

Table no. 0-4 Correlation between the strategic objectives, specific objectives and measures under Axis 4 of the NRDP

Strategic objectives	Specific objectives	EAFRD measures
Promoting the endogenous potential of the territories	Implementation of local development strategies, of cooperation projects inclusively	411 (projects axis 1) 413 (projects axis 3) 421 (cooperation between territories)
Local governance improvement	Ensuring the implementation of local development strategies	431.1 preparing the local development strategies
		431.2 operation costs

Relation with other relevant programs

NRDP 2007 – 2013 represents a direct continuation of the **SAPARD** Program (EU financial assistance provided to the pre-accession measures for agriculture and rural development in Romania); the experience of the latter has been extremely useful in the design of the new program. The SAPARD Program continues, the funding of applications submitted in the year 2006 will be in the period 2007 -2008 from SAPARD funds, while in the period 2009 -2011 the funding will come from the rural development support granted from the European Agricultural Fund for Rural Development.

The three measures financed through SAPARD are:

- Measure 3.2. „Setting up producers’ groups”
- Measure 3.3. “Agricultural production methods designed to protect and maintain the countryside”
- Measure 3.5. „Forestry”, sub-measure “Afforestation”

As regards the relation with other programs financed by the European Union funds, for the period 2007 – 2013 we specify that in chapter 10 of NRDP the identification of complementary programs is presented, as well as a clear demarcation from these instruments.

An important role in strategic development, priority identification, ensuring complementarity and demarcation between the operational programs is represented by the elaboration of the National Reference Strategic Framework promoted by the National Authority for the Co-ordination of Structural Instruments (ANCIS). It should be mentioned that the Ministry of Agriculture, Forests and Rural development co-operates with the National Authority for the

Co-ordination of Structural instruments within the Ministry of Public Finance , on the basis of several committees and partnerships for the co-ordination of the NRDP and Operational programs regarding the structural funds. ANCIS is the institution that ensures the co-ordination of Operational programs and their concordance with the NRDP and SOP for Fisheries.

SOP ‘Fisheries and Aquaculture’ is oriented towards the improvement of this sector as regards the support of involved factors, in order to improve the competitiveness of fish producers and use the existing resources in a sustainable manner. The activities provided in SOP „Fisheries” will receive financial support from the European Fund for Fisheries(EFF) and EARDP. EFF will support the sustainable use of resources, the development of economic activities in this sector and the increase of enterprise competitiveness, the preservation of environment resources and eco-tourism, the progress of zones with access to water and the improvement of conditions necessary for the growth of processing factors.

Pillar I of the Common Agricultural Policy (CAP), funded through the European Agricultural Guarantee Fund (EAGF) represents the basis of direct payments and market measures. It is complementary to Pillar II of CAP, funded through EAGGF, that is equally addressed to rural development and environment improvement. The actions implemented through the two CAP Pillars are closely linked and are mutually completed.

There are numerous complementary actions between the NRDP and the **Operational Programs** for each of them also existing demarcation criteria. Some examples in this respect are presented below:

Transport infrastructure:

- SOP Transport – finances the building up of national roads;
- POR Environment – finances the building up of county roads;
- NRDP – finances the communal roads.

Water infrastructure:

- SOP Environment – supports building up the water / sewerage networks for the localities larger than 10000 inhabitants;
- NRDP – supports building up the water / sewerage networks for the localities under 10000 inhabitants;

Prevention of flooding:

- NRDP – construction and modernization of protection works for agricultural land areas against flooding along the rivers in the zones with risk of flooding and affected by flooding, including the building up of small-sized polders as well as of large-sized flooding infrastructure and the building up and /or modernization of torrents on the agricultural and forestry holdings, including the carrying out of related hydrotechnical works.
- SOP Environment – construction works for flood prevention and the diminution of destructive consequences by building up large-sized protection and defense infrastructure objectives.

Natura 2000 network:

- SOP Environment – funding the carrying out of management plans of Natura 2000 sites;
- NRDP – compensatory payments with the respect of the provisions of the

approved management plans.

SMEs:

- NRDP – will support the enterprises in the non-agricultural sector and wood processing in the rural area;
- POR – microenterprises involved in tourism activities in the spas and resorts.;
- SOP Competitiveness –spin-off și high-tech type of micro-enterprises.

Cultural heritage:

- NRDP – supports the local cultural heritage in the rural areas (group B);
- POR – supports the UNESCO heritage, the national cultural heritage (group A) and the local cultural heritage in the urban area (group B).

Relevant aspects of environment situation

Current environment situation

The characterization of the current environment situation was based upon the data and information available in February 2007 (see annex for the bibliographic list).

The existing information regarding the environment situation in the rural area was identified, referred to by the program subject to the analysis (NRDP). The rural area in Romania is considered the territory with a population density lower than 150 inhabitants per km². This delimitation corresponds to 93.6% of the national territory area and accounts for 48% of Romania's total population.

The analysis of the present environment situation was made for each relevant environment aspect, selected during the discussions in the SEA working group (see Annex for the minutes of the meetings of the SEA working group). The relevant environmental aspects are the following: air, water, soil, climate changes, biodiversity, management of natural risks, landscape, cultural heritage, human health, rural road infrastructure, sustainable tourism, awareness of the environmental problems.

Air

As regards the air quality, it should be specified that there is scarcity of information available. Although the national air quality monitoring network is under continuous development, both from the point of view of the number of measurement points and of the equipment used on these facilities, most of existing data come from the urban areas. The air quality data are obtained on the basis of measurements made by the local environment protection agencies and on the basis of the centralization of data from the self-monitoring activities carried out by the large enterprises. As previously shown, most of the data are generated in the urban areas due to the location of the air quality monitoring stations. However, there are exceptions, and this is the case of the EPA Bucharest that has a monitoring station located in the commune Balotești.

No study has been produced yet with regard to air quality in the rural areas. On the basis of the investigated information, we consider that there are three types of zones from the point of view of air quality.

- Rural areas in the proximity of large cities industrial centers considered to be “hot points” on the air pollution map in Romania (peri-urban zone of Bucharest, Zlatna zone, Baia Mare etc). These are the zones where most often the acceptable limits are exceeded, the air quality directly contributing to the increase of human health-related risks, to the decline of biodiversity and soil quality decrease;
- Rural areas in the proximity of large cities that are directly influenced by the socio-economic activities developed here;
- Rural areas far from the urban centers and from the important industrial sources. This category has the largest share as regards their area. Air quality here is mainly influenced by the activities with local impact (waste management, burning fossil fuels, mobile burning sources, etc.);
- Isolated zones with reduced anthropic activity located at large distances from the urban centers and industry. It is mainly the case of the mountainous zones.

The main pollution sources in the rural area are represented by:

- The activities in the livestock sector, mainly waste of livestock dejections;
- Burning fossil fuels on households, as main heating source;
- Mobile sources (existence of an obsolete vehicle fleet);
- Uncontrolled storage of waste;
- Different activities constituting sources of particles (agricultural works, constructions, roads).

As regards the activities in the livestock sector, the most important aspect is related to the ammonia emissions. At the country level, the share of agriculture in generating ammonia emissions is 80.26 %, and it is determined by the dejections resulting from animal raising and the chemical fertilizers used in the crop sector.

In recent years an increase of ammonia emissions could be noticed. If the level of these emissions is maintained, it will be difficult to respect the ceiling stipulated by the Goteburg Protocol (210 ktons/year) by 2010.

Burning fossil fuels on households represents air pollution sources with nitrogen oxides, sulphur and carbon. Yet their contribution to the national level is very low (5-10%, depending on the pollutant). However, we specify that in the period 1999 – 2004 an increasing trend in the total emissions for these pollutants at national level was noticed.

As regards the mobile sources, we notice that the rural area has a significant contribution not as regards the size of the vehicle park but rather from the point of view of their old age. We must consider here both the automobiles and the other utilitarian vehicles. Due to the lack of complete data on the national vehicle park, until the year 2005 (year of the latest publication of the report on environment situation - ANPM) no inventory of the emissions related to these sources could be made.

The uncontrolled waste storage and the practice of burning them represent significant sources of air pollution in the rural areas. These sources are generating persistent organic pollutants, very stable chemical substances, that can accumulate in the biological trophic chains, with a great hazard upon people's health and upon environment quality. From the data existing at national level, it can be noticed that there is a slight increasing tendency for the emissions of persistent organic pollutants in the last years. However, it must be mentioned that the rural area has an additional contribution to the emissions of persistent organic pollutants also due to the existence of certain products containing POPs.

There are numerous sources of suspension particles in the rural area, among which the most important are represented by the activities from agriculture and road traffic on non-modernized roads. We should also mention the existence of some sources that are considered „natural” consisting of particles blown by the wind on sandy land areas or with low level of vegetation cover (e.g.: in the south of Dolj county).

Water

Romania's hydrographic network has almost all its area (97.8%) in the Danube river basin, except for a part of the rivers from Dobrogea, that flow directly into the Black Sea. The total length of the water courses is 78905 km, out of which only on 22570 km monitoring and control works are executed by the National Administration Romanian Waters.

The interior rivers represent the main water source of Romania. The characteristics of the river network are:

- Very high spatial variability (half of the volume of water discharge is concentrated in the mountainous area; the average water flow ranges from 1 l/s and km² in the low areas to 40 l/s and km² in the high areas);
- The variability in time is very high (in spring significant floodings may occur, followed by long periods of drought).

As regards their quality, the water courses from Romania are classified into five quality classes. In 2004, the overall quality of surface waters, evaluated by the situation in the 633 monitoring sections, had the following distribution:

- category I: 7.9%;
- category II: 35.2%;
- category III: 33.2%;
- category IV: 16.4%;
- category V: 7.3%.

As regards the share of sections with “degraded water” (category V), the most unfavourable situations were found in the basins of the following rivers: Prut (17.1%), Someş (14.9%) and Vedea (13.4%).

In general, the largest share of the pollution potential, in the case of spot pollution sources, belong to the units from the communal managed units and the chemical industry, followed by the economic agents from the extractive and metallurgical industry. For the rural area, the most important contribution to surface water pollution is brought by the used water discharges from the livestock sector. In the rural area, the pollution of surface waters is characterized by diffuse pollution, i.e. entries of pollutants whose origin is more difficult to identify and control. This is the mainly the case of pollution in agriculture but also of the solid or liquid deposits in the atmosphere.

Lakes. In Romania there are about 3500 lakes, out of which only 0.9% have an area that exceeds 1 km². The most important are the lakes coming from former lagoons on the Black Sea shore (Razim - 415 km², Sinoe - 171 km²) and the lakes formed along the Danube banks (Oltina - 22 km², Brateş - 21 km²). The glacial lakes are found in the Carpathians (Lake Bucura, with an area of 10.8 ha is the largest).

Besides these, there are also artificial lakes, such as : Iron Gates II (40000 ha) and Iron Gates I (10000 ha), or the lake from Stânca-Costeşti on the Prut river.

As regards the water chemistry, out of the total 107 lakes investigated in the year 2004, 36 lakes (33.6 %) were in the quality class I, 34 lakes (31.8 %) in the quality class II, 20 lakes (18.7 %) in the quality class III, 9 lakes (8.4 %) in the quality class IV and 8 (7.5%) in the quality class V.

The underground waters. The drinking water resources do not satisfy the present needs mainly in the hills and the plain where the demand is greater. Thus the resources of drinking and industrial water are not sufficient (Zalău, Carei).

At country level there is no underground water monitoring system similar to the system for surface waters. The information are obtained on low areas by investigating the quality of water from monitoring drillings but also from water supply drillings or wells.

From the available data, it can be seen that the organic substances, ammonium, total hardness and iron exceed the accepted limits. The pollution by nitrates is considered as the most important problem of underground waters in Romania. This pollution type is differentiated by areas, and there are zones where the water layer has concentrations that exceed the limit of 50 mg/l (*Law no. 458/2002 on the drinking water quality*). The causes of contamination with

nitrites of water layers are many and have a cumulative character. A significant share in the contamination with nitrites is the permanent leaching of soil impregnated with nitrogen oxides (NO_2) by the rainfall and irrigation water. Another important pollution source is the surface water (rivers, lakes) where used water discharges contained nitrates. Other sources are represented by the application of chemical fertilizers on arable land and the defective management of animal waste.

The admitted nitrate concentration was found in over 10% of the investigated monitoring drillings in the year 2004. It must be also mentioned that in the year 2005, ICPA conducted a survey on the identification of the communes that are sensitive locations at nitrate pollution. A number of 235 communes were identified and investigated in 33 counties of Romania. The counties with the most identified communes were Iași (30 communes), Argeș (21 communes) and Suceava (17 communes).

With regard to underground water contamination with phosphates ($\text{PO}_4\text{-3}$), 15% of the total number of drillings have concentrations that exceed the admitted limit. These drillings are mainly located in the river basins Olt, Siret and the hydrographical basin from Banat zone. It should be also stressed that there are also many water layers as those from the Someș basin, Mureș, Jiu, Ialomița – Buzău or Dobrogea where this indicator was not signalled out.

A delicate problem is represented by the concentration of organic substances and ammonium in the underground waters. For the indicator CCOMn 47.2% of drillings exceed the maximum values accepted for drinking water. This situation is also found in the case of ammonium for 43.7% of the investigated drillings. The drillings where the values were exceeded are distributed in all the hydrographical basins.

It is worth mentioning that the most intense forms of multiple depreciation of the underground water quality were identified in the zones inside the villages, where, due to the lack of minimum sewerage installations, the liquid waste reach the underground layers, both directly (through the latrines that are not well-isolated or street ditches) and indirectly (from the manure storage places, pits with household waste, etc.).

As regards the pollution of underground water layers with petroleum-based products and phenol compounds, the alluvial cone Prahova-Teleajen stands out, where, due to the oil refineries Petrobrazi, Astra and Petrotel Ploiești and of the transport lines for petroleum products (degradations, leakages, etc.) an extended pollution with these substances can be noticed.

The pollution with products used for soil fertilization and pest control in agriculture (nitrogen compounds, phosphates, pesticides, etc.) is found either in the zone of the large manufacturers of such substances (Azomureș, Archim – Arad, Doljchim – Craiova, Oltchim – Râmnicu Vâlcea, Azochim – Roznov etc.), or in the agricultural areas, where an additional pollution is produced, due to the incorrect application of these chemicals. The diffuse pollution of the underground water layers, produced in this way, affected mainly the individual wells in the rural areas, as well many underground water catchments. Yet, in the year 2005, a minimization of the respective ions could be noticed, as a result of the decrease in the amount of chemicals applied in agriculture.

The pollution with products resulting from livestock activities (organic substances, nitrogen compounds, bacteria, etc.) appears in the underground waters in the zone of the large livestock raising units (Palota, Cefa, Halciu, Bonțida, Periam, Poiana Mărului, Băbeni etc.).

We can also mention here that the pollution with heavy metals has the mining activities as the main pollution source, the plants for the preparation of ores and the refuse dumps (Baia Mare, Copșa Mică, Medias, Târnăveni, Rm. Vâlcea, Pitești etc.).

Soil

At the national level there is an integrated soil monitoring system managed by ICPA. This represents the main information source with regard to soil quality. On the basis of this information we can estimate that the agro-chemical situation of soils in Romania is generally deficient. This is mainly reflected by a small and extremely small humus reserve (manifested on 8.6 mil. ha out of which 5.3 mil. ha arable land), high and moderate acidity (on 3.4 mil. ha, out of which 1.87 mil. ha arable land), high alkalinity (on 0.22 mil. ha, out of which 0.13 mil. ha arable land), low - very low amounts of phosphorous and mobile potassium (6.3 mil. ha and 0.7 mil. ha respectively, out of which 3.3 mil. ha and 0.31 mil. ha respectively arable land), low nitrogen amounts (about 5.1 mil. ha, of which 3.0 mil. ha arable land) as well as deficiency of microelements, mainly zinc (1.5 mil. ha arable land).

Out of about 12 mil. ha of agricultural land, on about 7.5 million ha arable land (about 80% of the total arable land), soil quality is more or less affected by one or several constraints. These constraints are reflected in the deterioration of soil characteristics and functions, of their bioproductive capacity, and indirectly in affecting the quality of agricultural products and the human food safety. These constraints are determined both by the natural factors (weather, forms of relief, soil characteristics, etc.), and by anthropic agricultural and industrial activities. In many cases, the above-mentioned factors may act in a synergic way, in a negative sense, resulting in the decrease of soil quality and even in the annulment of their functions.

Soil erosion is considered the most important constraining factor by the large area that it affects.

Water erosion, together with the landslides, affects more than 7 mil. ha agricultural land. The phenomenon is manifested with the largest intensity in the Moldova Plateau, the Sub-Carpathian hills between the rivers Trotuş and Olt, the Getic Plateau and Transilvania depression. The soil amount that is lost through erosion each year, at national level, is 126 million tons.

An active role in the emergence and evolution of strong soil erosion processes and forms, both as intensity and area, is played by the **high floods and superficial leakage**, on the mountain and hill sides. These phenomena are due to the large amount of rainfall specific to the continental climate, that is mostly common in the period May-August.

Wind erosion has a high intensity only on the areas with sandy soils from Bărăgan, Oltenia, Tecuciului Plain and the sea bank ridges from the Danube Delta. In Bărăgan and Dobrogea, the wind erosion is manifested at a lower intensity. The wind erosion of soil (manifest at present on 3.7 mil. ha) has the tendency to expand on larger areas due to clearings of forests and forest shelterbelts in zones that are more exposed to the danger of soil sweeping off by the wind.

Moisture excess affects 3.8 million ha agricultural land and 0.6 million ha forestland and the **frequent drought** is found on about 7.1 million ha agricultural land and 0.2 million ha forestland.

Salinization is a natural primary process intensified by certain practices aiming at soil melioration that are inadequately applied, namely damming in, dessication and irrigation. The salinization and alkalization processes are currently found on about 614 thousand ha, mainly in the eastern part of the Romanian Plain and in the Western Plain.

An important role in soil physical degradation is played by **soil compaction** and **overcrusting**. Soil compaction is found on about 2 million ha, out of which 1.3 million ha arable land, mainly due to the heavy weight and / or frequent use of heavy agricultural equipment, mainly under inadequate soil moisture conditions, either on soils that are too dry or too humid. Soil compaction appears mainly on argil sand ground and clayey dusty soils, but also on silty soils, loamy soils and loam clayey soils from the dry and semi-humid zones of Romania. **Crusting** and obturation of soil pores (2.2 mil. ha) appears mainly on dusty and loamy soils, with low content of organic matter, with the A horizon structure that has been destroyed as a result of intensive and repeated agricultural works effected in inadequate moisture conditions, with poor vegetal cover permitting a maximum impact of rain drops.

The direct anthropic pressure on soils is manifested through:

- Chemical pollution following the application of biocides and of other organic contaminants that affects 0.9 million ha agricultural land and 0.3 million ha forestland (according to certain sources, the total area affected by this process reaches 3.6 mil. ha);
- Pollution by petroleum and salt water from oil wells and oil pipelines has a strong impact in the occurrence areas affecting about 0.05 million ha.
- Pollution by waste storage affects 11.09 million ha of land out of which 0.018 million ha agricultural land.
- Pollution with heavy metals (Cd, Pb, Zn, și Cu) has very precise locations and it is extremely high in four main areas: Zlatna, Baia Mare, Copșa Mică and Valea Călugărească. It is mainly due to industrial activities.
- Soil destruction by various excavation works affects 0.023 million ha, at the same time representing the most serious form of soil deterioration. A main contribution to this category is brought about by the surface mining operations such as those from Oltenia basin. It should be mentioned here that this form of impact equally affects the agricultural and the forest land areas.

Out of total 9.5 million arable land, only 3.7 million ha have the adequate conditions for a sustainable and efficient agriculture.

Climate changes

Romania is the first European country that signed the Kyoto Protocol. Consequently, our country was committed to reduce the glasshouse gas emissions by 8% in the period 2008-2012, compared to the reference year 1989. The dynamics of these emissions after 1989 followed a decreasing trend in the period 1989 – 1999 (a decrease of emissions by ~50% compared to 1989), that was mainly due to a decline of the economic activities; this was followed by an increasing trend of emissions in the period 2000 – 2004, reflecting the economic development in that period. The estimations that have been made so far, on the basis of this increasing trend of the glasshouse gas emissions, reveal a very likely reaching of the established target for 2012.

The rural area is a main pollution source with methane emissions and nitrogen protoxide (livestock raising, use of fossil fuels, agriculture). In both cases, a slight increasing trend was noticed in the last few years, in the year tendency the level of emissions being by about 50% lower than in the reference year (1989).

The effects of climate changes are manifested in the rural area by the negative effect upon the agricultural production and upon biodiversity. It was also highlighted that, due to the rise in temperature and decrease of the rainfall amounts, in the low and hilly forested areas, a

significant decrease of forest productivity will be produced in the years to come.

It should be mentioned that Romania adopted the National Strategy on the climate changes 2005-2007, approved by Government's Decision 645/2005 and the National Plan of Action with regard to the climate changes 2005-2007, approved by Government's Decision no. 1877/2005. The national strategy defines Romania's policies regarding the respect of international obligations stipulated in the UN Framework-Convention on the Climate Changes (UNFCCC) and in the Kyoto Protocol as well as the national priorities of Romania related to the climate changes and the environmental and economic benefits for Romania due to the participation to the implementation of flexible mechanisms established by the Kyoto Protocol. The National Plan of Action stipulates tasks and responsibilities for each involved institution and identifies the main players for each specific action and related task. Starting with the year 2002, Romania has sent each year to UNFCCC Secretariat the national inventory of glasshouse gas emissions, effected according to the IPCC methodology and using a reporting format which is common for all the countries. Romania's latest national inventory of the glasshouse gas emissions was sent in 2006 containing the estimations of glasshouse gas emissions for the period 1989-2004.

Biodiversity

Romania has a various and well-preserved natural heritage. This statement is supported by the fact that on Romania's territory five of the 11 European bio-geographical regions are represented (alpine, continental, panonic, steppe and pontic) as well as by the fact that the natural and semi-natural ecosystems account for about 47% of the country's total area.

In the year 2000, under the program Corine Biotops, 783 types of habitats were identified in 261 zones throughout the country: 13 coast habitats, 89 humid zones habitats, 196 meadow habitats, 206 forest habitats, 54 swamp habitats, 90 rock and sand habitats, 135 agricultural habitats.

In the year 2005, 357 habitat types were investigated, all of them with equivalents in the main classification systems used at European level:

- 199 habitats have equivalent in the habitats from Natura 2000 classification system;
- 213 habitats have equivalent in the habitats from Emerald classification system;
- 170 habitats have equivalent in the habitats from Corine classification system;
- 367 habitats have equivalent in the habitats from Palearctic classification system;
- 263 habitats have equivalent in the habitats from Eunis classification system.

It must be also mentioned that out of the 357 described habitats, 92 need the declaration of special conservation areas.

As regard flora, on Romania's territory 3630 plant species were identified out of which, until 2005, 23 species were declared natural monuments, 74 species are extinct, 39 species are endangered, 171 species are vulnerable and 1256 species are rare.

The plant species that are characteristic to pastures account for about 37% of total species from Romania.

In Romania there are 54 plant species whose preservation needs designing special preservation areas. Among these, 46 species are superior plants, and 8 species inferior plants. The species of community interest total 47 plant species, while the category of species of

national interest includes 34 plant species (16.58%). At national level there are also 9 plant species of community interest whose prelevation from nature and exploitation are the object of management measures.

In the sea and coast zones 688 algae species and over 700 plant species were identified. The endemic species account for 4% of total. 57 endemic taxons were identified (species and subspecies) and 171 sub-endemic taxons.

Romania's fauna is very rich and various, as a consequence of the variety of aquatic and terrestrial ecosystems as well as of the high degree of forested areas in the mountainous and hilly regions. The carnivorous animals are of great interest: about 5,600 bears (*Ursus arctos*), representing 60% of the European population of brown bear, about 3,000 wolves (*Canis lupus*), representing 40% of the European wolf population and 1,500 lynxes (*Lynx lynx*), accounting for 40% of the European lynx population; these represent a symbol of wilderness and natural habitats and can provide a base for the repopulation with these species of other zones from Europe.

In the year 2005, the Red Book of Vertebrates from Romania was published. This indicates that in the 100 mammal species from Romania, 72 need protection measures under the conditions in which 57% are protected at national level, 73 % are included in the red book, 60% are included in the Annexes of Berna Convention, 54% are specified in the Annexes of *Habitate Directive*, while 28% are mentioned in Natura 2000.

In the country's fauna, out of the total 236 animal species whose preservation need designing special conservation areas and special protection areas, 60 are non-vertebrate species (1 crustacean species, 52 insect species, 6 mollusc species, 1 bivalvia species) and 176 vertebrate species (25 fish species, 7 amphibian species, 6 reptile species, 109 bird species, 29 mammal species).

Romania has the most diversified and valuable natural heritage in Europe. Yet, the total area of protected areas is much under the European Union level – 7% (except for the future Natura 2000 network), compared to 15%. At present, the network Natura 2000 is under development. The stage of **Natura 2000** database design was completed on the basis of proposals made by different stakeholders; the collected information are to be checked up so that to make the final proposals for drawing up the list with Sites of Community Importance (SCI) and Special Protection Areas (SPA). So far 148 SPAs have been identified representing about 14% of Romania's territory and 229 SCIs representing about 7 % of Romania's territory.

The process of giving into custody the natural protected areas is under development. By the year 2005, out of total 979 protected areas only 94 had been given into custody, and custody conventions were to be analysed for 261 areas in total.

As regards **agro-biodiversity** it must be stressed that Romania is one of the few European countries where the genetic diversity of crops and animals was preserved “in situ”. Thus, in the catalogue of domestic animals 79 breeds are included (out of which 26 are still active, 19 potentially endangered and 34 extinct). As regards planta, there are local endangered populations, distributed in Bucovina, Maramureş, the Apuseni mountains.

High natural value (HNV) farming systems in Romania. From the available data at the Ministry of Agriculture, Forests and Rural development, it is estimated that in Romania there are 3.32 million hectares agricultural land of high natural value. These account for about 14% of the national territory and about 22.5% of the agricultural land area at national level.

As regards biodiversity, the natural and semi-natural meadows represent the most valuable ecosystems from the agricultural land category, but the abandon of agricultural

activities (hay harvesting, grazing) in certain zones led to the degradation of habitats and changes of the natural landscape. At the same time, there is a tendency of transformation of present meadows from the plain zone into arable land, which represents a danger by the loss of habitats. In the mountain zone there is a tendency of abandoning the agricultural activities on the natural and semi-natural meadows, resulting in the modification of the structure of ecosystems and landscape.

The forests cover 26.7% of the national territory (the European average is 35%). It should be mentioned that, in conformity with the information made available by the Ministry of Agriculture, Forests and Rural Development, for meeting the demand of wood and carrying out under optimum conditions of the protection function of forests, the minimum percentage of territory afforestation should not be under 25%.

The largest part of Romania's forests is found in the mountain zone (58.5%). In the hilly region 34.8% of forests can be found, while in the plain zone only 6.7% of Romania's area under forests.

In the year 2004, the national forest land totaled 6382 thousand hectares, out of which 6.222 thousand hectares effectively covered by forests, 30% being coniferous and 70% deciduous. The remaining 160 thousand hectares represent land for afforestation, land serving forestry cultivation, production or administration needs, non-productive land, etc. included in forest management schemes.

An extremely valuable element of forests in Romania is the presence of prime/virgin forests on about 300000 ha, most of them located in the mountain area.

Where the forests can play an important role both through the goods and the ecologic, economic and social services they confer, they can be considered as having an exceptional value. Until November 2005, 1 million ha of forests had been certified in Romania as forests with a high conservation value.

In the last years the forest land area was maintained constant (6,366 thousand ha in 1998, versus 6,382 thousand ha in 2004). However, numerous situations of illegal cuttings can be noticed, in connection with the process of forest land restitution as well as due to the need to obtain incomes in zones with a low living standard of the population. One of the long-term objectives of the forestry sector is the enlargement of the forest land area from 27%, that is the present share, to about 32%. The increase of the forested area will equally contribute to:

- Biodiversity preservation;
- Satisfying the wood needs, as renewable energy source;
- Diminution of effects associated to natural risks (flooding, drought, erosion);
- Diminution of greenhouse gas emissions (see the Kyoto Protocol).

So far no extensive studies have been produced with national representativeness that should reveal the impact of anthropic activities upon biodiversity. Data in connection with the dynamics of certain populations are found only in the case of species important for hunting or for a low number of plant species.

The main forms of anthropic pressure upon biodiversity in Romania are represented by:

- Intensive farming;
- Intensive grazing;
- Illegal tree cuttings;
- Poaching.

Risk management

The main natural risk in the rural areas that is very common throughout the country and followed an increasing trend in the last two decades is represented by **flooding**. In correlation with flooding, the landslides have to be also mentioned, and regardless these two, the earthquake phenomena.

In order to illustrate the effects of flooding, it is sufficient to take the year 2005 as an example. In that year, almost in all months of the year the admitted water upper limit along the river courses was exceeded, the most significant flooding occurring in the period April – September 2005, when significant rush of waters were produced on most rivers, some of them with historical water flows, that covered extended areas and led to people's death and significant material losses. The flood overflows of rivers, discharges and deterioration of dams and dykes, leakages from the mountain and hill sides as well as dangerous meteorological phenomena (mainly wind intensification, hail and electric discharges), produced in 2005, affected all the counties from Romania and 1734 localities, the total value of damages produced being estimated at 5,975,201.5 thousand RON. 76 people died. 93,976 houses and household annexes were destroyed, 1063 social and economic objectives, while over 656,392 ha agricultural land were seriously affected. Infrastructure suffered important damages, on 9860.63 km county and communal roads, 560.4 km national roads, 2465.84 km streets inside localities, 2644.9 km forest roads, 9113 bridges, 23.8 km railway, water supply networks, electric power networks and telephone networks. 630 hydrotechnical constructions suffered severe damages, these constructions having a defense protection role against flooding, mainly dikes, bank consolidations, river rectifications, that needed urgent repair works.

Flooding –related risks are the outburst of epidemic diseases, the most likely being those with that can be transmitted by water (cholera, A hepatitis), as well as landslides or dam and dyke collapse.

The landslides can be induced and most often are associated with other calamities, namely strong local storms, flooding caused by river outflow, massive forest clearings, large amount of rainfall, sudden melting of snow, soil erosion or earthquakes, and they can also be produced in zones under a thick snow layer.

The main risk zones as regards landslides are in the county Neamt, Suceava, between the rivers Prahova and Milcov, parts of Moldova Plateau, in Dobrogea, in the zone Galați – Brăila and in the county Vâlcea.

Other natural risks, with local manifestations, however reduced as regards the effect and duration, are represented by tornadoes, fires and heavy snow fall.

It is important to mention here that an important aspect in connection with natural management risk is the management of forests with protection function. Forests are important in flood prevention, maintenance of land stability and erosion control. In this context, an afforestation program at national level is an efficient instrument of sustainable management of natural risks.

Landscape

Romania is the third state that ratified, by Law no.451 of July 8 2002, the European Landscape Convention, that was adopted in Florence on October 20

2000. The Convention considers that the landscape and the diversity of its forms are the result of two main factors:

- Natural factors (topography, ecology, geo-morphology and climate), the action of which at geological scale as well as at recent scale represents the “imprint” or in other words the main factors of landscape shaping;
- Anthropogenic factors (type and distribution of rural localities, main activities performed inside the human settlements and in their proximity, existing infrastructure) that directly contribute, to a lesser or larger extent, to the shaping of the natural landscape.

The diversity of natural conditions results in a wide range of landscape forms in the Romanian rural area, from the natural ones, not altered by the human activities, to those that are strongly anthropized as a result of intensive and/or destructive economic activities. Without trying to identify here all the existing landscape types in the Romanian countryside, we shall try to highlight several elements that have to be considered in landscape assessment, as well as the destructive factors of anthropic nature that affect the landscape.

The main features providing value to the landscape are the following:

- Aesthetic value (particularity, diversity, cohesion of landscape elements);
- Traditional value (natural endemic elements, distinctive elements of cultural nature).

Landscape vulnerability is given by its capacity to integrate or assimilate anthropic elements. The key-elements of vulnerability are the following:

- Type and degree of vegetation cover (the area and variety of vegetation – from land lacking vegetation to large areas under natural forests);
- Land topography (may favour or hide the elements that confer a negative impact to landscape);
- Exposure / visibility degree (how much exposed are the anthropic elements and the way in which these have been or not designed at a scale that permits their harmonious integration into the landscape).

The available information regarding rural landscape evaluation in Romania are not many and most often they rely on general estimation and not on thorough investigations. We consider that in the Romanian rural area those elements exist that can support the identification of outstanding landscapes as well as of regionally significant landscapes. In this respect, we can mention: the Danube Delta, Northern Bucovina and the high altitude areas from the mountains (Făgăraș or Retezat mountains).

It is worth mentioning here that we cannot consider the existence of natural destructive factors of landscape. Even in those places where certain natural phenomena such as floods, landslides or strong wind had negative effects upon the landscape, those human interventions must be searched for that contributed to those destructive effects and to their maximization (e.g. planting resinous tree species in the central area of the country that favoured massive blow-downs as a result of low resistance to strong winds).

The main destructive factors existing in the Romanian rural area are the following :

- Intensive economic activities such as forest operations or surface mining operations;
- Defective waste management that permits the occurrence of wild waste storages;
- Agricultural land abandonment (in certain cases associated with waste storage) and the abandonment of certain unproductive economic units (at the country level there is a great number of livestock units that have been abandoned, and this process was often followed by the partial dismantling of buildings);
- Buildings (residential, commercial or industrial) with a low integration level into the natural landscape due to their height, architecture or colours used;
- Degradation of identity and local characteristics by giving up the traditional building style and its replacement by buildings that are characteristic to the urban areas.

Cultural heritage

We include here both the “the cultural rural infrastructure” represented by the “network” of village cultural houses, museums, collections and memorial houses as well as the cultural monuments, archeological sites, and the historical centers, many of them being included on the list of UNESCO world heritage (village sites with fortified churches from Transilvania, Monastery Hurezi, churches from Moldova, the wooden churches from Maramureş, Dacian fortresses from the Orăştiei mountains).

According to the data from the Ministry of Culture, in the Romanian rural area there are more than 3500 cultural establishments and more than 20000 historical monuments. In the last 10-15 years a continuous degradation of the cultural environment in Romania was noticed under the background of the reduced financial support provided to this sector, both from the public budget and from the private finance suppliers. This situation was almost dramatic in the rural areas. Thus, in most situations, the houses of culture, the village clubs, other cultural institutions had to cease their activity or to provide only minimum cultural services to people, many times of a poor quality. Under the background of the lack of finance, it is estimated that many cultural institutions from the rural area could not operate any more, as their headquarters changed their destination or they were degraded to such an extent that they became inadequate for cultural activities.

In order to counteract the above-mentioned process, in the year 2006 the Ministry of Culture initiated the “National Program of Rehabilitation, Modernization and Endowment of Cultural Institutions from the rural areas and small towns”. The program was promoted through Government’s Ordinance no. 118/2006, however the law for the ordinance approval is still debated by Romania’s Parliament, so that the financing of this program is still blocked (the program will be complementary to NRDP). The program has in view strengthening the role of cultural institutions from the rural area and their transformation into community centers for universal access to information and culture and of cultural cohesion. At the same time, the diversification of the cultural supply is envisaged and the increase of rural people’s access and participation to cultural life. The program is addressed to communes, villages and small towns up to 10,000 inhabitants.

Here we must also mention the existence of the National Cultural Fund. The administration of this fund supports every year the cultural projects on the following thematic areas: cultural action, visual arts and architecture, written culture, cultural education, museum-related activities, theatre, dances, music, national cultural heritage, immaterial heritage, cultural management and vocational training.

Another important component of the Romanian village life is the cultural-historical field, which could contribute to the increase of attractiveness level both for the young population and for tourists. In order to best use these local resources (cultural monuments, archaeological

sites, historical centers, churches, memorial houses, museums, libraries, buildings with architectural value, preservation of traditions and customs), investments are needed. On one hand direct investments in the rehabilitation of above-mentioned resources and in rural infrastructure on the other hand (communal roads, water supply and sewerage networks).

In the year 2006, the Romanian Cultural Institute stressed the fact that although Romania signed the European Convention of the Landscape even since 2002, the application of the provisions of this important document delays. The consequences can be easily seen in most localities from Romania, that suffer irreversible aggressions. In this situation, the historical monuments remain the only benchmarks of the traditional landscape configuration. The number of renovated monuments or under renovation is very low, compared to those over 20,000 historical monuments from Romania that are in an advanced degradation condition. It also has to be mentioned that 500 historical monuments were lost (disappeared or are completely degraded).

Preservation of natural resources

The use of renewable energy sources has in view the diminution of dependency upon the fossil fuels (petroleum, natural gas and coal) directly contributing to the diminution of consumer energy costs under the conditions in which, at present, the energy consumption per unit of product in Romania is high compared to the other European Union Member States; this results in high production costs and a relatively low competitiveness of products.

As an overall picture, it should be mentioned that Romania has a diversified range of primary energy sources, yet quantitatively reduced, as well as a significant potential of renewable resources, mainly hydro-energy resources.

The present reserves of hydrocarbons are quite limited, as a decline was experienced in the domestic production and no new reserves with significant potential have been discovered. According to “Romania’s Energy Policy 2006 – 2009”, the present oil reserves are estimated at 73.7 million tons. Oil production declined from 14.7 million tons in 1976 (year with a peak production) to 5.2 million tons in 2005. The present reserves of natural gas are estimated at 184.9 billion m³, the natural gas production decreasing from 12.9 billion m³ in 2005, that represented 71.4% of the total yearly natural gas consumption.

Table no. 0-1 Situation of domestic fossil energy resources

	Reserve		Annual production 2005 (mil.tons)	Estimated period of supply (years)
	(mil.tons) Gas – (billionm ³)	(mil.toe)		
Pit coal	721	274	3	240
Brown coal	3400	629	28	121
Oil	74	72	5,2	14
Natural gas	185	159	12,9	14

The national potential of renewable resources is represented by the hydro-electric power, biomass, solar energy, wind energy and geo-thermal energy. The technical hydro-energy potential of the country is 36 TWh/year. The economic hydro-energy potential is estimated at 23-25TWh, with an installed capacity of about 8000 MW. In the year 2005, the utilization level reached about 80% of the economic potential and hydro-energy storage plants are under

execution totaling an installed capacity of about 600 MW, with a production potential of 1,870 GWh/year. Biomass energy potential is about 7,594 thousand toe/year, out of which 15.5% are residues from forest operations and heating wood, 6.4% sawdust and other wood short ends, 63.2% agricultural waste, 7.2% domestic waste and 7.7% biogas. The energy potential of solar-thermal systems is estimated at about 1,434 thousand toe/year, and that of the photo-voltaic systems at about 1,200 GWh/year. The technical wind energy potential is estimated at 8 TWh/year. At the same time, Romania has a potential of about 167 thousand toe/year low-enthalpy geo-thermal resources, out of which about 30 thousand toe/year are currently used.

As regards the solar energy, this is the most reliable energy source. On Romania's territory, on a flat area of 1 square meter, it is possible to capture an annual amount of energy ranging from 900 to 1450 kWh, depending on the season. According to the Ministry of Integration, the most initiatives to use the solar energy are found in the localities located on the Black sea shore.

There are many wind energy projects and a few installations into operation, e.g. those from Tihuța (at 3 km from Bistrița) or near the Industrial Park Ploiești. The technical wind energy potential is estimated at 8 TWh/year.

Another energy source is geo-thermal energy, that can be exploited mainly in the balneary resorts. In this respect, in the year 1998, a project was completed at Calimanești and Caciulata through PHARE financial support. Romania has a low-enthalpy geo-thermal resources potential of about 167 thousand toe/year, out of which about 30 thousand toe/year are used at present.

As regards the use of waste for energy purposes, the situation is quite critical as at present in the rural area only 6.5% of the population benefit from sewerage services. Most of projects for waste management and use are exclusively or mainly addressed to the urban areas.

Significant prospects on short term exist in the field of **biofuel** production. With a greater profitability than in the case of cereal crops and with the perspective of European support, it is estimated that an increasing number of owners of abandoned land will opt for rapeseed crops (according to Agrostar Federation estimations). On the other hand, the private investments in the field of biodiesel production will result in a three-fold increase of production capacities in the next two years. Until the moment when the national biodiesel production will ensure the necessary 2% biofuel contents in the total fuel amount, the main producers will import biofuels from the EU countries. It should be also mentioned here that at present in Romania there are no facilities into operation or under project stage for bioethanol production.

The utilization of renewable resources is supported by a series of programming documents adopted in the national legislation. It should be also mentioned that Romania signed and ratified the Protocol of Energy Efficiency and Environment-Related Aspects, annex to the Treaty of the European Energy Charter, that represented our country's joining the European Union in the field of energy efficiency. On the basis of this document and of the commitments assumed, the policy and activity in the energy efficiency field were monitored by the Energy Charter Secretariat, the final conclusion being that "Romania makes good progress in Protocol implementation".

Another important document for orienting the National Strategy in the field of Energy Efficiency in the direction of complying with the European requirements is also the road map for Romania, elaborated by the European Commission and approved at the EU summit from Copenhagen from December 2002. In the paper it is specified the need to "improve the energy efficiency in the entire energy system" as well as the need "to shift from a policy-oriented

energy policy to a policy based upon energy saving ".

In the year 2003 the **draft National Strategy in the field of energy efficiency** was elaborated approved by Government's Decision no. 163 of February 12 2004. Under the background of energy intensity decrease in the last years, due to economy restructuring, reaching the proposed objectives might induce energy savings of about 2 million tons oil equivalent (toe) each year, that would be equivalent to a decrease of oil imports by 15-20% and a diminution of CO₂ emissions by about 4 million tons per year.

The **draft Strategy for renewable energy sources utilization** was also elaborated in the year 2003, approved by Government's Decision no. 1535 of December 18 2003. The general objectives of the strategy are:

- Integration of renewable energy sources into the national energy system structure;
- Diminution of technical-functional and psychological and social barriers in the process of utilisation of renewable energy sources, simultaneously with the identification of cost and economic efficiency items;
- Promoting private investments and creation of conditions for facilitating the foreign capital access on the market of renewable energy sources;
- Ensuring the independence of energy consumption of national economy;
- Ensuring the energy supply, according to case, to isolated communities through the utilization of the local renewable energy sources potential;
- Creating the conditions for Romania's participation to the European market of « Green certificates » for energy from renewable sources.

The Ministry of Economy and Finance has recently promoted a project for completing and improving the Law on Investments, in order to support the activity of renewable energy sources utilization. The project includes facilities for the companies that are willing to invest in this important field in Romania both for saving the fossil fuels and for environment protection. In order to support energy production from renewable sources, the law establishes a promotion mechanism, based upon "green certificates", by which the energy suppliers obligatorily acquire a quantity of certificates, proportional with the volume of electric power sold to beneficiaries. These quantities constantly increase in the period 2007-2010, from 3.74 % to 8.40 %. In conformity with the provisions of the strategy for renewable sources utilization, the investments needed in the above-mentioned period is estimated at about 500 million euro. ioane euro.

Human health

In Romania in the year 2002, the official statistics listed 266 towns and 2714 communes (Romania's Statistical Yearbook, NIS, 2004). These communes include about 13,000 villages.

The main constraints in the rural area are represented by: isolation of some human settlements due to the location in a place difficult to reach, deteriorated roads, lack of transport means, which leads to the depopulation of large areas located mainly in the hills and mountains, with scattered villages.

As regards the average life span, this is shorter in the rural area than in the urban area, both overall and by genders. In the period 2001-2003, the average life span in Romania was 71.01 years; although longer compared to previous decades, in the urban area it reached 71.8 years and in the rural area 70.08 years, i.e. 66.4 years in men and 74.1 years in women in the rural area compared to 68.2 years and 75.4 years in the urban area. It must be mentioned that the

vital potential is almost double in the countryside compared to towns, as it is revealed by the fertility index that reaches 51.55‰ in rural areas, compared to 28.62‰ in the urban area, while the death rate is higher in the rural areas, reaching 15.54‰, versus 9.3‰ in towns. Infant death rate is also higher (19.02‰ in rural areas, versus 15.08‰ in the urban areas); this because of a lower level of hygiene associated to the lack of drinking water supply network in the first place. Almost the entire rural area from the North-East region and Dobrogea from the South-East region feature a very high infant death rate, i.e. over 27‰. At the same time, in the plain zone from the southern part of Romania, belonging to the regions South and South-West, there are many communes where the infant death rate exceeds the above-mentioned levels.

A sharp need of physicians and hospitals is felt in the rural area. The quality of health services in the rural area is relatively low, mainly due to the poor endowment with buildings and medical equipment, in general obsolete and even non-existent. The supply of health services by the qualified staff is generally low, the number of physicians being relatively low compared to the number of inhabitants. There are on the average 1417 inhabitants per 1 physician, compared to an average of 378 inhabitants in the urban area. There are only 322 communes (12% of total) where the presence of physicians is quite satisfactory in relation to the number of inhabitants, i.e. 1 physician per 600 inhabitants (mainly in the areas in the proximity of towns). There are 148 communes (6%) where no physician is found, and in 378 communes (14%) 1 physician serves more than 3500 inhabitants. Larger areas that are poorly supplied with physicians' services, or even where these are absent are found in the eastern part of the country: in the counties from the North-East region (Botoşani, Vaslui and partially in the eastern part of Bacău county) and in the region South-East (in the mountain area of the counties Vrancea and Buzău, in the central part of Dobrogea and mainly in the Danube Delta).

As regards the main diseases, it should be mentioned that out of the total number of consultations throughout Romania, for the diseases of the respiratory tract the situation is the following :

- Age group 0-19 years - 60% in rural areas and 47.5% in urban areas;
- Age group 20- 39 years – 11.2% in rural areas şi 19% in urban areas ;
- Age group 40- 59 years – 9.3 % in rural areas şi 18 % in urban areas;
- Age group 60- 74 years - 15% in rural areas şi 11.55% in urban areas.

An important problem is represented by the diseases caused by **water contamination with nitrites in the rural areas**. The intake of nitrates together with the drinking water has been considered for a long time the main cause of the juvenile methemoglobinemia often known as “the blue child syndrome”. The main concern from the point of view of people's health with regard to nitrates intake is the acute juvenile methemoglobinemia.

In 1994 a new program was established regarding the methemoglobinemia caused by the water from the wells. About 715 cases were found in Romania in the period 1996-2000, with a death rate of 0.28%. At the same time, in the year 2000, 453 cases of acute juvenile methemoglobinemia were registered in children aged 0-1 year. The death rate was 0,9%. The average incidence was 0.033 ‰ (number of cases / 1000 newly born in the village). Following the analyses made, the nitrate concentration from the water in the wells ranged from 46 to 560 mg NO₃/l.

The intensive farming practice in the past and the presence of fertilizer storages led to the pollution of underground waters from the southern part of Romania, as well as of the surface waters with organo-chlorinated insecticides (HCH, Aldrin, Dieldrin, Heptachlor, pp'DDE and

pp'DDT) and triazine herbicides (Atrazin, Simazin and Propazin). A survey conducted in the rural localities revealed that out of the 250 samples of well water, for 64% the maximum acceptable concentration was exceeded for insecticides, with values 0.001-4.81µg/l. For the triazine herbicides, the concentration was exceeded for 73% of samples, with values 0.016-24.41 µg/l.

Rural tourism

Tourism in Romania focuses upon its natural landscapes and rich history. The number of tourists is increasing, at present reaching about 6-7 million per year, and this activity becomes an increasingly important income source. The Romanian economy is characterized by a huge tourism potential, this attracting 880 million euro in investments in 2005.

The main types of tourism that can be practiced in the rural area are the following : cultural tourism (museums-related, ethnographic, artistic), religious, balneo-therapeutical, recreational, transit and agro-tourism.

In Romania there are two main elements that can determine the development of rural tourism: village and nature. Romania stores a large variety of cultural and historical values – folk art, ethnography, folklore, traditions, historical remnants – a natural harmonious framework combined with a various and picturesque landscape. Furthermore, it is worth mentioning that the rural settlements appeared and developed since Traco-Dacians' time, in certain zones of Romania being still preserved the ancient customs, a rich and various folklore, original elements of ethnography and handicraft.

The first attempts of organized rural tourism date back from the period 1967-1968, for groups of tourists staying on the Romanian Black Sea shore. This was a promising beginning, as in the year 1972, the Ministry of Tourism drafted Order 297/1972, following which the Research Center for International Tourism Promotion identified and selected several rural localities representative for the Romanian villages that were to be launched in tourism activities. Following these studies, it was established that about 118 rural localities could be introduced into the domestic and international tourism chain. The first villages declared of tourism interest on 16 July 1973, by Order of the Ministry of Tourism no. 744/1973 were Lereşti (Argeş), Fundata and Şirmea (Braşov), Sibiel (Sibiu), Tismana (Gorj), Mirighiol and Crişan (Tulcea), Racoş (Timiş), Sfântu Gheorghe (Tulcea), Bogdan Vodă (Maramureş), Vatra Moldoviţei (Suceava), Poiana Sărată (Bacău) and Vaideeni (Vâlcea). The next year, by Decree no. 225/1974 it was forbidden to accommodate foreigners in private dwellings, and the tourism villages became non-functional for the international tourism. The short “officialization” period of tourism did not make it possible to organize the tourism activity nor to adequately equip the tourism villages. In many localities the households that complied with the accommodation conditions were not certified (Rucăr, Vatra Moldoviţei, Vaideeni), in other localities the Romanian tourists were accommodated in a non-organized way without any evidence (Crişan, Bogdan Vodă, Rucăr). With very small exceptions, this situation remained the same until 1989. Only since 1990 the interest for rural tourism developed. At present there is a national association grouping 2500 members (entrepreneurs in rural tourism) and over 30 firms carrying out touroperators activities with rural tourism products.

The most developed zones from the rural tourism point of view are the following :

- Bran – Moieciu, where lies the famous castle built in the 14th century;
- Peştera together with Măgura (the Bucegi Mountains);

- Șirnea and Fundata (Brașov county);
- Mărginimea Sibiului (including Săliște, Sibiul, Tilișca, Rod, Jina, Poiana Sibiului or Rășinari);
- Valea Arieșului (Alba county, in the southern part of the Apuseni mountains);
- Valea Marei, Coșăului, Izei or Vașerului (Maramureș);
- Monasteries from Bucovina with villages Vama, Vatra Moldoviței, Marginea, Șolca or Putna.

Zones with potential for sustainable rural tourism development are the following:

- Harghita with Zetea, the Hășmaș mountains, lake Roșu, lake Sfânta Ana, Izvorul Mureșului;
- Zona Vâlcea with Brezoi – Malaia – Voineasa or Horezu;
- Danube Delta;
- Villages from the northern part of Argeș county.

Modifications proposed to the SWOT analysis of NRDP for the investigated environmental aspects

Following the analysis of the present environment situation in the rural area, certain modifications of the SWOT analysis have been proposed (see Table 4-2). We specify that in the last proposed form of NRDP (17.04.2007), SWOT analysis is presented only through “strengths” and “weaknesses”.

Table no. 0-2 Modifications proposed for the SWOT analysis (the proposals are written in blue)

	Fields	Strengths	Weaknesses
Axis II	Biodiversity, Water, Soil, Air quality	<ul style="list-style-type: none"> - High biodiversity level and Nivel ridicat de biodiversitate și existence of the National Network of Protected Areas as functional system - Low level of use of chemicals in agriculture - Low soil pollution and relative good environment conditions * - Romania satisfy the requirements regarding the level of glasshouse gas emissions (GGE) provided for the year 2010 	<ul style="list-style-type: none"> - Increasing trend of use of chemicals in agriculture - Large areas affected by soil degradation phenomena
Proposals			
Axis II	Biodiversity, Water, Soil, Air quality	- Existence of a natural capital that can support the sustainable development of the socio-	- Absence of a functional National Network of Protected Areas (many instituted protected

		<p>economic systems in the rural area;</p> <p>* - Soil pollution affects only 10% of the arable land area;</p>	<p>areas have no management, the process of designating the Natura 2000 sites has not been completed, the National Agency of Protected Areas and Biodiversity Conservation has not been established)</p> <p>- only 1/3 of the total arable area complies with the conditions for a sustainable and efficient farming</p>
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Evolution of environment situation in the situation of non-implementing the NRDP

The analysis of environment situation under the conditions of non-implementing the NRDP represents a requirement of the SEA Directive¹⁰⁶ (see art. 5 and annex I-b) as well as of Government's Decision no. 1076/2004¹⁰⁷ (see art.15).

The objective of this analysis is to identify the opportunity of NRDP implementation as well as to lay the bases of the evaluation of the way in which this program responds to the needs and requirements of the environment situation in the rural area and of its evolution trends.

The « 0 Alternative » approach (non-implementation of the program) was intensely debated during in the working groups organized on the basis of SEA procedure. As a result, it has been considered that this alternative should take into consideration:

- Effects of present programs dedicated to the rural area;
- Other programs proposed for the period 2007 – 2013 as well as the funds that will directly or indirectly affect environment quality in the rural area (private investments, direct payments, operational programs, Phare 2005 and 2006);
- The international obligations that Romania has to respect with or without NRDP (Framework Directive Water, Natura 2000 Network, targets for 2010 with regard to biodiversity, European Councils from Lisbon and Gothenburg, Directive on air quality, Directive on Nitrates, etc.);

Alternative 0 analysis was based upon the current knowledge and assessment methods with regard to environment situation and its evolution trends (see previous section of report). The analysis was structured on the basis of relevant environmental aspects, as they were selected during the SEA working group meetings (see the Minutes in annex) and it is focused upon the characterization of environment situation evolution in the rural areas. The analysis also focused upon the environmental indicators proposed in NRDP.

It is known that the assessment of the future environment situation and of 0 Alternative in particular is quite difficult under the conditions in which the necessary data are not available

¹⁰⁶ Directive 2001/42/EC of the European Parliament and Council of 27 June 2001 on the assessment of the effects upon the environment of certain plans and programs

¹⁰⁷ HG 1076 din 8.07.2004 pentru stabilirea procedurii de realizare a evaluării de mediu pentru planuri și programe (Monitorul Oficial nr.707 din 5.08.2004)

and there are many drawbacks and incertitude regarding the present characterization of environment situation.

Table no. 0-3 Possible environment evolution in the absence of the NRDP (alternative 0)

Relevant environment aspects	Environmental indicators (NSP)	Possible evolution in the absence of NRDP
Air	-	The increasing trend in the ammonia emissions will be maintained with the perspective of reaching and exceeding the ceiling envisaged for the year 2010. In the absence of investments in the road infrastructure and under the background of a permanent increase of the automobile park an increase in the emissions of pollutants will be noticed characteristic to exhaust gases and suspension particles
Water	Nitrogen balance	Maintaining the present funding sources, in the year 2013, about 80% of the rural population will continue not to have access to centralized sewerage systems (compared to 90% at present). Even if the nitrogen concentrations in the underground water follow a decreasing trend, the situation will remain critical in the sensitive areas (see list of communes vulnerable to nitrite pollution).
	Evolution of nitrate concentrations in the surface waters	The closing down of certain livestock farms as a result of non-complying with the new standards will lead to a slight diminution of the nitrate emissions in this activity sector. The present trend of slight increase in chemicals will be maintained. The agro-environmental measure from the SAPARD Program will produce reduced and late effects as regards the limitation of fertilizers and pesticides in the surface waters.
		No revamping the collection, treatment and discharge facilities for the used waters from the livestock units will contribute to the increase of the organic pollution of surface waters
Soil	UAA / total national area	A decrease of the agricultural area will be produced as a result of increase of built up areas, mainly residential and commercial (increase in the number of dwellings in the rural area > than in the urban area). The abandon of the agricultural areas will be increased (non-operation).
	% of UAA classified as less favoured areas	In the designed less-favoured areas, a decrease of the utilized agricultural areas will be noticed. The low soil fertility will lead to a limitation of farm production that will implicitly generate an increase on the pressure upon the environment by the increase of the amount of utilized chemical fertilizers.

Relevant environment aspects	Environmental indicators (NSP)	Possible evolution in the absence of NRDP
	% UAA for extensive grazing	The percentage corresponding to the agricultural areas dedicated to extensive grazing will experience a decline against the background of pastures transformation into arable land and of the abandon of agricultural activity on these areas
	Zones with soil erosion risk	The areas with soil erosion risk will increase due to the utilization of inadequate agricultural techniques
	% UAA related to organic farms	The areas under organic farming will increase but only as a reaction to the market requirements
Climate changes	Renewable energy production obtained in the forestry sector	The utilization of wood as energy source will follow a slightly increasing trend under the conditions of the lack of some alternative energy sources and of the migration of population with low incomes from the urban to rural areas
	UAA for crops related to energy production	The agricultural areas dedicated to the production of biomass convertible into bioenergy will increase due to the financial support allocated through Pillar 1 of the Common Agricultural Policy and due to the obligativity to introduce biofuels into conventional fuels
	GGE coming from agriculture	The present tendency will be maintained in relation to the increase of glasshouse gas emissions. In the absence of measures that should limit the use of chemical fertilizers, an increase of the nitrogen protoxide emissions will be noticed.
	-	The inadequate waste management in the rural area will contribute to maintaining the present emission rates for CO ₂ and CH ₄ .
Biodiversity	Forest land area / total national area	The forest land area will experience slow increase in the investigated period yet without reaching the target of 32% of the total country area There is a potential for increasing the annual rate of forestland growth even only by an adequate control of the assumed ecological rehabilitation works
	Evolution of bird populations specific to agricultural land	In the conditions of increased abandon of agricultural land areas a slight decrease of the number of species associated to these systems could take place as well as of the bird population number
	UAA from the zones with high natural value	There is a risk of diminution of areas with high natural value as a result of their transformation into arable land and of their abandon

Relevant environment aspects	Environmental indicators (NSP)	Possible evolution in the absence of NRDP
	-	<p>Management of the protected areas will improve. Yet there will be an increased pressure exercised by the rural population living in these areas as well as the risk of conflicts caused by the restrictions imposed in the protected areas.</p> <p>Maintaining the present tendencies of the amounts of pesticides used in agriculture will also determine a decline in biodiversity</p>
Natural risk management	-	Under the background of processes associated to climate changes, under the conditions of not solving up the problems existing in the hydrographic basins, (e.g. absence of protection dykes against flooding), the effects generated by certain natural phenomena or processes will produce more and more damages
Landscape	-	<p>The rural landscape will experience degradation as a result of:</p> <ul style="list-style-type: none"> - Transfer of urban elements in the traditional rural areas attractive from the tourism point of view; - Agricultural land abandon; - High emigration rate in the rural area
Cultural heritage	-	Absence of cultural heritage-oriented investments will lead to its degradation
Human health	-	<p>The absence of clean drinking water and sewerage systems on large rural areas will result in the maintenance of a high level of the presence of diseases linked to water quality, with implicit effects in the maintenance of a high infant death rate.</p> <p>Maintaining the present practice of domestic and agricultural waste management will also lead to the increase of the incidence of diseases due to these factors.</p> <p>Last but not least, the perpetuation of a low productivity level will deprive the farmers of the necessary financial resources for the improvement of their life quality and diminution of health-related risks.</p>
Rural road infrastructure, agricultural machinery and equipment	-	The absence of investments in the rural road infrastructure will result in the maintenance of a higher fuel consumption and high level of noise and particles in suspension; by non-supporting the investments in the agricultural machinery fleet, the agricultural sector will be deprived of more efficient technologies in the energy sector with a lower

Relevant environment aspects	Environmental indicators (NSP)	Possible evolution in the absence of NRDP
		impact on soil.
Sustainable tourism	-	The trend of increasing the share of tourism practiced on agro-tourism boarding houses will be maintained. Yet the size of this type of tourism is far from reaching its true potential and has an unbalanced distribution at country level. The zones with high natural potential will be favoured, with the risk of increasing the anthropic pressure upon these zones. The lack of infrastructure will not make it possible to use the tourism potential from other rural areas.
Getting aware of the environmental problems	-	Increase of human health-related risks in the rural areas will naturally entail an increase of rural people's awareness of these problems. Unfortunately the solutions for this risk minimization are not available for everybody. As regards farmers' getting aware of the the impact of agricultural policies upon the environment, only the beneficiaries of the current programs will become sensitive to these issues. Farmers cannot be motivated to apply environment-friendly practices in the absence of compensation and training programs.

The alternative of non-implementing of the National Rural Development Program is unfavourable to most relevant environmental issued investigated above. Most of the indicators proposed by the Ministry of Agriculture, Forests and Rural Development for NRDP assessment will experience a negative trend, while for those indicators that will follow a positive trend, the reaching of targets proposed or assumed by Romania cannot be forecasted. To sum up, it can be stated that Alternative "0" is unacceptable for the needs and requirements of the Romanian rural area.

Environmental characteristics of the zones likely to be significantly affected by NRDP implementation

The scale at which NRDP assessment is made is nation-wide. The analysis of objectives and proposed measures has not resulted in the identification of certain situations where the environment components are significantly affected (see chapter 8).

However, we must specify that for each of the projects that have in view investments in activities with potential impact upon the environment (in the sense of order 863/2002) environmental impact studies will be carried out. Only these evaluations will be able to identify, at an adequate spatial and temporal scale, the environmental characteristics that can be significantly affected.

We also specify here that NRDP has in view actions in Natura 2000 sites. These actions are mainly represented by compensatory payments for the losses suffered by farmers and forest owners as a result of restrictions related to land location inside the protected areas. As regards direct investments, these will be represented by regeneration works / improvement of the

stand quality, carried out only under the conditions imposed by the management plan of the respective sirtes and only following the environment impact assessment.

Current environmental problems relevant for NRDP

Chapter 3.1 of the present paper presented the analysis of the present environment situation in Romania, focusing upon the rural area issues. In this chapter those environment problems were selected that have a direct relevance for the National Rural Development Plan.

Table no. 0-1 Environmental problems relevant for NRDP

Environmental aspects	Environmental problems relevant for NRDP
Air	<ul style="list-style-type: none"> Increasing trend in ammonia emissions whose main source is the livestock sector
Water	<ul style="list-style-type: none"> Increased nitrites concentration in the underground water as a result of fertilization, lack of sewerage networks and defective management of animal waste; Extension of surface waters eutrophication that together with other forms of impact generates a diminution of the functional condition of these waters.
Soil	<ul style="list-style-type: none"> On about 62% of the agricultural land area, soil quality is affected to a larger or lesser extent by one or several constraints; Soil erosion is the most important constraining factor in agriculture.
Climate modifications	<ul style="list-style-type: none"> There is an increasing trend in the glasshouse gas emissions; The present forested area is insufficient for an adequate contribution to the retention and storage of glasshouse gas.
Biodiversity	<ul style="list-style-type: none"> Romania has a valuable natural capital that needs sustained conservation measures; Natura 2000 network, currently under initiation process, will need support for the implementation of the future management plans.
Human health	<ul style="list-style-type: none"> The main health problems are caused by the precarious hygiene of the rural population. This is firstly due to the lack of drinking water supply network, of the sewerage network, inadequate waste management and management of the chemicals in agriculture.
Management of environmental risks	<ul style="list-style-type: none"> The main risk on the rural area that is found on a large scale and whose effects are increasing is represented by flooding; The defective management of the forested areas has had a negative contribution to the amplification of the negative effects of flooding.
Conservation / efficient utilization of natural resources	<ul style="list-style-type: none"> At present, the non-renewable energy consumption per unit of product in Romania is high, entailing high production costs and a relatively low competitiveness of products.

Landscape and cultural heritage	<ul style="list-style-type: none"> • The main forms of impact upon the environment are represented by clearings, abandon of agricultural land, increase of urban areas; • The cultural landscape suffers from the precarious condition of cultural objectives and lack of infrastructure in rural areas.
Energy efficiency and renewable energy sources	<ul style="list-style-type: none"> • In the year 2005, the energy from renewable sources (other than hydro-energy sources) accounted for less than 1% compared to the European average of 4%.
Increase of population's awareness of the environmental problems	<ul style="list-style-type: none"> • Lack of information programs for the rural population makes it equally exposed to the direct risks related to environment pollution and represent a significant pressure factor upon the environment înconjurător.
Sustainable transport	<ul style="list-style-type: none"> • The main problems in the rural area are related to the existence of an obsolete park of vehicles, lack of road infrastructure and low degree of coverage and endowment of the transport services.
Sustainable tourism	<ul style="list-style-type: none"> • The existence of a low coverage with agro-tourism services; • Tourism services concentration in zones with high natural potential; • Lack of infrastructure and facilities necessary for sustainable tourism development.

Environment protection objectives established at national, community or international level that are relevant for NRDP

For designing the frame of the assessment of effects upon the environment generated by NRDP implementation, several relevant objectives were selected and investigated, in direct connection to:

- Environment aspects indicated in Annex 2 of Government's Decision 1076/2004;
- The relevant environmental issues for NRDP (see Chapter 6) resulting from the analysis of the current environment situation;
- NRDP objectives and priorities.

For the proposal of the list with the relevant environment objectives, a documentation was made on the basis of national and international reference documents. The list of these documents is presented in the annex. The relevant environment objectives were investigated and reformulated within the SEA-NRDP working group meetings (see minutes of meetings in the annex). The final form of these objectives is presented in table no. 7-1.

Table no. 0-1 Environment aspects and relevant environment objectives established in the working group SEA-PNDR.

Environment aspects	Relevant objectives
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Air	Dimunution of polluting emissions
Water	Diminution of spot and diffuse pollution of water
Soil	Limiting the soil spot and diffuse pollution
	Soil protection against wind and water erosion
Climate changes	Scăderea emisiilor de gaze cu efect de seră
	Increase of the absorption and retention level of glasshouse gas
Biodiversity	Maintaining the high natural value of agricultural land
	Preservation of the favourable situation of wild flora and fauna habitats and speciesconservation (including the avoidance of habitat fragmentation)
	Biological diversity conservation inside the protected areas (included in the national network of Natura 2000)
	Maintaining the ecological functions of rivers (Framework Directive Waters)
Human health	Improvement of health condition through the implementation of certain pollution prevention measures and improvement of the existing problems (e.g. drinking water quality, sewerage, waste storage, noise pollution)
Environment risk management	Increasing population's protection with regard to natural risks
Conservation / efficient utilization of natural resources	Facilitating the use of renewable resources
	Diminution of waste production, increasing the waste collection, increasing the waste use
Landscape and cultural heritage	Maintaining the human activities in the rural areas by fostering the use of traditional agricultural practices
	Preotection of natural and cultural landscape through the revitalization of degraded areas
Energy efficiency and renewable energy sources	Improving the efficiency of energy resources utilization
	Facilitating the production of energy from renewable sources
Increase of awareness level of the environmental problems	Behaviour improvement by fostering the sustainable agricultural practices
Sustainable transport	Modernization of transport infrastructure in the rural area
Sustainable tourism	Promoting the rural areas through sustainable torurism activities, mainly by agro-tourism

Potential significant effects upon the environment

Assessment methodology

In conformity with the provisions of Article 14 from Government's Decision 1076/2004, in the SEA working group different NRDP assessment possibilities were investigated with regard to the field and details of information that must be included in the environment report. It was established that the optimum evaluation level is that of the specific objectives of NRDP. The arguments in this respect are the following:

- The specific objectives have a sufficient integration and representativity level for the measures under each axis (for 50% of the specific objectives there is only one corresponding measure, for measure 3.2.2 are formulated 3 specific objectives while the other objectives have maximum 3 corresponding measures);
- The objectives accurately reflect the priorities of each axis;
- The analysis at the level of specific objectives is efficient from the point of view of the ratio of resources involved in the assessment to the results that can be used in shaping and improving the NRDP;
- The redundant assessments are avoided for measures with a certain similarity level from the point of view of the impact upon the environment (e.g. the training and information activities are found in numerous measures of the program).

The evaluation of the impact of the specific NRDP objectives was made in relation to the relevant environment objectives identified and presented in Chapter 7 of the present report.

The assessment of impact by each objective was made by the team of the environment consultant and presented in the working group. Here the arguments for each evaluation score were investigated, resulting in valuable debates on certain previous case studies and experiences, that contributed to the completion of the assessment framework.

The scoring system with regard to impact assessment was also established within the working group. A scale from -2 to +2 was chosen, according to the situations in table 8-1.

Table no. 0-1 Quantification scale of the impact generated by the NRDP specific objectives upon the relevant environment objectives

Impact value	Justification
+ 2	Significant positive impact of the specific objective upon the relevant environment objective
+ 1	Positive impact of the specific objective upon the relevant environment objective
0	No impact
- 1	Negative impact of the specific objective upon the relevant environment objective
- 2	Significant negative impact of the specific objective upon the relevant environment objective

The assessment results are presented in the tables of the next sub-chapters.

Assessment of the share of environmental investments of the NRDP

The main measurable element of the NRDP is the financial allocation. It is now known the way in which money will be distributed by axes and within the axes. Although we cannot

estimate with great accuracy the share of different projects within each measure, we opted for a quantification of the potential environment investments (direct and indirect) taking into consideration the number of actions, that will support projects and activities within the projects with a positive impact upon the environment, out of the total number of eligible actions.

Those allocations have been considered potential direct investments that envisage the extension of sewerage networks or establishment-enlargement of forested areas; as indirect investments were considered the allocations of the type of training courses and information or the compensatory payments.

The obtained values have an indicative nature (they are included in the evaluation tables from chapters 8.3, 8.4, 8.5 and 8.6) and are graphically presented in Figures 8-1, 8-2, 8-3, 8-4, 8-5. For each Figure the error bars represent the share of total allocations by measures / axes. It should be also mentioned that the total allocations include both the public support and the private investments.

Figure no. 0-1 Potential environment investments under Axis 1 of NRDP

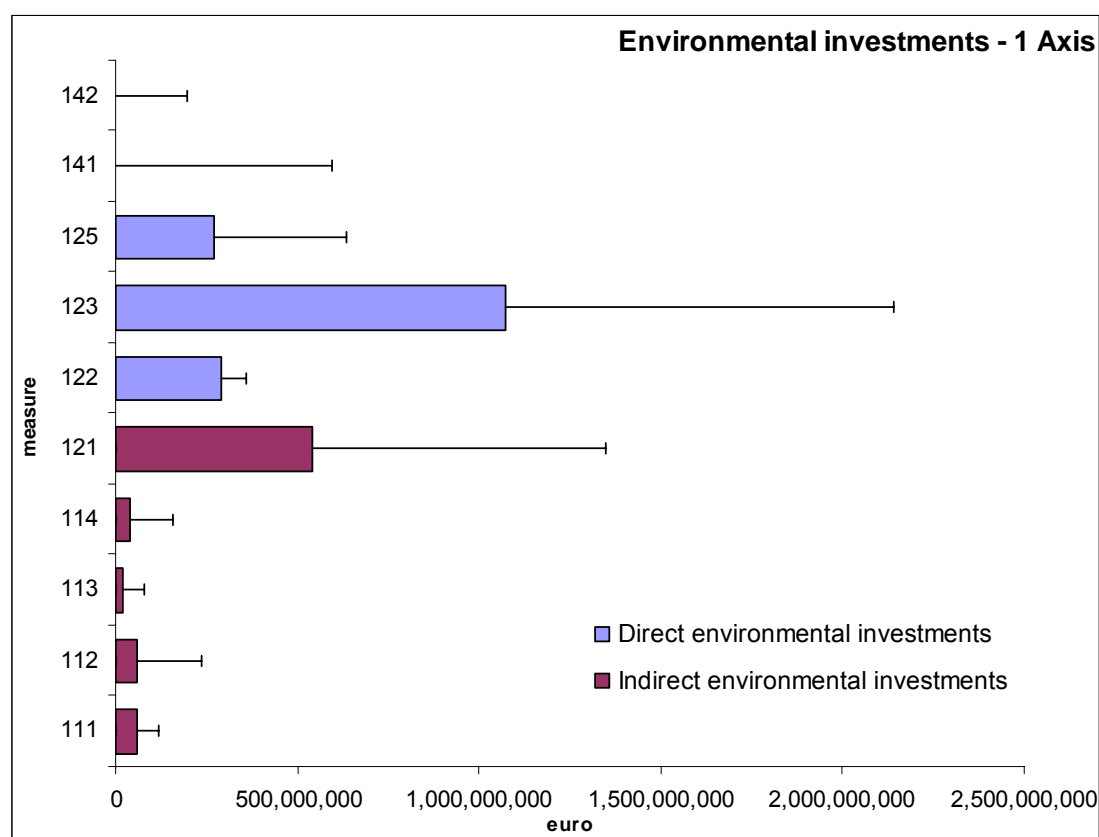


Figure no. 0-2 Potential environment investments under Axis 2 of NRDP

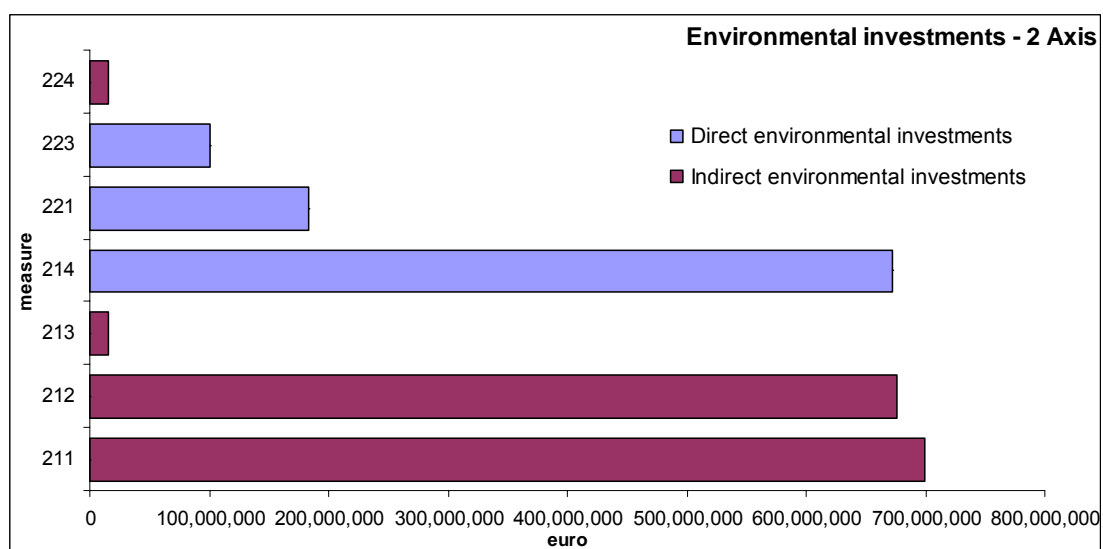


Figure no. 0-3 Potential environment investments under Axis 3 of NRDP

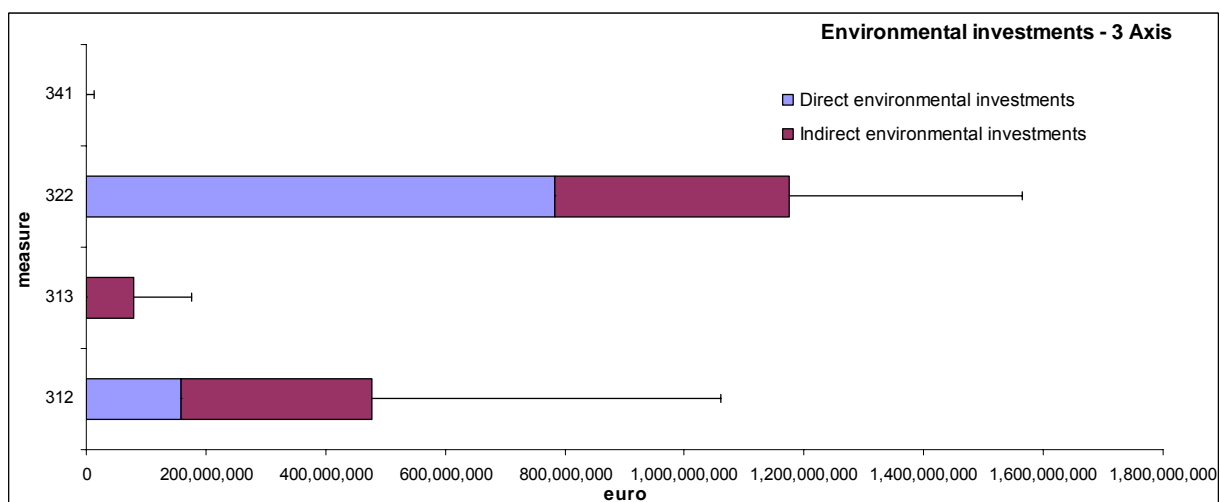


Figure no. 0-4 Potential environment investments under Axis 4 of NRDP

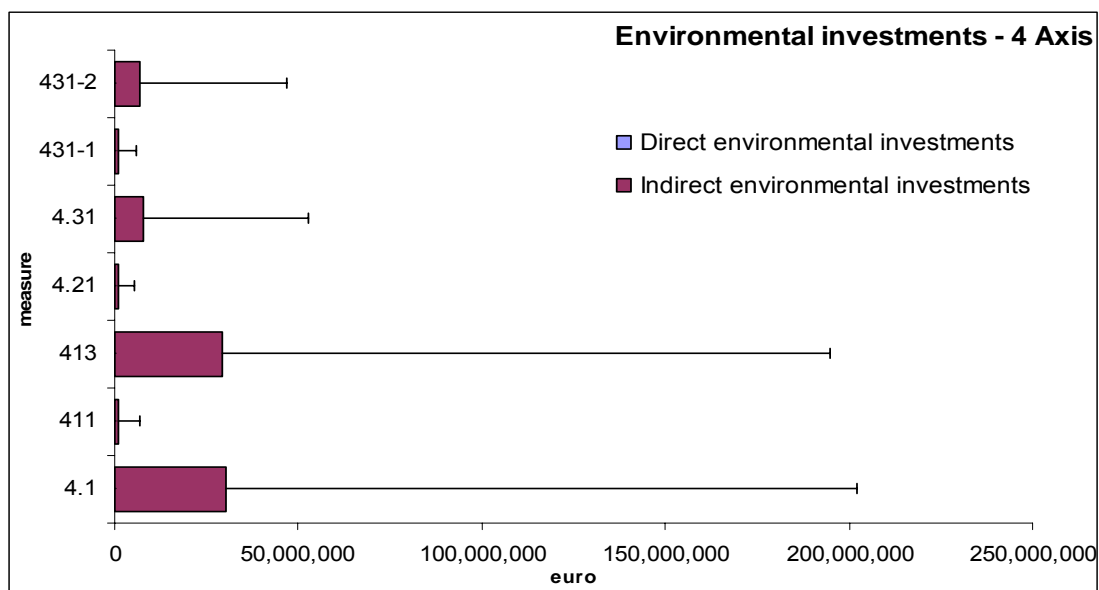
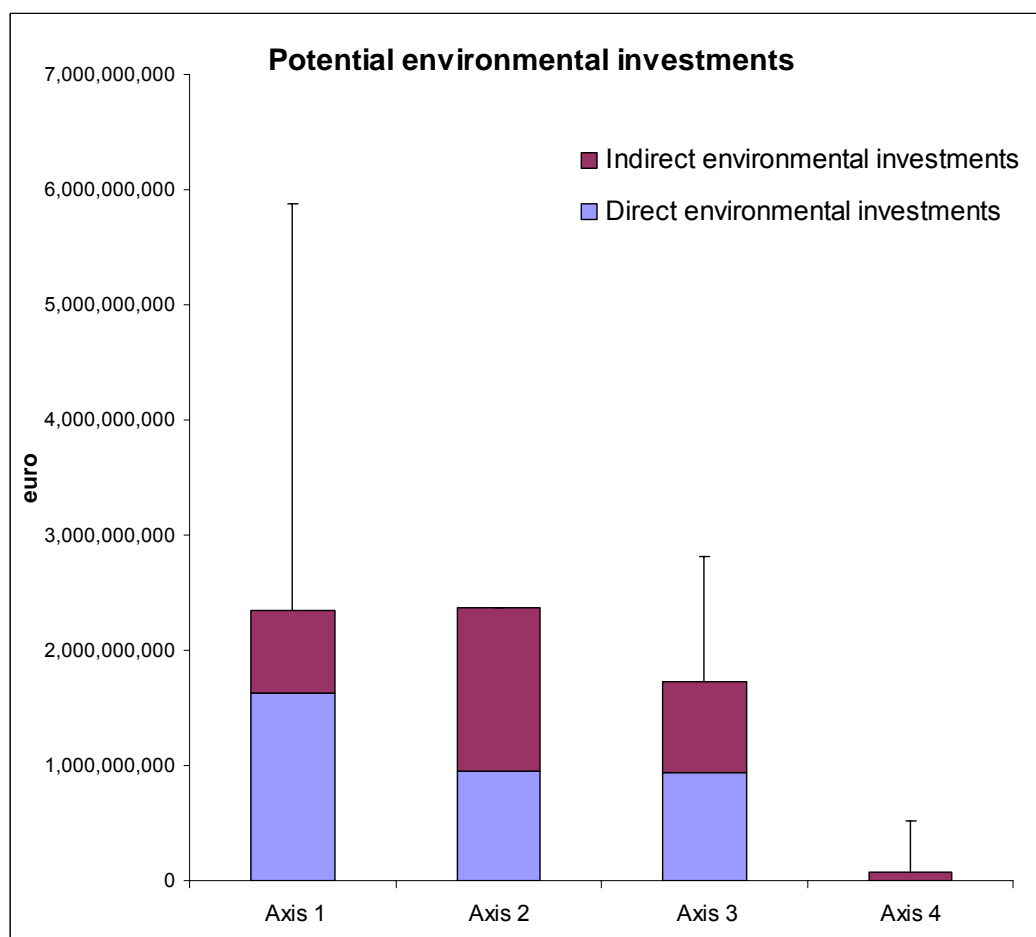


Figure no. 0-5 Potential environment investments under the four axes of NRDP



Effects upon the environment generated by the implementation of Axis 1

Name of Axis 1: **Increasing the competitiveness of the agricultural and forestry sectors**

Specific objective 1.1 – Support to farmers and people that carry out their activity in the agri-food and forestry sectors for the improvement of human capital with a view of adaptation to the new context

Measures included: 111 + 114.

Financial allocations:

Total measure = 277,711,838.0 out of which:

Direct environment expenses = 0%;

Indirect environment expenses = 35.7%;

Environment expenses within the measure out of total environment expenses of Axis 1 = 4.2%.

Relevant environment expenses	Evaluation	Justification of evaluation score
<i>Diminution of polluting emissions</i>	1	General consideration: The vocational training activities have in view the promotion and respect of quality standards and environment conditions as well as the technical training of beneficiaries, while also fostering the revamping of economic activities and promoting the innovations. These activities will have an indirect positive impact upon the diminution of polluting emissions, upon the improvement of the program beneficiaries' behaviour in relation with the environment and the increase of the attraction and utilization capacities of funds in the rural areas. Although the number of beneficiaries totals only about 200,000, we estimate that these are the most active segment in the rural area that can add value through initiative (capacity to put into application the acquired information) and power of example (dissemination of acquired information).
<i>Limiting the level of spot and diffuse pollution of water</i>	1	General consideration (see above)
<i>Limiting the level of spot and diffuse pollution of soil</i>	1	It should be also mentioned that the vocational training activities as well as the information activities will also include the theme of application of fertilizers and soil amendments in agriculture in conformity with the EU standards.
<i>Soil protection against wind and water erosion</i>	1	General consideration (see above) The training activities also include the these of sustainable land management.
<i>Diminution of glasshouse gas emissions</i>	1	General consideration (see above)
<i>Increase of the level of glasshouse gas absorption and stocking</i>	1	General consideration (see above)
<i>Maintaining the high natural value of agricultural land</i>	1	General consideration (see above)
<i>Ensuring a favourable condition of habitat and wild</i>	1	General consideration (see above)

<i>flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>		
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	1	General consideration (see above)
<i>Maintaining the ecologic functions of rivers (Framework Directive Water)</i>	1	General consideration (see above)
<i>Increasing population's protection against natural risks</i>	1	General consideration (see above)
<i>Maintaining the agricultural activities in the countryside by encouraging the utilization of traditional practices</i>	1	General consideration (see above)
<i>Ensuring the protection of natural and cultural landscape by the revitalization of degraded areas</i>	1	General consideration (see above)
<i>Diminution of waste production, increase of waste collection, increase of waste utilization level</i>	1	General consideration (see above)
<i>Facilitating the use of renewable resources</i>	1	General consideration (see above)
<i>Improving the utilization efficiency of energy sources</i>	1	One of the main aspects that will be included in the vocational training activities target the promotion of renewable energy use.
<i>Improving the health condition of the rural population</i>	1	General consideration (see above) The proposed measures will contribute to reaching social targets, namely unemployment rate diminution in rural areas and improvement of the living conditions.
<i>Transport infrastructure modernization in rural areas</i>	1	General consideration (see above)
<i>Promoting the rural areas through sustainable tourism activities, mainly by encouraging agro-tourism</i>	1	General consideration (see above)
<i>Improvement of pro-active behaviour by encouraging sustainable agricultural practices</i>	1	The measures proposed under this objective target the increase of awareness and participation level of farmers, forest owners and staff from the agri-food industry with regard to environmental problems and solutions for the diminution of the impact of their activities and complying with the environment protection

		legislation.
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Specific objective 1.2 – Acceleration of structural adjustment of agriculture and encouraging the semi-subsistence farms to penetrate on the market.

Measures included: 112 + 113 + 141.

Financial allocations:

Total measure = 912,481,752.0 out of which:

Direct environment expenses = 0%;

Indirect environment expenses = 8.7%;

Environment expenses within the measure out of total environment expenses under Axis 1 = 3.4 %.

Relevant environment expenses	Evaluation	Justification of evaluation score
<i>Diminution of polluting emissions</i>	0	General consideration: The actions envisaged under this specific objective mainly address to farm management improvement both from the point of view of production and of the respect of EU standards. Throughout the project duration the premises are created for a potential positive effect by farm size increase and introduction of performant technologies.
<i>Limiting the level of spot and diffuse pollution of water</i>	0	General consideration (see above) The proposed measures are not directly addressed to soil and water protection nor will they have a direct impact upon these two environment factors.
<i>Limiting the level of spot and diffuse pollution of soil</i>	0	
<i>Soil protection against wind and water erosion</i>	0	
<i>Diminution of glasshouse gas emissions</i>	0	General consideration (see above)
<i>Increase of the level of glasshouse gas absorption and stocking</i>	0	
<i>Maintaining the high natural value of agricultural land</i>	0	
<i>Ensuring a favourable condition of habitat and wild flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>	0	
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	0	
<i>Maintaining the ecologic functions of rivers (Framework Directive Water)</i>	1	There are two main arguments on the basis of which we consider that this set of measures will have a positive long-term impact upon this environmental objective: <ul style="list-style-type: none"> • The increase of farm size and fam

		<p>management improvement will lead to a more efficient utilization of land and of synthetic inputs;</p> <ul style="list-style-type: none"> The financial support is received for the respect of environment protection and sanitary-veterinary requirements.
<i>Increasing population's protection against natural risks</i>	0	The analyzed objective does not address to this environmental issue.
<i>Maintaining the agricultural activities in the countryside by encouraging the utilization of traditional practices</i>	0	The measures proposed here do not target the utilization of agricultural practices but will significantly contribute to maintaining the agricultural activities in the countryside (see the setting up of young farmers and the support to semi-subsistence farms)
<i>Ensuring the protection of natural and cultural landscape by the revitalization of degraded areas</i>	0	This issue is not directly approached under the objective
<i>Diminution of waste production, increase of waste collection, increase of waste utilization level</i>	0	The objective is not directly addressed to this issue. Yet, the requirement to comply with the legal environment protection provisions includes the waste management improvement on farms.
<i>Facilitating the use of renewable resources</i>	0	The measures proposed here do not contribute to reaching this relevant environmental objective.
<i>Improving the utilization efficiency of energy sources</i>	0	
<i>Improving the health condition of the rural population</i>	0	There are indirect elements that make us believe that these measures will have a positive impact upon the rural population's health condition. However, the effect is a marginal one and visible only on longer-term.
<i>Transport infrastructure modernization in rural areas</i>	0	These aspects are not found in the proposed measures.
<i>Promoting the rural areas through sustainable tourism activities, mainly by encouraging agro-tourism</i>	0	
<i>Improvement of pro-active behaviour by encouraging sustainable agricultural practices</i>	1	The main beneficiaries of these objectives are the farmers. The financial support is received on the basis of skills and qualifications necessary for compliance with the environment protection and sustainable agricultural practices requirements (training)

Specific objective 1.3 – Modernization of agricultural holdings

Measures included: 121.

Financial allocations:

Total measure = 1.348.886.070 out of which:

Direct environment expenses = 0 %;

Indirect environment expenses = 40 %;
Environment expenses within the measure out of total environment expenses under Axis 1 = 23 %.

Relevant environment objectives	Evaluate	Justification of evaluation score
<i>Diminution of air polluting emissions</i>	-1	The objective contains a significant support component for constructions and procurement of vehicles. Both on short and long term, the actions carried out will have a negative impact upon the target of diminution of polluting air emissions. However, it should be also mentioned that there are elements with a positive impact. For example, the building up of heating stations for glasshouses and the rehabilitation of the existing ones is equally supported.
<i>Limiting the level of spot and diffuse pollution of water</i>	1	Investments are directly supported for environment protection at farm level (ensuring the utilities for the respect of environment conditions).
<i>Limiting the level of spot and diffuse pollution of soil</i>	1	
<i>Soil protection against wind and water erosion</i>	1	
<i>Diminution of glasshouse gas emissions</i>	0	This problem is not directly approached under this objective. The proposed measures measures (eg: the rehabilitation of heating stations on glasshouses) will have a small contribution to reaching this objective.
<i>Increase of the level of glasshouse gas absorption and stocking</i>	1	In the evaluation of the positive impact the following aspects have been considered: <ul style="list-style-type: none"> • Support to the establishment of fruit-tree nurseries; • Establishment of fruit tree and shrubs plantations; • Support to the conversion and development of organic farming
<i>Maintaining the high natural value of agricultural land</i>	-1	The measure covered by this objective is addressed to maintaining the agricultural activities. We considered the possibility that in certain cases the increase of competitiveness (by a better utilization of production factors) should exercise an additional pressure upon the natural characteristics of agricultural land. Certain works are proposed (roads included) that may have a negative impact upon the natural habitats.
<i>Ensuring a favourable condition of habitat and wild flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>	-1	
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	0	The objective does not target the protected areas
<i>Maintaining the ecologic functions of rivers (Framework Directive Water)</i>	1	The direct investments in ensuring the necessary utilities and the compliance with the environment legal provisions will have a direct positive effect upon the diminution of quantities of nutrients discharged in the surface waters.

<i>Increasing population's protection against natural risks</i>	1	Although not having a significant positive impact, for this evaluation we took into consideration the support to the establishment of new fruit-tree plantations.
<i>Maintaining the agricultural activities in the countryside by encouraging the utilization of traditional practices</i>	0	The objective is not addressed to the encouragement of traditional agricultural practices.
<i>Ensuring the protection of natural and cultural landscape by the revitalization of degraded areas</i>	1	The positive impact is justified by: <ul style="list-style-type: none"> • Support to investments for the increase of areas under vine and fruit-tree plantations; • Rehabilitation of built-up objectives related to production activities
<i>Diminution of waste production, increase of waste collection, increase of waste utilization level</i>	1	The measure corresponding to this objective directly supports the investments for ensuring the necessary facilities to comply with the environment protection requirements, including here the waste management on farm.
<i>Facilitating the use of renewable resources</i>	1	Under this objective, direct support is provided to the investments for the production and utilization of renewable energy
<i>Improving the utilization efficiency of energy sources</i>	1	Direct support is provided to investments for the modernization of heat carriers facilities. At the same time, direct support is provided to the investments for the production and utilization of renewable energy.
<i>Improving the health condition of the rural population</i>	1	The direct positive impact is justified in the first place by the support provided to the improvement of farmers' work safety. Indirectly, the environment protection measures (investments in the diminution of emissions and waste management) will have a positive impact on the rural population's health condition.
<i>Transport infrastructure modernization in rural areas</i>	1	The objective directly contributes to the improvement of transport infrastructure in the rural area by financing the building up and modernization of internal roads or access roads in the agricultural field.
<i>Promoting the rural areas through sustainable tourism activities, mainly by encouraging agro-tourism</i>	0	The activities proposed here are not addressed to tourism promotion. Yet, the investments that will be made have an indirect contribution to the improvement of rural conditions as potential for the development of agro-tourism activities.
<i>Improvement of pro-active behaviour by encouraging sustainable agricultural practices</i>	1	The objective directly supports the conversion and development of organic farming and agro-environment

Specific objective 1.4- Increasing the adaptation of farms from economic, physical and environmental point of view
Measures included: 125.

Financial allocations:

Total measure = 634,769,915 out of which:

Direct environment expenses = 43.0 %;

Indirect environment expenses = 0 %;

Environment expenses within the measure out of total environment expenses under Axis 1 = 11.6%.

Relevant environment objectives	Evaluation	Justification of evaluation score
<i>Diminution of air polluting emissions</i>	0	A main component of this objective is represented by funding the construction works (road infrastructure, utility networks). During the execution stage, these activities are sources of air emissions with local impact. Yet, on the longer term the negative effects of the execution of works will be compensated by lower air emissions due to the improvement of traffic conditions.
<i>Limiting the level of spot and diffuse pollution of water</i>	1	The positive appreciation is justified by the support to building up and modernization of sewerage networks that will lead to an adequate management of used waters together with the diminution of soil and water pollution in the rural areas
<i>Limiting the level of spot and diffuse pollution of soil</i>	1	
<i>Soil protection against wind and water erosion</i>	1	The land melioration works are directly supported. In the second place, a positive effect is provided by support to agricultural land consolidation for a better land operation.
<i>Diminution of glasshouse gas emissions</i>	0	The objective analyzed here does not address to these relevant environmental aspects. The effects of the implementation of proposed actions do not contribute to the increase of glasshouse gas emissions.
<i>Increase of the level of glasshouse gas absorption and stocking</i>	0	
<i>Maintaining the high natural value of agricultural land</i>	1	Direct actions are envisaged for the improvement of agricultural land operation modality that should lead to maintaining land HNV.
<i>Ensuring a favourable condition of habitat and wild flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>	0	The activities supported here equally (positively and negatively) contribute to the conservation of habitats. On one hand, the infrastructure works can contribute to habitat fragmentation, while the actions to reduce the excessive fragmentation of agricultural land can have a positive impact upon the habitats associated to the ecologic semi-natural systems.
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	0	The measure is not addressed to the protected areas.
<i>Maintaining the ecologic functions of rivers (Framework Directive Water)</i>	1	The investments oriented towards the extension / modernization of sewerage networks will have a direct positive impact upon the running waters (rivers). In addition, the enlargement of

		irrigation systems, their rehabilitation and metering will contribute to a more efficient water utilization.
<i>Increasing population's protection against natural risks</i>	+1	The direct positive contribution to this relevant environment objective is due to the support to the correction works of torrents existing on the forest land
<i>Maintaining the agricultural activities in the countryside by encouraging the utilization of traditional practices</i>	0	The objective is not addressed to encouraging the use of traditional practices.
<i>Ensuring the protection of natural and cultural landscape by the revitalization of degraded areas</i>	0	The proposed actions do not target the degraded zones and do not have a direct contribution to their revitalization. We appreciate that the supported works will not have a negative impact upon the natural and cultural landscape.
<i>Diminution of waste production, increase of waste collection, increase of waste utilization level</i>	0	The objective investigated here does not directly address to these problems. No potential negative effects have been identified.
<i>Facilitating the use of renewable resources</i>	0	
<i>Improving the utilization efficiency of energy sources</i>	0	
<i>Improving the health condition of the rural population</i>	1	The extension and rehabilitation of drinking water supply and sewerage networks will have a positive direct impact upon the population's health in rural areas. Support is provided to actions (e.g. electric power supply) that should directly contribute to the improvement of living conditions and comfort in the rural area.
<i>Transport infrastructure modernization in rural areas</i>	+1	Road infrastructure works are proposed associated to agricultural and forestry operations.
<i>Promoting the rural areas through sustainable tourism activities, mainly by encouraging agro-tourism</i>	0	The activities proposed here are not addressed to tourism promotion. Yet the investments that will be made have an indirect contribution to the improvement of rural conditions as potential for the developemnt of agro-tourism activities.
<i>Improvement of pro-active behaviour by encouraging sustainable agricultural practices</i>	1	<p>The beneficiaries of this objective will have to understand and promote actions oriented to:</p> <ul style="list-style-type: none"> • Developing a sustainable management of agricultural and forestry operations ; • Rational management and administreation of irrigation water resources; • Viability increase of agricultural holdings through land consolidation.

Specific objective 1.5- Support to the agri-food industry**Measures included:** 142 + 123.**Financial allocations:**

Total measure = 1,269,539,830 out of which:

Direct environment expenses = 42.2 %;

Indirect environment expenses = 0 %;

Environment expenses within the measure out of total environment expenses under Axis 1 = 22.8 %.

Relevant environment expenses	Evaluation	Justification of evaluation score
<i>Diminution of air polluting emissions</i>	-1	The negative impact was estimated as a result of the large amount of construction works and procurement of vehicles supported under this objective. The impact is at local scale and it will be manifested mainly during the period of works execution.
<i>Limiting the level of spot and diffuse pollution of water</i>	1	Under this objective support is provided to investments in the building up / rehabilitation /revamping of facilities associated to the utilities necessary to the agricultural and forestry enterprises (the sewerage networks and waste management are of interest for the assessment). These measures will generate a direct positive impact upon the quality of soil and underground and surface water
<i>Limiting the level of spot and diffuse pollution of soil</i>	1	
<i>Soil protection against wind and water erosion</i>	0	The measures proposed here are not directly addressed to this relevant environment objective.
<i>Diminution of glasshouse gas emissions</i>	-1	While at the level of production units there are premises for a minimization of glasshouse gas emissions, at national level the financial received will lead to the development of activities and to the increase of glasshouse gas emissions implicitly.
<i>Increase of the level of glasshouse gas absorption and stocking</i>	0	The investigated objective is not directly addressed to these environment aspects.
<i>Maintaining the high natural value of agricultural land</i>	0	
<i>Ensuring a favourable condition of habitat and wild flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>	0	The actions proposed under this objective are mainly addressed to areas that are inhabited by people. No elements have been identified that should justify a negative assessment of the impact upon the natural habitats. We here specify that this objective includes a component regarding the improvement of animal protection and welfare.
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	0	The proposed measures are not addressed to maintaining the biodiversity. The assessment of potential effects upon the protected areas must be made, if the case, at the level of projects.
<i>Maintaining the ecologic functions of rivers</i>	1	The results of this objective implementation will include the diminution of polluting

<i>(Framework Directive Water)</i>		emissions in water and a better waste management with direct positive effect upon the situation of surface waters.
<i>Increasing population's protection against natural risks</i>	0	The investigated objective is not directly addressed to these environment aspects.
<i>Maintaining the agricultural activities in the countryside by encouraging the utilization of traditional practices</i>	0	
<i>Ensuring the protection of natural and cultural landscape by the revitalization of degraded areas</i>	0	
<i>Diminution of waste production, increase of waste collection, increase of waste utilization level</i>	1	Under this objective, direct support is provided to measures targeting the diminution of waste amounts generated on the agricultural and forestry enterprises as well as a better waste management
<i>Facilitating the use of renewable resources</i>	1	The objective directly supports the investments for obtaining ecologic fuels from forestry biomass.
<i>Improving the utilization efficiency of energy sources</i>	1	The positive impact is justified by the financial support provided for the revamping and modernization of enterprises in the direction of an increased efficiency in the utilization of energy resources.
<i>Improving the health condition of the rural population</i>	1	We appreciate the positive effects at local level upon the population's health, generated by the proposed actions (rehabilitation / extension of sewerage network; a better waste management, diminution of air emissions in relation to modernized installations). At the same time, it is worth mentioning the overall effect due to the improvement of food quality and safety.
<i>Transport infrastructure modernization in rural areas</i>	0	The measures proposed under this objective are not addressed to these environment aspects.
<i>Promoting the rural areas through sustainable tourism activities, mainly by encouraging agro-tourism</i>	0	
<i>Improvement of pro-active behaviour by encouraging sustainable agricultural practices</i>	1	By conditioning the beneficiaries' vocational training in relation to the actions supported by this objective, a positive contribution is brought to improving the pro-active behaviour of relevant stakeholders in the rural area with regard to the natural environment.

Specific objective 1.6 – Improvement and development of forestry products**Measures included: 122 + 123.****Financial allocations:**

Total measure = 1,431,838,956 out of which:

Direct environment expenses = 57.6 %;

Indirect environment expenses = %;

Environment expenses within the objective out of total environment expenses under Axis 1 = 35.1%.

Relevant environment objectives	Evaluation	Justification of evaluation score
<i>Diminution of air polluting emissions</i>	-1	The negative impact was due to the construction works and procurement of vehicles supported under this objective. The impact is at local level and it will be mainly present during the period of works execution
<i>Limiting the level of spot and diffuse pollution of water</i>	0	The contribution of objective to these two environment aspects is quite low.
<i>Limiting the level of spot and diffuse pollution of soil</i>	0	
<i>Soil protection against wind and water erosion</i>	+1	Direct actions are envisaged for the improvement of forest soil quality.
<i>Diminution of glasshouse gas emissions</i>	-1	The negative evaluation is justified by: <ul style="list-style-type: none"> • The level of emissions in the period of carrying out the investments; • Support to timber operation activities. In the cases where the replacement of resinous species by native broad-leaved species is proposed, a diminution of glasshouse gas absorption will be produced for a period up to 20 years.
<i>Increase of the level of glasshouse gas absorption and stocking</i>	-1	
<i>Maintaining the high natural value of agricultural land</i>	0	The objective has a low contribution to reaching this relevant environment objective.
<i>Ensuring a favourable condition of habitat and wild flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>	0	The objective has a negative impact component (due to the increase of efficiency in forest resources operation) and a positive one (increase of the land area under forests, rehabilitation of degraded forests) upon the habitats.
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	0	The objective is not addressed to the biodiversity aspects in the protected areas (yet actions are eligible in these areas but in conformity with the management plans). The impact on these zones will have to be evaluated by projects.
<i>Maintaining the ecologic functions of rivers (Framework Directive Water)</i>	0	The objective is not directly addressed to these aspects and the positive effects are few.
<i>Increasing population's protection against natural risks</i>	0	

<i>Maintaining the agricultural activities in the countryside by encouraging the utilization of traditional practices</i>	0	
<i>Ensuring the protection of natural and cultural landscape by the revitalization of degraded areas</i>	+1	By the rehabilitation of the degraded forests and the actions of promoting the native tree species, the objective positively contributes to the improvement of natural landscape in the rural area.
<i>Diminution of waste production, increase of waste collection, increase of waste utilization level</i>	1	The objective supports the initiatives in relation to the diminution of waste amounts that are produced.
<i>Facilitating the use of renewable resources</i>	1	The objective is directly addressed to obtaining ecologic fuel from forestry biomass.
<i>Improving the utilization efficiency of energy sources</i>	1	The procurement of new machinery, equipment and installations is supported, that permit a more efficient use of energy resources.
<i>Improving the health condition of the rural population</i>	+1	The activities of work safety improvement at the working place and improvement of hygiene conditions in production are directly targeted. An indirect positive effect is given by the increase / rehabilitation of forestland areas by the contribution to the improvement of air quality and recreation.
<i>Transport infrastructure modernization in rural areas</i>	0	The objective does not directly address to this environment aspect.
<i>Promoting the rural areas through sustainable tourism activities, mainly by encouraging agro-tourism</i>	0	The objective does not directly address to tourism activities, yet part of eligible activities may contribute to the increase of attractiveness of forestry areas.
<i>Improvement of pro-active behaviour by encouraging sustainable agricultural practices</i>	1	The eligibility criteria condition the beneficiaries' vocational training and the learning of sustainable forestry practices.

Effects upon the environment generated by the implementation of Axis 2

Name of Axis 2: Environment improvement in the rural area (Axis 2)

Specific objective 2.1 – Avoiding the abandon of land by maintaining the agricultural activities in the less-favoured areas

Measures included: 211 + 212

Financial allocations:

Total measure = 1,375,960,092 out of which:

Direct environment expenses = 0 %;

Indirect environment expenses = 100 %;

Environment expenses within the measure out of total environment expenses under Axis 2 = 58.2 %.

Relevant environment	Evaluation	Justification of evaluation score
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objectives		
<i>Diminution of air polluting emissions</i>	0	The measures proposed here do not have any impact upon the diminution of air emissions.
<i>Limiting the level of spot and diffuse pollution of water</i>	1	<p>General consideration: The support provided under this objective (compensatory payments for the farms in the less-favoured areas) is meant to:</p> <ul style="list-style-type: none"> • Compensate the differences versus the natural conditions in other areas; • To counteract the process of people's emigration from the rural area; • To diminish the pressure exercised on the agricultural land by the use of chemicals. <p>By this objective a diminution of the anthropic pressure exercised upon the agricultural land will be achieved by the limitation of the use of chemicals. This fact will have as positive effect the limitation of soil and underground water pollution.</p>
<i>Limiting the level of spot and diffuse pollution of soil</i>	1	
<i>Soil protection against wind and water erosion</i>	1	The objective has in view the continuous utilization of agricultural land areas, having a positive impact upon soil protection against erosion.
<i>Diminution of glasshouse gas emissions</i>	1	The limitation of fertilizers use in the agricultural activities in the less-favoured areas will directly contribute to the diminution of glasshouse gas emissions
<i>Increase of the level of glasshouse gas absorption and stocking</i>	0	The proposed measures do not contribute to reaching this environment objective
<i>Maintaining the high natural value of agricultural land</i>	1	The objective positively and directly contributes to the conservation of agricultural land with high natural value by maintaining their permanent use and the limitation of synthetic input use
<i>Ensuring a favourable condition of habitat and wild flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>	1	The objective directly contributes to the conservation of those species associated to agricultural crops.
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	0	The measure in which this objective will be applied on the Natura 2000 protected areas is not clear yet. For this a separate specific objective was formulated (see 2.3)
<i>Maintaining the ecologic functions of rivers (Framework Directive Water)</i>	1	The decrease of anthropic pressure upon the agricultural land by compensating the production losses will generate a positive effect upon the situation of surface waters mainly by limiting the nutrient entries.
<i>Increasing population's protection against natural</i>	0	The proposed measures have a minor contribution to reaching this objective (a

<i>risks</i>		diminution of the fire risk)
<i>Maintaining the agricultural activities in the countryside by encouraging the utilization of traditional practices</i>	1	The proposed measures are mainly addressed to this relevant environment objective. The objective does envisage maintaining the agricultural activities and promoting the sustainable farming systems.
<i>Ensuring the protection of natural and cultural landscape by the revitalization of degraded areas</i>	1	The objective will directly contribute to putting an end to agricultural land abandonment and thus to the protection and improvement of the natural and cultural landscape.
<i>Diminution of waste production, increase of waste collection, increase of waste utilization level</i>	0	The objective does not address to these environment aspects
<i>Facilitating the use of renewable resources</i>	0	
<i>Improving the utilization efficiency of energy sources</i>	0	
<i>Improving the health condition of the rural population</i>	0	The measures proposed here do not directly address the improvement of the rural population's health. Yet it should be mentioned that the measure contributes to maintaining the viability of rural communities.
<i>Transport infrastructure modernization in rural areas</i>	0	The measures proposed here do not contribute to reaching this relevant environment objective.
<i>Promoting the rural areas through sustainable tourism activities, mainly by encouraging agro-tourism</i>	0	The objective contributes to the promotion of sustainable farming systems, yet without targeting and having a direct effect upon agro-tourism
<i>Improvement of pro-active behaviour by encouraging sustainable agricultural practices</i>	1	The beneficiaries of the compensatory payments will learn the criteria necessary for maintaining these land areas in good agricultural and environment conditions. The measures can add value in relation to the environment friendly behaviour by understanding the importance of farming systems protection not only as support of human populations but also as support to life in general.

Specific objective 2.2 – Introduction or continuation of application of agricultural production methods compatible with the protection and improvement of biodiversity, soil, water and air quality

Measures included: 214.

Financial allocations:

Total measure = 16,052,868 out of which:

Direct environment expenses = 0 %;

Indirect environment expenses = 100 %;

Environment expenses within the measure out of total environment expenses under Axis 2 = 0,7 %.

Relevant environment objectives	Evaluation	Justification of evaluation score
<i>Diminution of air polluting emissions</i>	0	The activities proposed under this objective will not contribute to the diminution of polluting air emissions
<i>Limiting the level of spot and diffuse pollution of water</i>	1	The objective will directly and positively contribute to the diminution of the spot and diffuse water pollution by support to direct activities limiting the fertilization of agricultural land
<i>Limiting the level of spot and diffuse pollution of soil</i>	1	Under this objective direct actions are envisaged for soil protection through the establishment of green crops and transformation of agricultural land into meadows
<i>Soil protection against wind and water erosion</i>	1	The positive contribution to the diminution of glasshouse gas emissions is justified by the actions limiting the fertilizer application
<i>Diminution of glasshouse gas emissions</i>	1	No actions are envisaged addressing to this this relevant environment objective
<i>Increase of the level of glasshouse gas absorption and stocking</i>	0	The objective will contribute to the increase of areas with high natural value by support to extensive management of mountainous and non-mountainous meadows, by limiting the fertilizer application and by conversion of conventional crops to organic crops
<i>Maintaining the high natural value of agricultural land</i>	1	The meadows are valuable ecologic systems characterized by high biodiversity. The activities proposed under this objective will have as effect the maintenance and increase of biologic diversity and also of the ecologic productivity on these areas. The objective also includes a sub-measure (to be applicable from 2010) that directly targets the protection of natural habitats and wild species (also by the mechanism of compensatory payments)
<i>Ensuring a favourable condition of habitat and wild flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>	1	The objective is also applicable on Natura 2000 sites (with the respect of specific conditions) and can have a significant positive contribution to the support of management objectives from these zones.
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	1	Limitation of fertilizer use, creation of grass belts (buffer strips) on the river banks, green crops, transformation of arable land into meadows, and the extensive meadow management will have a positive impact upon maintaining and improving the ecologic functions of rivers.
<i>Maintaining the ecologic functions of rivers (Framework Directive Water)</i>	1	
<i>Increasing population's protection against natural risks</i>	1	
<i>Maintaining the agricultural activities in the countryside by encouraging the utilization of traditional</i>	1	The objective will positively impact the maintenance of agricultural activities in rural areas, directly encouraging the utilization of traditional practices.

<i>practices</i>		
<i>Ensuring the protection of natural and cultural landscape by the revitalization of degraded areas</i>	1	Under this objective, direct support is provided to traditional rural landscape conservation activities. At the same time, the other supported activities will contribute to the diminution of agricultural land abandon.
<i>Diminution of waste production, increase of waste collection, increase of waste utilization level</i>	0	The activities proposed here do not address this relevant environment objective.
<i>Facilitating the use of renewable resources</i>	1	Under the objective the activities of renewable energy production (from vegetal biomass) are directly supported.
<i>Improving the utilization efficiency of energy sources</i>	0	The activities supported here do not contribute to reaching this relevant environment objective. The positive contribution to the improvement of population's health is appreciated on the basis of support provided to diminution of fertilizer application. This will result in the diminution of nitrogen in the ground waters, that is still the main water supply source in rural areas.
<i>Improving the health condition of the rural population</i>	1	The activities proposed here do not contribute to reaching this relevant environment objective. The investigated objective does not address to tourism development in rural areas. Yet, this will indirectly contribute to tourism potential development of the rural areas.
<i>Transport infrastructure modernization in rural areas</i>	0	The main objective component addresses to the conversion and maintenance of certified organic farming. In complementarity with other measures proposed under the program (training sessions and speciality courses), this will be achieved by the beneficiaries' learning of at least the code of good agricultural and environmental practice and where the case of the organic farming requirements.
<i>Promoting the rural areas through sustainable tourism activities, mainly by encouraging agro-tourism</i>	0	
<i>Improvement of pro-active behaviour by encouraging sustainable agricultural practices</i>	1	

Specific objective 2.3 – Support to farmers by compensating the specific disadvantages resulting from the implementation of Natura 2000 network, on the basis of obligations resulting from the directives for bird and habitat protection.

Measures included: 213.

Financial allocations:

Total measure = 671,927,178 out of which:

Direct environment expenses = 100 %;

Indirect environment expenses = 0 %;

Environment expenses within the measure out of total environment expenses under Axis 2 = 28.4%.

Relevant environment objectives	Evaluation	Justification of evaluation score
<i>Diminution of air polluting emissions</i>	0	The proposed specific objective does not directly contribute to reaching this relevant environment objective.
<i>Limiting the level of spot and diffuse pollution of water</i>	1	By the proposed measure (of compensation of losses due to carrying out farming activities on

<i>Limiting the level of spot and diffuse pollution of soil</i>	1	Natural 2000 sites) a diminution (in certain cases elimination , depending on the site management plan) of the use of chemicals. This will determine a limitation of the spot and diffuse soil and underground water pollution. The measure will have a direct positive effect mainly in the areas identified as sensitive from the point of view of nitrate pollution.
<i>Soil protection against wind and water erosion</i>	0	The objective does not address to this problem.
<i>Diminution of glasshouse gas emissions</i>	1	The limitation of fertilizer use in agriculture will directly contribute to the diminution of glasshouse gas emissions.
<i>Increase of the level of glasshouse gas absorption and stocking</i>	0	The proposed measure does not contribute to reaching this environment objective.
<i>Maintaining the high natural value of agricultural land</i>	1	The actions proposed here will directly contribute, where the area management permits this, to maintaining the high natural value of agricultural land by the promotion of sustainable agriculture.
<i>Ensuring a favourable condition of habitat and wild flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>	1	The purpose of this objective is to protect the natural habitats inside the Natura 2000 sites. The chosen support modality does not envisage conservation measure <i>per se</i> , but it will permit the diminution of anthropic pressure upon the valuable natural habitats.
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	1	
<i>Maintaining the ecologic functions of rivers (Framework Directive Water)</i>	1	The limitation of fertilizers and chemicals use on the envisaged agricultural land areas will directly contribute to the diminution of eutrophication from surface waters with a positive impact upon maintaining their ecologic functions.
<i>Increasing population's protection against natural risks</i>	0	The proposed measure does not contribute to reaching this environment objective.
<i>Maintaining the agricultural activities in the countryside by encouraging the utilization of traditional practices</i>	1	Where the protected area management permits this, the maintenance of agricultural activities will be ensured, with promoting the sustainable farming practices.
<i>Ensuring the protection of natural and cultural landscape by the revitalization of degraded areas</i>	1	The investigated objective does not directly envisage the revitalization of degraded areas. Yet it will positively contribute to the harmonization of natural landscape with the semi-natural landscape through sustainable farming practice.

<i>Diminution of waste production, increase of waste collection, increase of waste utilization level</i>	0	The objective does not address these relevant environment objectives.
<i>Facilitating the use of renewable resources</i>	0	
<i>Improving the utilization efficiency of energy sources</i>	0	
<i>Improving the health condition of the rural population</i>	0	The measure propose dhere does not directly address the improvement of rural population's health. Yet we mention that the measure directly contributes to maintaining the viability of rural communities as integrating parts of the protected sites.
<i>Transport infrastructure modernization in rural areas</i>	0	No actions are foreseen for the support of this relevant environment objective.
<i>Promoting the rural areas through sustainable tourism activities, mainly by encouraging agro-tourism</i>	0	The objective does not directly target the development of agro-tourism. In certain situations, this practice could be incompatible with the protected site management.
<i>Improvement of pro-active behaviour by encouraging sustainable agricultural practices</i>	1	This objective will permit the understanding by the human communities living on the protected sites of the importance of natural heritage conservation and of the sustainable practices necessary to its protection.

Specific objective 2.4 – Increasing the forestland areas on the agricultural land so as to contribute to soil erosion diminution, to flood prevention and to fight against climate changes

Measures included: 221.

Financial allocations:

Total measure = 183,461,346 out of which:

Direct environment expenses = 100 %;

Indirect environment expenses = 0 %;

Environment expenses within the measure out of total environment expenses under Axis 1 = 7.8 %.

Relevant environment objectives	Evaluation	Justification of evaluation score
<i>Diminution of air polluting emissions</i>	0	The proposed measure will not contribute to reaching this relevant environment objective. At the nsame time there are no arguments for the identification of a negative impact associated to the implementation of this measure.
<i>Limiting the level of spot and diffuse pollution of water</i>	0	The investigated objective does not contribute to reaching these two relevant environment objectives.
<i>Limiting the level of spot and diffuse pollution of soil</i>	0	
<i>Soil protection against wind and water erosion</i>	1	The set up of forests on the agricultural land will directly lead to a better soil protection against erosion.
<i>Diminution of glasshouse gas emissions</i>	0	The activities proposed here do not contribute to the diminution of glasshouse gas emissions.
<i>Increase of the level of</i>	1	The increase of forested area (about 38500 ha)

<i>glasshouse gas absorption and stocking</i>		will have a positive direct impact upon the increase in the level of absorption and stocking of the glasshouse gas.
<i>Maintaining the high natural value of agricultural land</i>	0	The investigated objective does not contribute to reaching this aspect. At general analysis level, it must be stated that this measure envisages the replacement of an ecologic semi-natural system characterized by a certain specific composition and structure by another ecologic system with different biodiversity. On the short term, this change will have a negative effect by destroying the habitats of certain species dependent upon the agricultural crops. On the longer term, forest setting up will have a positive effect due to the more sophisticated structure and composition of the forest. We highlight that these projects must be submitted to the impact assessment so as to identify the presence / absence of species of interest as well as the effects of the proposed modifications.
<i>Ensuring a favourable condition of habitat and wild flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>	1	Under this objective, support is also provided for actions carried out on Natura 2000 sites. As a general appreciation, the establishment of forests on agricultural land will directly contribute to maintaining / increase of biological diversity on these areas, either directly through the contribution in habitat, or through the corridor role for biodiversity dispersion. Here also the actions should be obligatorily preceded by a rigorous assessment of the impact upon the environment, for each proposed project / site / beneficiary.
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	1	The increase of forested area (even though on relatively small-sized areas) will positively contribute to the improvement of ecologic functions of rivers (running waters). This is achieved both through the hydrologic regulator function of the forests and through the particulated organic matter contribution necessary to support and develop the aquatic trophic chains with detritus origin.
<i>Maintaining the ecologic functions of rivers (Framework Directive Water)</i>	1	The increase of forested areas will have a positive direct effect upon the diminution of catastrophic phenomena, such as flooding, and landslides. At the same time, the objective provides financial support to the protection measures against forest fires.
<i>Increasing population's protection against natural risks</i>	1	
<i>Maintaining the agricultural activities in the countryside by encouraging the utilization of traditional practices</i>	0	The activities supported here do not address to this relevant environment objective.
<i>Ensuring the protection of natural and cultural</i>	1	It should be highlighted that the targeted agricultural land areas for afforestation are

landscape by the revitalization of degraded areas

those approx. 7 million ha with low fertility. The afforestation of these areas will generate a positive impact upon the natural landscape and will directly contribute to the increase of ecologic fertility of these land areas.

Diminution of waste production, increase of waste collection, increase of waste utilization level

0

The actions proposed here do not address to this relevant environment objective.

Facilitating the use of renewable resources

1

One of the three reasons for which this support is provided (together with the protection and biodiversity conservation role) is to supply wood with bioenergy purposes (renewable fuel).

Improving the utilization efficiency of energy sources

0

The actions proposed here do not address to this relevant environment objective.

Improving the health condition of the rural population

0

The actions proposed under this objective do not directly target the improvement of population's health.

Transport infrastructure modernization in rural areas

0

Under this objective the transport infrastructure modernization works in rural areas are not supported.

Promoting the rural areas through sustainable tourism activities, mainly by encouraging agro-tourism

0

The measure does not support tourism development but indirectly contributes to the development of tourism potential of rural areas.

Improvement of pro-active behaviour by encouraging sustainable agricultural practices

0

The measure solicits to a lesser extent the improvement of beneficiaries' proactive behaviour, being rather a more advantageous economic decision than maintaining the farming activities on a poor productive land.

Specific objective 2.5 – Increase of forestland areas on the non-agricultural land in order to contribute to soil erosion diminution, to flood prevention and fight against climate changes

Measures included: 223.

Financial allocations:

Total measure = 100,903,740 out of which:

Direct environment expenses = 100 %;

Indirect environment expenses = 0 %;

Environment expenses within the measure out of total environment expenses under axis 1 = 4.3 %.

Relevant environment objectives	Evaluation	Justification of evaluation score
<i>Diminution of air polluting emissions</i>	0	The activities supported under this objective do not significantly contribute to the increase or diminution of air emissions.
<i>Limiting the level of spot and diffuse pollution of water</i>	0	The measure proposed here supports, through the compensatory payments, the set up of

<i>Limiting the level of spot and diffuse pollution of soil</i>	0	forests on non-agricultural land areas, yet without contributing to the limitation of emissions in soil and waters. This measure implementation will not generate pollution sources for these two environment factors.
<i>Soil protection against wind and water erosion</i>	1	Through this objective support is provided to abandoned land. Their coverage by forests will result in a better soil protection against erosion.
<i>Diminution of glasshouse gas emissions</i>	0	The actions supported here cannot contribute to reaching this relevant environment objective.
<i>Increase of the level of glasshouse gas absorption and stocking</i>	1	The increase of forestland area (about 27000 ha under this objective) will directly contribute to the increase of glasshouse gas absorption and storage.
<i>Maintaining the high natural value of agricultural land</i>	0	The proposed activities do not contribute to reaching this environment objective, in the sense this objective was formulated. It must be specified that the main result of this objective, from the ecologic point of view, is the increase of ecologic productivity of the respective land.
<i>Ensuring a favourable condition of habitat and wild flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>	1	On long term, the afforestation of non-agricultural land will have a positive effect by the increase of biologic diversity. <i>See also the comment made for objective 2.4.</i>
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	1	The measure can be extremely beneficial for the Natura 2000 sites in the sense of the rehabilitation of degraded land areas within these sites and their transformation into corridors or protection buffer zones for the valuable natural elements. Yet it should be underlined that these projects should be evaluated from the ppoint of view of their impact upon the habitats and species of interest from the protected areas and aould be in agreement with the requirements of the management plans.
<i>Maintaining the ecologic functions of rivers (Framework Directive Water)</i>	1	The emasure has a direct contribution (although on a relatively small area) to the maintenance and improvement of the ecologic functions of rivers mainly through the regulation mechanisms of the moisture regime and buffering of the soil nutrient balance.
<i>Increasing population's protection against natural risks</i>	1	We appreciate the positive impact by the role that these forested areas will have in the prevention, diminution and buffering of the negative effects of the natural phenomena, such as flooding and landslides. It should be also underlined that under measure 223 the investments for forest protection against fires will be supported.
<i>Maintaining the agricultural activities in the countryside by encouraging the</i>	0	Thsi relevant environment objective is not targeted.

<i>utilization of traditional practices</i>		
<i>Ensuring the protection of natural and cultural landscape by the revitalization of degraded areas</i>	1	The activities supported here directly contribute to the rehabilitation of degraded land areas by their afforestation. The positive effect upon the landscape will be felt at a much larger spatial scale than that targeted for afforestation.
<i>Diminution of waste production, increase of waste collection, increase of waste utilization level</i>	0	The measure promoted under this objective does not contribute to the diminution / collection/ utilization of waste.
<i>Facilitating the use of renewable resources</i>	1	The establishment of forested areas is encouraged that can be exploited as bioenergy resource (heating wood).
<i>Improving the utilization efficiency of energy sources</i>	0	The measure does not directly contribute to reaching this relevant environment objective.
<i>Improving the health condition of the rural population</i>	0	The activities supported here do not directly contribute to the improvement of rural population's health.
<i>Transport infrastructure modernization in rural areas</i>	0	The investments for transport infrastructure modernization are not supported.
<i>Promoting the rural areas through sustainable tourism activities, mainly by encouraging agro-tourism</i>	0	The objective does not directly contribute to tourism promotion. Yet the rehabilitation of degraded land will represent a significant contribution to the development of tourism potential of the rural areas.
<i>Improvement of pro-active behaviour by encouraging sustainable agricultural practices</i>	0	The objective contributes to a less extent to the promotion of environment-friendly behaviour (in certain situations, the land owner must only agree on the carrying out of the project).

Specific objective 2.6 – Support to forestland owners by compensation of specific disadvantages resulting from the implementation of Natura 2000 network, on the basis of obligations resulting from the Directives on Birds and Habitats Directive.

Measures included: 224.

Financial allocations:

Total measure = 16,052,868 out of which:

Direct environment expenses = 0 %;

Indirect environment expenses = 100 %;

Environment expenses within the measure out of total environment expenses under axis 1 = 0.7 %.

Relevant environment objectives	Evaluation	Justification of evaluation score
<i>Diminution of air polluting emissions</i>	1	General consideration: At this moment, the designation of Natura 2000 sites has not been completed. At the same time, there are no management plans and the
<i>Limiting the level of spot and diffuse pollution of water</i>	1	

<i>Limiting the level of spot and diffuse pollution of soil</i>	1	<p>restrictions imposed for biodiversity conservation on these sites are not known. As a result, for the measure contained by this objective, the selection criteria, the volume of financial support and the types of eligible actions have not been adopted. However, we consider that by the compensation of losses due to the restrictions of forest use on these sites, the diminution / elimination of those activities will be permitted that are not compatible with the management requirements of the respective sites.</p> <p>Without identifying the potential sources, we consider that the proposed objective can contribute to the diminution of polluting emissions in the air, water and soil as a result of the diminution / elimination of anthropic activities from the forests located on Natura 2000 sites.</p>
<i>Soil protection against wind and water erosion</i>	1	<p>Maintaining a sustainable management of these forested areas positively contributes to soil protection against erosion.</p>
<i>Diminution of glasshouse gas emissions</i>	0	<p>This environment objective is not reached by the proposed activities.</p>
<i>Increase of the level of glasshouse gas absorption and stocking</i>	0	<p>The measure has in view the maintenance and not the enlargement of forested areas. The impact upon this relevant environment objective is not significant.</p>
<i>Maintaining the high natural value of agricultural land</i>	0	<p>The proposed activities do not address to this environment objective</p>
<i>Ensuring a favourable condition of habitat and wild flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>	1	<p>The objective directly targets the conservation of habitats and biological diversity on Natura 2000 sites. Although the details on this measure application are not known yet, we consider that the chosen modality (compensatory payments) presents an extremely useful complementarity to the direct measures of biodiversity conservation, being an efficient instrument in the implementation of the requirements of the management plans of the Natura 2000 sites.</p>
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	1	<p>Maintaining / conservation of valuable natural components (mainly of forests from Natura 2000 network) has a positive impact upon the maintenance / improvement of the ecologic functions of waters. The measure will have visible effects on short term with regard to running waters (rivers) of inferior order for which timber operation represents the main form of impact.</p>
<i>Maintaining the ecologic functions of rivers (Framework Directive Water)</i>	1	<p>The protection of these forest areas will have a positive effect upon the maintenance of regulating functions, with an extremely important role in limiting the effects of the natural disasters (floods, landslides).</p>
<i>Increasing population's protection against natural risks</i>	1	

<i>Maintaining the agricultural activities in the countryside by encouraging the utilization of traditional practices</i>	0	The measure does not address to the traditional agricultural practices
<i>Ensuring the protection of natural and cultural landscape by the revitalization of degraded areas</i>	1	The activities of the degraded areas rehabilitation are not supported under this objective (see objective 2.5). However, we consider that the activity will have positive effects upon natural landscape protection.
<i>Diminution of waste production, increase of waste collection, increase of waste utilization level</i>	0	The specific investigated objective does not address to these relevant environment objectives
<i>Facilitating the use of renewable resources</i>	0	
<i>Improving the utilization efficiency of energy sources</i>	0	
<i>Improving the health condition of the rural population</i>	0	The activities supported here do not directly contribute to the improvement of rural population's health.
<i>Transport infrastructure modernization in rural areas</i>	0	The specific investigated objective does not address to these relevant environment objectives.
<i>Promoting the rural areas through sustainable tourism activities, mainly by encouraging agro-tourism</i>	0	
<i>Improvement of pro-active behaviour by encouraging sustainable agricultural practices</i>	1	The objective directly contributes to understanding the role of Natura 2000 sites protection and of forested areas from this network in particular.

Effects upon the environment generated by the implementation of Axis 3

Name of Axis 3: Quality of life in rural areas and rural economy diversification

Axis 3 – Quality of life in rural areas

Specific objective 3.1 – Diversification of non-agricultural economic activities and encouraging the non-agricultural economic activities on agricultural households and encouraging the small entrepreneurs in the rural areas

Measures included: 312.

Financial allocations:

Total measure = 1,060,238,816 out of which:

Direct environment expenses = 15 %;

Indirect environment expenses = 30 %;

Environment expenses within the measure out of total environment expenses under Axis 3 = 27.5%.

Relevant environment objectives	Evaluation	Justification of evaluation score
<i>Diminution of air polluting</i>	-1	The negative valuation of the impact was the

<i>emissions</i>			result of the proposed volume of construction, modernization and extension works. We specify here that this negative impact is characterized by a reduced spatial-temporal scale.
<i>Limiting the level of spot and diffuse pollution of water</i>	1		Through this objective the necessary facilities will be ensured necessary for a better management of used water at the level of agro-tourism structures and small production workshops.
<i>Limiting the level of spot and diffuse pollution of soil</i>	0		The proposed activities do not directly address to these relevant environment objectives.
<i>Soil protection against wind and water erosion</i>	0		
<i>Diminution of glasshouse gas emissions</i>	-1		Even under the conditions of complying with the environment legislation of each production unit in part, we consider that the increase of the volume of non-agricultural economic activities in the rural area will lead to an increase of energy resources utilization and of glasshouse gas emissions.
<i>Increase of the level of glasshouse gas absorption and stocking</i>	0		The activities supported here do not address to these relevant environment objectives.
<i>Maintaining the high natural value of agricultural land</i>	0		
<i>Ensuring a favourable condition of habitat and wild flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>	0		
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	0		
<i>Maintaining the ecologic functions of rivers (Framework Directive Water)</i>	1		
<i>Increasing population's protection against natural risks</i>	0		We evaluate the positive impact on the basis of investments to be made for a better management of used waters and of waste generated by the non-agricultural production units.
<i>Maintaining the agricultural activities in the countryside by encouraging the utilization of traditional practices</i>	1		This environment objective is not reached.
<i>Ensuring the protection of natural and cultural landscape by the revitalization of degraded areas</i>	0		The objective directly targets the use of traditional activities (manufacturing, handicraft) with a view to maintain and develop the rural communities.
<i>Diminution of waste</i>	-1		No actions are supported to reach this environment objective.
			The objective implementation will lead to the

<i>production, increase of waste collection, increase of waste utilization level</i>		increase in the amount of waste generated in the rural areas. Waste management should conform to the legislation provisions. The objective does not directly support actions for increasing waste collection and / or use.
<i>Facilitating the use of renewable resources</i>	1	Under this measure finance will be provided for projects having in view the commercial utilization of the potential of renewable energy production.
<i>Improving the utilization efficiency of energy sources</i>	1	
<i>Improving the health condition of the rural population</i>	1	The objective does not directly target the improvement of population's health condition, however many actions supported here will positively contribute to reaching this relevant environment objective. We have in view here the creation of jobs and services for the rural population.
<i>Transport infrastructure modernization in rural areas</i>	0	There are no activities oriented to reaching this environment objective.
<i>Promoting the rural areas through sustainable tourism activities, mainly by encouraging agro-tourism</i>	1	The objective directly contributes to the promotion of sustainable tourism. In this respect, the investments in rural tourism and recreational infrastructure are supported (on the condition of respecting the traditional architecture).
<i>Improvement of pro-active behaviour by encouraging sustainable agricultural practices</i>	1	The measure has in view the promotion of non-agricultural activities. Yet the traditional activities and the promotion of local potential are supported. The objective will positively contribute to increasing awareness of this local potential and identification of sustainable opportunities for its best use.

Specific objective 3.2 – Creation, improvement and diversification of tourism facilities and attractions

Measures included: 313.

Financial allocations:

Total measure = 176,228,322 out of which:

Direct environment expenses = 0 %;

Indirect environment expenses = 45 %;

Environment expenses within the measure out of total environment expenses under Axis 3 = 4.6 %.

Relevant environment objectives	Evaluation	Justification of evaluation score
<i>Diminution of air polluting emissions</i>	0	The volume and type of works supported under this objective do not justify a negative evaluation of the impact.
<i>Limiting the level of spot and diffuse pollution of water</i>	0	General consideration: By this objective the investments in infrastructure are supported for the marketing of rural tourism and recreational services, use
<i>Limiting the level of spot and diffuse pollution of soil</i>	0	

<i>Soil protection against wind and water erosion</i>	0	of natural sites and elaboration of studies and analyses regarding the tourism potential of rural areas. There are no premises equally for the occurrence of potential impact sources upon water and soil and no concrete measures are foreseen for reaching these relevant environment objectives.
<i>Diminution of glasshouse gas emissions</i>	0	
<i>Increase of the level of glasshouse gas absorption and stocking</i>	0	
<i>Maintaining the high natural value of agricultural land</i>	0	
<i>Ensuring a favourable condition of habitat and wild flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>	0	The objective does not directly address the conservation of habitats. However, it is a measure targeting the commercial use of natural potential through eco-tourism.
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	0	As far as the management of protected areas permits this, through this objective the commercial use of the tourism potential of these sites will be supported.
<i>Maintaining the ecologic functions of rivers (Framework Directive Water)</i>	0	The actions proposed here do not contribute to maintaining the ecologic functions of running waters.
<i>Increasing population's protection against natural risks</i>	0	The objective does not address to this environment objective
<i>Maintaining the agricultural activities in the countryside by encouraging the utilization of traditional practices</i>	0	The actions foreseen under this objective are addressed to the non-agricultural activities. Yet we remember that the support is provided to promoting the traditional activities (with tourism potential).
<i>Ensuring the protection of natural and cultural landscape by the revitalization of degraded areas</i>	0	The activities proposed here do not address to this relevant environment objective.
<i>Diminution of waste production, increase of waste collection, increase of waste utilization level</i>	0	The objective is not directly addressed to this problem. Yet we notice that the need to comply with the environment protection requirements will result in the increase of waste collection together with the increase in the number and type of tourism activities.
<i>Facilitating the use of renewable resources</i>	0	
<i>Improving the utilization efficiency of energy sources</i>	0	
<i>Improving the health condition of the rural population</i>	0	The activities proposed here do not directly address to these relevant environment objectives.
<i>Transport infrastructure modernization in rural areas</i>	0	
<i>Promoting the rural areas through sustainable tourism activities, mainly by</i>	1	The proposed activities do not directly address this relevant environment objective. There are 7 types of investments that can be proposed for

*encouraging agro-tourism
Improvement of pro-active
behaviour by encouraging
sustainable agricultural
practices*

0

tourism promoting in the rural areas.

The activities proposed here are not directly addressed to this relevant environment objective.

**Specific objective 3.3 – Creation and modernization of rural infrastructure;
Specific objective 3.4 – Improvement of the social, natural and economic environment
quality in the rural areas;
Specific objective 3.5 – Protection of the rural cultural heritage
Measures included: 322.**

Financial allocations:

Total measure = 1,565,508,877 out of which:

Direct environment expenses = 50 %;

Indirect environment expenses = 25 %;

Environment expenses within the measure out of total environment expenses under Axis 3 = 67.7 %.

Relevant environment objectives	Evaluation	Justification of evaluation score
<i>Diminution of air polluting emissions</i>	0	The premises exist for a potential negative impact due to the large volume of construction works supported under this objective. The impact of air emission sources will be felt at the local spatial-temporal scale of each project in part. The impact related to the period of execution works will be compensated in the period of auto infrastructure operation by a diminution of emissions related to exhaust gases and particle emissions due to the improvement of traffic conditions. We also considered a diminution of emissions generated by waste as a result of its management improvement.
<i>Limiting the level of spot and diffuse pollution of water</i>	1	The objective brings a significant contribution to the diminution of spot and diffuse pollution of soil and underground water by building up and modernization of water and sewerage infrastructure (water treatment stations included) in the localities with less than 10000 inhabitants.
<i>Limiting the level of spot and diffuse pollution of soil</i>	1	
<i>Soil protection against wind and water erosion</i>	0	No activities are foreseen for soil protection against erosion.
<i>Diminution of glasshouse gas emissions</i>	0	The measure does not address to reaching this relevant environment objective. The contribution of emission sources related to the construction works was measured under the objective “diminution of air polluting emissions”.
<i>Increase of the level of glasshouse gas absorption and stocking</i>	0	The proposed activities do not directly address to reaching these relevant environment objectives.
<i>Maintaining the high natural value of agricultural land</i>	0	

<i>Ensuring a favourable condition of habitat and wild flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>	0	
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	0	
<i>Maintaining the ecologic functions of rivers (Framework Directive Water)</i>	1	Building up / modernization of sewerage networks will have a direct positive impact upon the ecologic situation of the surface waters through the decrease of nutrient entries and the limitation of eutrophication processes.
<i>Increasing population's protection against natural risks</i>	0	
<i>Maintaining the agricultural activities in the countryside by encouraging the utilization of traditional practices</i>	0	The specific investigated objectives do not address to these relevant environment objectives.
<i>Ensuring the protection of natural and cultural landscape by the revitalization of degraded areas</i>	1	The measure foresees support for the restoration, consolidation and conservation of objectives on the heritage list from the zones that are culturally protected. Support is also foreseen for the elaboration of some studies on the cultural heritage for its commercial use. The measure implementation will have a direct positive impact upon the cultural landscape in the rural areas.
<i>Diminution of waste production, increase of waste collection, increase of waste utilization level</i>	1	Under the measure support will also be provided for the construction and modernization of waste storage platforms. Thus, a direct contribution is brought to the increase of waste collection in the rural areas.
<i>Facilitating the use of renewable resources</i>	1	The proposed measure envisages the endowment in renewable energy equipment for the units of public interest.
<i>Improving the utilization efficiency of energy sources</i>	0	The investigated specific objectives do not address to this relevant environment objective. There are at least three main arguments for considering the positive impact upon people's health:
<i>Improving the health condition of the rural population</i>	1	<ul style="list-style-type: none"> • The extension of drinking water supply networks will result in a larger number of rural people having direct access to a drinking water source; • The extension of sewerage networks will contribute to the diminution of underground water nitrate pollution and thus to a lower risk upon rural people's health ;

		<ul style="list-style-type: none"> Creating waste collection facilities will result in the removal of current waste storage places from the proximity of households, waste management under safety conditions and the elimination of savage waste storage (risk factor for the pollution of surface waters and for people's health).
<i>Transport infrastructure modernization in rural areas</i>	1	The investigated measure addresses directly this relevant environment objective by supporting the projects related to building up and modernization of inter- and intra-communal roads.
<i>Promoting the rural areas through sustainable tourism activities, mainly by encouraging agro-tourism</i>	0	The measure is not directly addressed to tourism promotion in rural areas. However, it should be underlined that the infrastructure works will have a positive effect upon the subsequent development of tourism activities.
<i>Improvement of pro-active behaviour by encouraging sustainable agricultural practices</i>	0	This environment objective is not approached under the proposed measure.

Specific objective 3.6 – Development of local players' competence to stimulate territory organization

Measures included: 341.

Financial allocations:

Total measure = 12,369,453 out of which:

Direct environment expenses = 0 %;

Indirect environment expenses = 25 %;

Environment expenses within the measure out of total environment expenses under Axis 3 = 0.2 %.

Relevant environment objectives	Evaluation	Justification of evaluation score
<i>Diminution of air polluting emissions</i>	0	General consideration: The activities proposed under this objective envisage the implementation of local development strategies through the elaboration of territorial studies, information action, training the involved staff, organization of events and support to the implementation of measures under Axis 3 (establishing public-private partnerships). The contribution of these actions to reaching the relevant environmental objectives is quite low and is indirectly manifested. The general impact upon the environment is not significant.
<i>Limiting the level of spot and diffuse pollution of water</i>	0	
<i>Limiting the level of spot and diffuse pollution of soil</i>	0	
<i>Soil protection against wind and water erosion</i>	0	
<i>Diminution of glasshouse gas emissions</i>	0	
<i>Increase of the level of glasshouse gas absorption and stocking</i>	0	
<i>Maintaining the high natural value of agricultural land</i>	0	

<i>Ensuring a favourable condition of habitat and wild flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>	0	
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	0	
<i>Maintaining the ecologic functions of rivers (Framework Directive Water)</i>	0	
<i>Increasing population's protection against natural risks</i>	0	
<i>Maintaining the agricultural activities in the countryside by encouraging the utilization of traditional practices</i>	1	The objective directly targets the perpetuation and development of (agricultural and non-agricultural activities) in the rural areas through the best use of local potential and traditional practices.
<i>Ensuring the protection of natural and cultural landscape by the revitalization of degraded areas</i>	0	
<i>Diminution of waste production, increase of waste collection, increase of waste utilization level</i>	0	
<i>Facilitating the use of renewable resources</i>	0	The measure is not directly addressed to these relevant environment objectives.
<i>Improving the utilization efficiency of energy sources</i>	0	
<i>Improving the health condition of the rural population</i>	0	
<i>Transport infrastructure modernization in rural areas</i>	0	
<i>Promoting the rural areas through sustainable tourism activities, mainly by encouraging agro-tourism</i>	1	The objective directly addresses to the promotion of rural areas as well as to the support to public-private partnerships in tourism. The local strategies will be able to identify the most efficient modalities of local potential use in order to promote the rural areas. The objectives investigated here will contribute to acquiring skills for the preparation and implementation of local development strategies. The inclusion of sustainability issues in the local strategies is a guarantee to the coherent promotion of this approach in all the the actions
<i>Improvement of pro-active behaviour by encouraging sustainable agricultural practices</i>	1	

locally supported.

Effects upon the environment generated by the implementation of Axis

4

Name of Axis 4: LEADER Program

Specific objective 4.1 – Implementation of local development strategies, of co-operation projects included

Measures included: 411 + 413 + 421.

Financial allocations:

Total measure = 207,556,667 out of which :

Direct environment expenses = 0 %;

Indirect environment expenses = 15 %;

Environment expenses within the measure out of total environment expenses under Axis 4 = 79.7 %.

Under this objective pilot projects will be supported (max 100.000 euro) for eligible actions under Axes 1 and 3. The evaluation of impact for these has already been made and it is presented in the previous tables.

It must be also specified that this objective will facilitate the establishment of LAGs (Local Action Groups) with a strong impact upon the coherence of local development policies. The LAG selection process will begin after the approval of the NRDP by the European Commission.

Specific objective 4.2 – Ensuring the implementation of local development strategies

Measures included: 431.1 + 431.2

Financial allocations:

Total measure = 52,891,851 out of which:

Direct environment expenses = 0 %;

Indirect environment expenses = 15 %;

Environment expenses within the measure out of total environment expenses under Axis 1 = 20.3 %.

Relevant environment objectives	Evaluation	Justification of evaluation score
<i>Diminution of air polluting emissions</i>	0	General consideration: Under this objective, actions will be supported focusing upon the increase of local development strategy implementation through: institutional capacity building, ensuring human, financial and technical resources; LAG staff training and involvement of rural community members in the local development process.
<i>Limiting the level of spot and diffuse pollution of water</i>	0	
<i>Limiting the level of spot and diffuse pollution of soil</i>	0	
<i>Soil protection against wind and water erosion</i>	0	
<i>Diminution of glasshouse gas emissions</i>	0	This specific objective does not contribute to reaching the relevant environment objectives.

<i>Increase of the level of glasshouse gas absorption and stocking</i>	0	We identified a direct impact only upon the „improvement of pro-active behaviour by encouraging the sustainable agriculture practices”.
<i>Maintaining the high natural value of agricultural land</i>	0	
<i>Ensuring a favourable condition of habitat and wild flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>	0	
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	0	
<i>Maintaining the ecologic functions of rivers (Framework Directive Water)</i>	0	
<i>Increasing population's protection against natural risks</i>	0	
<i>Maintaining the agricultural activities in the countryside by encouraging the utilization of traditional practices</i>	0	
<i>Ensuring the protection of natural and cultural landscape by the revitalization of degraded areas</i>	0	
<i>Diminution of waste production, increase of waste collection, increase of waste utilization level</i>	0	
<i>Facilitating the use of renewable resources</i>	0	
<i>Improving the utilization efficiency of energy sources</i>	0	
<i>Improving the health condition of the rural population</i>	0	
<i>Transport infrastructure modernization in rural areas</i>	0	
<i>Promoting the rural areas through sustainable tourism activities, mainly by encouraging agro-tourism</i>	0	
<i>Improvement of pro-active behaviour by encouraging sustainable agricultural</i>	1	The objective will lead to the identification and involvement of relevant stakeholders in the rural area in the achievement of the National

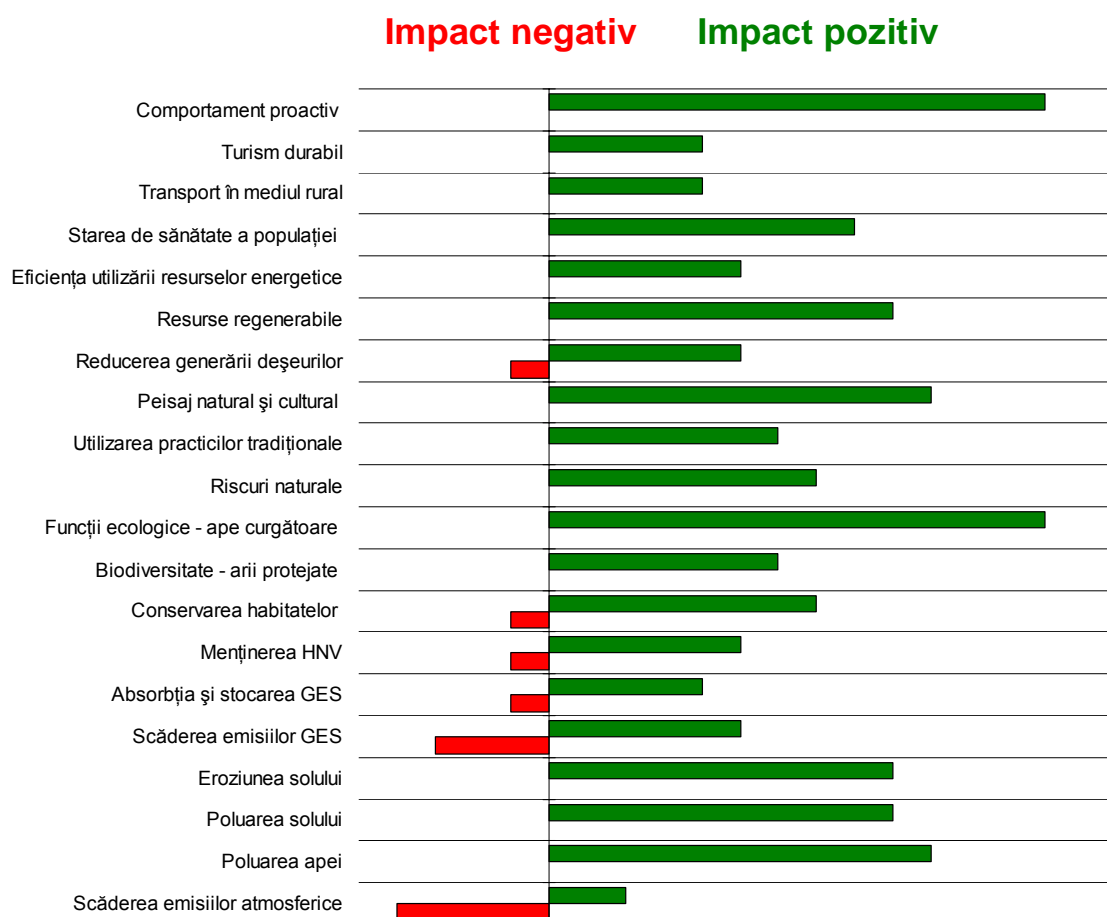
Rural Development Network. The technical component of the network will have a positive impact upon the improvement of pro-active behaviour through the elaboration of informative materials, organization of events and providing advisory services directly to beneficiaries.

Evaluation of cumulative environmental effects of NRDP implementation upon the relevant environment objectives

The evaluation of cumulative environmental effects generated by NRDP implementation was made by summing up the evaluation scores given under the previous sections. The overall picture of the impact generated by the NRDP is presented in Figure 8-6. The observations and conclusions of this evaluation are presented in table ###.

The conclusion of this cumulative evaluation is that premises exist for NRDP implementation to contribute to reaching most of the relevant environment objectives proposed (see chapter 7). The effect of NRDP implementation is mostly positive.

Figure no. 0-6 Evaluation of cumulative environmental effects of NRDP implementation



Relevant environment objectives	Cumulative evaluation of effects	Are there premises for reaching the objective ?
<i>Diminution of air polluting emissions</i>	<p>This is the relevant environment objective which is the most « affected » by the implementation of the program. The negative cumulated value of the impact is due to the large volume of construction works had in view (mostly infrastructure). There are two important elements in relation to the analysis of this negative impact upon the air:</p> <ul style="list-style-type: none"> • The emissions generated by these works will have <u>a local character</u> (at the level of the investment area) and <u>a low duration</u> (during the period of construction works); • These emissions in the air represent the “small necessary evil” for generating a significant positive effect upon the ground water, soil and surface water quality (due to building up / extension / rehabilitation of water supply and sewerage networks and waste disposal facilities); • On long term the effect of infrastructure building works upon the air quality will be a positive one by the diminution of emissions characteristic to the exhaust gases and of the emission of particles due to the improvement of traffic conditions. 	<p>No – on short term (2007 – 2013);</p> <p>Yes – on long term (> 2013).</p>
<i>Limiting the level of spot and diffuse pollution of water</i>	<p>NRDP implementation will have a considerable positive effect upon underground and surface water quality. This is mostly due to:</p> <ul style="list-style-type: none"> • Support to extension of sewerage networks; • Direct or indirect activities related to the diminution of the amount of fertilizers applied in agriculture; • Support to revamping and equipment of the processing units of agricultural and forestry products 	Yes
<i>Limiting the level of spot and diffuse pollution of soil</i>	<p>PNDR implementation will considerably contribute to limiting the pollution level of soils in rural areas. This will be achieved by:</p> <ul style="list-style-type: none"> • Limiting the use of fertilizers and pesticides in agriculture; • Creating the facilities for a better waste collection and storage; • Extension of sewerage networks. 	Yes
<i>Soil protection against wind and water erosion</i>	We estimate that the carrying out of the activities stipulated in the NRDP will greatly	Yes

	<p>contribute to limiting the soil erosion phenomena. We mainly have in view:</p> <ul style="list-style-type: none"> • Support provided to the continuous use of agricultural land; • Afforestation of agricultural and non-agricultural land areas; • Establishment of green crops and of buffer strips (agro-environmental measure) 	
<i>Diminution of glasshouse gas emissions</i>	For this environment objective an important component was quantified with negative impact. The benefits (positive impact) of program implementation are much more consistent and have a long-term effect.	<p>No – on short term (2007 – 2013);</p> <p>Yes – on long term (> 2013).</p>
<i>Increase of the level of glasshouse gas absorption and stocking</i>	NRDP will bring an important contribution to reaching this relevant environment objective by the support provided to the increase of areas under forests and rehabilitation of forestland areas.	Yes
<i>Maintaining the high natural value of agricultural land</i>	The program will have a positive impact upon the maintenance of the natural value of agricultural land areas by their permanent utilization and compensation of losses due to the application of agricultural production methods compatible with environment protection.	Yes
<i>Ensuring a favourable condition of habitat and wild flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>	The cumulated effect of NRDP implementation is mostly positive. The limitation of anthropic pressure, the increase of areas under forests, maintaining the habitats of species associated to cultivated crops represent important elements in ensuring favourable conditions for the conservation of wild species. The negative effect was due to the infrastructure works that can contribute to the extension of the habitat fragmentation. This negative effect may be reduced by considering those aspects in the designing stage of the respective works. It should be also reminded that for this objective we discuss about potential cross-border positive effects.	
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	NRDP will represent an extremely useful tool for the protected areas management. We have in view here the indirect mechanisms (compensatory payments) that can produce direct positive effects by limiting the anthropic pressure upon the natural components, as well as the direct measures that envisage reforestation actions on the Natura 2000 sites.	Yes
<i>Maintaining the ecologic functions of rivers (Framework Directive Water)</i>	<p>One of the most significant contributions brought by NRDP is the protection and maintenance of the ecologic functions of rivers. This will be achieved by:</p> <ul style="list-style-type: none"> • Diminution of nutrients and other 	

	<p>pollutants entries from the farming activities by limiting the use of chemicals;</p> <ul style="list-style-type: none"> • Limiting the entries of used waters by building up and extension of sewerage networks. • The agro-environmental measures that will contribute to biodiversity protection and increase on the river banks; • Increase of areas under forests with an important role in regulating the hydrological regime. 	
<i>Increasing population's protection against natural risks</i>	NRDP will contribute to the increase of rural population's protection against natural risks both through measures with impact upon the hydrological regime (e.g. increase of the land areas under forests and by prevention works in relation to these phenomena (e.g. rectification of torrents in the forests, fire protection measures)).	Yes
<i>Maintaining the agricultural activities in the countryside by encouraging the utilization of traditional practices</i>	Two-thirds of the measures stipulated in NRDP directly or indirectly target the maintenance of farming activities in the rural areas. The use of traditional practices is also encouraged as a measure for limiting the anthropic impact upon high natural value land areas or land areas located within the sites proposed for Natura 2000 network.	Yes
<i>Ensuring the protection of natural and cultural landscape by the revitalization of degraded areas</i>	Measures are envisaged with a direct impact upon the natural and / or cultural landscape (afforestation, use of abandoned land, set-up of historical centers of the localities) as well as with an indirect impact (e.g. maintenance of agricultural land use).	Yes
<i>Diminution of waste production, increase of waste collection, increase of waste utilization level</i>	The impact upon this objective is mostly positive and is due to the support to revamping activities and investments for a better waste management at enterprise level, on one hand, and to the investments on waste storage platforms on the other hand.	Yes
<i>Facilitating the use of renewable resources</i>	The direct positive impact is ensured by the support to the establishment / operation of forests as bioenergy source. In the second place, support is provided to the establishment of biofuel crops.	Yes
<i>Improving the utilization efficiency of energy sources</i>	NRDP will have a positive impact upon this environment objective through : <ul style="list-style-type: none"> • Direct investments in equipment / revamping of economic activities in the rural areas for energy consumption efficiency increase; • Measures are also envisaged for the stimulating the use of alternative energy sources. 	Yes

<i>Improving the health condition of the rural population</i>	<p>The main contribution to the improvement of people's health will come from :</p> <ul style="list-style-type: none"> The increase of access to drinking water (extension of water supply networks); Diminution of soil and underground water pollution by the extension of sewerage networks and limiting the use of chemicals in agriculture; Increase of work safety for farmers and forest operators or for the employees in the processing sector; A better waste management in the rural area (collection and storage). 	Yes
<i>Transport infrastructure modernization in rural areas</i>	The positive effect upon this relevant environment objective is given by the investments envisaged for building up inter- and intra-communal roads as well as for the procurement of new vehicles for the agricultural and social activities.	Yes
<i>Promoting the rural areas through sustainable tourism activities, mainly by encouraging agro-tourism</i>	NRDP will have a positive effect upon sustainable tourism development. This is due to investments foreseen to support the tourism activities as well as to the investments for the development of the tourism potential of rural areas and the related infrastructure.	Yes
<i>Improvement of pro-active behaviour by encouraging sustainable agricultural practices</i>	This objective sums up the most contributions for a positive impact. This fact is due in the first place to the important component foreseen under the program to support the training and information activities, vocational training included.	Yes

Potential significant effects upon the environment under cross-border context

The measures proposed within the NRDP are applicable on the Romanian territory exclusively.

The negative effects (completely insignificant) that have been identified and investigated in the previous chapter are found on a low spatial scale, most often at the level of the area of project operation and are mainly manifested during the period of execution of works.

Yet, there are premises that the positive effects of NRDP implementation can produce a significant positive impact with cross-border effect. We have in view here the following situations:

- Diminution of ground and surface waters pollution as a result of limiting the entries of nutrients and pesticides from the agricultural activities as well as as a result of the gradual diminution of the domestic used water quantities (from households) and of technological used water (from the livestock sector in particular) that are released in the environment;
- Improvement of the conservation conditions of the populations of certain migratory species or with a spatial distribution that goes beyond the national territory border;
- Increasing the forestland area with direct effect upon the increase of the absorption and stockage of the glasshouse gas emissions.

Measures proposed to prevent, reduce and compensate as much as possible any adverse effect upon the environment by NRDP implementation

As previously presented, the specific investment projects, supported through NRDP, may generate (at local scale and during the execution of works) a negative impact upon the environment (see conclusions of chapter 8). Furthermore, risks are associated to each investment project with regard to environment pollution (e.g. management of certain dangerous substances throughout the execution of investment works).

The prevention and diminution of the adverse effects upon the environment in relation to NRDP implementation can be achieved only by taking into consideration the environment assessment in all the stages of project preparation and implementation:

- A main critical stage in this process is drawing up the **financing guidelines**. These should clearly indicate the importance of considering the environment protection issues in designing the projects / financing proposals. The applicants should understand from this very stage that their project **should contribute to environment protection** and not only to the respect of “legal environment protection requirements”. This approach may have a positive significant effect upon the way in which the project proposals will be designed. It is useful that from this very stage the future applicants can learn this pro-active approach and participate in a creative way to finding solutions for the minimization of the impact of proposed investments (e.g. for the infrastructure works, such as highways that cross or border on natural areas of high importance, sub-crossings may be envisaged dedicated to maintaining the dispersion corridors of the local fauna).
- **The project proposals should be accompanied by impact assessments.** The impact assessments will be produced in conformity with the current national legislation into effect and will be able to identify:
 - The potential effects upon the environment in the project area ;
 - The best techniques and solutions available for the proposed activities;
 - The set of measures necessary to prevent, reduce and compensate the negative effects upon the environment generated by the respective project;
 - The set of measures for monitoring the effects of project implementation upon the environment.

The impact assessments are extremely important in the areas where Natura 2000 sites are found, due to the sensitivity of these areas and the low information level regarding their situation and response to different impact forms.

- Throughout the implementation of projects, **the monitoring program should be operated** with some intermediary evaluation sessions. These will permit the identification of the extent to which the project conforms to the requirements of financing guidelines, with the provisions of environment assessment and last but not least with the requirements of environment protection legislation.
- At the end of the investment project, **the beneficiaries will initiate the authorization procedure from the environment protection point of view** in which there is an additional possibility to identify the eventual impact issues and to comply with the environment legislation.

At the level of the entire program many activities are envisaged meant to support farmers and forest operators on the basis of “compensatory payments” mechanism. For these activities the environment assessment cannot be developed by each beneficiary. In this situation, it is very important for the management authority to operate an impact assessment at the level of the

measure (may be part of the mid-term assessment of the project) on the basis of selected monitoring indicators (see also chapter 12). In the situation of noticing a significant negative effect upon the environment, the following steps can be taken:

- Modification of eligibility criteria for the future applicants;
- Modification of the list of actions / eligible expenses under each measure;
- Modification of the form and amount of financial support.

Reasons that led to the selection of chosen variants and the description of the assessment modality

The National Rural Development Program represents a **development framework of the future specific projects** having in view: increase in the competitiveness of agri-food and forestry sectors; improvement of environment quality and rural area by the sustainable use of agricultural and forest land; increase of the quality of life in the rural areas; fostering the rural economy diversification and the initiation and operation of local development initiatives. NRDP was structured so as to **respond to the current needs of the Romanian rural area** (see NSP), while respecting the requirements from the Strategic Guidelines of the European Community.

It should be stressed that from the first reading of the NRDP, it can be noticed **this program was structured on the basis of a sustainable vision**, taking into consideration the environment protection aspects under each axis and each specific objective.

The process of NRDP elaboration consisted of a **permanent reshaping of the program measures**, in the elaboration period, the environmental issues being one of the criteria that were taken into consideration in this process.

The alternatives that have been investigated for the National Rural Development Program are the following:

- **Alternative „0”** – non-implementation of the program. The analysis of this alternative is found in chapter 4.3 of the present study. The alternative of non-implementing the National Rural Development Program is unfavourable for most of the relevant environmental aspects taken into consideration, being unacceptable for the needs and requirements of the Romanian rural area.
- **First NRDP variant** – version elaborated in October 2006;
- **Second NRDP variant** – version elaborated in March 2007;
- **Third NRDP variant** – version elaborated in April 2007.

Among the three NRDP variants there are differences both in the structuring modality of the document and in the formulation of the strategic and specific objectives. From the point of view of environment protection, the variant designed in April 2007 contains most of the environmental considerations, indicating that its implementation will have a positive effect, superior to the previous variants.

In support of the previous statements, we provide the following exemplifications:

- The NRDP variant of April 2007 includes in measure 214, two new packages under the sub-measure of extensive management of meadows: package 2.4 „reconditioning of meadows invaded by wooden vegetation” and package 2.5 „conservation of the habitats of wet meadows”;
- Unlike the previous variants, under measure 312, the NRDP variant of April 2007 makes it possible for those projects that include investments for the production of energy from renewable sources to increase the intensity of support for the procurement of specific equipment and its installation up to 70%. At the same time, under measure 313, for those tourism projects that also include investments for energy production from renewable sources, the intensity of support for the procurement of equipment and its set-up can increase up to 70%;
- Under measure 121, in the variant of April 2007, for facilitating the use of renewable resources, the costs for the installations of biogas production from the

dejections coming from farms were accepted as eligible. In order to support the implementation of the Council Directive 91/676/EEC, 75% of the investment eligible value can be provided as public support. In the *less favoured areas*, in order to prevent the abandon of farming activities, the investment-related public support was also increased.

- Measure 123, in the variant of April 2007 includes the following additional elements compared to previous versions, with a positive effect upon the relevant environment objectives.:
 - Extending the financial support for investments in order to obtain ecologic fuel from forest biomass;
 - Including the following provisions in the requirements regarding the improvement of the general performance of enterprises: diminution of polluting emissions and of waste aiming at environment protection and the increase of production and use of energy from renewable sources
 - Accepting the investments for the respect of environmental standards and for the production of ecologic fuel
 - Providing 50% of the investment eligible value and a maximum limit of the non-refundable public support of 2,000,000 euro/project for the units from the dairy and meat sector that have restructuring programs until 2009 drawn up together with ANSVSA and are included in the annex approved by DG Sanco .
 - Those investment costs are accepted as eligible that are related to the production of biofuels from biomass, i.e. the procurement of technologies, equipment, installations, as well as the construction and modernization of operational and administrative buildings. At the same time, those expenses are considered eligible that related to the procurement of technologies, equipment, installations, for the production and use of renewable energy on the processing units.
- At the same time, it should be specified that there are also measures and submeasures that have been removed from the subsequent variants of the NRDP (e.g. measures 2.2.5, 2.2.6 and 2.2.7) that will be re-analysed in order to be introduced at a later time or that will be given up completely.

Measures envisaged for monitoring the significant effects of NRDP implementation

NRDP is provided with its own monitoring and evaluation system. This is under the responsibility of the Management Authority for NRDP (General Rural Development Directorate from the MAFRD) that has in its structure a Department of Co-ordination, Monitoring and promotion with attributions in the elaboration and management of the Monitoring system.

NRDP monitoring and evaluation will be carried out in conformity with the provisions of the Common Monitoring and Evaluation Framework (CMEF), elaborated by the European Commission together with the Member States. The monitoring system will measure the progress, efficiency and efficacy of the program in relation with its objectives, on the basis of the common baseline indicators, financial indicators, output, result and impact indicators.

From the point of view of the requirements of the Government's Decision 1076/2004, this section must describe the measures for monitoring the significant effects upon the environment generated by NRDP implementation. As it has been described in chapter 8 of the present work, NRDP implementation will not produce significant effects upon the environment.

The following aspects were considered for proposing a complete and efficient system for monitoring the effects upon the environment generated by NRDP implementation:

- A monitoring program of the NRDP effects upon the rural area as a whole, and not only upon some of its components, is needed so as to evaluate the impact of the program and prevent the eventual significant adverse effects and to be able to establish in time measures for the diminution of negative effects;
- The monitoring program must be comprehensive, simple and efficient, it should presuppose a low consumption of resources, but it should also permit a most accurate knowledge of the environment quality in the rural area;
- Many data regarding environment quality cannot be generated / collected by the bodies under the subordination of the Ministry of Agriculture, the involvement of relevant stakeholders with competences in this field being necessary, such as: the environment protection agencies (at local, regional and national level), NA Romanian Waters, National Institute of Statistics, etc.;
- Part of the necessary information must be supplied by the program beneficiaries through application and reports. The management authority must ask for and centralize this information where is the case (investment projects).

The proposed monitoring system is related to the relevant environment objectives established in the SEA working group. Thus, the monitoring system will permit not only the evaluation of the impact of NRDP implementation upon the rural area, but also of the way in which these relevant environment objectives are reached. The indicators proposed in this report will have to be used on a selective basis, depending on the type of projects selected for support.

Table no.12-1 presents the indicators proposed by the NRDP titular together with the additional indicators proposed in the environment assessment.

It should be considered that the present monitoring systems, at national level, have a deficient coverage of the rural area. In this respect, the responsible entities from the MA should focus upon the creation of instruments for the generation and collection of relevant data (measurements, data from impact studies, unpublished data of the research institutions, etc.).

Table no. 0-1 Impact indicators proposed for monitoring the NRDP effects upon the environment

Relevant environment objectives	Indicators proposed in NRDP	Additional indicators (SEA)	Description	Applicability
<i>Diminution of air polluting emissions</i>	-	A. Inventory of emissions (fixed and mobile sources)	Air emissions of particles, sulphur oxides (SO _x), nitrogen oxides (Nox) and volatile organic compounds (VOC).	For the investment projects that involve the elaboration of impact studies (information collection source).
<i>Limiting the level of spot and diffuse pollution of water</i>	1. Nitrogen balance (kg/ha) 2. Evolution of nitrate concentrations in surface waters	B. Evolution of nitrate concentrations underground (wells)	Data from the annual reports of INMHGA on the basis of monitoring data from the National Hydrogeological Network.	At the whole program level
<i>Limiting the level of spot and diffuse pollution of soil</i>	3. % UAA related to organic farms	C. Annual fertilizers and pesticides amounts applied per ha (total and in the areas covered by projects)	The data can be obtained from the applications for funding (quantities applied before the project) and from the final reports (quantities applied during project implementation).	For projects having in view farming activities
<i>Soil protection against wind and water erosion</i>	4. Zones prone to soil erosion risk	-	-	-
<i>Diminution of glasshouse gas emissions</i>	5. Renewable energy production obtained in the forestry sector (TOE); 6. UAA for energy production crops (thou.ha);	-	-	-
<i>Increase of the level of glasshouse gas absorption and stocking</i>	7. Glasshouse gas emissions from agriculture			
<i>Maintaining the high natural value of agricultural land</i>	8. UAA/ total national area; 9. % of UAA classified as less-favoured areas; 10. % UAA classified in the	-	-	-

	mountain area; 11. % UAA for extensive grazing; 12. UAA from the zones with high natural value			
<i>Ensuring a favourable condition of habitat and wild flora and fauna species conservation (including the avoidance of habitat fragmentation)</i>	13. Forestland area / total national area; 14. Average annual increase of land areas under forests and other forested areas (1000 ha/year); 15. Evolution of agricultural land – specific bird populations	-	-	-
<i>Maintaining the biological diversity inside the protected areas (included in the national or Natura 2000 network)</i>	-	D. Dynamics of the population of species whose protection is the object of conservation	From the data of the Ministry of the Environment – where these exist and at the moment when they are available	For those Natura 2000 sites where projects exist.
<i>Maintaining the ecologic functions of rivers (Framework Directive Water)</i>	See indicator 2 above	E. Inventory of the emissions of discharged pollutants	Amounts of pollutants discharged in the sewerage network or in natural courses (pH, suspension materials, CCOCr, detergents, extractible substances) .	For the investment projects involving the elaboration of impact studies (information collection source).
<i>Increasing population's protection against natural risks</i>	-	F. The annual value of damages produced by floodings (yet it must be considered that this value is also closely correlated with the average annual rainfall)	From the official statistical data, for the areas covered by the projects.	At the whole program level
<i>Maintaining the agricultural activities in the countryside by encouraging the utilization of</i>	See indicator 3 above	-	-	-

<i>traditional practices</i>				
<i>Ensuring the protection of natural and cultural landscape by the revitalization of degraded areas</i>	-	G. Land area abandoned / degraded cultivated H. Land area abandoned / degraded afforested	For the projects targeting the establishment of agricultural crops and afforestations.	These data will be obtained from applications and project reports.
<i>Diminution of waste production, increase of waste collection, increase of waste utilization level</i>	-	I. Amount of waste collected on the newly built platforms J. Land area served by the new waste platforms	Capacity of waste platform (landfill) collection. Geographical area served.	These data will be obtained from the applications and project reports as well as from the impact studies.
<i>Facilitating the use of renewable resources</i>	See indicator 6 above	-	-	-
<i>Improving the utilization efficiency of energy sources</i>	-	K. Type and amount of energy saved as a result of project implementation	-	Data from the applications and project reports.
<i>Improving the health condition of the rural population</i>	-	L. Death rate and morbidity in the rural area M. Dynamics of nitrate intoxications in the rural areas and in the zones covered by the projects	Statistical data available at the level of the National Institute for Statistics and the Ministry of Health	-
<i>Transport infrastructure modernization in rural areas</i>	16. Total length of roads	-	-	-
<i>Promoting the rural areas through sustainable tourism activities, mainly by encouraging agro-tourism</i>	17. Tourism infrastructure in the rural areas (no of beds)	N. Number of beds in agro-tourism boarding houses	-	Data from the applications and project reports
<i>Improvement of pro-active behaviour by encouraging sustainable agricultural practices</i>	-	O. Number of beneficiaries of training/vocational training programs that focus upon the environment	-	Data from the applications and project reports

		P. Number of beneficiaries of information programs		
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Non-technical abstract

This work represents the Environment Report for the Strategic Environment Assessment (SEA) of the National Rural Development Plan (NRDP). The Environment Report was drawn up in conformity with the requirements of the European Directive SEA 2001/42/EC as well as of Government's Decision no. 1076/ 2004 transposing the provisions of the above-mentioned directive.

The National Rural Development Program (NRDP) was designed by the Management Authority for the National Rural Development Program within the Ministry of Agriculture, Forests and Rural Development from Romania.

NRDP represents the instrument for accessing the European Agricultural Fund for Rural Development (EAFRD) and was designed for the period 2007 – 2013.

The program is addressed to the Romanian rural territory (with a population density lower than 150 inhabitants/km²), i.e. to 93.6% of Romania's area where 48% of the country's total population is living.

Many public and private players were involved in the process of NRDP drawing up, organized into four working groups (for each of the four axes) consisting of experts of the Ministry of Agriculture, of other governmental institutions, of NGOs, professional associations and of regional authorities.

NRDP was designed on the basis of other national strategic documents, such as the National Development Plan for 2007 - 2013 (NDP), instrument prioritizing the public investments for development by which Romania will try to bridge up as fast as possible the socio-economic development gaps in comparison with the European Union countries and the National Strategy Plan for Rural Development 2007-2013, that specifies the rural development priorities and directions in close connection to the Community priorities.

The general objectives of the NRDP are the following:

9. Increase of competitiveness of the agri-food and forestry sectors;
10. Improvement of the environment and rural area by the sustainable use of agricultural and forestland;
11. Life quality increase in the rural area and fostering the rural economy diversification;
12. Initiation and operation of local development initiatives

The financial support for the four main objectives listed above totals 11.314.380.441 Euro. Out of this amount, about 6.526.042.597 (~57%) Euro can be considered as potential environmental investments (that directly or indirectly benefit the environment).

The evaluation methodology of the impact upon the environment generated by NRDP implementation presupposed several steps. The first step was represented by the analysis of the current environment situation in the rural areas. Following this analysis, a set of relevant environmental problems was identified for which relevant environmental objectives were formulated. The environment assessment of the NRDP presupposed the analysis of the way in which the program contributes to reaching these relevant environment objectives. The positive and negative contributions to reaching these objectives were highlighted and those situations were identified when the program does not bring any contribution or brings a low contribution to reaching the above-mentioned objectives. Finally, by summing up the scores, a cumulative assessment of the NRDP effects upon the environment could be made. The assessment results reveal mostly a positive effect. The negative effects were mainly found in the field of emissions in the air. A significant part of these emissions (air pollution) will be generated by the construction works and will occur in the period of the realization of these works on a reduced land area. On the second hand, emissions will also occur as a result of the increase in the size of the fleet of vehicles (mainly utility vehicles) and of the procurement of processing equipment and installations.

The assessment revealed the different contribution of axes to reaching the relevant environmental objectives. Thus:

Axis no.1 significantly contributes to:

- Improvement of the population's pro-active behaviour;
- Improvement of the population's health condition;
- Maintaining the ecologic functions of rivers.

Axis no.2 will greatly contribute to:

- Conservation of wild species habitats;
- Maintaining the ecologic functions of rivers;
- Natural landscape protection;
- Maintaining the biodiversity on the protected areas;
- Soil protection against erosion.

Axis no.3 will generate positive effects on:

- Sustainable tourism development;
- Improvement of the population's health condition;
- Facilitating the use of renewable resources;
- Utilization of traditional practices;
- Maintaining the ecologic functions of rivers;
- Diminution of spot and diffuse pollution of water .

Axis no. 4 will have a direct positive contribution to the improvement of pro-active behaviour by encouraging the sustainable agricultural practices.

NRDP implementation will not generate negative effects with trans-frontier potential. However the possibility was identified that certain positive effects, i.e. the improvement of the wild species habitats conservation and maintaining the ecologic functions of rivers, could generate positive effects on a larger territory, which exceeds the limits of Romania's national borders.

In order to reduce the potential negative effects generated by project implementation, a set of recommendations was proposed having in view: the contents of the future financing guidelines, carrying out impact assessment studies for the future investment projects and the implementation of programs monitoring the effects upon the environment.

As regards the monitoring of the effects of NRDP implementation upon the environment, the impact indicators proposed under the program were analyzed and proposals were made with regard to the additional indicators that should permit a most complete evaluation of the impact of actions that will be carried out within the NRDP.

In conclusion, we estimate that NRDP implementation will have a positive effect upon the environment, mainly upon the Romanian rural area, with a significant contribution to sustainable development in this area. It can be stated that this program will permit the social and economic development of the Romanian rural area through the consolidation and protection of its natural foundation.

ANNEX 4 A

“Less favoured areas”

1. LFA in Romania – main features

The characterization of less favoured areas is based on data performed by Research Institute for Soil, Science and Agro chemistry (RISSA) from Bucharest.

The designation of LFA was performed in accord with the Regulation (EC) 1257/1999. As a result, were established 3 types of LFA: Mountain Areas (MA), LFA – other and LFA – specific.

LFA – main indicators and geographical distribution

Table with LFA main indicators

Indicator	MA	LFA - other	LFA - specific
Share of UAA from LFA against UAA from Romania	20,14%	1,40%	12,94%
Share of total area from LFA against total area of Romania	29.93%	2,47%	9,86%
Total share of UAA from LFA against total UAA of Romania		34,48%	
Total share of area from LFA against total area of Romania		42,26%	

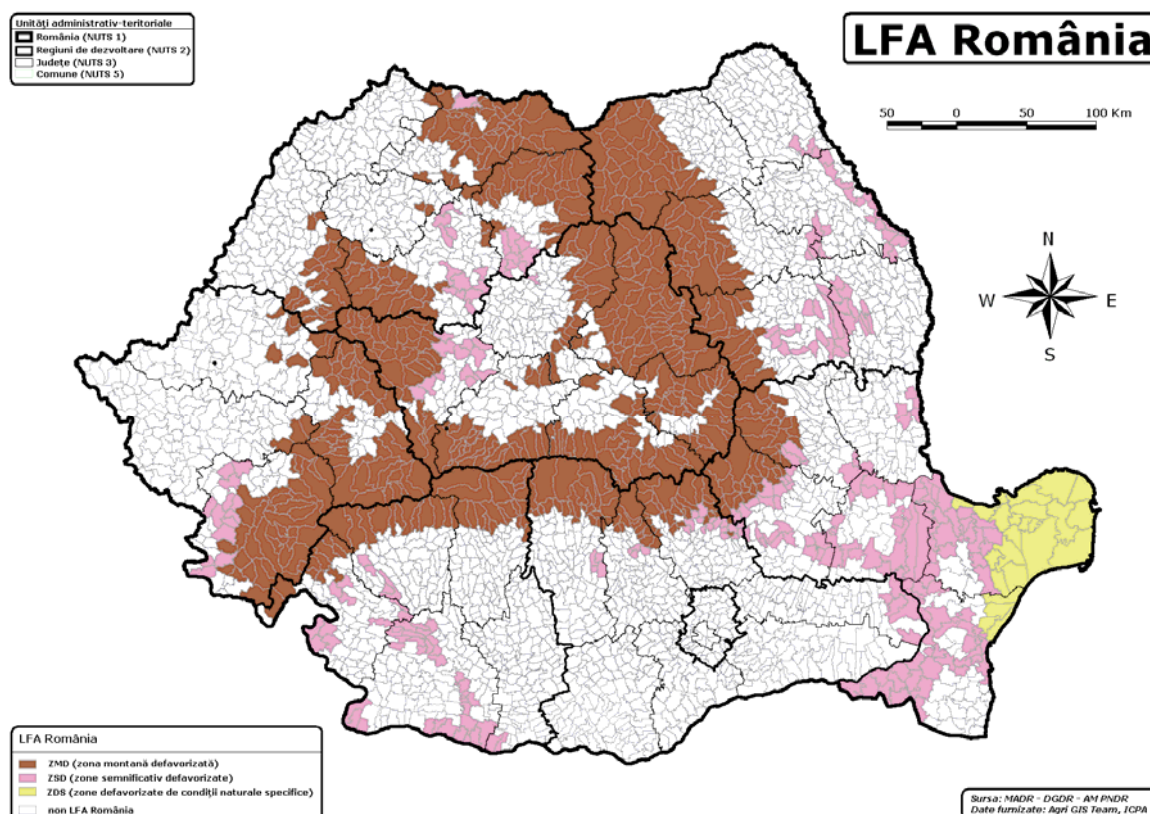


Fig. 1 LFA in Romania

From the analysis of the map with geographical repartition of the LFA it is obvious that *Mountain Areas* is covering almost in totality Carpathian Mountains – because here are found the highest values of altitude and slopes, *LFA – other* is covering the Danube Delta - in this area the agricultural productivity being the most affected by severe and cumulative climatic and soil restrictions, and *LFA - specific* - which has a more scattered coverage because of the diversity of the natural conditions that affect agricultural productivity and impose in some smaller areas agricultural restrictions, only in South - East Romania being found some more compact areas.

Environmental value of LFA

Overlapping LFA with HNV or with IBA we can conclude that *Mountain Areas* are more than 90% covered by the HNV, *LFA – other* is 100% covered by IBA and *LFA – specific* is more than 65% covered by IBA - pilot areas for the measure 214, proving in this manner the environmental value of these areas.

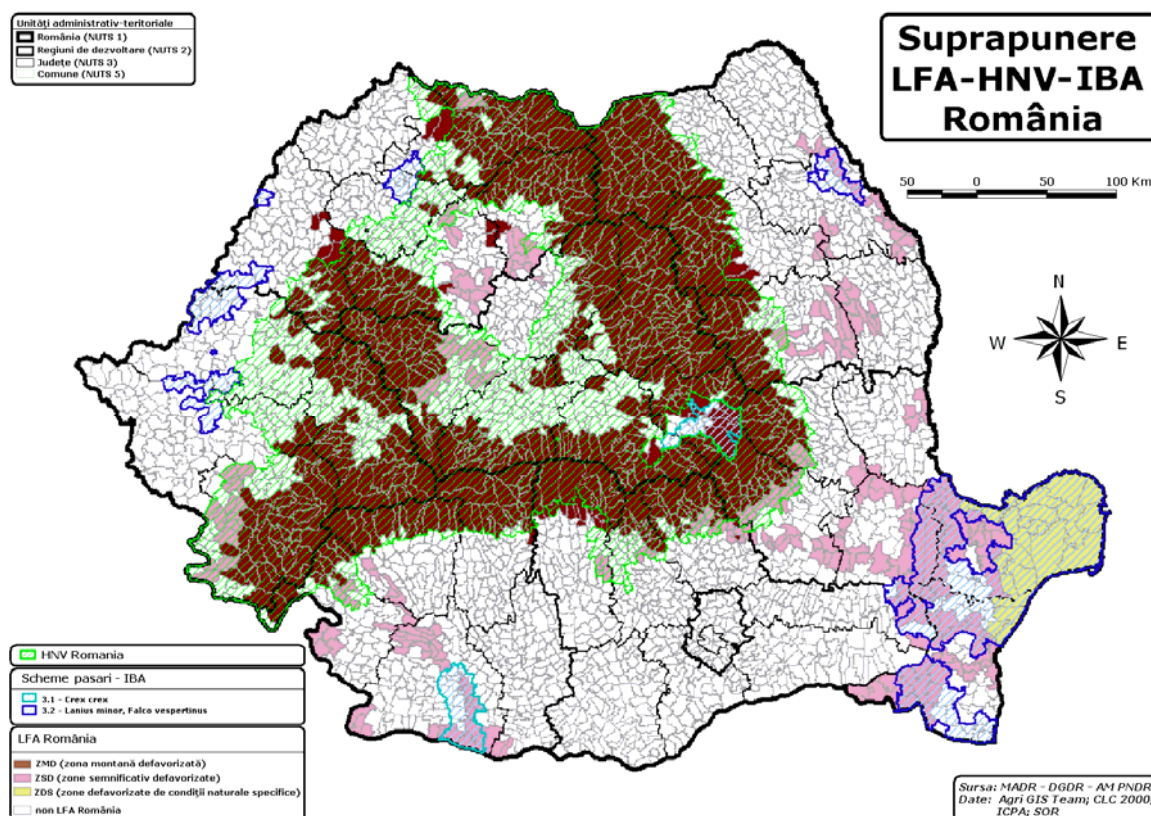


Fig. 2 Overlapping of LFA/HNV/ pilot IBA for the measure 214

LFA beneficiaries

The beneficiaries of the Measures 211 and 212 are the farmers which are farming in LFA.

Are considered farmers any natural persons or legal entities or groups thereof, irrespective of the legal status of their members, providing productive agricultural activities or maintaining agricultural land in GAEC.

The financial support granted for common grazing area, can be given to each farmer in a share directly linked to the right to use the land or can be granted to the farmers' representatives.

Thus, in case of common grazing, the right of using the land is granted based on a contract between the farmer and Local Council. These contracts are foreseeing grazing areas for the farmers according to the livestock that they are declaring to graze with (the relation between livestock and grazing area to be allocated is based on livestock density), and for this allocated areas the farmers can receive, individually, financial support through 211 and 212 Measures. Also, these farmers can empower a representative to claim for them the financial support.

In case of common grazing under different kinds of associative forms of property, the members of these forms of property can claim payments for the areas that they have the right to use or can empower a representative to claim for them the financial support.

2. Mountain Areas

2.1 Characteristics

Mountain Areas (based on Regulation (EC) 1257/1999) have around 71,340 km², therefore representing 29.93% out of the total national surface, the share of UAA out of the total national UAA being 20.14% - agricultural area in Mountain Areas representing around 2,802,000 ha. Out of this area, in 2007, only 1,290,000 ha (46%) was under commitment, but is estimated that in 2013 will be under commitment around 2,520,000 ha (90%) and this threshold is unlikely to be higher because of eligibility criteria that are referring to plots and farm sizes.

On this territory are around 2.4 mil. inhabitants – which represent around 11% out of the national population.

Mountain Areas is overlapping almost 100% with the Carpathian Mountains. The average elevation value of the Carpathian Mountains is 1,136 m, and the highest values of altitude are over 2,500 meters.

At 1,000 meters the annually average temperature value is around 6°C, and at more than 2,000 meters is below - 2°C.

In these areas, the natural conditions are facilitating natural and semi – natural grassland.

2.2 Delineation criteria of *Mountain Areas*

Are considered less favoured Mountain areas all the:

- Administrative territorial units (ATUs) with an average altitude at least to 600 m, the limits of these UATs being those of the physical blocks allocated for them by Integrated Administration and Control System (IACS);
- Administrative territorial units located between the altitudes of 400 – 600 m, with an average slope at least 15%, the limits of these UATs being those of the physical blocks allocated for them by Integrated Administration and Control System (IACS).

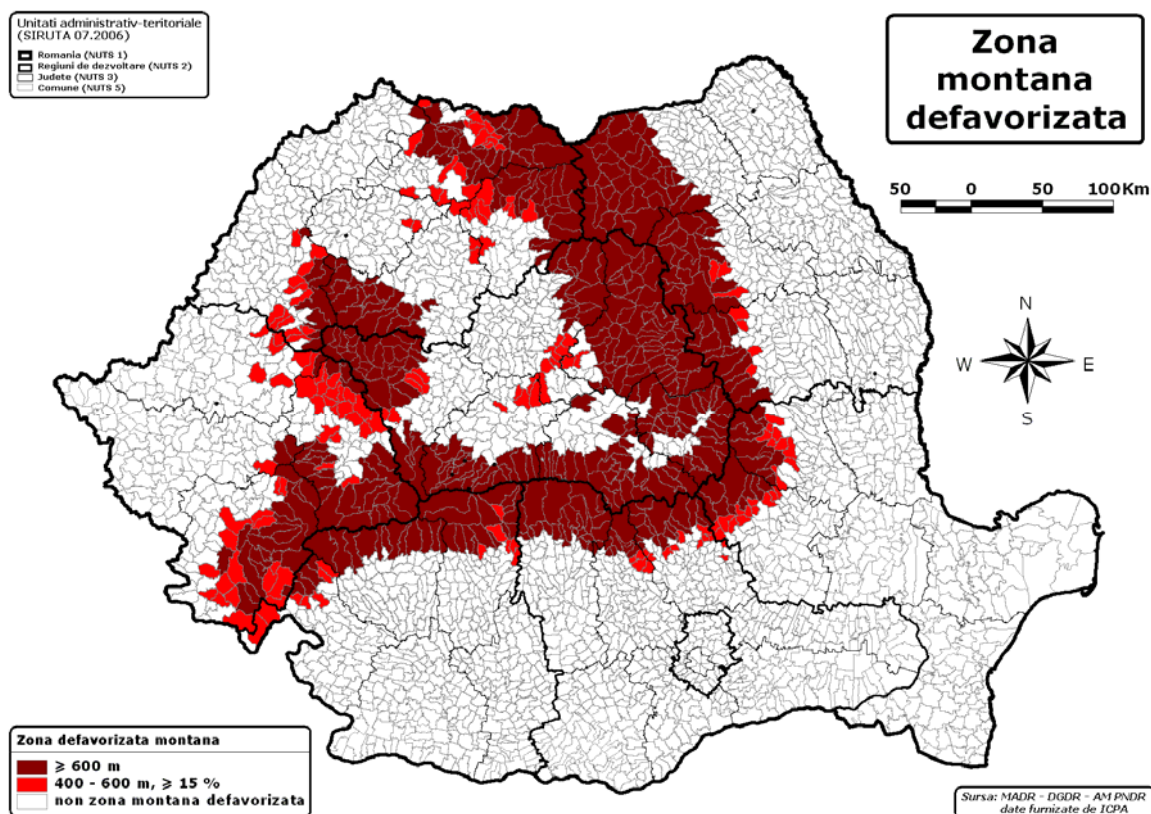


Fig. 3 Mountain Areas (source: DG AGRI – GIS TEAM)

2.3 List of ATUs included among the Mountain Areas:

County	SIRUTA	Communes
ALBA	1151	Abrud
	2130	Albac
	2309	Almașu Mare
	2381	Arieșeni
	2577	Avram Iancu
	2915	Baia de Arieș
	3039	Bistra
	3397	Blandiana
	3459	Bucium
	1455	Câmpeni
	3841	Ceru-Băcăinți
	4008	Ciuruleasa
	4142	Cricău
	1696	Cugir
	4366	Galda de Jos
	4525	Garda de Sus
	4767	Horea
	4927	Ighiu
	4981	Întregalde
	5167	Livezile
	5336	Lupșa
	5577	Meteș

	5826	Mogoș
	6119	Ocoliș
	6217	Pianu
	6271	Poiana Vadului
	6397	Ponor
	6468	Poșaga
	6592	Râmetea
	6627	Râmeț
	6761	Roșia Montană
	6976	Sălcuia
	7099	Săsciori
	7197	Scărișoara
	7446	Sohodol
	7767	Stremț
	8014	Șugag
	8229	Vadu Moților
	8425	Vidra
ARAD	1936	Zlatna
	9832	Archiș
	10239	Brazii
	10417	Chisindia
	10649	Dezna
	11058	Hălmagiu
	11174	Hălmăgel
	11478	Moneasa
ARGEȘ	12689	Vârfurile
	13891	Albeștii de Muscel
	13999	Aninoasa
	14049	Arefu
	14405	Berevoești
	14673	Boteni
	14753	Brăduleț
	14922	Bughea de Jos
	20063	Bughea de Sus
	13490	Câmpulung
	15402	Cetățeni
	15448	Cicănești
	15741	Corbeni
	15830	Corbi
	16329	Dâmbovicioara
	16472	Dragoslavele
	16908	Lerești
	17334	Mioarele
	17771	Nucșoara
	17968	Poienarii de Muscel
	18527	Rucăr
	18554	Sălătrucu
	18858	Stoenești
	19141	Șuici
BACĂU	13524	Valea Mare Pravăț
	21007	Agăș
	21123	Asău
	21196	Balcani

	21418	Berzunți
	21597	Brusturoasa
	20821	Comănești
	22166	Dărmănești
	22380	Dofteana
	22718	Ghimeș-Făget
	23449	Mănăstirea Cașin
	23797	Oituz
	23975	Palanca
	20910	Slănic-Moldova
	25488	Solonț
	20965	Târgu Ocna
	26289	Zemes
BIHOR	26699	Aleșd
	27560	Borod
	27686	Bratca
	27846	Budureasa
	27935	Bulz
	28709	Câmpani
	28077	Căbești
	28889	Criștioru de Jos
	28941	Curățele
	29403	Finiș
	29760	Lazuri de Beiuș
	29948	Lunca
	26920	Nucet
	30336	Pietroasa
	30844	Roșia
	31379	Șinteu
	31510	Șuncuiuș
	31609	Târcaia
	27007	Vaşcău
BISTRIȚA- NĂSĂUD	32633	Bistrița Bârgăului
	32811	Căianu Mic
	32884	Cetate
	32955	Ciceu-Giurgești
	33177	Coșbuc
	179686	Dumitrița
	33248	Feldru
	33337	Ilva Mare
	33364	Ilva Mică
	33514	Leșu
	33603	Lunca Ilvei
	33621	Maieru
	33729	Măgura Ilvei
	32544	Năsăud
	179659	Negrilești
	34075	Nușeni
	34155	Parva
	179720	Poiana Ilvei
	34235	Prundu Bârgăului
	34262	Rebra

	34280	Rebrișoara
	34333	Rodna
	34360	Romuli
	179944	Runcu Salvei
	34397	Salva
	32599	Sângeorz-Băi
	34547	Spermezeu
	34618	Șanț
	34850	Șieut
	35152	Târlisua
	35054	Telciu
	35090	Tiha Bârgăului
	35429	Zagra
BRAȘOV	40526	Apața
	40633	Bran
	40198	Brașov
	40688	Budila
	40704	Bunești
	40241	Codlea
	40900	Cristian
	42456	Crizbav
	42480	Drăguș
	40928	Dumbrăvița
	40991	Fundata
	41113	Hârseni
	41177	Hoghiz
	42472	Holbav
	41346	Lisa
	41382	Măieruș
	41471	Moieciu
	41541	Ormeniș
	41621	Poiana Mărului
	40303	Predeal
	40367	Râșnov
	41738	Recea
	42464	Sâmbăta de Sus
	40438	Săcele
	41854	Șinca
	42449	Șinca Nouă
	42003	Târlungeni
	42058	Teliu
	42101	Ucea
	42183	Vama Buzăului
	42236	Viștea
	42398	Vulcan
	40492	Zărnești
BUZĂU	45245	Bisoca
	45389	Bozioru
	45539	Brăești
	45753	Calvini
	45888	Cănești
	45959	Cătina
	46108	Chiliile

	46180	Chiojdu
	46439	Colți
	46554	Cozieni
	47079	Gura Teghii
	47186	Lopătari
	47630	Mânzălești
	47916	Nehoiu
	48021	Odăile
	48227	Pănătău
	48325	Pătărlagele
	49233	Sărulești
	49484	Siriu
	50068	Valea Sâlciei
	50228	Vintilă Vodă
CARAȘ-SEVERIN	50889	Anina
	51243	Armeniș
	50923	Băile Herculane
	51305	Bănia
	51332	Băuțar
	51449	Berzasca
	51546	Bolvașnița
	51573	Bozovici
	51662	Brebu Nou
	51699	Buchin
	51751	Bucoșnița
	51804	Carașova
	51840	Cărbunari
	51948	Ciclova Română
	52115	Cornea
	52160	Cornereva
	52570	Dalboșeț
	52721	Domașnea
	53700	Eftimie Murgu
	52936	Glimboca
	53023	Iablanița
	53069	Lăpușnicel
	53103	Lăpușnicu Mare
	53130	Luncavița
	53210	Marga
	53274	Mehadia
	53327	Mehadica
	51207	Oțelu Roșu
	53577	Prigor
	50790	Reșița
	53728	Rusca Montană
	54056	Slatina-Timiș
	54163	Șopotu Nou
	54270	Teregova
	54387	Topleț
	54412	Turnu Ruieni
	54485	Văliug
	54617	Zăvoi
CLUJ	55918	Băișoara

	56014	Beliș
	56461	Călățele
	56568	Căpușu Mare
	57083	Chiuiești
	57163	Ciucea
	57225	Ciurila
	57582	Feleacu
	57902	Gilău
	58008	Iara
	58204	Izvoru Crișului
	58357	Măguri-Răcățau
	58393	Mănăstireni
	58464	Mărgău
	58534	Mărișel
	60169	Negreni
	59041	Poieni
	59238	Rișca
	59434	Sâncraiu
	59498	Sânmartin
	59283	Săcuieu
	59327	Săvădisla
	59880	Unguraș
	60026	Valea Ierii
COVASNA	63777	Aita Mare
	65113	Arcuș
	63633	Barcani
	63802	Bățanii Mari
	63866	Belin
	65121	Bixad
	63893	Bodoc
	64041	Brăduț
	64096	Brețcu
	64194	Cernat
	63553	Comandău
	63526	Covasna
	65147	Dalnic
	64265	Dobârlău
	65154	Estelnic
	64318	Ghelința
	64345	Ghidfalău
	64390	Hăghig
	63580	Întorsura Buzăului
	64461	Lemnia
	64504	Malnaș
	65105	Mereni
	65139	Micfalău
	64568	Moacșa
	64602	Ojdula
	64719	Poian
	64826	Sânzieni
	63688	Sita Buzăului
	64871	Turia
	64942	Vâlcele

	64906	Valea Crișului
	65099	Valea Mare
	64997	Vârghiș
	65011	Zagon
	65048	Zăbala
DÂMBOVIȚA	66223	Bărbulețu
	66330	Bezdead
	66438	Buciumeni
	65869	Iedera
	68182	Moroeni
	68404	Pietroșița
	68565	Pucheni
	179917	Râu Alb
	68716	Runcu
	69063	Valea Lungă
	69447	Vârfuri
	69303	Văleni-Dâmbovița
	69394	Vișinești
GORJ	78711	Baia de Fier
	79308	Bumbești-Jiu
	79834	Crasna
	80908	Mușetești
	78258	Novaci
	81095	Padeș
	81184	Peștișani
	81380	Polovragi
	81576	Runcu
	81987	Schela
	82136	Stănești
	82430	Tismana
HARGHITA	83847	Avrămești
	83428	Băile Tușnad
	83464	Bălan
	83936	Bilbor
	83491	Borsec
	83151	Brădești
	84102	Cârța
	83963	Căpâlnița
	86461	Ciceu
	83981	Ciucsângeorgiu
	84086	Ciumani
	84148	Corbu
	84175	Corund
	86446	Cozmeni
	84380	Dârjiu
	84237	Dănești
	84264	Dealul
	84344	Ditrău
	83197	Felicești
	84415	Frumoasa
	84460	Gălăuțăș
	83561	Gheorgheni
	84558	Joseni

	84594	Lăzarea
	86479	Lelicieni
	84629	Lueta
	84656	Lunca de Jos
	84754	Lunca de Sus
	84825	Lupeni
	86438	Mădăraș
	84923	Mărtiniș
	85056	Merești
	83320	Miercurea-Ciuc
	85074	Mihăileni
	85243	Ocland
	83133	Odorheiu Secuiesc
	83375	Păuleni-Ciuc
	85289	Plăieșii de Jos
	85341	Praid
	86495	Racu
	85412	Remetea
	85680	Sâncrăieni
	85760	Sândominic
	85788	Sânmartin
	85840	Sânsimion
	86519	Sântimbru
	86501	Satu Mare
	85467	Săcel
	85528	Sărmaș
	85626	Siculeni
	85877	Subcetate
	85920	Suseni
	86453	Tomesti
	83632	Toplița
	86133	Tulgheș
	86188	Tușnad
	86222	Ulieș
	86311	Vărșag
	83749	Vlăhița
	86339	Voșlăbeni
	86366	Zetea
HUNEDOARA	87219	Aninoasa
	87745	Baia de Criș
	87843	Balșa
	87996	Baru
	88092	Băița
	87246	Banița
	88216	Bătrâna
	88261	Beriu
	88350	Blăjeni
	88449	Boșorod
	87291	Brad
	88788	Buceș
	88868	București
	88920	Bulzeștii de Sus
	89026	Bunila

	86749	Cârjiți
	89151	Cerbăl
	89240	Certeju de Sus
	87362	Crișcior
	89348	Densuș
	89561	Geoagiu
	86883	Ghelari
	90066	Lelese
	90119	Lunca Cernii de Jos
	90208	Luncoiu de Jos
	87059	Lupeni
	90342	Orăștioara de Sus
	87077	Petrila
	86990	Petroșani
	90538	Pui
	90663	Rapoltu Mare
	90878	Râu de Mori
	90725	Răchitova
	90805	Ribița
	91232	Sântămăria-Orlea
	91054	Sarmizegetusa
	91116	Sălașu de Sus
	91447	Tomești
	91535	Toplița
	87139	Uricani
	91795	Vața de Jos
	91937	Vălișoara
	91982	Vețel
	92097	Vorța
	87175	Vulcan
MARAMUREȘ	106318	Baia Mare
	106684	Baia Sprie
	107314	Bârsana
	107154	Băiuț
	107270	Bistra
	107403	Bogdan Vodă
	106746	Borșa
	107485	Botiza
	107519	Budești
	106782	Cavnic
	107582	Cernești
	107868	Coroieni
	107920	Cupșeni
	107975	Desești
	108017	Dragomirești
	108151	Giulești
	179622	Groșii Țibleșului
	108204	Ieud
	108222	Lăpuș
	108240	Leordina
	108348	Moisei
	108400	Ocna Șugatag
	179864	Oncești

	108455	Petrova
	108473	Poienile de sub Munte
	179604	Poienile Izei
	108552	Remeți
	108598	Repedea
	108614	Rona de Jos
	108632	Rona de Sus
	108669	Rozavlea
	108696	Ruscova
	108874	Săcel
	108892	Săliște de Sus
	108945	Săpânța
	109005	Strâmtura
	109041	Suciu de Sus
	179613	Șieu
	109096	Șisești
	106461	Tăuții-Măgherauș
	109354	Valea Chioarului
	109425	Vima Mică
	109504	Vișeu de Jos
	106979	Vișeu de Sus
MEHEDINȚI	109924	Baia de Aramă
	110456	Balta
	111220	Cireșu
	112904	Dubova
	112245	Eșelnița
	111818	Godeanu
	112263	Ilovăț
	112370	Isverna
	110027	Obârșia-Cloșani
	112959	Podeni
	112995	Ponoarele
MUREȘ	116126	Chiheru de Jos
	116493	Daneș
	116545	Deda
	116590	Eremitu
	116796	Fântânele
	117042	Ghindari
	117319	Gurghiu
	117426	Hodac
	117550	Ibănești
	118058	Lunca Bradului
	118094	Măgherani
	118469	Nadeș
	118511	Neaua
	118931	Răstolița
	119153	Rușii-Munți
	119331	Sângeorgiu de Pădure
	114854	Sovata
	119625	Stânceni
	120138	Vătava
	120174	Vețca
NEAMȚ	121108	Agapia

	124938	Alexandru cel Bun
	120968	Bicaz
	121297	Bicaz-Chei
	121340	Bicazu Ardelean
	121652	Borca
	121732	Borlești
	122025	Ceahlău
	122187	Crăcăoani
	122249	Dămuc
	122551	Farcașa
	122828	Gârcina
	122864	Grințieș
	122953	Hangu
	123601	Pângarați
	123479	Piatra Șoimului
	120726	Piatra-Neamț
	123521	Pipirig
	123790	Poiana Teiului
	124493	Tarcău
	124563	Tașca
	124616	Tazlău
	125016	Vânători-Neamț
PRAHOVA	131899	Adunați
	132137	Ariceștii Zeletin
	130954	Azuga
	136278	Bătrâni
	132342	Bertea
	132404	Brebu
	131210	Bușteni
	132486	Cărbunești
	132574	Cerașu
	131336	Comarnic
	132841	Cosminele
	133795	Izvoarele
	134096	Măneciu
	134648	Posești
	134755	Predeal-Sărari
	134853	Provița de Jos
	134899	Provița de Sus
	135128	Salcia
	135226	Secăria
	131540	Sinaia
	131577	Slănic
	135315	Starchiojd
	135547	Șotrile
	135618	Ștefești
	135654	Talea
	135681	Tătaru
	135789	Telega
	136107	Valea Doftanei
SĂLAJ	140770	Cristolț
	143067	Zalha
SATU MARE	137407	Certeze

SIBIU	143959	Arpasu de Jos
	143995	Ațel
	144054	Avrig
	144198	Biertan
	146021	Boița
	144535	Cârțișoara
	143735	Cisnădie
	143487	Cristian
	144599	Gura Răului
	144615	Hoghilag
	144713	Jina
	144731	Laslea
	145202	Orlat
	145275	Poiana Sibiului
	143502	Poplaca
	145293	Porumbacu de Jos
	145355	Racovița
	145382	Râu Sadului
	143520	Rășinari
	145471	Sadu
	145499	Săliște
	145827	Tălmăciu
	145907	Tilișca
	145934	Turnu Roșu
	145961	Valea Viilor
SUCEAVA	147205	Breaza
	147241	Brodina
	147358	Broșteni
	146502	Câmpulung Moldovenesc
	151503	Capu Câmpului
	147713	Cârlibaba
	151451	Ciocănești
	151497	Coșna
	147884	Crucea
	148202	Dorna Candrenilor
	148131	Dorna-Arini
	148612	Frasin
	148729	Frumosu
	148765	Fundu Moldovei
	146584	Gura Humorului
	149138	Iacobeni
	149183	Izvoarele Sucevei
	149316	Mălini
	149370	Mănăstirea Humorului
	149502	Moldova-Sulița
	149539	Moldovița
	149655	Ostra
	149682	Panaci
	149851	Poiana Stampei
	149931	Pojorâta
	150043	Putna
	150114	Rașca
	150178	Sadova

	150258	Slatina
	150294	Straja
	150356	Stulpicani
	150418	Sucevița
	150445	Șaru Dornei
	150702	Ulma
	150935	Vama
	146744	Vatra Dornei
	150980	Vatra Moldoviței
TIMIȘ	157898	Nădrag
	158136	Pietroasa
	158895	Tomesti
VÂLCEA	167696	Băile Olănești
	168559	Bărbătești
	168675	Berislăvești
	168755	Boișoara
	167794	Brezoi
	169119	Câineni
	167909	Călimănești
	169253	Costești
	169351	Dăești
	170220	Golești
	168041	Horezu
	171021	Malaia
	171539	Muereasca
	172153	Perișani
	172509	Racovița
	172812	Runcu
	172894	Sălătrucel
	173230	Stoenești
	174496	Titești
	174021	Vaideeni
	174254	Voineasa
VRANCEA	175126	Andreiașu de Jos
	175224	Bârsești
	175509	Chiojdeni
	176551	Jitia
	176686	Mera
	176891	Năruja
	178885	Negrilești
	176944	Nereju
	177003	Nistorești
	177101	Paltin
	178910	Păulești
	177263	Poiana Cristei
	177469	Reghiu
	177762	Soveja
	178965	Spulber
	178117	Tulnici
	178313	Valea Sării
	178475	Vintileasca
	178545	Vizantea-Livezi
	178750	Vrâncioaia

3. LFA – other and LFA specific

An important criterion of the both LFA – other and LFA specific designation is low natural productivity of agricultural land. The natural productivity is highly connected to the Land Quality Index (LQI).

3.1 LQI elaboration methodology and its relation with agricultural productivity

LQI methodology

The LQI is elaborated based on the Research Institute for Soil, Science and Agro - chemistry (RISSA) methodology with the aim of agricultural land quality assessment.

At national level, the LQI system was set-up based on the geo – reference of the soil – maps, with 1:200,000 scale, on soils and agro-chemicals studies performed at communes level and on climate data (were used 47 meteorological survey platforms with daily data and long-term climatically data using 10x10 km squares and MARS technology). Also, the value of this indicator is also representing a result of the statistical and experimental records.

The scoring system take into account the following factors:

- Soil quality;
- climate;
- relief;
- soil moisture conditions.

The score used for soil was that developed by the Research Institute for Soil, Science and Agrochemistry (RISSA) from Bucharest, valid for the Romanian soils (141 types of soils). For example: ± 7 points for depth; 0 - 7 points for texture; 0 - 7 points for the thickness of the humus layer; 0 - 5 points solid rock; 0 - 7 humus content; ± 7 points base saturation; ± 5 points hazardous salts content; 0 - 5 points cultivation status. The total adds up to **50 points**, distributed based on the 5 categories of agricultural usage.

For climate conditions we used climate papers and local data, of which we extracted: the annual average temperature and annual precipitation volumes, within ± 20 points, considering that these conditions may influence the grades of other natural factors (soil, relief and hydrological conditions), even if favourable.

For relief conditions we used a scoring scheme of ± 15 , set depending on the average slope for each lot, according to the table below.

LQI of the agricultural land depending on relief conditions

No.	Relief features	Arable	Pasture	Hayfield	Vineyards	Orchards
				Score		
1.	Drained plane land	15	15	15	5	10
2.	3° - 5°	10	15	15	10	15
3.	5° - 10°	0	10	10	15	15
4.	10° - 15°	-10	5	5	15	10
5.	15° - 25°	-15	0	-10	-5	0
	> 25°	-20	-10	-15	-10	-10

For hydrological conditions we used a scoring scheme of ± 15 , set depending on the level of the underground water, according to the table below.

LQI depending on hydrological conditions

No.	Underground water level (m)	Arable	Pasture	Hayfield Score	Vineyards	Orchards
1.	Over 10	0	0	-5	5	5
2.	6 - 10	5	0	0	10	10
3.	4 - 6	10	5	5	15	15
4.	4 - 2,5	10	10	10	10	5
5.	2,5 - 1,5	10	15	15	-10	-10
6.	1,5 - 1	5	10	15	-15	-15
7.	1 - 0,7	-5	0	10	-15	-15
8.	0,7 - 0,3	-10	-5	10	-15	-15
9.	Under 0,3	-15	-15	0	-15	-15

In computing the LQI grades for ATUs it was established an average weighted value using arable and grassland LQI values. The LQI for arable is the equal average of the most common 4 cultivated plants found on arable lands.

The LQI relation with the agricultural productivity

The LQI reflects the agricultural production potential depending upon the natural conditions.

The correspondent table of the LQI with agricultural production

Culture	Average yeald (Kg) for 1 point of the bonitation system
Wheat	65
Maize	85
Sunflower	30
Potatos	416
Pastures	250
Hayland	250

The most cultivated cereal in Romania (in terms of land cover) is maize.

Table with the relation between maize productions averages from other LFA against national productions (the extreme values were excluded)

	The relation between the averages of maize yields and LQI in other LFA				
Year	2002	2003	2004	2005	2006
Yields (kg/ha)	2902	2993	4441	3952	3565
National average yield	$10510/3 = 3503.33$				
80%* national average yield	$3503.33*80\% = 2802.67$				
The link betwween national average maize yield and LQI (85kg of maize = 1 LQI point)	Maize: $3503.33/85 = 41,21$ points				

LFA – other: the average yield	$16 * 85 = 1360 \text{ Kg}$ $1360 * 100/3503 = 39 \%$
LFA – specific: the average yield	$25 * 85 = 2125 \text{ Kg}$ $2125 * 100 / 3503 = 61 \%$
The average production in the LFA specific with the highest agricultural production potential (LQI = 28) against national maize yield	$28 * 85 = 2380 \text{ Kg}$ $2380 * 100 / 3503 = 68 \%$

3.2 LFA - other

3.2.1 Main features

LFA other covers the area of the 24 ATUs which are fully or partially overlapping with the Danube Delta Biosfera Reservation.

The LFA – other has around 5,898 km², meaning 2.47% out of the national area. Within this area only 195.100 ha is representing agricultural land, the rest of the area (around 65%) being mostly water areas, therefore UAA from LFA - other against national UAA is only 1.40%.

The total number of the inhabitants from this area is around 170,000 – meaning approximately 0.78 % of total national population. Therefore, the population density is under 29 inhabitants/ km², which represent 31.5% out of national population density.

The entire area is considered to be IBA.

The average value of LQI is 16, meaning 46% out of the national value.

The agricultural productivity is very low (the average yield of maize is around 39% out of the national averages), especially due to the low quality of soils (the largest share of areas is covered by sandy young soils), unfavorable climate (extreme heat during summer and low precipitations) and because of soils poor drainage.

3.2.2 Delineation criteria of LFA - other

For the delineation criteria of LFA – other were considered the ATUs which are partially or totally overlapping with the Danube Delta Biosfera Reservation because of the very low land productivity. The average value of LQI in this area is 16, meaning 46% out of the national LQI average weighted value (which is 35). The limits of the designated ATUs are those of the physical blocks (from IACS) allocated for these communes.

Also, in accord to Art. 19 of Regulation (EC) 1257/1999, was determine that the population density is significantly low than national average. The results are demonstrating that in LFA – other the population density is around 28,7 inhabitants/km², meaning 31,5% compared to national average of population density, and that around 40 % out of the population from LFA – other is depending on agricultural activities.

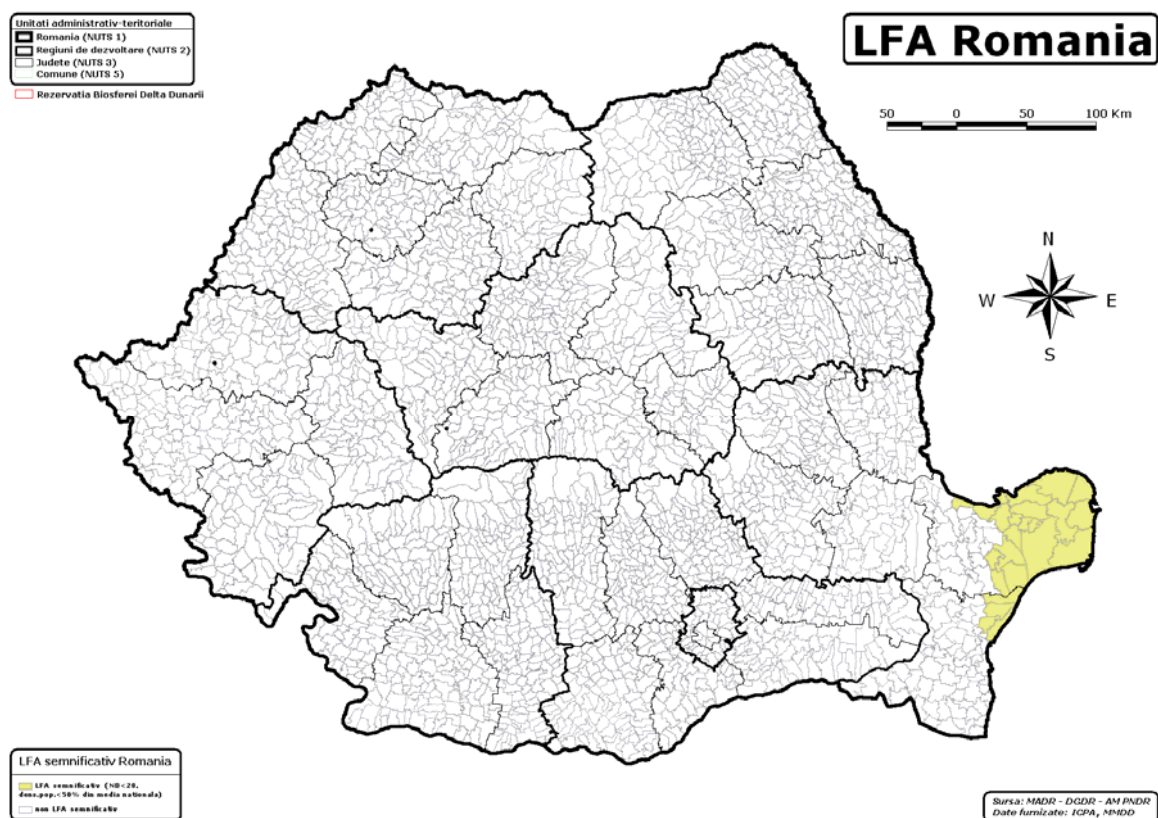


Fig. 4 LFA - other

3.2.3 List of ATUs included among the LFA - other

Counties	SIRUTA	Comunes
CONSTANTA	61513	Corbu
	62020	Istria
	62253	Mihai Viteazu
	62878	Sacele
TULCEA	159650	Babadag
	161552	Bestepe
	159883	C.A. Rosetti
	160092	Ceamurlia De Jos
	160047	Ceatalchioi
	160172	Chilia Veche
	160261	Crisan
	159687	Isaccea
	160644	Jurilovca
	160724	Mahmudia
	160779	Maliuc
	160911	Murighiol
	161053	Nufaru
	161133	Pardina
	161179	Sarichioi
	161231	Sfantu Gheorghe
	161302	Somova
	159767	Sulina

	159614	Tulcea
	161482	Valea Nucarilor

3.3 LFA - specific

3.3.1 Main features

LFA – specific are representing contiguous areas of at least 3 communes. The total number of designated ATUs is 295. These communes are showing low yields because different natural specificities related to soil, climate, biodiversity, relief etc.

LFA - specific total area is 23,507 km², meaning around 9.87 % compare to national territory. Out of this total area, agricultural utilized area is representing around 1,803,000 ha, the share of UAA from national UAA being around 12.94%.

The number of inhabitants from LFA - specific is around 1,750,000 inhabitants – meaning 8.06 % out of total national population.

In these areas the agricultural productivity is low (average yield of maize for the entire LFA – specific is in average 61 % lower than the national average, and in the most productive designated areas the average yield of maize is 68 % compared to national average).

3.3.2 Delineation criteria of LFA - specific

LFA - specific (pursuant to Art. 20 of EC Regulation 1257/1999) are representing those ATUs that are forming contiguous areas of at least 3 ATUs and which, in a cumulative and weighted with the LQI, are having 28 as the maximum value of this index (80% compared to national average). Also, each individual ATU must to have 30 as the maximum value of the LQI. The limits of the designated ATUs are those of the physical blocks (from IACS) allocated for these communes.

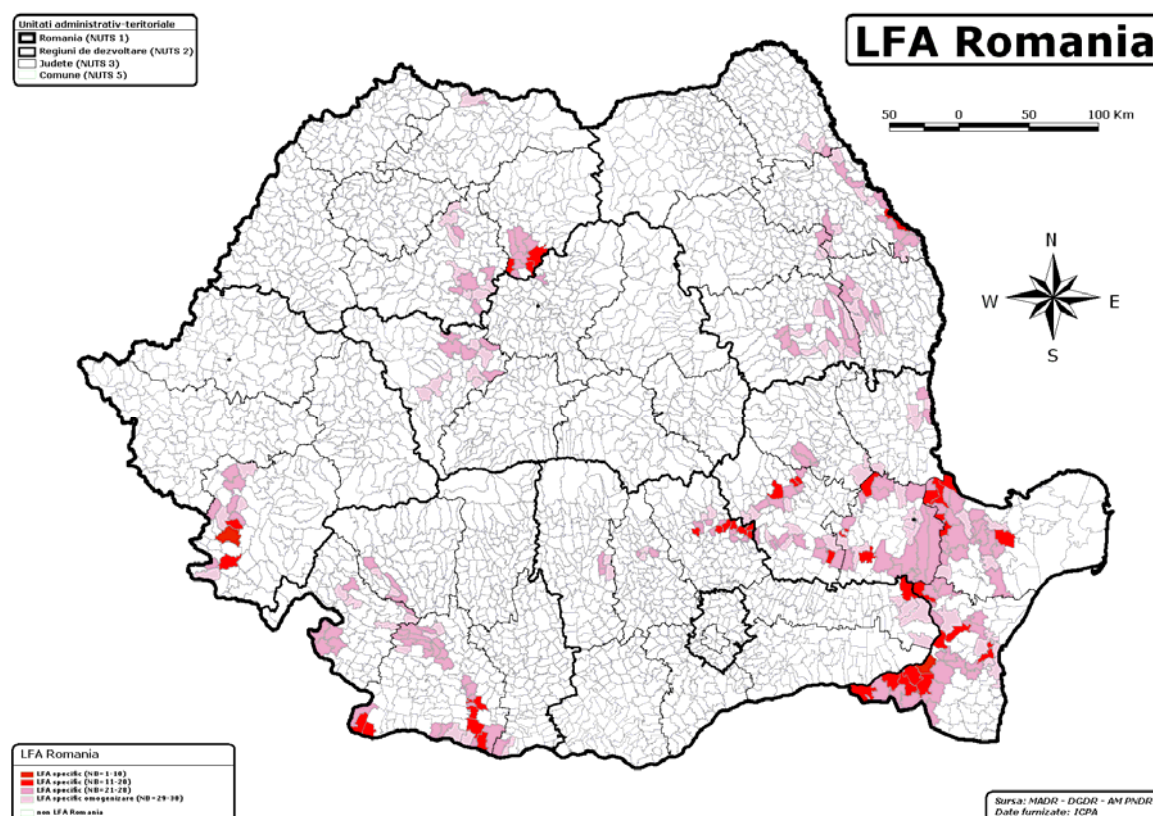


Fig. 5 LFA - specific

The characteristics of the LFA – specific are the following:

- the areas from Moldavia Plateau and from Moldavia Sub-Carpathians (East of Romania) are characterized by a climate with accentuate manifestations (high temperatures variations between summer and winter, low precipitations especially during the summer) and by soils either rich in clay (implying hard tillage) either sandy (with fast drainage). These characteristics are conducting to salt accumulation in the upper layer of soils (in the summer salts are migrating for surface in the process of evapotranspiration), thus gaining unfavorable chemical, physical and biological properties.
- the areas from Curburii Sub-Carpathians and Getici Sub-Carpathians (in the Central – East part of Romania) are make a distinction because of slopes and friable rocks, reason for large areas to be expose to soil erosion. In these areas the soil fertility is affected by a decrease of nutrients leading to lower yields and also, in these areas, respect of GAEC is important in order to fight against both soil erosion and unwanted vegetation which take advantage of bare soils.
- the areas from Dobrogea Plateau (South – East Romania) are dominated by large areas with limestone - sensitive rocks to chemical fertilizers. Also, in these areas the precipitations are low and the temperatures are high during the summer, amplifying the water deficit from soils and plants;
- the areas located at the entrance of Danube River into Romanian Plain also at its exit from this plain (South West and South – East Romania), including the areas located at left of Jiu, Motru rivers, and also at the left of Ialomita and Calmatui rivers, are very sandy areas, thereby exposed to soil drought because of fast drainage, affecting this way the yields. Soil aridity is leading to excessive dryness and dustiness of soil profile, together with soil damage when ploughing. This half – arid areas can sustain farming activities but the yields are lower than other areas, on the other hand these areas are important especially for the stepic vegetation;
- the areas located in the West of Banat Mountains (South – West Romania) are not high enough to be considered LFA – Mountain Areas, but are dominated by solid – rocks with thin soil layer which together with slopes representing the main agricultural restrictiveness factors;
- the areas placed in the Western part of Transylvanian Plateau (central Romania) are characterized by a poor soil fertility, these areas being adequate only for extensive farming;
- the areas sited in Maramures Depression (North of Romania) are presenting a high level of gleization and soil erosion which is affecting soil productivity.

In these areas, the financial support conditioned by respect of GAEC has an important role in preserving different environment specificities.

3.3.3 List of ATUs included among the LFA - specific

Counties	SIRUTA	Communes
ALBA	1213	Aiud
	1017	Alba Iulia
	1348	Blaj
	3805	Cergau
	4302	Farau
	4703	Hoparta
	5210	Lopadea Noua
	5755	Miraslau
	7384	Santimbru
	7865	Sona
	8354	Valea Lunga
	8826	Vintu De Jos
	14352	Beleti-Negresti
	14584	Bogati
ARGES	16427	Dobresti
	18242	Priboieni

BACAU	21855	Cleja
	21891	Colonesti
	21971	Corbasca
	22237	Dealul Morii
	22488	Filipeni
	22665	Gaiceana
	26346	Gioseni
	22834	Glavanesti
	20607	Gura Vail
	22898	Helegiu
	23289	Livezi
	23494	Motoseni
	23948	Orbeni
	24427	Plopana
	24837	Rachitoasa
	25521	Stanisesti
	25932	Ungureni
BISTRITA-NASAU	32768	Budesti
	33275	Galatii Bistritei
	33435	Lechinta
	33658	Matei
	33845	Micestii De Campie
	33881	Milas
	34477	Sanmihailu De Cimpie
	34422	Silivasu De Cimpie
	34985	Teaca
BOTOSANI	37734	Hlipiceni
	37912	Lunca
	38679	Rauseni
BRAILA	42842	Bertestii De Jos
	42708	Chisani
	43019	Ciresu
	42753	Faurei
	43117	Frecatei
	43313	Gropeni
	43411	Insuratei
	43493	Marasu
	43563	Maxineni
	43698	Racovita
	43867	Salcia Tudor
	43929	Scortaru Nou
	43992	Silistea
	44060	Stancuta
	42771	Surdila-Greci
	44177	Tichilesti
	44328	Ulmu
	44391	Vadeni
	44462	Visani
	44532	Zavoaia
BUZAU	45003	Beceni
	45101	Berca

	45673	Buda
	44818	Buzau
	45815	C.A.Rosetti
	46019	Cernatesti
	46251	Cilibia
	46313	Cislau
	46484	Costesti
	47159	Largu
	47300	Luciu
	47417	Margaritesti
	47818	Murgesti
	47854	Naeni
	48165	Pardosi
	48557	Parscov
	48487	Pietroasele
	49046	Rusetu
	49313	Scortoasa
	49625	Stalpu
	49849	Tintesti
	49894	Ulmeni
	50326	Viperesti
CARAS-SEVERIN	50969	Bocsa
	52035	Ciudanovita
	52696	Dognecea
	52785	Farliug
	52856	Forotic
	52954	Goruia
	53167	Lupac
	53345	Naidas
	51118	Oravita
	53513	Pojejena
	53639	Ramna
	53791	Sasca Montana
	54305	Ticvanu Mare
CLUJ	55598	Aiton
	55623	Alunis
	55687	Apahida
	56096	Bobalna
	56844	Ceanu Mare
	57350	Cojocna
	57449	Cornesti
	57742	Frata
	58623	Mociu
	58990	Ploscos
	59942	Vad
	60062	Viisoara
CONSTANTA	60883	Adamclisi
	60570	Agigea
	61005	Aliman
	61069	Baneasa
	62360	Basarabi

	61256	Ciobanu
	60419	Constanta
	61559	Crucea
	61675	Deleni
	61737	Dobromir
	63161	Dumbraveni
	60455	Eforie
	61808	Garliciu
	61826	Ghindaresti
	63326	Gradina
	60801	Harsova
	61951	Ion Corvin
	62057	Lipnita
	63152	Lumina
	60847	Medgidia
	62191	Mihail Kogalniceanu
	62280	Mircea Voda
	60507	Navodari
	62486	Oltina
	62538	Ostrov
	60687	Ovidiu
	62707	Pestera
	62761	Poarta Alba
	62798	Rasova
	63318	Saligny
	62823	Saraiu
	62903	Seimeni
	62949	Silistea
	62985	Targusor
	63045	Topalu
DAMBOVITA	65379	Aninoasa
	65413	Doicesti
	67522	Glodeni
	68324	Ocnita
DOLJ	70744	Argetoaia
	70879	Bechet
	71055	Bradesti
	71126	Bralostita
	71199	Bratovoesti
	71260	Breasta
	69964	Bucovat
	70352	Calafat
	71607	Calarasi
	74867	Carna
	71723	Cernatesti
	71858	Ciupercenii Noi
	71910	Cotofenii din Dos
	72007	Dabuleni
	72034	Desa
	72098	Dobresti
	72463	Gighera

	72604	Gogosu
	72819	Grecesti
	72980	Macesu De Jos
	73317	Marsani
	73567	Ostroveni
	74931	Plesoi
	73772	Predesti
	74949	Rojiste
	73996	Sadova
	74073	Scaesti
	74135	Seaca De Padure
	74171	Secu
	74242	Sopot
	74322	Teasc
GALATI	76255	Fartanesti
	76763	Namoloasa
	76932	Oancea
	77288	Suceveni
	75472	Targu Bujor
	77536	Vladesti
GORJ	79077	Bolbosi
	79157	Borascu
	79656	Ciuperceni
	80846	Matasari
	80980	Negomir
IALOMITA	93575	Facaeni
	93646	Giurgeni
	93995	Mihail Kogalniceanu
	94492	Stelnica
	94795	Vladieni
IASI	95667	Andrieseni
	95747	Aroneanu
	96192	Ciortesti
	96370	Comarna
	96423	Costuleni
	96717	Dagata
	96904	Dolhesti
	97090	Golaiesti
	97394	Grozesti
	97777	Madarjac
	98505	Popricani
	98603	Prisacani
	98685	Raducaneni
	99058	Sinesti
	99441	Tansa
	99879	Tiganasi
	95293	Tomesti
	99922	Tutora
	96003	Ungheni
	100148	Vladieni
MARAMURES	106620	Sarasau

	106559	Sighetu Marmatiei
	106648	Vadu Izei
MEHEDINTI	110946	Burila Mare
	111006	Butoiesti
	111480	Devesel
	111587	Dumbrava
	111863	Gogosu
	111989	Grozesti
	112129	Husnicioara
	112548	Jiana
	112664	Malovat
	113625	Sisesti
MURES	116723	Faragau
NEAMT	125141	Pancesti
	123709	Poenari
	124331	Stanita
OLT	127224	Grojdibodu
	127251	Ianca
PRAHOVA	132011	Apostolache
	132459	Calugareni
	132645	Chiojdeanca
	132896	Drajna
	133562	Gornet
	133615	Gornet-Cricov
	133866	Jugureni
	133919	Lapos
	134336	Pacureti
	135244	Sangeru
	135501	Soimari
	135404	Surani
	135725	Teisani
	136198	Valcanesti
	131817	Valenii De Munte
	136134	Varbilau
TULCEA	159785	Baia
	159945	Carcaliu
	160127	Cerna
	160305	Daeni
	160323	Dorobantu
	160387	Frecatei
	160430	Greci
	160458	Grindu
	160476	Hamcearca
	160528	Horia
	161525	I.C. Bratianu
	160564	Izvoarele
	160617	Jijila
	160680	Luncavita
	159730	Macin
	160831	Mihai Bravu
	160877	Mihail Kogalniceanu

	160993	Nalbant
	161035	Niculitel
	161106	Ostrov
	161151	Peceneaga
	161259	Slava Cercheza
	161286	Smardan
	161464	Turcoaia
	161543	Vacareni
	161561	Valea Teilor
VASLUI	162069	Alexandru Vlahuta
	162595	Bogdana
	162791	Bogdanita
	163486	Dragomiresti
	163967	Gherghesti
	167222	Ibanesti
	164393	Ivanesti
	165470	Puiesti
	165611	Pungesti
	166869	Voinesti
VRANCEA	175439	Bordesti
	175983	Dumitresti
	176338	Gura Calitei
	176613	Maicanesti
	176855	Nanesti

4. The methodology for the calculation of the financial support

The *data sources* used for this chapter are:

- General agricultural census (RGA, 2002);
- The survey conducted by the Research Institute for Soils, Science and Agrochemistry (RISSA) and the Research and Development Institute for Agricultural Economy (ICDEA), regarding the methodology for gross margins by activities, by geographical areas and communes, in 2004.

4.1 Gross margin calculation

In order to establish the level of compensation, as a first step it was calculated the weighted average gross margin for agricultural land (arable and grassland). The arable was considered for the first 4 main cultures in terms of land cover (maize/fodder crops/potatoes/wheat).

The gross margin was calculated in a weighted manner for all 3 types of LFA and for entire Romania (as a reference in calculations).

As a result of the calculations the following gross margins values has resulted:

At national level:

Grassland	258 € /ha
Arable	260 € /ha

For Mountain Areas:

Grassland	217 €/ha
Arable	83 €/ha

For LFA - other:

Grassland	88 €/ha
Arable	155 €/ha

For LFA - specific:

Grassland	163 €/ha
Arable	146 €/ha

4.2 Establishing compensation payments

In payment calculation, the shares of grassland and arable surfaces from each type of LFA were applied also for the national values of gross margin established as reference:

These shares are the following:

MA: grassland 84 %, arable 16 %
 LFA - other: grassland 20 %, arable 80 %
 LFA - specific: grassland 22 %, arable 78 %

Thus, based on weighted values of gross margin and on shares of grassland and arable surfaces, and applying formula:

$$\text{Payment} \leq 80 \% * (X\%_{\text{grassland}} * \text{GM}_{\text{non-LFA grassland}} + Y\%_{\text{arable}} * \text{GM}_{\text{non-LFA arable}} - (X\%_{\text{grassland}} * \text{GM}_{\text{LFA grassland}} + Y\%_{\text{arable}} * \text{MB}_{\text{LFA arable}}))$$

$X_{\text{grassland}}$ – the share which is use for grassland gross margin (LFA and non – LFA) weightiness and which represent the share of grassland surfaces from the type of LFA for which the calculation is performed

Y_{arable} – the share which is use for arable gross margin (LFA and non – LFA) weightiness and which represent the share of arable surfaces from the type of LFA for which the calculation is performed

$\text{GM}_{\text{LFA/non-LFA/grassland/arable}}$ – gross margin values established for LFA/national level for grassland/arable,

had resulted the following levels of payment:

- 50 Euros/ha for Mountain Areas
- 60 Euros/ha for LFA - specific
- 90 Euros/ha for LFA - other.

ANNEX 4B
Agri-environment payments

4B1. Baseline for Agri-Environment Measure

Baseline for Package 1 HNV grassland

AE Requirements	Relevant GAEC	Relevant SMR's	Legislation
No type of seeding to take place. Derogation applies when some portions of grassland are degenerating or are accidentally damaged, in this case only native species will be used for seeding.			
Mowing activity can start only after 1st of July.	Permanent grasslands should be maintained by ensuring a minimum grazing level or by mowing at least once per year (Subject to GAEC revision for 2008)		
Mowed grass has to be gathered from the surface no later than 2 weeks from mowing.			
Grazing should be performed with a maximum of 1 LSU per hectare	Permanent grasslands should be maintained by ensuring a minimum grazing level or by mowing at least once per year (Subject to GAEC revision for 2008)		
Flooded pastures will not be grazed sooner than 2 weeks from the waters retreat.	The terraces existing on agricultural land on 1 st January 2007 shall be maintained. (Order 791/2006)		
	The cutting of single trees and/or of the groups of trees on agricultural lands is forbidden (Subject to GAEC revision for 2008)		
	The burning of permanent pastures is allowed only with the prior approval of the competent environment protection authority. (Order 791/2006)		
Use of plant protection products is forbidden	Avoiding the encroachment of unwanted vegetation on agricultural lands, including on the lands not anymore used for production; (Subject to GAEC revision for 2008)	Plant health (HG 1559/2004) It is permitted to use only those plant protection products which have been	Plant Protection (Ordinance 4/1995) Persons who are using plant protection products should be qualified (have a professional

	<p>The burning of permanent pastures is allowed only with the prior approval of the competent environment protection authority. (Order 791/2006)</p>	<p>authorized for sale and in accordance with their instructions for use.</p>	<p>qualification attestation).</p> <p>Persons who are using plant protection products classified as “high toxic” or “toxic” must be registered at the special service of the county police within the range of their activity. Also, they have to be registered with the fito-sanitary unit and county inspectorates for labor safety.</p> <p>Use of plant protection products can be performed only in the scope for which these products were homologated and only in conformity with the instructions for use.</p> <p>Treatments with plant protection products is not allowed in water protection areas, sanitary protection areas, ecological protection areas, as well as in other protection areas established by competent authorities.</p>
<p>Use of chemical fertilizers is forbidden.</p> <p>Traditional use of organic fertilizers is allowed up to maximum 30 kg. N s.a./ha</p>		<p>Requirements concerning protection of water against pollution with nitrates from agriculture</p> <p>(Common Order 1182/1270/2005)</p> <p>(requirements for Nitrate Vulnerable Zones)</p> <p>Natural fertilizer applied cannot contain more than 170kg of nitrogen (N) in pure ingredient per 1 ha of agricultural land.</p> <p>Farmers should respect the periods when application of fertilizers is forbidden.</p> <p>On steeply sloping ground fertilization should be done only by incorporating fertilizers into the soil and taking into account wheatear conditions.</p> <p>No fertilizer of any type will be applied on land covered by snow, on land presenting water excess and on frozen land.</p> <p>No fertilizer will be applied close to water</p>	<p>Fertilizer use (Regulation 2003/2003 applies)</p> <p>Prohibition on the use of fertilizers not authorized for sale.</p> <p>Common Order 1182/1270/2005</p>

		<p>resources according to following indications:</p> <p>Solid fertilizer – not closer than 6 m from the water.</p> <p>Liquid fertilizer – not closer than 30 m from the water.</p> <p>In the proximity of drinking water captations, no fertilizer of any type will be applied within 100 m distance from the water captation.</p> <p>Farmers must ensure that fertilizer is spread uniformly on the ground</p> <p>Farmers should follow a fertilization plan</p>	
Ploughing and rolling on the parcels under commitment is forbidden.	The terraces existing on agricultural land on 1st January 2007 shall be maintained (Order 791/2006)		

Baseline for Package 2 (added to baseline already specified for package 1 because this package can only be applied in combination with package 1)

AE Requirements	Relevant GAEC	Relevant SMR's	Legislation
No mechanized machinery to be used on grasslands under commitment.	<p>Permanent grasslands should be maintained by ensuring a minimum grazing level or by mowing at least once per year (Subject to GAEC revision for 2008)</p> <p>The cutting of single trees and/or of the groups of trees on agricultural lands is forbidden; (Subject to GAEC revision for 2008)</p> <p>Avoiding the encroachment of unwanted vegetation on agricultural lands, including on the lands not anymore used for production; (Subject to GAEC revision for 2008)</p> <p>The terraces existing on agricultural land on 1st January 2007 shall be maintained. (Order 791/2006)</p>		

	The burning of permanent pastures is allowed only with the prior approval of the competent environment protection authority. (Order 791/2006)		
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Baseline for package 3.1 Crex crex management

AE Requirements	Relevant GAEC	Relevant SMR's	Legislation
No type of seeding to take place. Derogation applies when some portions of grassland are degenerating or are accidentally damaged, in this case only native species will be used for seeding			
Mowing only after 31 July Mowing will be done from inside the parcel to the outskirts Un grazed/unmowed 3 meters wide grass strip will be maintained on the borders of each parcel Mowed grass has to be gathered from the surface no later than 2 weeks from mowing.	Permanent grasslands should be maintained by ensuring a minimum grazing level or by mowing at least once per year (Subject to GAEC revision for 2008)		
Grazing will be performed with maximum 0.7 LU per hectare Flooded pastures will not be grazed sooner than 2 weeks from the waters retreat.	See package 1 HNV grassland		
Use of plant protection products is forbidden	See package 1 HNV grassland	See package 1 HNV grassland	See package 1 HNV grassland
Use of fertilizers is forbidden.		See package 1 HNV grassland	See package 1 HNV grassland
Ploughing and rolling on the parcels under commitment is forbidden.	See package 1 HNV grassland		
No mechanized machinery to be used on grasslands under commitment.	See package 2 Traditional Farming		

Baseline for Package 3.2 Lanius minor and Falco vespertinus management

AE Requirements	Relevant GAEC	Relevant SMR's	Legislation
No type of seeding to take place. Derogation applies when some portions of grassland are degenerating or are accidentally damaged, in this case only native species will be used for seeding			
First mowing must be done until 1 July at the latest Mowing will be fazed Un grazed/unmowed 3 meters wide grass strip will be maintained on the borders of each parcel Mowed grass has to be gathered from the surface no later than 2 weeks from mowing.	Permanent grasslands should be maintained by ensuring a minimum grazing level or by mowing at least once per year (Subject to GAEC revision for 2008)		
Grazing should be performed with a maximum of 1 LSU per hectare Flooded pastures will not be grazed sooner than 2 weeks from the waters retreat.	See package 1 HNV grassland		
Use of plant protection products is forbidden	See package 1 HNV grassland	See package 1 HNV grassland	See package 1 HNV grassland
Use of chemical fertilizers is forbidden.		See package 1 HNV grassland	See package 1 HNV grassland
Ploughing and rolling on the parcels under commitment is forbidden.	See package 1 HNV grassland		
No mechanized machinery to be used on grasslands under commitment.	See package 2 Traditional Farming		

Baseline for Package 4 Green Cover Crops

AE Requirements	Relevant GAEC	Relevant SMR's	Legislation
<p>Planting of the green cover crops should be done until the end of September. The following plants can be used as green cover crops: mazare, mazărice, porumb, rapiță, muștar, floarea soarelui, lupin, sulfină</p>	<p>During winter, the arable land must be covered with autumn crops and/or must be left un-worked after harvesting on at least 20% of the holding's total arable area. (Order 791/2006)</p> <p>The arable land with a slope above 12%, cultivated with row-plants, shall be worked along the level curves. (Order 791/2006)</p> <p>The terraces existing on agricultural land on 1st January 2007 shall be maintained. (Order 791/2006)</p> <p>Sunflower shall not be cultivated on the same area for more than 2 consecutive years. (Order 791/2006)</p> <p>The burning of stubbles and vegetal remains on arable lands is allowed only with the prior approval of the competent environment protection authority. (Order 791/2006)</p> <p>The cutting of single trees and/or of the groups of trees on agricultural lands is forbidden (Subject to GAEC revision for 2008)</p> <p>Avoiding the encroachment of unwanted vegetation on agricultural lands, including on the lands not anymore used for production (Subject to GAEC revision for 2008)</p>		
<p>Only organic fertilizers may be used before the planting of the green crops. Use of chemical fertilizers is forbidden</p>		<p>See package 1 HNV</p>	<p>See package 1 HNV</p>
<p>Vegetation should be incorporated into the soil</p>	<p>The arable land with a slope above 12%,</p>		

until the end of March. Agricultural activity necessary for the following crop may start only after performing the action mentioned above.	<p>cultivated with row-plants, shall be worked along the level curves. (Order 791/2006)</p> <p>The terraces existing on agricultural land on 1st January 2007 shall be maintained. (Order 791/2006)</p>		
Ploughing the grassland within the farm is not permitted	<p>Romania should maintain the area covered with permanent pastures existing at national level on 1st January 2007. (Order 791/2006)</p>		
This package can be applied on maximum 80% arable land that belongs to one farm.	<p>During winter, the arable land must be covered with autumn crops and/or must be left un-worked after harvesting on at least 20% of the holding's total arable area. (Order 791/2006)</p>		

4B2. Eligible areas within Measure 214 „Agri-environment payments”

List of eligible ATU's for Package 1 „HNV Grassland” and Package 2 „Traditional Farming”

REGION	COUNTY	ATU NUTS 5	SIRUTA	TYPE
7	ALBA	Abrud	1151	city
7		Aiud	1213	municipality
7		Alba Iulia	1017	municipality
7		Albac	2130	commune
7		Almaşu Mare	2309	commune
7		Arieşeni	2381	commune
7		Avram Iancu	2577	commune
7		Baia de Arieş	2915	city
7		Berghin	2988	commune
7		Bistra	3039	commune
7		Blaj	1348	municipality
7		Blandiana	3397	commune
7		Bucerdea Grănoasă	9026	commune
7		Bucium	3459	commune
7		Câlnic	4106	commune
7		Câmpeni	1455	city
7		Cenade	3761	commune
7		Cergău	3805	commune
7		Ceru-Băcăinți	3841	commune
7		Cetatea de Baltă	3958	commune
7		Ciugud	1071	commune
7		Ciuruleasa	4008	commune
7		Crăciunelu de Jos	4188	commune
7		Cricău	4142	commune
7		Cugir	1696	city
7		Cut	9019	commune
7		Daia Română	4240	commune
7		Doştat	4268	commune
7		Fărău	4302	commune
7		Galda de Jos	4366	commune
7		Gârbova	4482	commune
7		Gârda de Sus	4525	commune
7		Hopârta	4703	commune
7		Horea	4767	commune
7		Ighiu	4927	commune
7		Întregalde	4981	commune
7		Jidvei	5103	commune
7		Livezile	5167	commune
7		Lopadea Nouă	5210	commune
7		Lupşa	5336	commune
7		Metes	5577	commune
7		Mihalt	5700	commune
7		Mirăslău	5755	commune
7		Mogoş	5826	commune
7		Noşlac	6048	commune
7		Ocna Mureş	1794	city
7		Ocoliş	6119	commune
7		Ohaba	6164	commune
7		Pianu	6217	commune
7		Poiana Vadului	6271	commune

7		Ponor	6397	commune
7		Poșaga	6468	commune
7		Râmetea	6592	commune
7		Râmeț	6627	commune
7		Rădești	6547	commune
7		Roșia de Secaș	6930	commune
7		Roșia Montană	6761	commune
7		Sâncel	7348	commune
7		Sântimbru	7384	commune
7		Sălcuia	6976	commune
7		Săliștea	7044	commune
7		Săsciori	7099	commune
7		Scărișoara	7197	commune
7		Sebeș	1874	municipality
7		Sohodol	7446	commune
7		Stremț	7767	commune
7		Șibot	7810	commune
7		Șona	7865	commune
7		Șpring	7945	commune
7		Șugag	8014	commune
7		Teiuș	8096	city
7		Unirea	8158	commune
7		Vadu Moților	8229	commune
7		Valea Lungă	8354	commune
7		Vidra	8425	commune
7		Vințu de Jos	8826	commune
7		Zlatna	1936	city
5	ARAD	Almaș	9743	commune
5		Archis	9832	commune
5		Bârsa	10051	commune
5		Bârzava	10104	commune
5		Bata	9887	commune
5		Birchiș	10006	commune
5		Bocsig	10195	commune
5		Brazii	10239	commune
5		Buteni	10293	commune
5		Cărand	10346	commune
5		Chisindia	10417	commune
5		Conop	10453	commune
5		Dezna	10649	commune
5		Dieci	10701	commune
5		Dorgoș	10765	commune
5		Gurahonț	10943	commune
5		Hălmagiu	11058	commune
5		Hălmăgel	11174	commune
5		Hășmaș	11236	commune
5		Ignești	11307	commune
5		Moneasa	11478	commune
5		Petriș	11664	commune
5		Pleșcuța	11762	commune
5		Săvârșin	11842	commune
5		Sebiș	9690	city
5		Șilindia	12288	commune
5		Șiștarovăț	12402	commune
5		Tauț	12457	commune
5		Vârfurile	12689	commune
5		Vărdia de Mureș	12572	commune

3	ARGEȘ	Albeștii De Muscel	13891	commune
3		Arefu	14049	commune
3		Bogați	14584	commune
3		Boțești	14726	commune
3		Bughea de Sus	20063	commune
3		Cetățeni	15402	commune
3		Corbeni	15741	commune
3		Dâmbovicioara	16329	commune
3		Davidești	16285	commune
3		Dobrești	16427	commune
3		Dragoslavele	16472	commune
3		Hârtiești	16659	commune
3		Lerești	16908	commune
3		Mihăești	17254	commune
3		Nucșoara	17771	commune
3		Priboieni	18242	commune
3		Rucăr	18527	commune
3		Sălătrucu	18554	commune
3		Stoenești	18858	commune
3		Valea Mare Pravăț	13524	commune
3		Vulturești	20055	commune
3		Zgripcești	14352	commune
1	BACĂU	Agăș	21007	commune
1		Ardeoani	21098	commune
1		Asău	21123	commune
1		Balcani	21196	commune
1		Bârsănești	21454	commune
1		Berești-Tazlău	21338	commune
1		Berzunți	21418	commune
1		Bogdănești	21560	commune
1		Brusturoasa	21597	commune
1		Cașin	21720	commune
1		Comănești	20821	city
1		Dărmănești	22166	city
1		Dofteana	22380	commune
1		Ghimeș-Făget	22718	commune
1		Helegiu	22898	commune
1		Livezi	23289	commune
1		Măgurești	23387	commune
1		Mănăstirea Cașin	23449	commune
1		Moinești	20876	municipality
1		Oituz	23797	commune
1		Palanca	23975	commune
1		Pârgărești	24276	commune
1		Pârjol	24338	commune
1		Poduri	24631	commune
1		Sănduleni	25148	commune
1		Scorțeni	25291	commune
1		Slănic-Moldova	20910	city
1		Solonț	25488	commune
1		Strugari	25629	commune
1		Târgu Ocna	20965	city
1		Târgu Trotuș	25825	commune
1		Zemeș	26289	commune
6	BIHOR	Beiuș	26804	municipality
6		Budureasa	27846	commune
6		Bulz	27935	commune

6		Buntești	27971	commune
6		Câmpani	28709	commune
6		Căbești	28077	commune
6		Cărpinet	28193	commune
6		Criștioru de Jos	28889	commune
6		Curățele	28941	commune
6		Drăgănești	29243	commune
6		Finiș	29403	commune
6		Lazuri de Beiuș	29760	commune
6		Lunca	29948	commune
6		Nucet	26920	city
6		Pietroasa	30336	commune
6		Pocola	30416	commune
6		Remetea	30719	commune
6		Rieni	30773	commune
6		Roșia	30844	commune
6		Ștei	26840	city
6		Tărcaia	31609	commune
6		Uileacu de Beiuș	31921	commune
6		Vașcău	27007	city
6	BISTRIȚA-NĂSĂUD	Bistrița Bârgăului	32633	commune
6		Căianu Mic	32811	commune
6		Cetate	32884	commune
6		Chiuza	33122	commune
6		Ciceu-Giurgești	32955	commune
6		Coșbuc	33177	commune
6		Dumitrița	179686	commune
6		Feldru	33248	commune
6		Galații Bistriței	33275	commune
6		Ilva Mare	33337	commune
6		Ilva Mica	33364	commune
6		Josenii Bârgăului	33382	commune
6		Leșu	33514	commune
6		Livezile	33541	commune
6		Lunca Ilvei	33603	commune
6		Maieru	33621	commune
6		Măgura Ilvei	33729	commune
6		Mărișelu	33765	commune
6		Monor	33952	commune
6		Năsăud	32544	city
6		Negrilești	179659	commune
6		Nimigea	33989	commune
6		Parva	34155	commune
6		Poiana Ilvei	179720	commune
6		Prundu Bârgăului	34235	commune
6		Rebra	34262	commune
6		Rebrișoara	34280	commune
6		Rodna	34333	commune
6		Romuli	34360	commune
6		Runcu Salvei	179944	commune
6		Salva	34397	commune
6		Sângeorz-Băi	32599	city
6		Spermezeu	34547	commune
6		Șanț	34618	commune
6		Șieu	34645	commune
6		Șieut	34850	commune
6		Târlișua	35152	commune

6		Telciu	35054	commune
6		Tiha Bârgăului	35090	commune
6		Zagra	35429	commune
7	BRAȘOV	Apața	40526	commune
7		Augustin	42498	commune
7		Beclean	40544	commune
7		Bod	40606	commune
7		Bran	40633	commune
7		Budila	40688	commune
7		Bunești	40704	commune
7		Cața	40768	commune
7		Cincu	40820	commune
7		Codlea	40241	municipality
7		Comana	40857	commune
7		Crizbav	42456	commune
7		Drăguș	42480	commune
7		Dumbrăvița	40928	commune
7		Făgăraș	40278	municipality
7		Feldioara	40955	commune
7		Fundata	40991	commune
7		Hârseni	41113	commune
7		Hălchiu	41033	commune
7		Hoghiz	41177	commune
7		Holbav	42472	commune
7		Homorod	41248	commune
7		Jibert	41284	commune
7		Lisa	41346	commune
7		Mândra	41417	commune
7		Măieruș	41382	commune
7		Moieciu	41471	commune
7		Ormeniș	41541	commune
7		Părău	41578	commune
7		Poiana Mărului	41621	commune
7		Predeal	40303	city
7		Racoș	41701	commune
7		Râșnov	40367	city
7		Recea	41738	commune
7		Rupea	40394	city
7		Sâmbata de Sus	42464	commune
7		Săcele	40438	municipality
7		Șercaia	41818	commune
7		Șinca Nouă	42449	commune
7		Șinca Veche	41854	commune
7		Șoarș	41943	commune
7		Tărlungeni	42003	commune
7		Teliu	42058	commune
7		Ticușu	42076	commune
7		Ucea de Jos	42101	commune
7		Ungra	42156	commune
7		Vama Buzăului	42183	commune
7		Viștea	42236	commune
7		Voila	42307	commune
7		Vulcan	42398	commune
7		Zărnești	40492	city
2	BUZĂU	Beceni	45003	commune
2		Berca	45101	commune
2		Bisoca	45245	commune

2		Bozioru	45389	commune
2		Brăești	45539	commune
2		Buda	45673	commune
2		Calvini	45753	commune
2		Cănești	45888	commune
2		Cătina	45959	commune
2		Chiliile	46108	commune
2		Chiojdu	46180	commune
2		Cislău	46313	commune
2		Colți	46439	commune
2		Cozieni	46554	commune
2		Gura Teghii	47079	commune
2		Lopătari	47186	commune
2		Mânzălești	47630	commune
2		Măgura	47337	commune
2		Mărgăritești	47417	commune
2		Murgești	47818	commune
2		Nehoiu	47916	city
2		Odăile	48021	commune
2		Pardoși	48165	commune
2		Pârscov	48557	commune
2		Pănătău	48227	commune
2		Pătârlagele	48325	city
2		Sărulești	49233	commune
2		Scorțoasa	49313	commune
2		Siriu	49484	commune
2		Tisău	49643	commune
2		Unguriu	50549	commune
2		Valea Salciei	50068	commune
2		Vintilă Vodă	50228	commune
2		Viperești	50326	commune
5	CARAȘ-SEVERIN	Anina	50889	city
5		Armeniș	51243	commune
5		Băile Herculane	50923	city
5		Bănia	51305	commune
5		Băuțar	51332	commune
5		Berliște	51387	commune
5		Berzasca	51449	commune
5		Bocșa	50969	city
5		Bolvașnița	51546	commune
5		Bozovici	51573	commune
5		Brebu	51626	commune
5		Brebu Nou	51662	commune
5		Buchin	51699	commune
5		Bucoșnița	51751	commune
5		Caransebeș	51010	municipality
5		Carașova	51804	commune
5		Cărbunari	51840	commune
5		Ciclova Română	51948	commune
5		Ciuchici	51984	commune
5		Ciudanovița	52035	commune
5		Constantin Daicoviciu	51877	commune
5		Copăcele	52062	commune
5		Cornea	52115	commune
5		Cornereva	52160	commune
5		Coronini	53489	commune
5		Dalboșeț	52570	commune

5		Doclin	52650	commune
5		Dognecea	52696	commune
5		Domaşnea	52721	commune
5		Eftimie Murgu	53700	commune
5		Ezeriş	52758	commune
5		Fârlug	52785	commune
5		Forotic	52856	commune
5		Gârnici	52909	commune
5		Glimboca	52936	commune
5		Goruia	52954	commune
5		Grădinari	52990	commune
5		Iablaniţa	53023	commune
5		Lăpuşnicel	53069	commune
5		Lăpuşnicu Mare	53103	commune
5		Luncaviţa	53130	commune
5		Lupac	53167	commune
5		Marga	53210	commune
5		Mehadia	53274	commune
5		Mehadica	53327	commune
5		Moldova Nouă	51056	city
5		Naidăş	53345	commune
5		Obreja	53372	commune
5		Ocna de Fier	50987	commune
5		Oraviţa	51118	city
5		Oţelu Roşu	51207	city
5		Păltiniş	53425	commune
5		Pojejena	53513	commune
5		Prigor	53577	commune
5		Ramna	53639	commune
5		Răcăşdia	53675	commune
5		Reşiţa	50790	municipality
5		Rusca Montană	53728	commune
5		Sacu	53755	commune
5		Sasca Montană	53791	commune
5		Sicheviţa	53853	commune
5		Slatina-Timiş	54056	commune
5		Socol	54109	commune
5		Şopotu Nou	54163	commune
5		Târnova	54350	commune
5		Teregova	54270	commune
5		Ticvaniu Mare	54305	commune
5		Topleţ	54387	commune
5		Turnu Ruieni	54412	commune
5		Văliug	54485	commune
5		Vărădia	54500	commune
5		Vrani	54573	commune
5		Zăvoi	54617	commune
5		Zorlenţu Mare	54699	commune
6	CLUJ	Aghireşu	55473	commune
6		Aşchileu	55776	commune
6		Baciu	55838	commune
6		Băişoara	55918	commune
6		Beliş	56014	commune
6		Bobâlna	56096	commune
6		Câţcău	57314	commune
6		Călăţele	56461	commune
6		Căpuşu Mare	56568	commune

6		Cășeu	56666	commune
6		Chiuiești	57083	commune
6		Ciucea	57163	commune
6		Ciurila	57225	commune
6		Florești	57706	commune
6		Gârbău	57948	commune
6		Gilău	57902	commune
6		Huedin	55446	city
6		Iara	58008	commune
6		Izvoru Crișului	58204	commune
6		Măguri-Răcățău	58357	commune
6		Mănăstireni	58393	commune
6		Mărgău	58464	commune
6		Mărișel	58534	commune
6		Moldovenești	58721	commune
6		Negreni	60169	commune
6		Petreștii de Jos	58918	commune
6		Poieni	59041	commune
6		Recea-Cristur	59130	commune
6		Rișca	59238	commune
6		Sâncraiu	59434	commune
6		Sânpaul	59586	commune
6		Săcuieu	59283	commune
6		Săvădisla	59327	commune
6		Vad	59942	commune
6		Valea Ierii	60026	commune
6		Vultureni	60099	commune
7	COVASNA	Aita Mare	63777	commune
7		Araci	64942	commune
7		Baraolt	63447	city
7		Barcani	63633	commune
7		Bățanii	63802	commune
7		Belin	63866	commune
7		Bixad	65121	commune
7		Bodoc	63893	commune
7		Brăduț	64041	commune
7		Brețcu	64096	commune
7		Dobârlău	64265	commune
7		Estelnic	65154	commune
7		Hăghig	64390	commune
7		Întorsura Buzăului	63580	city
7		Lemnia	64461	commune
7		Malnaș	64504	commune
7		Mereni	65105	commune
7		Micfalău	65139	commune
7		Ojdula	64602	commune
7		Poian	64719	commune
7		Sânzieni	64826	commune
7		Sita Buzăului	63688	commune
7		Târgu Secuiesc	63740	municipality
7		Turia	64871	commune
7		Valea Crișului	64906	commune
7		Valea Mare	65099	commune
7		Vârghiș	64997	commune
3	DÂMBOVIȚA	Bărbulețu	66223	commune
3		Bezdead	66330	commune
3		Brănești	66009	commune

3		Buciumeni	66438	commune
3		Cândești	66526	commune
3		Cobia	66580	commune
3		Doicești	65413	commune
3		Fieni	65609	city
3		Glodeni	67522	commune
3		Hulubești	67675	commune
3		Iedera	65869	commune
3		Ludești	67835	commune
3		Malu Cu Flori	67942	commune
3		Mănești	68002	commune
3		Moreni	65841	municipality
3		Moroeni	68182	commune
3		Moțâieni	65645	commune
3		Ocnîța	68324	commune
3		Pietrari	179908	commune
3		Pietroșița	68404	commune
3		Pucheni	68565	commune
3		Pucioasa	65921	city
3		Râu Alb	179917	commune
3		Runcu	68716	commune
3		Șotânga	65477	commune
3		Tătărani	68921	commune
3		Valea Lungă	69063	commune
3		Vârfuri	69447	commune
3		Văleni-Dâmbovița	69303	commune
3		Vișinești	69394	commune
3		Voinești	69526	commune
3		Vulcana-Băi	69615	commune
3		Vulcana-Pandele	179640	commune
4	GORJ	Arcani	78668	commune
4		Baia de Fier	78711	commune
4		Bumbești-Jiu	79308	city
4		Bumbești-Pițic	79362	commune
4		Crasna	79834	commune
4		Lelești	80677	commune
4		Mușetești	80908	commune
4		Novaci	78258	city
4		Padeș	81095	commune
4		Peștișani	81184	commune
4		Polovragi	81380	commune
4		Runcu	81576	commune
4		Schela	81987	commune
4		Stănești	82136	commune
4		Tismana	82430	city
4		Turcinești	78089	commune
7	HARGHITA	Atid	83785	commune
7		Avrămești	83847	commune
7		Băile Tușnad	83428	city
7		Bălan	83464	city
7		Bilbor	83936	commune
7		Borsec	83491	city
7		Brădești	83151	commune
7		Cârța	84102	commune
7		Căpâlnița	83963	commune
7		Ciceu	86461	commune
7		Ciucsângeorgiu	83981	commune

7	Ciumani	84086	commune
7	Corbu	84148	commune
7	Corund	84175	commune
7	Cozmeni	86446	commune
7	Cristuru Secuiesc	83525	city
7	Dârjiu	84380	commune
7	Dănești	84237	commune
7	Dealul	84264	commune
7	Ditrău	84344	commune
7	Felicești	83197	commune
7	Frumoasa	84415	commune
7	Gălăuțuș	84460	commune
7	Gheorgheni	83561	municipality
7	Josani	84558	commune
7	Lăzarea	84594	commune
7	Lelicești	86479	commune
7	Lueta	84629	commune
7	Lunca de Jos	84656	commune
7	Lunca de Sus	84754	commune
7	Lupeni	84825	commune
7	Mădăraș	86438	commune
7	Mărtiniș	84923	commune
7	Merești	85056	commune
7	Miercurea Ciuc	83320	municipality
7	Mihăileni	85074	commune
7	Mugeni	85127	commune
7	Ocland	85243	commune
7	Odorheiu Secuiesc	83133	municipality
7	Păuleni-Ciuc	83375	commune
7	Plăieșii de Jos	85289	commune
7	Porumbeni	86487	commune
7	Praid	85341	commune
7	Racu	86495	commune
7	Remetea	85412	commune
7	Sâncrăieni	85680	commune
7	Sândominic	85760	commune
7	Sânmartin	85788	commune
7	Sânsimion	85840	commune
7	Sântimbru	86519	commune
7	Satu Mare	86501	commune
7	Săcel	85467	commune
7	Sărmaș	85528	commune
7	Secuieni	85582	commune
7	Siculeni	85626	commune
7	Subcetate	85877	commune
7	Suseni	85920	commune
7	Șimonești	85984	commune
7	Tomești	86453	commune
7	Toplița	83632	municipality
7	Tulgheș	86133	commune
7	Tușnad	86188	commune
7	Ulieș	86222	commune
7	Vărșag	86311	commune
7	Vlăhița	83749	city
7	Voșlăbeni	86339	commune
7	Zetea	86366	commune
5	HUNEDOARA	87219	city
	Aninoasa		

5	Baia de Criş	87745	commune
5	Balşa	87843	commune
5	Baru	87996	commune
5	Băcia	88047	commune
5	Băiţa	88092	commune
5	Băniţa	87246	commune
5	Bătrâna	88216	commune
5	Beriu	88261	commune
5	Blăjeni	88350	commune
5	Boşorod	88449	commune
5	Brad	87291	municipality
5	Brănişca	88546	commune
5	Breteia Română	88644	commune
5	Buceş	88788	commune
5	Bucureşti	88868	commune
5	Bulzeştii de Sus	88920	commune
5	Bunila	89026	commune
5	Burjuc	89080	commune
5	Cârjiţi	86749	commune
5	Călan	87424	city
5	Cerbăl	89151	commune
5	Certeju de Sus	89240	commune
5	Crişcior	87362	commune
5	Densuş	89348	commune
5	Deva	86687	municipality
5	Dobra	89428	commune
5	General Berthelot	91731	commune
5	Geoagiu	89561	city
5	Ghelari	86883	commune
5	Gurasada	89687	commune
5	Haţeg	87576	city
5	Hărbău	89801	commune
5	Hunedoara	86810	municipality
5	Ilia	89856	commune
5	Lăpugiu de Jos	89954	commune
5	Lelese	90066	commune
5	Lunca Cernii de Jos	90119	commune
5	Luncoiu de Jos	90208	commune
5	Lupeni	87059	municipality
5	Mărtineşti	90262	commune
5	Orăştie	87638	municipality
5	Orăştioara de Sus	90342	commune
5	Pestişu Mic	90431	commune
5	Petrila	87077	city
5	Petroşani	86990	municipality
5	Pui	90538	commune
5	Rapoltu Mare	90663	commune
5	Râu de Mori	90878	commune
5	Răchitova	90725	commune
5	Ribiţa	90805	commune
5	Romos	90994	commune
5	Sântămăria-Orlea	91232	commune
5	Sarmizegetusa	91054	commune
5	Sălaşu de Sus	91116	commune
5	Simeria	87665	city
5	Şoimuş	91330	commune
5	Teliucu Inferior	86936	commune

5		Tomești	91447	commune
5		Toplița	91535	commune
5		Totești	91624	commune
5		Turdaș	91688	commune
5		Uricani	87139	city
5		Vața de Jos	91795	commune
5		Vălișoara	91937	commune
5		Vețel	91982	commune
5		Vorța	92097	commune
5		Vulcan	87175	municipality
5		Zam	92177	commune
6	MARAMUREȘ	Baia Sprie	106684	city
6		Bârsana	107314	commune
6		Băiuț	107154	commune
6		Bistra	107270	commune
6		Bocicoiu Mare	107350	commune
6		Bogdan Vodă	107403	commune
6		Boiu Mare	107430	commune
6		Borșa	106746	city
6		Botiza	107485	commune
6		Budești	107519	commune
6		Câmpulung la Tisa	107715	commune
6		Cavnic	106782	city
6		Călinești	107546	commune
6		Cernești	107582	commune
6		Coaș	179837	commune
6		Copalnic-Mănăstur	107733	commune
6		Coroieni	107868	commune
6		Cupșeni	107920	commune
6		Desești	107975	commune
6		Dragomirești	108017	city
6		Dumbrăvița	108035	commune
6		Giulești	108151	commune
6		Groși	106363	commune
6		Groșii Țibleșușui	179622	commune
6		Ieud	108204	commune
6		Lăpuș	108222	commune
6		Leordina	108240	commune
6		Moisei	108348	commune
6		Ocna șugatag	108400	commune
6		Oncești	179864	commune
6		Petrova	108455	commune
6		Poienile de sub Munte	108473	commune
6		Poienile Izei	179604	commune
6		Remetea Chioarului	108491	commune
6		Remeți	108552	commune
6		Repedea	108598	commune
6		Rona de Jos	108614	commune
6		Rona de Sus	108632	commune
6		Rozavlea	108669	commune
6		Ruscova	108696	commune
6		Sarasău	106620	commune
6		Săcel	108874	commune
6		Săliștea de Sus	108892	city
6		Săpânța	108945	commune
6		Sighetu Marmăției	106559	municipality
6		Strâmtura	109005	commune

6		Suciu de Sus	109041	commune
6		Șieu	179613	commune
6		Șisești	109096	commune
6		Șomcuța Mare	109176	city
6		Târgu Lăpuș	106817	city
6		Vadu Izei	106648	commune
6		Valea Chioarului	109354	commune
6		Vima Mică	109425	commune
6		Vișeu de Jos	109504	commune
6		Vișeu de Sus	106979	city
4	MEHEDINȚI	Baia de Aramă	109924	city
4		Bala	110296	commune
4		Balta	110456	commune
4		Bâlvănești	110688	commune
4		Broșteni	110875	commune
4		Căzănești	111097	commune
4		Cireșu	111220	commune
4		Dubova	112904	commune
4		Eșelnița	112245	commune
4		Florești	111685	commune
4		Godeanu	111818	commune
4		Husnicioara	112129	commune
4		Ilovăț	112263	commune
4		Ilovița	112334	commune
4		Isverna	112370	commune
4		Malovăț	112664	commune
4		Obârșia-Cloșani	110027	commune
4		Orșova	110063	municipality
4		Podeni	112959	commune
4		Ponoarele	112995	commune
4		Svinița	113607	commune
4		Șișești	113625	commune
4		Șovarna	113698	commune
7	MUREȘ	Acățari	114970	commune
7		Albești	114603	commune
7		Aluniș	115147	commune
7		Apold	115183	commune
7		Bahnea	115307	commune
7		Bălăușeri	115637	commune
7		Beica de Jos	115708	commune
7		Bereni	120511	commune
7		Bichiș	115771	commune
7		Brâncovenești	115897	commune
7		Chibed	120478	commune
7		Chiheru de Jos	116126	commune
7		Coroisânmărtin	116171	commune
7		Corunca	120487	commune
7		Crăciunești	116288	commune
7		Daneș	116493	commune
7		Deda	116545	commune
7		Eremitu	116590	commune
7		Ernei	116652	commune
7		Fântânele	116796	commune
7		Gălești	116867	commune
7		Gheorghe Doja	116983	commune
7		Ghindari	117042	commune
7		Gornești	117177	commune

7		Gurghiu	117319	commune
7		Hodac	117426	commune
7		Hodoșa	117505	commune
7		Ibănești	117550	commune
7		Ideciu de Jos	117783	commune
7		Livezeni	117925	commune
7		Lunca Bradului	118058	commune
7		Măgherani	118094	commune
7		Miercurea Nirajului	118281	city
7		Nadeș	118469	commune
7		Neaua	118511	commune
7		Păsăreni	118753	commune
7		Petelea	118799	commune
7		Răstolița	118931	commune
7		Rușii-Munți	119153	commune
7		Sângeorgiu de Mureș	114417	commune
7		Sângeorgiu de Pădure	119331	city
7		Saschiz	119206	commune
7		Sărățeni	120496	commune
7		Sighișoara	114514	municipality
7		Solovăstru	119590	commune
7		Sovata	114854	city
7		Stânceni	119625	commune
7		Suplac	119661	commune
7		Vânători	120254	commune
7		Vărgata	120076	commune
7		Vătava	120138	commune
7		Vețca	120174	commune
7		Viișoara	120218	commune
7		Zagăr	120343	commune
1	NEAMȚ	Agapia	121108	commune
1		Alexandru cel Bun	124938	commune
1		Băltătești	121242	commune
1		Bicaz	120968	city
1		Bicaz-Chei	121297	commune
1		Bicazu Ardelean	121340	commune
1		Borca	121652	commune
1		Ceahlău	122025	commune
1		Crăcăoani	122187	commune
1		Dămuc	122249	commune
1		Farcașa	122551	commune
1		Gârcina	122828	commune
1		Grințieș	122864	commune
1		Hangu	122953	commune
1		Negrești	125169	commune
1		Pângarați	123601	commune
1		Pipirig	123521	commune
1		Poiana Teiului	123790	commune
1		Tarcău	124493	commune
1		Tășca	124563	commune
1		Tazlău	124616	commune
1		Vânători-Neamț	125016	commune
3	PRAHOVA	Adunați	131899	commune
3		Aluniș	131988	commune
3		Ariceștii Zeletin	132137	commune
3		Azuga	130954	city
3		Bătrâni	136278	commune

3		Bertea	132342	commune
3		Breaza	131103	city
3		Brebu	132404	commune
3		Bușteni	131210	city
3		Câmpina	131256	municipality
3		Cărbunești	132486	commune
3		Cerașu	132574	commune
3		Comarnic	131336	city
3		Cornu	132805	commune
3		Cosminele	132841	commune
3		Drajna	132896	commune
3		Gornet	133562	commune
3		Gura Vitioarei	131835	commune
3		Izvoarele	133795	commune
3		Lapoș	133919	commune
3		Maneciu	134096	commune
3		Păcureți	134336	commune
3		Poiana Câmpina	131274	commune
3		Posești	134648	commune
3		Predeal-Sărari	134755	commune
3		Provița de Jos	134853	commune
3		Provița de Sus	134899	commune
3		Scorțeni	135164	commune
3		Secăria	135226	commune
3		Sinaia	131540	city
3		Slănic	131577	city
3		Starchiojd	135315	commune
3		Surani	135404	commune
3		Șotrile	135547	commune
3		Ștefești	135618	commune
3		Talea	135654	commune
3		Teișani	135725	commune
3		Telega	135789	commune
3		Vâlcănești	136198	commune
3		Valea Doftanei	136107	commune
3		Vălenii de Munte	131817	city
3		Vărbilău	136134	commune
6	SĂLAJ	Agrij	139937	commune
6		Almașu	139982	commune
6		Băbeni	140084	commune
6		Bălan	140146	commune
6		Buciumi	140379	commune
6		Cizer	140547	commune
6		Creaca	140672	commune
6		Cristolț	140770	commune
6		Cuzăplac	140869	commune
6		Dragu	141027	commune
6		Fildu de Jos	141081	commune
6		Gâlgău	141134	commune
6		Gârbou	141232	commune
6		Hida	141447	commune
6		Horoatu Crasnei	141535	commune
6		Ileanda	141580	commune
6		Letca	141786	commune
6		Lozna	141884	commune
6		Poiana Blenchii	142373	commune
6		Românași	142426	commune

6		Rus	142499	commune
6		Sâg	142612	commune
6		Sânmihaiu Almaşului	142676	commune
6		Surduc	142774	commune
6		Şimişna	179695	commune
6		Treznea	179631	commune
6		Zalha	143067	commune
6		Zimbor	143147	commune
6	SATU MARE	Bixad	137069	commune
6		Cămărzana	137274	commune
6		Certeze	137407	commune
6		Negreşti-Oaş	136599	city
6		Târşolţ	139143	commune
6		Vama	139330	commune
7	SIBIU	Agnita	143682	city
7		Alma	146012	commune
7		Alţina	143888	commune
7		Apoldu de Jos	143922	commune
7		Arpaşu de Jos	143959	commune
7		Aţel	143995	commune
7		Avrig	144054	city
7		Axente Sever	144116	commune
7		Bârghiş	144232	commune
7		Bazna	144152	commune
7		Biertan	144198	commune
7		Blăjuel	144303	commune
7		Boiţa	146021	commune
7		Brateiu	144349	commune
7		Brădeni	144376	commune
7		Bruiu	144410	commune
7		Cârţa	144508	commune
7		Cârţişoara	144535	commune
7		Chirpăr	144456	commune
7		Cisnădie	143735	city
7		Copşa Mică	143771	city
7		Cristian	143487	commune
7		Dârlos	144553	commune
7		Dumbrăveni	143806	city
7		Gura Râului	144599	commune
7		Hoghilag	144615	commune
7		Iacobeni	144651	commune
7		Jina	144713	commune
7		Laslea	144731	commune
7		Loamneş	144795	commune
7		Ludoş	144866	commune
7		Marpod	144893	commune
7		Mediaş	143619	municipality
7		Merghindeal	144964	commune
7		Micăşasa	144991	commune
7		Miercurea Sibiului	144928	city
7		Mihăileni	145042	commune
7		Moşna	145104	commune
7		Nocrich	145140	commune
7		Ocna Sibiului	143851	city
7		Orlat	145202	commune
7		Păuca	145220	commune
7		Poiana Sibiului	145275	commune

7		Poplaca	143502	commune
7		Porumbacu de Jos	145293	commune
7		Racovița	145355	commune
7		Râu Sadului	145382	commune
7		Rășinari	143520	commune
7		Roșia	145408	commune
7		Sadu	145471	commune
7		Săliște	145499	city
7		Sibiu	143450	municipality
7		Slimnic	145603	commune
7		Șeica Mare	145667	commune
7		Șeica Mică	145738	commune
7		Șelimbăr	143557	commune
7		Șura Mare	145765	commune
7		Șura Mică	145792	commune
7		Târnava	143646	commune
7		Tălmaci	145827	city
7		Tilișca	145907	commune
7		Turnu Roșu	145934	commune
7		Valea Viilor	145961	commune
7		Vurpăr	145998	commune
1	SUCEAVA	Breaza	147205	commune
1		Brodina	147241	commune
1		Broșteni	147358	city
1		Câmpulung Moldovenesc	146502	municipality
1		Capu Câmpului	151503	commune
1		Cârlibaba	147713	commune
1		Ciocănești	151451	commune
1		Comănești	151433	commune
1		Coșna	151497	commune
1		Crucea	147884	commune
1		Dorna Candrenilor	148202	commune
1		Dorna-Arini	148131	commune
1		Frasin	148612	city
1		Frumosu	148729	commune
1		Fundu Moldovei	148765	commune
1		Gura Humorului	146584	city
1		Iacobeni	149138	commune
1		Izvoarele Sucevei	149183	commune
1		Mălini	149316	commune
1		Mănăstirea Humorului	149370	commune
1		Moldova-Sulița	149502	commune
1		Moldovița	149539	commune
1		Ostra	149655	commune
1		Panaci	149682	commune
1		Pârteștii de Jos	149780	commune
1		Pârteștii de Sus	147526	commune
1		Păltinoasa	149753	commune
1		Poiana Stampei	149851	commune
1		Pojorâta	149931	commune
1		Putna	150043	commune
1		Râșca	150114	commune
1		Sadova	150178	commune
1		Slatina	150258	commune
1		Straja	150294	commune
1		Stulpicani	150356	commune
1		Sucevița	150418	commune

1		Șaru Dornei	150445	commune
1		Ulma	150702	commune
1		Valea Moldovei	150891	commune
1		Vama	150935	commune
1		Vatra Dornei	146744	municipality
1		Vatra Moldoviței	150980	commune
1		Vicovu de Jos	151077	commune
1		Vicovu de Sus	151095	city
1		Voitinel	151558	commune
5	TIMIȘ	Bara	155662	commune
5		Bârna	155957	commune
5		Bethausen	155840	commune
5		Bogda	156035	commune
5		Brestovăț	156151	commune
5		Curtea	156589	commune
5		Dumbrava	156767	commune
5		Fârdea	156927	commune
5		Făget	156801	city
5		Margina	157585	commune
5		Mănăștiur	157736	commune
5		Nădrag	157898	commune
5		Ohaba Lungă	157969	commune
5		Pietroasa	158136	commune
5		Secaș	158608	commune
5		Sudriaș	159071	commune
5		Tomești	158895	commune
4	VÂLCEA	Băile Olănești	167696	city
4		Bărbătești	168559	commune
4		Berislăvești	168675	commune
4		Boișoara	168755	commune
4		Brezoi	167794	city
4		Bujoreni	168880	commune
4		Câineni	169119	commune
4		Călimănești	167909	city
4		Costești	169253	commune
4		Dăești	169351	commune
4		Horezu	168041	city
4		Malaia	171021	commune
4		Muereasca	171539	commune
4		Păușești-Măglași	172082	commune
4		Perișani	172153	commune
4		Racovița	172509	commune
4		Runcu	172812	commune
4		Sălătrucel	172894	commune
4		Stoenești	173230	commune
4		Titești	174496	commune
4		Vaideeni	174021	commune
4		Vlădești	174156	commune
4		Voineasa	174254	commune
2	VRANCEA	Andreiașu de Jos	175126	commune
2		Bârsești	175224	commune
2		Bordești	175439	commune
2		Broșteni	175466	commune
2		Câmpuri	175670	commune
2		Chiojdeni	175509	commune
2		Dragosloveni	177762	commune
2		Dumitrești	175983	commune

2	Gura Calii	176338	commune
2	Jitia	176551	commune
2	Mera	176686	commune
2	Năruja	176891	commune
2	Negrilești	178885	commune
2	Nereju	176944	commune
2	Nistorești	177003	commune
2	Paltin	177101	commune
2	Păulești	178910	commune
2	Poiana Cristei	177263	commune
2	Răcoasa	177405	commune
2	Reghiu	177469	commune
2	Spulber	178965	commune
2	Tulnici	178117	commune
2	Valea Sării	178313	commune
2	Vidra	178377	commune
2	Vintileasca	178475	commune
2	Vizantea-Livezi	178545	commune
2	Vrâncioaia	178750	commune

List of eligible ATU's for Package 3 Grassland Supporting Important Birds – Variant 3.1 *Crex*

REGION	COUNTY	ATU NUTS 5	SIRUTA	TYPE
7	BRAȘOV	Hărman	41088	commune
7		Prejmer	41667	commune
7	COVASNA	Boroșneu Mare	63937	commune
7		Brateș	64005	commune
7		Catalina	64130	commune
7		Chichiș	64238	commune
7		Covasna	63526	city
7		Dalnic	65147	commune
7		Ghelința	64318	commune
7		Ozun	64639	commune
7		Rece	64773	commune
7		Zagon	65011	commune
7		Zăbala	65048	commune
4	DOLJ	Bechet	70879	city
4		Bratovoesti	71199	commune
4		Calopăr	71457	commune
4		Călărași	71607	commune
4		Dobrești	72098	commune
4		Drănic	72221	commune
4		Gângiova	72579	commune
4		Ghindeni	74915	commune
4		Gighera	72463	commune
4		Malu Mare	73068	commune
4		Mârșani	73317	commune
4		Ostroveni	73567	commune
4		Podari	70110	commune
4		Rojiște	74949	commune
4		Sadova	73996	commune
4		Segarcea	70502	city
4		Teasc	74322	commune
4		Țuglui	74509	commune
4		Valea Stanciului	74581	commune

List of eligible ATU's for Package 3 Grassland Supporting Important Birds – Variant 3.2
Lanius minor* and *Falco vespertinus

REGION	COUNTY	ATU NUTS 5	SIRUTA	TYPE
5	ARAD	Chişineu-Criş	9459	city
5		Grăniceri	10916	commune
5		Lipova	9574	city
5		Macea	11398	commune
5		Mişca	11423	commune
5		Pilu	11735	commune
5		Sintea Mare	12055	commune
5		Socodor	12126	commune
5		Şagu	12144	commune
5		Şepreuş	12224	commune
5		Vinga	12643	commune
5		Zăbrani	12778	commune
5		Zerind	12849	commune
6	BIHOR	Avram Iancu	27285	commune
6		Batăr	27383	commune
6		Ciumeghiu	28665	commune
6		Roşiori	32187	commune
6		Tămăşeiu	32153	commune
6		Tinca	31789	commune
2	BRĂILA	Frecăţei	43117	commune
2		Măraşu	43493	commune
2	CONSTANŢA	Adamclisi	60883	commune
2		Albeşti	60945	commune
2		Aliman	61005	commune
2		Chirnogeni	61210	commune
2		Ciobanu	61256	commune
2		Cobadin	61318	commune
2		Cogealac	61372	commune
2		Corbu	61513	commune
2		Crucea	61559	commune
2		Deleni	61675	commune
2		Dobromir	61737	commune
2		Dumbrăveni	63161	commune
2		Fântânele	63334	commune
2		Gârliciu	61808	commune
2		Grădina	63326	commune
2		Hârşova	60801	city
2		Horia	63278	commune
2		Independenţa	61871	commune
2		Ion Corvin	61951	commune
2		Istria	62020	commune
2		Limanu	60632	commune
2		Mangalia	60482	municipality
2		Mihai Viteazu	62253	commune
2		Mihail Kogălniceanu	62191	commune
2		Negru Vodă	62397	city
2		Pantelimon	62609	commune
2		Pecineaga	62672	commune
2		Peştera	62707	commune
2		Rasova	62798	commune
2		Saraiu	62823	commune

2	Săcele	62878	commune
2	Seimeni	62903	commune
2	Siliștea	62949	commune
2	Târgușor	62985	commune
2	Topalu	63045	commune
2	Vulturu	63170	commune
3 IALOMIȚA	Bordușani	92989	commune
3	Făcăeni	93575	commune
3	Giurgeni	93646	commune
3	Gura Ialomitei	180046	commune
3	Mihail Kogălniceanu	93995	commune
1 IAȘI	Andrieșeni	95667	commune
1	Coarnele Caprei	96334	commune
1	Focuri	97063	commune
1	Gropnița	97321	commune
1	Movileni	98257	commune
1	Popricani	98505	commune
1	Șipote	99370	commune
1	Țigănași	99879	commune
1	Vlădeni	100148	commune
6 MARAMUREȘ	Mireșu Mare	108268	commune
6	Ulmeni	109265	city
6 SĂLAJ	Benesat	140244	commune
6	Cehu Silvaniei	139740	city
6	Jibou	139811	city
6	Năpradea	142177	commune
6	Sălățig	142550	commune
6	Someș-Odorhei	142710	commune
5 TIMIȘ	Mașloc	157683	commune
5	Pișchia	158181	commune
5	Recaș	158314	city
2 TULCEA	Babadag	159650	city
2	Baia	159785	commune
2	Beidaud	159847	commune
2	Beștepe	161552	commune
2	C.A. Rosetti	159883	commune
2	Cărcaliu	159945	commune
2	Casimcea	159963	commune
2	Ceamurlia de Jos	160092	commune
2	Ceatalchioi	160047	commune
2	Cerna	160127	commune
2	Chilia Veche	160172	commune
2	Crișan	160261	commune
2	Dăeni	160305	commune
2	Greci	160430	commune
2	Grindu	160458	commune
2	Isaccea	159687	city
2	Jijila	160617	commune
2	Jurilovca	160644	commune
2	Luncavița	160680	commune
2	Mahmudia	160724	commune
2	Maliuc	160779	commune
2	Măcin	159730	city
2	Mihai Bravu	160831	commune
2	Murighiol	160911	commune
2	Niculițel	161035	commune
2	Nufăru	161053	commune
2	Ostrov	161106	commune

2	Pardina	161133	commune
2	Peceneaga	161151	commune
2	Sarichioi	161179	commune
2	Sfântu Gheorghe	161231	commune
2	Smârdan	161286	commune
2	Somova	161302	commune
2	Stejaru	161348	commune
2	Sulina	159767	city
2	Topolog	161384	commune
2	Tulcea	159614	municipalit y
2	Turcoaia	161464	commune
2	Valea Nucarilor	161482	commune
2	Văcăreni	161543	commune

4B3. Measure 214 “Agri-environment payments” – Payment calculations

Package 1 – High Nature Value Grassland

Conventional practice				AE practice 25% loss of production due to restriction on chemical fertilizers, 33% decrease of hay value to loss of hay quality, increased costs due to more environmentally friendly weed control, farmer has economies with fertilizers and pesticides			
Costs		Income		Costs		Income	
Action	Units			Action	Units		
		Hay 4.700 Kg./ha * 0,3 RON	1410 RON			Hay 3525 Kg./ha * 0,2 RON	705 RON
Difference of income							705
Seeds	0				0		
Chemical fertilizers	200				0		
Irrigations	0				0		
Plant protection	100				0		
Mechanized works	96				96		
Costs with herbicides application	153			Manual control of weeds during the year	182		
TOTAL	549				278		

Difference of costs	271
Difference of incomes	-705
Compensation in RON	434
Exchange rate	3,5 RON / 1 Euro
Compensation in euro	124

Package 2 – Traditional farming

Conventional practice			AE practice (Additional costs due to manual works. No differences in income)		
Costs		Income	Costs		Income
Actions	Units		Actions	Units	
Difference of income					No income difference
Mechanized works		96	Manual works mowing/turning		300
Differences of costs			204		

Differences of costs	204
Differences of incomes	0
Compensation (RON)	204
Exchange rate	3,5 RON / 1 Euro
Compensation (Euro)	58
Compensation given (Euro) =100%	58

Pilot Package 3 – Grassland supporting important birds – Variant 3.1 „Crex crex management”

Conventional praxis			Agri-environment praxis, 30% loss of production due to restriction on all fertilizers and 3m wide strip, 50% decrease of hay value due to loss of hay quality		
Costs		Income	Costs		Income
Action	Units		Action	Units	

		Hay 4.700 Kg./ha * 0,3 RON	1410 RON		Hay 3290 Kg./ha * 0,15 RON	493
Difference of income						917
Seeds	0				0	
Chemical fertilizers	200				0	
Irigations	0				0	
Plant protection	100				0	
Mechanized works (mowing/turning)	96				0	
Manual works mowing/turning	0				300	
Costs with herbicides application	153			Manual control of weeds during the year	182	
TOTAL	549				482	

Difference of costs	67
Difference of incomes	-917
Compensation in RON	850
Exchange rate	3,5 RON/ 1 Euro
Compensation in euro	242
Compensation given 86,5%	209

Pilot Package 3 – Grassland supporting important birds – Variant 3.2 „Lanius minor and Falco vespertinus management”

Conventional practice				Agri-environment practice (30% loss of production due to restriction on fertilizer use and 3 m wide grass strip)			
Costs		Incomes		Costs		Incomes	
Actions	Units			Actions	Units		
		Hay 4.700	1410			Hay 3290	987 RON

	Kg./ha * 0,3 RON	RON		Kg./ha * 0,3 RON	
Difference of incomes					423
Seeds	0			0	
Chemical fertilizers	200			0	
Irigations	0			0	
Plant protection	100			0	
Mechanized works (mowing/turning)	96			0	
Manual works mowing/turning	0			300	
Costs with herbicides application	153		Manual control of weeds during the year	182	
TOTAL	549			482	

Difference of costs	67
Difference of incomes	-423
Compensation in RON	356
Exchange rate	3,5 RON/ 1 Euro
Compensation in euro	101
Compensation given 100%	101

Package 4 – Green Cover Crops

Conventional practice			AE practice (Additional costs for setting up the green crops and seeds. No differences in incomes)		
Costs		Income	Costs		Income
Actions	Units		Actions	Units	

Difference of incomes		No extra incomes	
	0	Additional costs (fuel)	268
	0	Seeds	300
Differences of costs			568

Differences of costs	568
Differences of incomes	0
Compensation (RON)	568
Exchange rate	3,5 RON / 1 Euro
Compensation (Euro)	162
Compensation given (Euro) = 80%	130

ANNEX 5

List of current state aid measures in agriculture and forestry sectors

I. R&D – Financing Schemes	
1	Sector R&D Plan for the years 2006-2010 of the Ministry of Agriculture and Rural Development
2	Facilities for the payment of outstanding tax obligations.
3	Financial support granted to R&D units to accomplish investments, outfit with apparatuses, equipment and facilities.
II. VEGETAL	
<i>Arable crops</i> -- Financing schemes	
1	Sustaining the production of goods in crops of sugar beet, rice, flax and hemp for fibre, energetic crops (bio-fuel and biomass).
2	Sustaining the production of goods at crops of soy and hops
3	Subsidizing diesel oil for agricultural works.
4	Correcting the reaction of the soil.
5	Processing of flax and hemp for fibre.
<i>Vegetables and fruits</i> -- Financing schemes	
1	Financial support for the operating of acknowledged producer groups, the drafting of acknowledgement plans and the co-financing of operational funds set up by preliminary acknowledged producer groups and by acknowledged producer organizations.
2	Financial support for the implementation of the European System of Good Agricultural Practices, EUREPGAP, in the field of vegetables and fruits.
3	Financial support for vegetables produced in heated greenhouses and farm mushrooms produced in acclimatized spaces.
4	Financial support for vegetables and fruits destined to industrial processing.
5	Financial support for the purchase of wrapping and advertising materials.
6	Sustaining costs for drinkable water used to wash vegetables and fruits in the process of preparing such for trading in fresh condition or processing.
<i>Viticulture</i> -- Financing schemes	
1	Sustaining costs related to the application of plant protection treatments in viticulture plantations with noble sorts for table and wine grapes, inclusively for wines with controlled designation of origin. (description, legal basis).
2	Sustaining costs related to the authorization of viticulture plantations for the production of wine grapes with controlled designation of origin, certification and marking of wines with controlled designation of origin.
<i>Tobacco, hops</i> -- Financing schemes	
1	Sustaining the purchase of drying facilities destined to enhance the quality of the tobacco in tobacco sorts that classify in the flue – cured group.
2	Sustaining programs to implement high-performance technologies for the production of tobacco seedlings.
3	Sustaining the production of tobacco goods.
4	Sustaining the quality of tobacco by granting a bonus in an amount up to 65% from the bonus granted by the EU within the aid scheme provided for in the

	common market organization in accordance with the Community regulations.
5	Sustaining the implementation of the certification system in view of the designation of origin for hops.
6	Sustaining the production of hops with a high content of alpha acids and with the quality requirements established under contract.
	<i>Potato</i> — Financing schemes
1	Sustaining the costs for the production of potatoes from specific sorts, at the quality parameters requested for processing.
2	Programmes for the financial support of viral sanitation within closed production areas.
3	Sustaining the potato production for industrialization at the quality and requirements specific to the technical processing norms established under contracts.
	<i>Medicinal and aromatic herbs , flowers</i> — Financing schemes
1	Sustaining the production of medicinal and aromatic herbs accomplished in the quality conditions established under contract.
2	Sustaining the programmes for the takeover of certain plants from the spontaneous flora in crop.
3	Sustaining conditioning programmes, intermediary and finite processing of medicinal and aromatic herbs presented for use, inclusively in pre-dosed forms: teas, capsules, tablets, tinctures, extracts, syrups, solutions, ointments, as well as the obtaining of volatile oils.
4	Support for the production of flowers, dendrological and ornamental plants in fields, protected or arranged spaces.
5	Sustaining of the accomplishment of the price monitoring system: import prices, prices practiced on the representative markets and on the domestic market compatible with the Community system.
	III. SEEDS AND SEEDING MATERIAL – Financing scheme
1	Subsidize the production of potato seed and seeding material for tree growing and vineyards – officially certified.
	IV. PLANT PROTECTION – Financing scheme
1	Financing from the State budget of plant protection actions of national interest.
	V. PROMOTING – Financing schemes
1	Sustaining the participation and organizing of exhibits, fairs, contests for professional associations from agriculture.
2	Sustaining the promoting of agricultural products from the vegetal and zoo-technical sector.
	VI. LIVESTOCK BREEDING— Financing schemes
1	Sustaining the amelioration of animal populations – financing of genetic resources from animals in critical state, endangered and vulnerable ones.
2	Sustaining the amelioration of animal populations – control of performance production at bovine species.
3	Sustaining the neutralization activity of wastes of animal origin that are not destined to human consume.
4	Financial support of horses in the national genetic patrimony by incurring the costs to maintain breeding stallions, reproduction mares and stallions of public service.
5	Financial sustaining in regard to the granting of compensations for animals slaughtered, killed or affected in another way in order to promptly remove centres of animal contagion.
6	Identification of equids.
7	Identification of small animals (porcine, sheep and goats).
8	Identification of bovines.
9	Sustaining the amelioration of the animal population – keeping of genealogic registries at animal species and races.

10	Sustaining the amelioration of the animal population – performance of the official control on the production performances at animal species.
11	Sustaining the amelioration of the animal population – performance of the analysis on the quality of animal products in order to genetically evaluate animals.
12	Sustaining the amelioration of the animal population – issuance and maintenance of the IT system, the setting up of the databases and the estimation of the amelioration value of animals.
13	Sustaining the amelioration of the animal population – implementation at farm level of the techniques, biotechnologies and modern reproduction practices at animal species.
14	Sustaining the amelioration of the animal population – incurring the expenditures for the testing of the reproduction males at animal species.
15	Sustaining the amelioration of the animal population – incurring the expenditures for the performance of the national dissection test in order to authorize the equipment for the classification of pork carcasses in accordance with the EUROP Classification System and to establish the mathematical computation formula of the percentage of muscle tissue in the carcass for porcine in Romania.
16	Sustaining the enhancement of the quality of products of animal origin – enhancement of the quality of meat products by financially supporting the implementation of the classification system of porcine, bovine and sheep carcasses.
17	Sustaining the enhancement of the quality of products of animal origin – enhancement of the quality and of the production parameters in the breeding of porcine and poultry by sustaining the production of pork and poultry-- broiler chicken and the production of eggs for consume.
18	Sustaining the enhancement of the quality of products of animal origin – enhancement of the quality and hygiene of cow milk destined to processing in order to meet the quality standards of the EU.
19	Sustaining the enhancement of the quality of products of animal origin – enhancement of the quality of honey production by supporting the families of bees.
20	Sustaining the enhancement of the production quality obtained on pastureland – purchase of seeds, fertilizers and works of enhancing the production potential of the soil.
21	Sustaining the measures for the production and trading of apiarian products – technical support of apiculturists or groups of apiculturists in order to improve the production conditions.
22	Sustaining the measures for the production and trading of apiarian products – sustaining the purchase of medicine in order to fight against varroosis.
23	Sustaining the measures for the production and trading of apiarian products – rationalization of moving by purchasing new apiarian platforms.
24	Sustaining the measures for the production and trading of apiarian products – sustaining authorized laboratories that should perform the analyses of the physical and chemical features of honey by sustaining the accomplished investments.
25	Sustaining the measures for the production and trading of apiarian products – sustaining the repopulation in beehives on the national territory by purchasing queens of the indigenous race.
26	Sustaining the measures for the production and trading of apiarian products – sustaining the collaboration with associative structures in the field with bodies specialized in the accomplishment of research programmes applied in the field of apiculture and apiarian products.
27	Sustaining the melioration of animal populations – purchase of reproduction animals.
28	Sustaining the melioration of animal populations – financing of frozen seminal material of bulls used to artificially inseminate females of the bovine species.
29	Sustaining agricultural holdings – construction of shelters.

30	Sustaining agricultural holdings – equipping with zoo-technical facilities.
VII. HORIZONTAL MEASURES – Financing schemes	
1	Agricultural life annuity
2	Investments in agriculture
3	Granting of agricultural credits for the production in the vegetal sector and animal sector.
4	Subsidies of the insurance premiums and the granting of compensations in case of natural calamities.
VIII. RURAL DEVELOPMENT— Financing schemes	
1	Stimulating the absorption of Community funds by taking over the credit risk through guarantee funds.
2	Development and protection of mountain areas.
3	Romanian SAPARD.
4	Rural Development Programme of the Apuseni Mountains financed by the International Agricultural Development Fund (IADF).
5	The Programme “Fermierul” (The Farmer).
IX. LAND MELIORATION— Financing schemes	
1	Maintaining in operation by accomplishing maintenance and repair works, as well as ensuring the security and protection of the land melioration infrastructure located within the territory of the land melioration organizations or the federations of land melioration organizations which are in their property or use.
2	Execution of the works of bringing to an operational condition the land melioration infrastructure located in the territory of land melioration organizations or federations of land melioration organizations which are in their property or use.
3	Execution of works of setting into operation by the National Land Melioration Administration of the land melioration infrastructure located in the territory of land melioration organizations or federations of land melioration organizations and which cannot be transferred in their property or use due to their degradation condition.
4	Modernization and revamp of the land melioration infrastructure under the management of the National Land Melioration Administration and located in the territory of land melioration organizations or federations of land melioration organizations and which could not be transferred into their property or use due to the advanced degradation condition.
5	Arrangement, melioration and valorisation of degraded agricultural lands
6	Subsidies from the State Budget for the exploitation, maintenance and repairs of the arrangements of land meliorations for land melioration organizations and federations of land melioration organizations.
X. PRIVATIZATION OF COMPANIES— Financing schemes	
1	Measures of financial restructuring of debts held by AVAB.
2	Stimulating the privatization and development of trading companies in the agricultural field— ADS.
3	Stimulating the privatization and development of trading companies in the agricultural field—AVAS.
4	Stimulating the privatization and development of trading companies in the agricultural field—MEF.
5	Measures to enhance the attractiveness of privatising trading companies with full or partial State capital.
6	Measures to finalize the privatization of trading companies that are in the portfolio of APAPS.

7	Measures to financially restructure the receivables held by AVAS.
8	State aid scheme for the restructuring of trading companies for privatization – AVAS.
9	State aid scheme for the restructuring of trading companies for privatization – MEF.
10	Recovering of budgetary arrears.
XI. FORESTRY— Financing schemes	
1	Melioration by the afforestation of degraded lands
2	Support to set up forested windbreaks
3	Support to ensure the security of retroceded forests (6 months)
4	Support to ensure the remaking of the economic rights of the inhabitants from the Apuseni Mountains
5	Compensation of protection functions
6	Fighting against diseases and pests
7	Financing of arrangements for private forests
8	Rehabilitation of affected forest roads
9	Support for the setting up and development of associations of forest owners
10	Support for regeneration expenditures
11	Remaking of forests affected by fires and natural calamities.
12	Setting at disposal of the Technical Norms to the owners of forests.
XII. ENVIRONMENT FUND – individual state aids	
1	Changing the technical solution to clean used waters and increase the capacity.
2	Rehabilitation of the pre-cleaning station (full facility of physically and chemically cleaning used waters) + connections.
3	Revamp of the cleaning station.
4	Cleaning station of waste water originating from the technological process of processing milk and cheese.
5	Extension and modernization of the waste water cleaning station pertaining to S.C. Suinprod S.A. Zimnicea – Complexul Dracea.
6	Waste water cleaning station at SC AGRONUTRISCO IMPEX SRL.
7	Modernization of cleaning station for industrial water.
8	Completion of the waste water treatment facility
9	Cleaning station of industrial waste water and sewage originating from the cheese factory Hochland – Sovata
10	Modernization and rehabilitation of the waste water cleaning station from S.C. Complexul de porci Brăila S.A. – Platforma Baldovinești
11	Modernization and revamp of the mechanical-biological cleaning station of waste waters resulting from the technological process of the spirits factory Rădăuți
12	Redesign of the management system of dejections in order to use such as fertilizer on agricultural lands and recover the energy of the bio-gas in cogeneration group.
13	Erection of a waste water pre-cleaning station with a capacity of 130 m ³ /24 hours.

ANNEX 6

Complementarity between EAFRD and the Structural Funds

Field of intervention	SOP IEC	ROP	SOP T	SOP ENV	SOP HRD	OP ACD	OP TA	NRDP
Transport infrastructure		X - county roads and urban streets	X - TEN-T and national roads - ports on TEN-T - airports					X communal roads and other roads inside communes as is classified in the national legislation
Water and sewerage systems		X small-scale, individual projects in urban areas and spa resorts, not financed under SOP ENV		X large-scale, integrated regional projects in urban and some rural localities, according to the regional Master Plans ¹⁰⁸				X small-scale, individual projects in rural localities below 10,000 e.p. (equivalent population) which are not included in the regional projects financed under SOP ENV, except for spa resorts
Flood prevention				X works on national water streams to be carried out by				X works on local small water courses

¹⁰⁸ The Regional Master Plans are planning documents for water and wastewater infrastructure, at county level, which identify the geographic area (usually, at county level) where the water resources management would be better performed within a regional project (through the regionalisation of water services, in order to improve their quality and cost-efficiency). This area includes all localities above 10,000 p.e., but may also include some rural localities between 10,000 p.e. and 2,000 p.e. The needs of investment in water and wastewater infrastructure in the localities which are not included in the regional project (usually, rural localities under 10,000 p.e.) are also identified within the Regional Master Plan and will be addressed either under NRDP or through other financing sources (e.g. IFI loans).

Field of intervention	SOP IEC	ROP	SOP T	SOP ENV	SOP HRD	OP ACD	OP TA	NRDP
Nature protection				the NARW X drafting of management plans, development, operation and maintenance of infrastructure, setting up monitoring systems, training and institutional capacity building for Natura 2000 sites				X Natura 2000 compensatory payments
Renewable energy - bio-fuels (for electricity/heat generation)	X support to enterprises both for bio fuels production and their use for energy generation (except for the production from processing Annex 1 ¹⁰⁹ products)							X support to enterprises processing Annex 1 products and which obtain biofuels for transport and obtain and use energy from bio-fuels only in the productive process as a component part of

¹⁰⁹ Annex 1 to the EU Treaty

Field of intervention	SOP IEC	ROP	SOP T	SOP ENV	SOP HRD	OP ACD	OP TA	NRDP
								the project.
- other RES	X support to enterprises (except for enterprises producing based on processing Annex 1 agricultural products and except for micro-enterprises in rural area)							X support for micro-enterprises in rural area and also for enterprises which processing Annex 1 agricultural products and which obtain and use energy from other renewable resources , only in the productive process as component part of the project
Direct support to enterprises for productive investments								
- micro-enterprises (activities of agricultural and forestry products processing)								X processing of agricultural and forestry products, on the whole territory
- micro-enterprises (except for activities of agricultural and forestry products processing)	X only high-tech and spin-off, regardless of the location	X in urban areas, except for high-tech and spin-off						X in rural areas, except for high-tech and spin-off
- small and medium sized enterprises	X productive investments, except	X SMEs in the tourism sector			X training correlated with			X productive investments for

Field of intervention	SOP IEC	ROP	SOP T	SOP ENV	SOP HRD	OP ACD	OP TA	NRDP
	for agricultural products processing and food industry				the sectors supported under SOP IEC			agricultural products processing and food industry
- intermediate enterprises below 750 employees ¹¹⁰	X productive investments, except for agricultural products processing and food industry							X productive investments for agricultural products processing and food industry
- large enterprises of 750 and over employees	X productive investments, except for agricultural processing and food industry							
Consultancy								
- SMEs and micro-enterprises	X							
- entrepreneurship					X entrepreneurial and management skills, except for agriculture and forestry			X specific advisory and consultancy for: agricultural and forestry products processing, agri-environment
Access to finance - guarantee funds	X support to guarantee funds, which provide guarantees to businesses, excepting farmers, related							X support to guarantee funds, which provide guarantees for farmers and related agricultural and

¹¹⁰ Defined as intermediate enterprises in the Council Regulation No 1698/2005, Art 28 (3)

Field of intervention	SOP IEC	ROP	SOP T	SOP ENV	SOP HRD	OP ACD	OP TA	NRDP
	agricultural and forestry activities and for small scale business in rural area							forestry activities, including agri-food and for small scale business in rural area, according to the NRDP scope.
Management standards for enterprises	X quality and environmental standards							X food safety systems and agri-environmental standards
Tourism								
- agro-tourism								X
- tourism infrastructure		X - tourism infrastructure in urban areas - tourism resorts in rural areas, above a threshold value - spa resorts, regardless of the location						X - tourism infrastructure in rural areas including in tourism resorts, below a threshold value, except for the infrastructure in spa resorts
- information and promotion centres		X national centres for several large tourism areas						X local centres in rural areas
Rehabilitation of cultural heritage		X - national and UNESCO patrimony,						X local cultural and natural patrimony in rural areas ¹¹²

¹¹¹ The local cultural patrimony in urban and rural areas is identified in the List of Historical Monuments, Group B (Minister Order No 2134/2004).

Field of intervention	SOP IEC	ROP	SOP T	SOP ENV	SOP HRD	OP ACD	OP TA	NRDP
		regardless of the location - local cultural patrimony in urban areas ¹¹¹						
LEADER type activities implemented by LAGs		X ROP interventions will exclude LEADER type activities implemented by LAGs from financing, if proposed/approved under a LEADER type project						X LEADER type activities implemented by LAGs, in rural and urban areas in the context of local strategies elaborated by LAGs
Social interventions		X rehabilitation, modernization, development and equipping of social infrastructure			X social economy development			X <i>new</i> infrastructure related to social services in rural areas
Education and training		X infrastructure			X ESF-type interventions, including: vocational training for persons involved in non-agricultural			X Short-term vocational training without qualification for adult persons involved in agricultural, agri-food sector and forestry

¹¹² The local cultural patrimony in urban and rural areas is identified in the List of Historical Monuments, Group B (Minister Order No 2134/2004).

Field of intervention	SOP IEC	ROP	SOP T	SOP ENV	SOP HRD	OP ACD	OP TA	NRDP
					sectors and farmers in order to shift their activities to non-agricultural ones, initial vocational training through specialized schools and high-schools, including agriculture and forestry education structures			
Active ageing					X active ageing in other activities than agriculture			X early retirement in agriculture
Technical Assistance for SCF (including training)	X OP specific support	X OP specific support	X OP specific support	X OP specific support	X OP specific support	X OP specific support	X horizontal support	X NRDP specific support

LEGEND:

SOP IEC	Sector Operational Programme Increase of Economic Competitiveness
ROP	Regional Operational Programme
SOP T	Sector Operational Programme Transport
SOP ENV	Sector Operational Programme Environment
SOP HRD	Sector Operational Programme Human Resources Development
OP ACD	Operational Programme Administrative Capacity Development
OP TA	Operational Programme Technical Assistance
NRDP	National Rural Development Programme

NARW

National Administration “Romanian Waters”

ANNEX 7

Consulting Process addressed to the measures afferent to Axis 1 within NRDP

Following the development of the consultative process, resulted some proposals, modifications and additions, such as:

Consulting Process addressed to the measures afferent to Axis 1 within NRDP

Measure	Specification	Applied/ Not applied
111 Vocational training, information actions and diffusion of knowledge	Enclosure of the vocational training providers in the category of measure beneficiaries	Yes
	Elimination of the “maximum value of the 1500 euro support” from point 11 of the measure	Yes
	Replacement of the term “training” with the one of “informing “ in the entire text of the measure	No
112 Setting up of young farmers	Replacement in the category of eligible investments of the (queen) animals and seminal material of high biologic value, agricultural equipment (harvesters, tractors and others)	No
	Prolonging the term for requesting the support from 12 to 24 months from the setting up of the farmer on the agricultural property or elimination of this condition	No (R 1698/2005)
113 “Early retirement of farmers and workers from farms” The measure will be finalised according to the national legislation in order to be applicable from 2010	Fusion of the lands through the union of more semi-subsistence exploitations, with the possibility of taking over of the management by young persons ;	Yes
	Enclosure of the owners whose economic seize farms are below 6 ESU in the category of beneficiarires	No
	Invoking the major force, in the case of the cedent’s death for the situation in which the above mentioned concession only the management rights	Yes
	Reducing the volume of support granted through this measure	Yes
114 Using the agricultural consultancy services This measure will be applied starting with 2010, for 2007-2009 measure 143 will be applied	Distinguishing between potential beneficiaries (consultancy firms) and final beneficiaries (farmer and forest owner)	Yes
	Authorising the consultancy firms by MARD, not by NCAT	Yes
	Ensuring the correlation of the scope and actions for agriculture and forestry	Yes
	Necessity of the specification for the training type: initiation, specialization, qualification	Yes

	Accepting the title of consultant for the graduates of a superior learning form for a short or long period, from the agricultural, zoo technic and forestry field, as having an authorized person status	Yes
	Granting consultancy in drafting the specific documentations (technical, economic and judicial information) regarding the management of the forestry property.	Yes
121 Modernisation of agricultural holdings	Including of the cattle breeding farms in the category of eligible investments	Yes
	Increment of the maximum ceiling for the setting up of a farm (from 500,000 euro to 1,000,000 euro)	Yes
	Improving and optimising the production flows, processing and marketing, as well as setting up or modernising the local networks of collecting, reception capacities, storage, conditioning, sorting and wrapping	No
	Replacement of the “horticulture” term with “vegetable growing and flower culture” It was not replaced , but specified the components of the sector: Garden vegetables, flowers, ornamental plants, mushrooms.	Yes
	Investments for setting up the vineyard and fruit bearing trees and nurseries	Yes
	Elimination of the investments regarding the irrigations for viticulture, from non eligible investments.	Yes
	Enclosure of harvesters and tractors in the category of eligible investments	Yes
	Existence of the proposed selection criteria	Yes
	Accepting the in kind co-financing for the vineyard culture (tree culture)	Yes
	Prolonging the public support also for the utilities necessary for setting up the farm	Yes
123 Adding value to agricultural and forestry products	Setting up a clear delimitation of the beneficiaries	Yes
	Enclosure in the category of eligible investments for the following activities: - Cold storage as independent activity – necessary for the compliance of the frigorific chain on the whole circuit followed by the product, from raw material to the consumer - The storage in general: cereal silos, deposits for potatoes, vegetables and fruits.	Yes
	The necessity of eliminating the “primary processing” term, because it especially presumes collecting, reception, storage actions and not upper processing`s	Yes
125 Improving and developing	Enclosure of the rebuilding and rehabilitation workings of the damaged forestry roads , as eligible investment	Yes

infrastructure related to the development and adaptation of agriculture and forestry	Adding forestry activities which shall be supported through the measure	Yes
	Reformulating the data sheet of the measure according to the classification foreseen in the legislation, highlighting the necessity for the specification of the legislative regime of the land	Yes
	Classifying the costs referring to the land cleaning of wooden vegetation	No
	Maintain the works that can not classify as priorities proposed through the General City planning Plan (GCP), and not also through the areal city planning plans (CPP) at the Non eligible investments' chapter	No
	Supporting the agricultural and forestry infrastructure investments, set up in common by the neighbouring agricultural and forestry land owners, regarding the improvement for their property exploitation.	No
	Enclosure of the fusion of the lands documentation (notaries taxes, cadastral sketches, etc) as well as the costs for legalising the property transfer related to the fusions, in the category of eligible expenditures	Yes
141 Supporting semi-subsistence agricultural holdings	Raising of the support value up to 2000 euro/farm	No
	Granting the financial support also to the mountain area owners who do not have the land registered in the land books (the costs for the registering in the land books being higher than the value of the land)	No
142 Setting up of producer groups	Reducing the number of members comprised in a producer group, from 30 to 15, maximum 20 members. The producer group must have a minimum number of members	No
	Not excluding from granting the financial support the producer groups of vegetables and fruits, taking into account that the vegetable-fruit sector is very important and should benefit from support as market organisation as well as producer group	Yes
	Financing the marketing association-farmer's markets and supporting the set up of web pages also for the producer groups	No

**The consulting process addressed to the elaboration of the measures
affherent to Axis 2 within NRDP**

Measure	Specification	Applied/ Not applied
213 Natura 2000 payments	Drafting a strategy regarding the stages for the institutions involved in implementing the Natura 2000 measure	Yes
	Estimations regarding the performance terms	Yes
214 Agri-environment payments Organing farming sub measure	Enclosure the vineyard culture as an eligible culture	Yes
	Denying the ploughing of the grasslands within the organic farms	Yes
	Granting the transactional costs for the measure beneficiaries	Yes
	Validating the compensatory calculations by the working group	Yes

214 Agri-environment payments Extensive managing of the grasslands sub measure	Drafting a specific package adapted to the grasslands from the mountain areas	Yes
	Identifying the necessity of overlapping the coverage of the measure with the HNV potential areas	Yes
	Validating the compensatory calculations by the working group	Yes
214 Agri-environment payments Soil and water protection sub measure	Identifying the transformation actions of the ploughing land into grasslands	Yes
	Validating the compensatory calculations by the working group	Yes

The consulting process addressed to the elaboration of the measures afferent to Axis 3 within NRDP

Measure	Specification	Applied/ Not applied
312 Support for the creation and development of micro-enterprises	Identifying the agricultural holdings (rural) on the base of the agricultural registry and establishing their status (at least authorised natural person or family associations), so they can be traced on the basis of a bookkeeping	Partially
	Replacement of the wording “ <i>support for the development of stores attached to the farm</i> ” with “ <i>Investments for the development of outlet and commercialisation of own products and other local products</i> ”	Partially
	Specifying within the selection criteria of the condition that the tourism accommodation structures should comply with architectural specific of the area, and the interior design be made in traditional style	Yes
	Extending the non eligible expenditure list	Yes
	Enclosure in the category of eligible expenditures, of the rent for the space regarding the development of the activities	No
313 Encouragement of tourism activities	Adding the phrase “ cultural itinerary “and “investments for improving the cultural tourism and the natural objectives of tourism interest from the rural environment, necessary to the visiting and promoting of the cultural and natural objectives ”	Partially
	Using the term “ local identity card “ instead of “ monograph ”	Yes
	Conditioning the support granted to the studies in the domain by the possibility of the capitalization of those through an invitational project	Yes
	Considering as eligible investments the soft and hard electronic systems	Yes
	Converting all the cultural patrimony actions of this measure (313) within the “ <i>Renewal, development of the villages, improving the basic services for the economy and for the rural population and the capitalization of the rural heritage</i> ” (322) to avoid confusion when applying from a beneficiary point of view	Yes

	Enclosure in the beneficiaries chapter of the public-private partnerships, other than the ones stipulated in the LEADER Axis	Yes
	Performance of the financial division depending on the type of action	No
322 Village renewal and development, improvement of basic services for the economy and rural population, conservation and upgrading the rural heritage	Enclosure of the specification “ <i>Building and modernising the water supply networks</i> ” and not only their construction.	Yes
	Using the wording “... <i>investments associated with the protection and promotion of patrimony</i> ” instead of: “investments associated with the maintenance, restoration and capitalization of the patrimony”, because the “protection” term is used according to the law	Yes
	Specifying the aimed area of “paintings”, such as: interior paintings, fresco, exterior wall paintings or paintings (mobile patrimony) within the types of investments, and regarding the “endowment for the exposure and protection of the cultural patrimony”, specifying the type of patrimony: “ <i>endowment for the exposure and protection of the cultural patrimony</i> ”	Yes
	Enclosure in the category of eligible activities of the investments with the restoring, consolidation, protection and preserving the local patrimony buildings from the protected areas	Yes
	Naming the public interest space as <i>civic centre</i>	Partially
	Conditioning the studies referring to the cultural patrimony of the possibility of their capitalisation	Yes
	Enclosure of the investments afferent to the establishments and cultural investments in the chapter of eligible investments	Yes
	Enclosure to the beneficiaries chapter of the “commune” represented by the mayor instead of the local councils	No
	Enclosure in the beneficiaries` category of the NGO, proposing the growth of the support intensity for those.	Partially
	Establishing some maximum ceiling of financing on the projects	Yes
	Enclosure of the contribution in work as eligible activity	No

The consulting process addressed to the elaboration of the measures afferent to the LEADER Axis within NRDP

Measure	Specification	Applied/ Not applied
41 Implementation of Local development strategies:	Establishing the maximum eligible value of the public financing on the project to 100 thousand euro	Yes
	Establishing the maximum eligible value of the investment (including the public financing and co-financing) to 300 thousand euro	Yes
	Enclosure in the territory of the local action groups (LAG) of the cities that have up to 30,000 inhabitants	Yes
	Enclosure in the LAG territory of the cities that have up to 50,000 inhabitants	No

	Establishing the legal basis for setting up and functioning of the LAGs through Ordinance no. 26/2000 regarding associations and foundations	Yes
421 Implementing cooperation projects	Compulsoriness of excluding into the strategy the cooperation projects	No
431 Running the Local Action Groups, acquiring skills and animating the territory	Granting the financial support to the building of public-private partnerships, for all the potentials LAGs, regardless of their construction phase	Yes
	Granting a least 30% from the total of 431 measure for the animation activities and skills acquisition	Yes

ANNEX 8
The organization of Consulting Process at national technical level
for the National Rural Development Programme 2007-2013

ANNEX 8 A

Planning the reunion, working groups, participants, agenda (December 2006 – February 2007)

No.	Planning the reunion (date)	Working group	Participants in the reunion		Agenda of the reunion of the working group
			Institution	Surname, forename	
1.	19.12.2007 Head office MARD Hall 20 9 ⁰⁰ – 14 ⁰⁰	Axis 2 – WG 2 Measure: 214 “Agri-environmental payments” Sub-measure: 214.1 “Organic farming”	Ministry of Agriculture and Rural Development (MARD)	V. Vasile A. Bălan S. Didicescu M. Constantinescu C. Ștefan S. Gîdea M. Antonescu A. Tuinea M. Mitrofan C. Coadă	- introduction and presentation of the agenda – Mr. Roland Hamel, RTA Twinning Project MADR; - presentation of the National Rural Development Programme – objective and priority axes (focusing on the measures from axis 2); - presentation of measure 3.3 – SAPARD Programme – sub – measure Organic farming (objectives, implementation, problems encountered in application); - presentation of the draft of the sub-measure <i>Organic farming</i> - Conclusions
			Paying Agency for Rural Development and Fishery (PARDF)	A. Matei C. Preda O. Vochițoiu	
			Paying and Intervention Agency for Agriculture (PIAA)	A. Alexe I. Stănescu M. Danciu	
			National Agency of Agricultural Consultancy (NAAC)	V. Boboc	
			Ministry of Environment and Sustainable Development (MESD)	M. Proca M. Șerban	
			National Federation for	I. Toncea	

			Ecologic Agriculture (NFEA)		
			SIVECO - Romania	S. Pavel	
			ADEPT Foundation	C. Gherghiceanu	
			SC BIO CERT SRL Romania	A. Damian	
			SC ECOINSPECT SRL	L. Piroška	
			SC SUOLO E SALUTE Romania SRL	D. Ciubotaru	
			SC ELEGHOS BIO ELLAS ROMANIA SRL	D. Dragomir	
			Twinning Experts	R. Hamel, M. Redman	
2.	21.12.2006 Head office MARD Hall 20 9 ⁰⁰ – 14 ⁰⁰ o'clock	Axis 2 – WK 3 Measure: 214 "Agri-environmental payments" Sub-measure: 214.2 "Extensive management of pasturelands"	Ministry of Agriculture and Rural Development (MARD)	V. Vasile A. Bălan S. Didicescu M. Constantinescu C. Ștefan S. Gîdea M. Antonescu A. Tuinea M. Mitrofan C. Coadă Secretariat N. Olaru B. Dragomirescu	<ul style="list-style-type: none"> - introduction and presentation of the agenda; - presentation of measure 3.3 of the SAPARD Programme; - presentation – experience accrued by implementing measure 3.3 of the SAPARD Programme in supporting NRDP; - presentation – National Rural Development Programme 2007 – 2013; - presentation of the draft of the sub-measure <i>Extensive Management of Pasturelands</i>
			Paying Agency for Rural Development and Fishery (PARDF)	A. Matei C. Preda O. Vochițoiu	
			Paying and Intervention Agency for Agriculture (PIAA)	A. Alexe	
			National Agency of Agricultural Consultancy (NAAC)	M. Staicu	
			Ministry of Environment and Sustainable Development	M. Proca M. Șerban	

			(MESD)		
			ADEPT Foundation	C. Gherghiceanu	
			Romanian Ornithology Society (ROS)	L. Răducescu	
			WWF - Danube-Carpathians Romania Programme	R. Barbu	
			SIVECO - Romania	S. Pavel	
			Twinning Experts	R. Hamel, M. Redman	
3.	09.01.2007 Head office MARD Hall 20 9 ⁰⁰ – 14 ⁰⁰	Axis 2- WK 4 Measures: 214 „Agri-environmental payments” Sub-measure: 214.3 “Soil and water protection”	Ministry of Agriculture and Rural Development (MARD)	V. Viviana A. Balan S. Didicescu M. Constantinescu C. Stefan S. Gidea M. Antonescu A. Tuinea M. Mitrofan C. Coda Secretariat B. Dragomirescu N. Olaru	- presentation of the general framework of NSP; - presentation of the general framework of NRDP; - presentation of the draft of the sub-measure <i>Soil and water protection</i> ; - necessity of a consultancy system adapted to the farmers' needs at the level of the farm; - necessity of informing/promoting the measure; - finalization of an implementation strategy
			Paying Agency for Rural Development and Fishery (PARDF)	C. Preda O. Vochitoiu A. Matei	
			Paying and Intervention Agency for Agriculture (PIAA)	A. Alexe A. Stanescu M. Danciu O. Chiriță	
			National Agency for Agricultural Consultancy (NAAC)	V. Boboc	
			Ministry of Environment and Sustainable Development	M. Proca	

			(MESD)		
			SIVECO - Romania	S. Pavel	
			ADEPT Foundation	C. Gherghiceanu	
			Romanian Ornithology Society (ROS)	L. Raducescu	
			WWF - Danube-Carpathians Romania Programme	R. Dan	
			Rural Development Foundation (RDF)	M. Nistorescu	
			Twinning Experts	R. Hamel, J. Pfeiffer	
4.	10.01.2007 Head office MARD Hall 20 9 ⁰⁰ – 14 ⁰⁰	Axis 3 – WK1 Measures: 312 “Support for the creation and development of micro-enterprises” 331 “Preparation and information for the economic stakeholders”	Ministry of Agriculture and Rural Development(MARD)	V. Vasile R. Matei A. Agrigoroaei T. Popa C. Iliescu C. Coadă L. Galita I. Gavriluta B. Zaharescu M. Vacaru E. Cercelaru D. Ionita Secretariat B. Dragomirescu N. Olaru	- presentation of NSP, predominantly of the SWOT analysis and of the strategic objectives; - presentation of the latest version of the measures; - presentation of strategic questions: financial allowance, implementation strategy and the links to other measures.
			Paying Agency for Rural Development and Fishery (PARDF)	C. Crisan A. Bucur R. Daminescu I. Dan B. Gaman G. Turtoi	
			National Agency for	B. Viorica	

			Agricultural Consultancy (NAAC)		
			Directorate for Agriculture and Rural Development (DARD) Alba	I. Ursa	
			Directorate for Agriculture and Rural Development (DARD) Braşov	L. Padurariu	
			National Tourism Authority (NTA)	E. Stroia	
			Ministry of European Integration (MEI)	I. Sandu D. Hangiu	
			Ministry of Economy and Finance (MEF)	O. Morar	
			Ministry of Labour, the Family and Equal Opportunities (MLFEO)	G.Ciocodei	
			Project Management Unit (PMU)- Ministry of Interior and Administration Reform	M. Sescu	
			National Council for the Vocational Training of Adults (NCVTA)	S. Angheluta	
			Competition Council	D. Stănescu	
			National Centre for the Preservation and Promoting of Traditional Culture (NCPPTC)	O. Petrica	
			Rural Support Centre	I. Popescu	
			Foundation of Partners for Local Development (FPLD)	N. Rata	
			National Association of Rural, Ecological and Cultural Tourism (NARECT)	M. Stoian	
			Ex-ante evaluations	G. Fintineru	

			Twinning Experts	R. Hamel, J. Pfeiffer	
5.	11.01.2007 Head office PIAA 1 st Carol Street no. 17, . 3 rd floor, room 10, 9 ⁰⁰ -14 ⁰⁰	Axis 1-WK1 Measures: 111 “Vocational training, information actions and diffusion of knowledge” 114 “Use of consultancy services” 141 “Supporting semi-subsistence agricultural holdings”	Ministry of Agriculture and Rural Development(MARD)	C. Harabagiu R. Matei C. Coadă A. Tuinea A. Agrigoroaei S. Didicescu V. Mihaila A. Cirstea E. Cercelaru D. Ionita R. Spataru C. Pahontu C. Sincu M. Olaru Secretariat B. Dragomirescu N. Olaru	- presentation of NSP, predominantly the SWOT analysis and the strategic objectives; - presentation of the latest version of the measures; - presentation of the strategic questions: financial allowance, implementation strategy and links to other measures.
			Paying Agency for Rural Development and Fishery (PARDF)	I. Ferencz G. Turtoi V. Cristea	
			National Agency for Agricultural Consultancy (NAAC)	R. Scarlat	
			Directorate for Agriculture and Rural Development (DARD) Ilfov	R. Gelu	
			National Council for the Vocational Training of Adults (NCVTA)	S. Angheluta	
			Ministry of Labour, the Family and Equal Opportunities (MLFEO)	G. Ciocodei	

			World Bank	D. Giurca	
			ADEPT Foundation	C. Gherghiceanu	
			Romanian Group for Investments and Consultancy (RGIC)	O. Manta	
			Ex-ante evaluations	G. Fintineru	
			Twinning Experts	R. Hamel, J. Pfeiffer	
6.	12.01.2007 Head office MPDR Hall 20 9 ⁰⁰ – 14 ⁰⁰	Axis 1- WG 2 Measures: 112 "Setting up of young farmers" 113 "Early retirement of farmers and workers from farms" 142 "Setting up of producer groups"	Ministry of Agriculture and Rural Development (MARD)	C. Harabagiu R. Matei E. Toader A. Tuinea C. Bunghiuz V. Popescu B. Alecu C. Pahontu C. Sincu M. Olaru D. Daraban D. Chirca C. Ionescu Secretariat B. Dragomirescu N. Olaru	- presentation of NSP, predominantly of the SWOT analysis and strategic objectives; - presentation of the latest versions of the measures ; - presentation of strategic questions: financial allowance, implementation strategy and links to other measures.
			Paying Agency for Rural Development and Fishery (PARDF)	R. Daminescu M. Herciu S. Manole S. Mustea	
			Paying and Intervention Agency for Agriculture (PIAA)	A. Casangiu V. Velescu O.Chirita D. Recea L. Baci	
			National Agency for Agricultural Consultancy	Oancea Bogdan	

			(NAAC)		
			Agency of State Domains (ASD)	Barna Tanczos	
			Directorate for Agriculture and Rural Development (DARD) CONSTANTA	I. Sopera	
			Directorate for Agriculture and Rural Development (DARD) GIURGIU	C. Sandu	
			Ministry of Labour, the Family and Equal Opportunities (MLFEO)	G. Ciocodei	
			Producer Groups		
			Ex-ante evaluations	I. Ionel	
			Twinning Experts	R. Hamel, J. Pfeiffer	
7.	15.01.2007 Head office MARD Hall 20 9 ⁰⁰ – 14 ⁰⁰	Axis 1 – WK 3 Measures: 121 “Modernization of agricultural holdings” 123 “Adding value to agricultural and forestry products” 125 “Improving and developing Infrastructure related to the development and adaptation of agriculture and forestry” 126 “Restoration of the potential of agricultural production affected by natural calamities	Ministry of Agriculture and Rural Development (MARD)	C. Harabagiu R. Matei E. Toader A. Tuinea C. Coadă P. Alexandru V. Popescu B. Alecu D. Lorent M. Vacaru P. Florea G. Zachiteanu C. Pahontu C. Sincu M. Zaharescu A. Radulescu A. Blenesi C. Cristu D. Chirca D. Daraban	- presentation of NSP, predominantly of the SWOT analysis and strategic objectives; - presentation of the latest versions of the measures ; - presentation of strategic questions: financial allowance, implementation strategy and links to other measures.

		and the implementation of proper prevention measures”		C. Calin C. Marian D. Velicu Secretariat B. Dragomirescu N. Olaru	
			Paying Agency for Rural Development and Fishery (PARDF)	C. Dobre A. Bercu M. Moise S. Constantin D. Ghiuzdeanu D. Stanica V. Cristea A. Popa C. Tacea	
			Directorate for Agriculture and Rural Development (DARD) TELEORMAN	D. Iane	
			Directorate for Agriculture and Rural Development (DARD) PRAHOVA	M. Tataru	
			Directorate for Agriculture and Rural Development (DARD) BUZAU	M. Alexandru	
			Directorate for Agriculture and Rural Development (DARD) CALARASI	C. Onescu	
			National Administration of Land Melioration (NALM)	G. Suciu	
			Ministry of Economy and Finance (MEF)	C. Melita	
			Ministry of Transport (MT)	M. Negoita	
			Ex-ante evaluations	G. Fintineru	
			National Sanitary-Veterinary	M. Avram	

			and Food Safety Authority (NSVFSA)		
			Association of Forest Administrators from Romania (AFAR)	D. Fechete	
			Association of Forest Owners from Romania (AFOR)	M. Ionescu	
			Employers' Association of Foresters from Romania (EAFR)	I. Sbera	
			Institute of Forestry Researches and Arrangements (IFRA)	V. Blujdea	
			Twinning Experts	R. Hamel, J. Pfeiffer	
8.	15.01.2007 Head office MARD Hall 20 14 ⁰⁰ – 17 ⁰⁰	Axis 1 – WK 4 Measure: 122 “Improving of the economic value of forests”	Ministry of Agriculture and Rural Development (MARD)	C. Pahontu M. Olaru C. Sincu E. Lupu C. Zaharescu C. Harabagiu R. Matei Secretariat E. Lupu	- presentation of NSP, predominantly of the SWOT analysis and strategic objectives; - presentation of the latest version of the measures ; - presentation of strategic questions: financial allowance, implementation strategy and links to other measures.
			Paying Agency for Rural Development and Fishery (PARDF)	A. Popa	
			Association of Forest Administrators from Romania (AFAR)	D. Fechete	
			Association of Forest Owners from Romania (AFOR)	M. Ionescu	
			Employers' Association of Foresters from Romania (EAFR)	I. Sbera	

			Institute of Forestry Researches and Arrangements (IFRA)	V. Blujdea	
			Twinning Experts	R. Hamel, J. Pfeiffer	
9.	16.01.2007 Head office MARD Hall 20 9 ⁰⁰ – 14 ⁰⁰	Axis 3 – WG 2 Measures: 313 “Encouraging of tourism activities” 322 “Village renewal and development , improvement of basic services for the economy and rural population , conservation and upgrading the rural heritage”	Ministry of Agriculture and Rural Development (MARD)	V. Vasile R. Matei A. Agrigoroaei T. Popa G. Pogan C. Ionescu C. Coada L. Galita I. Gavriluta B. Zaharescu D. Lorent M. Vacaru P. Florea Secretariat B. Dragomirescu N. Olaru	- presentation of NSP, predominantly of the SWOT analysis and strategic objectives; - presentation of the latest versions of the measures ; - presentation of strategic questions: financial allowance, implementation strategy and links to other measures.
			Paying Agency for Rural Development and Fishery (PARDF)	C. Crisan D. Ghizdeanu M. Nicolescu C. Preda A. Bucur	
			National Agency for Agricultural Consultancy (NAAC)	S. Vladimir	
			Directorate for Agriculture and Rural Development (DARD) Sibiu	V. Tudorache	
			Directorate for Agriculture and Rural Development (DARD) Iași	M. Gradinaru	

			National Tourism Authority (NTA)	E. Stroia	
			Ministry of European Integration (MEI)	I. Sandu D. Hangiu	
			Ministry of Transport (MT)	M. Negoita Pătrașcu Gheorghe	
			Ministry of Environment and Sustainable Development (MESD)	S. Stoica	
			Ministry of Culture and Cults (MCC)	B. Trambaciu V. Miu A. Prostebi	
			Project Management Unit (PMU)- Ministry of Interior and Administrative Reform (MIAR)	M. Sescu	
			The Village Museum	Paulina Popoiu Ana Bârcă	
			Romanian Fund for Social Development (RFSD)	L Vasilescu	
			Association of Communes from Romania (ACR)	Nicolae Pandea Dorinel Soare	
			United National Development Programme (UNDP)	M. Dupleac	
			National Centre for the Preservation and Promoting of Traditional Culture (NCPPTC)	O. Petrica	
			Ex-ante evaluations	I. Ionel	
			Twinning Experts	R. Hamel, J. Pfeiffer	
10.	18.01.2007 Head office MARD Hall 20 10 ⁰⁰ – 14 ⁰⁰	Axis 2 – WG 3 Measure: 214 ”Agri- environmental payments”	Ministry of Agriculture and Rural Development(MARD)	V. Vasile A. Bălan S. Didicescu M. Constantinescu C. Ștefan	- presentation of measure 3.3 in view of – PARDF, farmers and NGO's - presentation of the general framework of NSP;

		Sub-measure: 214.2 „Extensive management of pasturelands”		S. Gîdea M. Antonescu A. Tuinea M. Mitrofan C. Coadă Secretariat N. Olaru B. Dragomirescu	<ul style="list-style-type: none"> - presentation of the general framework of NRDP; - presentation of the draft of sub-measure 214.2 “Extensive management of pasturelands” - finalization of the sheet of the measure; - necessity of a consultancy system adapted to the needs of farmers/at the level of the farm; - necessity of informing/promoting the measure; - finalization of an implementation strategy.
			Paying Agency for Rural Development and Fishery (PARDF)	A. Matei C. Preda O. Vochițoiu	
			Paying and Intervention Agency for Agriculture(PIAA)	A. Alexe	
			National Agency for Agricultural Consultancy (NAAC)	M. Staicu	
			Ministry of Environment and Sustainable Development (MESD)	M. Proca M. Șerban	
			ADEPT Foundation	C. Gherghiceanu	
			Romanian Ornithology Society (ROS)	L. Răducescu	
			WWF - Danube-Carpathians Romania Programme	R. Barbu	
			SIVECO - Romania	S. Pavel	
			Twinning Experts	R. Hamel, M. Redman	
11.	23.01.2007 Head office MARD Hall 20 10 ⁰⁰ – 14 ⁰⁰	Axis 2 – WK1 Measure: 213 “Compensatory payments for farmlands from the sites Natura 2000” 224 “ Natura 2000	Ministry of Agriculture and Rural Development(MARD)	V. Vasile A. Bălan S. Didicescu M. Constantinescu C. Ștefan S. Gîdea M. Antonescu	<ul style="list-style-type: none"> - presentation of the general framework of NSP; - presentation of the general framework of NRDP; - presentation of the draft of the sub-measure <i>Compensatory payments Natura 2000</i>;

		payments”		A. Tuinea M. Mitrofan C. Coadă M. Olaru C. Sincu Secretariat N. Olaru B. Dragomirescu	- necessity of a consultancy system adapted to the needs of farmers/at the level of the farm; - necessity of informing/promoting the measure; - finalization of an implementation strategy.
			Ministry of Environment and Sustainable Development (MESD)	M. Proca	
			Paying Agency for Rural Development and Fishery (PARDF)	A. Matei C. Preda O. Vochițoiu	
			Paying and Intervention Agency for Agriculture (PIAA)	A. Alexe I. Stănescu M. Danciu	
			National Agency for Agricultural Consultancy (NAAC)	V. Boboc	
			ADEPT Foundation	C. Gherghiceanu	
			Romanian Ornithology Society (ROS)	L. Răducescu	
			WWF - Danube-Carpathians Romania Programme	R. Barbu	
			SIVECO - Romania	S. Pavel	
			National Agency for Environment Protection (NAEP)	M. Pantilie	
			Association of Forest Administrators from Romania (AFAR)	D. Fechete	
			Association of Forest Owners from Romania (AFOR)	M. Ionescu	

			Employers' Association of Foresters from Romania (EAFR)	I. Sbera	
			Institute of Forestry Researches and Arrangements (IFRA)	V. Blujdea	
			Faculty of Forestry and Forestry Exploitations	I. Abrudan	
			Twinning Experts	R. Hamel, M. Jobda	
12.	24.01.2007 Head office MARD Hall 19 9 ⁰⁰ – 14 ⁰⁰	Axis 2 – WG5 Measure: 221 “First afforestation of agricultural l”; 223 “First afforestation of non-agricultural lands”; 225 “Forest-environmental payments”; 227 “Non-productive investments”;	Ministry of Agriculture and Rural Development(MARD)	C. Pahonțu M. Olaru C. Slinco E. Lupu C. Zaharescu C. Harabagiu R. Matei Secretariat E. Lupu	- presentation of the general framework of NSP; - presentation of the general framework of NRDP; - presentation of the drafts of the sub-measures 221 “ First afforestation of agriculture lands”, 223 “First afforestation of non-agricultural lands”, 225 “Forest-environmental payments”, 227 “Non-productive investments”; - finalization of an implementation strategy.
			Paying Agency for Rural Development and Fishery (PARDF)	A. Popa	
			Paying and Intervention Agency for Agriculture (PIAA)	N. Sterghiu	
			Institute of Forestry Researches and Arrangements (IFRA)	R. Tomescu	
			Association of Forest Owners from Romania (AFOR)	M. Ionescu	
			Association of Forest Administrators from Romania (AFAR)	D. Fechete	
			Employers' Association of Foresters from Romania	I. Sbera	

			(EAFR)		
			Faculty of Forestry and Forestry Exploitations	I. Abrudan	
			WWF - Danube-Carpathians Romania Programme	E. Stanciu	
			Territorial Inspectorate of Forest Regime and Hunting Bucharest	F. Băncilă	
			Twinning Experts	R. Hamel	
13.	25.01.2007 Head office MARD Hall 20 9 ⁰⁰ – 14 ⁰⁰	Axis 2 – WG2 Measure: 214 “Agri- environmental payments” Sub-measure: 214.1 “Organic farming ”	Ministry of Agriculture and Rural Development(MARD)	V. Vasile A. Bălan S. Didicescu M. Constantinescu C. Ștefan S. Gîdea M. Antonescu A. Tuinea M. Mitrofan C. Coadă	- Presentation of measure to farmers and NGO’s; - presentation of the general framework of NSP; - presentation of the general framework of NRDP; - presentation of the draft of the sub-measure Organic agriculture ; - debates upon the type of eligible crops, size of the compensatory payments, role of the certification bodies, possibilities to set off the costs with the certification/inspection;
			Paying Agency for Rural Development and Fishery (PARDF)	A. Matei C. Preda O. Vochițoiu	- finalization for the sheet of the measure;
			Paying and Intervention Agency for Agriculture (PIAA)	A. Alexe I. Stănescu M. Danciu	- necessity of a consultancy system adapted to the needs of farmers/at the level of the farm;
			National Agency for Agricultural Consultancy (NAAC)	V. Boboc	- necessity of informing/promoting the measure
			Ministry of Environment and Sustainable Development (MESD)	M. Proca M. Șerban	- finalization of an
			National Federation for Ecologic Agriculture (NFEA)	I. Toncea	
			SIVECO - Romania	S. Pavel	
			ADEPT Foundation	C. Gherghiceanu	

			SC BIO CERT SRL Romania	A. Damian	implementation strategy.
			SC ECOINSPECT SRL	L. Piroška	
			SC SUOLO E SALUTE Romania SRL	D. Ciubotaru	
			SC ELEGHOS BIO ELLAS ROMANIA SRL	D. Dragomir	
			Twinning Experts	R. Hamel, M. Redman	
14.	29.01.2007 Head office MARD Hall 20 9 ⁰⁰ – 14 ⁰⁰	Axis 2- WG4 Measures: 214 “Agri- environmental payments” Sub-measure: 214.3 “Soil and water protection”	Ministry of Agriculture and Rural Development(MARD)	V. Vasile A. Balan S. Didicescu M. Constantinescu C. Stefan S. Gidea M. Antonescu A. Tuinea M. Mitrofan C. Coda	<ul style="list-style-type: none"> - presentation of the general framework of NSP; - presentation of the general framework of NRDP; - presentation of the draft of the sub-measure “Soil and water protection”; - necessity of a consultancy system adapted to the needs of farmers at the level of the farm; - necessity for informing/promoting the measure; - finalization of an implementation strategy.
				Secretariat B. Dragomirescu N. Olaru	
			Paying Agency for Rural Development and Fishery (PARDF)	C. Preda O. Vochitoiu A. Matei	
			Paying and Intervention Agency for Agriculture (PIAA)	A. Alexe I. Stanescu M. Danciu	
			National Agency for Agricultural Consultancy (NAAC)	V. Boboc	
			Ministry of Environment and Sustainable Development (MESD)	M. Proca M. Serban	
			SIVECO- Romania	S. Pavel	
			ADEPT Foundation	C. Gherghiceanu	

			Romanian Ornithology Society (ROS)	L. Raducescu	
			WWF - Danube-Carpathians Romania Programme	R. Barbu	
			Ex-ante evaluations	M. Nistorescu	
			Twinning Experts	R. Hamel, J. Pfeiffer	
15.	29.01.2007 Head office MARD Hall 20 9 ⁰⁰ – 14 ⁰⁰	Axis 3 – WK1 Measures: 312 “Support for the creation and development of micro-enterprises “ 331 “Preparation and information for the economic stakeholders”	Ministry of Agriculture and Rural Development(MARD)	V. Vasile R. Matei A. Agrigoroaei T. Popa C. Iliescu C. Coada L. Galita I. Gavriluta B. Zaharescu M. Vacaru E. Cercelaru D. Ionita Secretariat B. Dragomirescu N. Olaru	- presentation of NSP, predominantly of the SWOT analysis and strategic objectives; - presentation of the latest version of the Measures ; - presentation of strategic questions: financial allowance, implementation strategy and links to other Measures.
			Paying Agency for Rural Development and Fishery (PARDF)	C. Crisan A. Bucur R. Daminescu I. Dan B. Gaman G. Turtoi	
			National Agency for Agricultural Consultancy (NAAC)	V. Boboc	
			Directorate for Agriculture and Rural Development	I. Ursa	

			(DARD) Alba		
			Directorate for Agriculture and Rural Development (DARD) Braşov	L. Padurariu	
			National Tourism Authority (NTA)	E. Stroia	
			Ministry of European Integration (MEI)	I. Sandu D. Hangiu	
			Ministry of Economy and Finance (MEF)	C. Melita	
			Ministry of Labour, the Family and Equal Opportunities (MLFEO)	G. Ciocodei	
			Project Management Unit (PMU)- Ministry of Interior and Administrative Reform (MIAR)	M. Sescu	
			National Council for the Vocational Training of Adults (NCVTA)	S. Angheluta	
			Competition Council	D. Tudoran	
			National Centre for the Preservation and Promoting of Traditional Culture (NCPPTC)	O. Petrica	
			Rural Support Centre (RSC)	I. Popescu	
			Foundation of Partners for Local Development (FPLD)	N. Rata	
			National Association of Rural, Ecological and Cultural Tourism (NARECT)	M. Stoian	
			Ex-ante evaluations	G. Fintineru	
			Twinning Experts	R. Hamel, J. Pfeiffer	
16.	31.01.2007 Head office MARD	Axis 3 – WK 2 Measures:	Ministry of Agriculture and Rural Development(MARD)	V. Vasile R. Matei	- presentation of NSP, predominantly of the SWOT

Hall 20 9 ⁰⁰ – 14 ⁰⁰	313 “Encouragement of tourism activities” 322 “Village renewal and development, improvement of basic services for the economy and rural population, conservation and upgrading the rural heritage”		A. Agrigoroaei T. Popa G. Pogan C. Ionescu C. Coadă L. Galita I. Gavriluta B. Zaharescu D. Lorent M. Vacaru P. Florea Secretariat B. Dragomirescu N. Olaru	analysis and strategic objectives; - presentation of the latest versions of the measures ; - presentation of strategic questions: financial allowance, implementation strategy and links to other measures.
		Paying Agency for Rural Development and Fishery (PARDF)	C. Crisan D. Ghizdeanu M. Nicolescu C. Preda A. Bucur	
		National Agency for Agricultural Consultancy (NAAC)	S. Vladimir	
		Directorate for Agriculture and Rural Development (DARD) Sibiu	V. Tudorache	
		Directorate for Agriculture and Rural Development (DARD) Iași	Ghe. Cojoc	
		National Tourism Authority (NTA)	E. Stroia	
		Ministry of European Integration (MEI)	I. Sandu D. Hangiu	
		Ministry of Transport (MT)	M. Negoita	
		Ministry of Environment and	S. Stoica	

			Sustainable Development (MESD)		
			Ministry of Culture and Cults (MCC)	V. Nitulescu	
			Project Management Unit (PMU) - Ministry of Interior and Administrative Reform (MIAR)	M. Sescu	
			The Village Museum	Paulina Popoiu Ana Bârcă	
			Romanian Fund for Social Development (RFSD)	L Vasilescu	
			Association of Communes from Romania (ACR)	E. Draghici	
			United National Development Program (UNDP)	M. Dupleac	
			National Centre for the Preservation and Promoting of Traditional Culture (NCPPTC)	O. Petrica	
			Ex-ante evaluations	I. Ionel	
			Twinning Experts	R. Hamel, J. Pfeiffer	
			Clerical representatives Department for Religions representatives		- discussions regarding the possibility of including clerical institutions in the measure 322
17.	06.02.2007 Head office MARD Hall 20 13 ⁰⁰ – 17 ⁰⁰	Axis 1-WG1 Measure: 121 “Modernization of agricultural holdings”	Ministry of Agriculture and Rural Development (MARD)	C. Harabagiu R. Matei A. Tuinea E. Toader B. Alecu P. Alexandru V. Popescu C. Bunghiuz B. Velcescu	- presentation of the new version of the measure; - presentation of expected inputs and outputs; - technical discussions.

				Secretariat B. Dragomirescu N. Olaru	
			Paying Agency for Rural Development and Fishery (PARDF)	C. Dobre D. Stănică A. Bercu	
			Directorate for Agriculture and Rural Development (DARD) Teleorman	D. Iane	
			Directorate for Agriculture and Rural Development (DARD) Clărași	C. Onescu	
			Council per product – oilseeds plants	A. Tianu	
			Council per product – vegetables/ fruit	A. Tănase C. Ionescu	
			Council per product – cereals for beer, hops	T. Baltă	
			Council per product – meat, milk, wool	D. Chircă	
			Council per product – textile plants	E. Tatomir	
			Council per product – tobacco and tobacco products	P. Craioveanu	
			Ex-ante evaluations	G. Fintineru	
			Twinning Experts	R. Hamel, J. Pfeiffer	
18.	07.02.2007 Head office MARD Hall 20 9 ⁰⁰ – 12 ⁰⁰	Axis 1- WG 2 Measures: 141 “Supporting semi-subsistence agricultural holdings”	Ministry of Agriculture and Rural Development (MARD)	C. Harabagiu R. Matei E. Toader A. Tuinea C. Bunghiuz A. Cristea V. Popescu V. Mihăilă	- presentation of the new version of the measure; - presentation of expected inputs and outputs; - technical discussions.

				Secretariat B. Dragomirescu N. Olaru	
			Paying Agency for Rural Development and Fishery (PARDF)	C. Dobre V. Cristea A. Bercu	
			Directorates for Agriculture and Rural Development (DARD) Teleorman	D. Iane	
			Directorates for Agriculture and Rural Development (DARD) Călărași	C. Onescu	
			Romanian Group for Investments and Consultancy (RGIC)	O. Manta	
			Rural Development Foundation (RDF)	G. Fintineru	
			Twinning Experts	R. Hamel, J. Pfeiffer	
19.	07.02.2007 Head office MARD Hall 20 14 ⁰⁰ – 17 ⁰⁰	Axis 1 – WG3 Measures: 123 “Adding value to agricultural and forestry products”	Ministry of Agriculture and Rural Development (MARD)	C. Harabagiu R. Matei A. Tuinea P. Alexandru V. Popescu B. Alecu C. Bunghiuz B. Velcescu Secretariat B. Dragomirescu N. Olaru	- presentation of the new version of the measure; - presentation of expected inputs and outputs; - technical discussions.
			Paying Agency for Rural Development and Fishery (PARDF)	C. Dobre V. Cristea A. Bercu	
			Directorate for Agriculture	M. Oprea	

			and Rural Development (DARD) Dâmbovița		
			Directorate for Agriculture and Rural Development (DARD) Ilfov	G. Roșu	
			Directorate for Agriculture and Rural Development (DARD) Brăila	E. Bănică	
			Council per product – poultry	M. Toma	
			Council per product – meat, milk, wool	D. Chircă	
			Council per product – vegetables/fruit	C. Ionescu A. Tănase	
			Council per product – cereals for beer, hops	T. Baltă	
			Council per product – textile plants and processed products	E. Tatomir	
			Ministry of Economy and Finance (MEF)	C. Meliță	
			Ex-ante evaluator	G. Fintineru	
			Twinning Experts	R. Hamel, J. Pfeiffer	
20.	09.02.2007 Head office MARD Hall 20 9 ⁰⁰ – 13 ⁰⁰	Axis 1 – WG 4 Measure: 142 “Setting up of producer groups”	Ministry of Agriculture and Rural Development (MARD)	C. Harabagiu R. Matei A. Tuinea C. Bunghiuz B. Alecu A. Cîrstea Secretariat B. Dragomirescu N. Olaru	- presentation of the new version of the measure; - presentation of expected inputs and outputs; - technical discussions.
			Paying Agency for Rural Development and Fishery	C. Dobre A. Bercu	

			(PARDF)	R. Daminescu	
			Directorate for Agriculture and Rural Development (DARD) Giurgiu	C. E. Sandu	
			Council per product – vegetables/fruit	C. Ionescu D. Daraban	
			Council per product – textile plants and processed products	E. Tatomir	
			Council per product – meat, milk, wool	D. Chircă	
			Paying and Intervention Agency for Agriculture–vegetables/fruit (PIAA)	A. Chirea	
			Ex-ante evaluator	G. Fintineru	
			Twinning Experts	R. Hamel, J. Pfeiffer	
21.	09.02.2007 Head office MARD Hall 20 14 ⁰⁰ – 17 ⁰⁰	Axis 1 – WG 5 Measure: 112 “Setting up of young farmers ”	Ministry of Agriculture and Rural Development (MARD)	C. Harabagiu R. Matei A. Tuinea C. Bunghiuz B. Alecu V. Popescu P. Alexandru Secretariat B. Dragomirescu N. Olaru	- presentation of the new version of the measure; - presentation of expected inputs and outputs; - technical discussions.
			Paying Agency for Rural Development and Fishery (PARDF)	C. Dobre A. Bercu C. Nătescu	
			Paying and Intervention Agency for Agriculture (PIAA)	L. C. Băciu O. Chiriță D. Relea	
			National Agency for Agricultural Consultancy	R. Scarlat	

			(NAAC)		
			Ex-ante evaluator	G. Fintineru	
			Twinning Experts	R. Hamel, J. Pfeiffer	
22.	12.02.2007 Head office MARD Hall 20 9 ⁰⁰ – 13 ⁰⁰	Axis 1 – WG 6 Measure: 113 “Early retirement of farmers and agricultural workers”	Ministry of Agriculture and Rural Development (MARD)	C. Harabagiu R. Matei A. Tuinea C. Bunghiuz V. Popescu P. Alexandru B. Alecu Secretariat B. Dragomirescu N. Olaru	- presentation of the new version of the measure; - presentation of expected inputs and outputs; - technical discussions.
			Paying Agency for Rural Development and Fishery (PARDF)	C. Dobre A. Bercu R. Daminescu	
			Paying and Intervention Agency for Agriculture (PIAA)	C. L. Baci O. Chiriță D. Relea	
			National Agency for Agricultural Consultancy (NAAC)	R. Scarlat	
			Ex-ante evaluator	G. Fintineru	
			Twinning Experts	R. Hamel, J. Pfeiffer	
23.	12.02.2007 Head office MARD Hall 20 14 ⁰⁰ - 17 ⁰⁰	Axis 1 – WG 7 Measures: 125 “Improving and developing infrastructure related to the development and adaptation of agriculture and forestry” 126 “Restoration of	Ministry of Agriculture and Rural Development (MARD)	C. Harabagiu R. Matei A. Tuinea V. Mihăilă B. Alecu A. Cîrstea D. Lorent P. Florea C. Pahonțu C. Slinco	- presentation of the new version of the measure; - presentation of expected inputs and outputs; - technical discussions.

		the potential of agricultural production affected by natural calamities and the implementation of corresponding prevention measures”		M. Olaru A. Rădulescu A. Blenesi C. Cristu D. Chircă D. Daraban Secretariat B. Dragomirescu N. Olaru	
			Paying Agency for Rural Development and Fishery (PARDF)	C. Dobre A. Bercu C. Tacea	
			Directorate for Agriculture and Rural Development (DARD) Constanța	I. Sopera	
			Directorate for Agriculture and Rural Development (DARD) Buzău	M. Alexandru	
			National Agency of Land Melioration (NALM)	G. Suci	
			Agency of State Domains (ADS)	T. Barna	
			Association of Forest Managers	V. Alexa	
			Ex-ante evaluator	G. Fintineru	
			Twinning Experts	R. Hamel, J. Pfeiffer	
24.	13.02.2007 Head office MARD Hall 19 9 ⁰⁰ – 13 ⁰⁰	Axis 1 – WG 8 Measure: 122 “Improving of the economic value of forests”	Ministry of Agriculture and Rural Development(MARD)	C. Pahonțu M. Olaru C. Slineu C. Harabagiu R. Matei A. Tuinea Secretariat	- presentation of the new version of the measure; - presentation of expected inputs and outputs; - technical discussions.

				B. Dragomirescu N. Olaru	
			Paying Agency for Rural Development and Fishery (PARDF)	C. Dobre A. Bercu A. Popa M. Moise	
			Association of Forest Administrators from Romania (AFAR)	D. Fechete	
			Association of Forest Owners from Romania (AFOR)	M. Ionescu	
			Employers' Association of Foresters from Romania (EAFR)	I. Sbera	
			Institute of Forestry Researches and Arrangements (IFRA)	V. Blujdea	
			Federation for the Protection of Forests (FPF)	M. Stoicescu	
			Ex-ante evaluator	G. Fintineru	
			Twinning Experts	R. Hamel, J. Pfeiffer	
25.	13.02.2007 Head office MARD Hall 19 14 ⁰⁰ – 17 ⁰⁰	Axis 1 – WG9 Measure: 114 “Version A and B: Use of agricultural advisory services by agricultural producers and owners of forests”	Ministry of Agriculture and Rural Development (MARD)	C. Harabagiu R. Matei A. Tuinea V. Mihăilă D. Ioniță A. Cristea E. Cercelaru Secretariat B. Dragomirescu N. Olaru	- presentation of the new version of the measure; - presentation of expected inputs and outputs; - technical discussions.
			Paying Agency for Rural Development and Fishery (PARDF)	C. Dobre A. Bercu G. Turtoi	

			National Agency for Agricultural Consultancy (NAAC)	R. Scarlat	
			ADEPT Foundation	Nat Page	
			Romanian Group for Investments and Consultancy (RGIC)	O. Manta	
			Ministry of Labour, the Family and Equal Opportunities (MLFEO)	G. Ciocodei	
			World Bank	D. Giurcă	
			Ex-ante evaluator	G. Fintineru	
			Twining Experts	R. Hamel, J. Pfeiffer	
26.	13.02.2007 Head office MARD Hall 20 9 ⁰⁰ – 13 ⁰⁰	Axis 1 – WG 10 Measure: 111 “Vocational training, information actions and the diffusion of knowledge”	Ministry of Agriculture and Rural Development(MARD)	C. Harabagiu R. Matei A. Tuinea V. Mihăilă E. Cercelaru D. Ioniță A. Cristea	- presentation of the new version of the measure; - presentation of expected inputs and outputs; - technical discussions.
			Paying Agency for Rural Development and Fishery (PARDF)	C. Dobre A. Bercu G. Turtoi	
			National Agency for Agricultural Consultancy (NAAC)	R. Scarlat	
			Directorate for Agriculture and Rural Development (DARD) Ilfov	G. Roșu	
			ADEPT Foundation	Nat Page	
			Ministry of Labour, the Family and Equal Opportunities (MLFEO)	G. Ciocodei	
			World Bank	D. Giurcă	
			Ex-ante evaluator	G. Fintineru	

27.	13.02.2007 Head office MARD Hall 20 14 ⁰⁰ – 17 ⁰⁰	Axis 4 – LEADER Measures: 41 “Implementation of local development strategies” 411 – Axis 1 – “Improving the competitiveness of the agricultural and forestry sector” 413 – Axis 3 – “The quality of life in rural areas and the diversification of the rural economy” 421 “Implementing cooperation projects” 431 “Running the Local Action Groups, acquiring skills and animating the territory”	Ministry of Agriculture and Rural Development (MARD)	C. Harabagiu R. Matei C. Coadă I. Gavriluță L. Galiță B. Zaharescu B. Alecu V. Popescu S. Didicescu M. Constantinescu T. Popa A. Agrigoroaiei A. Tuinea Secretariat N. Olaru B. Dragomirescu	- presentation of NSP (predominantly of the SWOT analysis and of the strategic objectives) - presentation of the latest versions of the measures (measures proposed by 411, 412 and 413) and measures 421, 431 and 341; - articulation with measures 431 and 341; - presentation of strategic questions: <i>selection criteria, legal status, implementation area, financial allowance, implementation strategy, links with other measures.</i>
			Directorate for Agriculture and Rural Development (DARD) Ilfov	Gelu Roșu	
			Directorate for Agriculture and Rural Development (DARD) Sibiu	V. Tudorache	
			Paying Agency for Rural Development and Fishery (PARDF)	G. Turtoi	
			National Agency for Agricultural Consultancy (NAAC)	C. Voievozeanu	
			The Academy of Agricultural and Forestry Sciences (AAFS)	C. Hera	
			Project Management Unit (PMU)- Ministry of Interior and Administrative Reform	M. Sescu	

			Romanian Fund for Social Development (RFSD)	L. Vasilescu	
			Centre for Rural Support (CRS)	C. Demeter	
			Foundation of Partners for Local Development (FPLD)	N. Rață	
			Regional Centre for Sustainable Rural Development (RCSRd)	I. Bucur	
			Romanian Association for Community Development (RACD)	F. Amarie	
			The Pact Foundation	Nate Page	
			Association of Communes from Romania (ACR)	E. Drăghici	
			Association of Cities from Romania (ACR)	I. Chiriță	
			The Chamber of Commerce	C. Rotaru	
			Ministry of Interior and Administrative Reform (MIAR)	D. Ciomag	
			Ministry of European Integration (MEI)	D. Hangiu	
			Local Action Group (LAG) Dâmbovița	M. Ionel P. Nicolae	
			Local Action Group (LAG) Snagov - Ilfov	F. Matei	
			Local Action Group (LAG) Vidra Copăceni - Ilfov	C. L. Iures	
			Association for Zonal Development Medgidia	C. Livadariu	
			The Pact Foundation	R. Mirciu	
			Ex-ante evaluations	G. Fintineru	
			Twinning Experts	R. Hamel, C.Viret& C.Bernard	

28.	20.02.2007 Head office MARD Hall 19 9 ⁰⁰ – 14 ⁰⁰	Axis 2 – WG 5 Measure: 221 “First afforestation of agriculture lands”; 223 “First forestation of non-agricultural lands”; 225 “Forest-environmental payments”; 227 “Non-productive investments”;	Ministry of Agriculture and Rural Development(MARD)	C. Pahonțu M. Olaru C. Slincu E. Lupu C. Zaharescu C. Harabagiu R. Matei Secretariat E. Lupu	- presentation of the general framework of NSP; - presentation of the general framework of NRDP; - presentation of the drafts of the sub-measures 221 “First afforestation of agriculture lands”, 223 “First afforestation of non-agricultural lands”, 225 “Forest-environmental payments”, 227 “Non-productive investments”; - finalization of an implementation strategy.
			Paying Agency for Rural Development and Fishery (PARDF)	A. Popa	
			Paying and Intervention Agency for Agriculture (PIAA)	N. Sterghiu	
			Institute of Forestry Researches and Arrangements (IFRA)	R. Tomescu	
			Association of Forest Owners from Romania (AFOR)	M. Ionescu	
			Association of Forest Administrators from Romania (AFAR)	D. Fechete	
			Employers’ Association of Foresters from Romania (EAFR)	I. Sbera	
			Faculty of Forestry and Forestry Exploitations	I. Abrudan	
			WWF - Danube-Carpathians Romania Programme	E. Stanciu	
			Territorial Inspectorate of Forest Regime and Hunting	F. Băncilă	

			Bucharest		
			Twinning Experts	R. Hamel	
29.	27.02.2007 Head office MARD Hall 20 9 ⁰⁰ – 14 ⁰⁰	Axis 4 – LEADER Measures: 41 “Implementation of Local development strategies” 421 “Implementing cooperation projects” 431 Running the Local Action Groups, acquiring skills and animating the territory	Ministry of Agriculture and Rural Development (MARD)	C. Harabagiu R. Matei C. Coadă I. Gavriluță L. Galiță B. Zaharescu B. Alecu V. Popescu S. Didicescu M. Constantinescu T. Popa A. Agrigoroaiei A. Tuinea Secretariat N. Olaru B. Dragomirescu	<ul style="list-style-type: none"> - presentation of NSP (predominantly upon the SWOT analysis and strategic objectives) - presentation of the latest versions of the measures (measure proposed by 411, 412 and 413) and measures 421, 431 and 341 - articulation of measures 431 and 341 - presentation of strategic questions: <i>selection criteria, implementation area, financial allowance, implementation strategy, links to other measures.</i>
			Directorates for Agriculture and Rural Development (DARD) Ilfov	Gelu Roșu	
			Directorate for Agriculture and Rural Development (DARD) Sibiu	V. Tudorache	
			Paying Agency for Rural Development and Fishery (PARDF)	G. Turtoi	
			National Agency for Agricultural Consultancy (NAAC)	C. Voievozeanu	
			The Academy of Agricultural and Forestry Sciences	C. Hera	

			(AAFS)		
			Project Management Unit (PMU)- Ministry of Interior and Administrative Reform	M. Sescu	
			Romanian Fund for Social Development (RFSD)	L. Vasilescu	
			Centre for Rural Support (CRS)	C. Demeter	
			Foundation of Partners for Rural Development (FPRD)	N. Rață	
			Regional Centre for Sustainable Rural Development (RCSRd)	I. Bucur	
			Romanian Association for Rural Sustainable Development (RARSD)	F. Amarie	
			The Pact Foundation	Nate Page	
			Association of Communes from Romania (ACR)	E. Drăghici	
			Association of Cities from Romania (ACR)	I. Chiriță	
			The Chamber of Commerce	C. Rotaru	
			Ministry of Interior and Administrative Reform (MIAR)	D. Ciomag	
			Ministry of European Integration (MEI)	D. Hangiu	
			Local Action Group (LAG) Dâmbovița	M. Ionel P. Nicolae	
			Local Action Group (LAG) Snagov - Ilfov	F. Matei	
			Local Action Group (LAG) Vidra Copăceni - Ilfov	C. L. Iureș	
			Association for Zonal Development Medgidia	C. Livadariu	

			The Pact Foundation	R. Mirciu	
			Ex-ante evaluations	G. Fintineru	
			Twinning Experts	R. Hamel, C.Viret& C.Bernard	

ANEXA 8 B

*The consulting process at territorial level for the national rural development programme 2007-2013
(11-15 of June 2007)*

The counties participating at the consultings

No.	Organiser county	Date of the consultance session development	Regions that will take part at the consulting	Responsible for the organizing	Lectors
1.	Iasi	1 day - public investments Data: 14.06.2007 1 day - private investments Data: 15.06.2007	Iasi, Botosani, Suceava, Neamt, Bacau, Vaslui +Covasna, Brasov, Harghita	Gheorghe Cojoc-DARD Iasi	Vasile Juravle – DARD Harghita Gheorghe Cojoc – DARD Iași
2.	Cluj	1 day - public investments Data: 12.06.2007 1 day - private investments Data: 13.06.2007	Cluj, Bistrita-Nasaud, Maramures, Satu-Mare ,Salaj, Sibiu +Mures , Alba	Laszlo Lorinczi – DARD Cluj	Lehel Antal – DARD Mureș
3.	Timis	1 day - public investments Data: 11.06.2007 1 day - private investments Data: 12.06.2007	Timis, Arad, Hunedoara, Caras- Severin +Gorj, Bihor	Ioan Csoz- DARD Timis	Valentin Tudorache – DARD Sibiu
4.	Constanta	1 day - public investments Data: 14.06.2007 1 day - private investments Data: 15.06.2007	Constanta, Tulcea, Braila, Galati, Vrancea, Buzau +Calarasi, Ialomita	Iancu Sopera – DARD Constanta	Mircea Alexandru – DARD Buzău
5.	Dambovita	1 day - public investments Data: 13.06.2007 1 day - private investments Data: 14.06.2007	Dambovita, Teleorman, Giurgiu, Valcea, Olt, Prahova, Arges, Ilfov, Bucuresti +Dolj, Mehedinti	Mihaela Oprea – DARD Dambovita	Dumitru Iane – DARD Teleorman

ANNEX 9
Consulting Process
for the National Rural Development Programme 2007 – 2013
National Rural Development Network
(30th – 31st of May 2007)

AGENDA

Wednesday, 30th of May 2007

09:00	Presentation of the agenda – Viviana Vasile – Deputy General Manager – GDRD – AM for NRDP
09:15	General vision upon NRDP – Viviana Vasile - Deputy General Manager – GDRD – AM for NRDP Viviana Vasile
10:00	The importance of informing and sharing experience among all stakeholders from the rural area– Roland Hamel - RT Twinning
10.30	Coffee break
10:45	National Rural Development Network : Ideas for discussions – Michael Dower – founding member of PREPARE
11:30	Experience of EU Member States in implementing the Rural Network – Dorothé Duguet
12:30	Perspectives of the network for the period 2007-2013 by the interaction of the three levels: local, national and European - Hannes Lorenzen – Chairman of PREPARE / Counsellor of the European Parliament
13.00	European legislation transposed in NRDP – Claudiu Coadă – Head of Unit GDRD
13.30	Lunch break
14:30	Working groups: “Reactions to the concept of the National Rural Development Network and the highlighting of the needs of the stakeholders involved in axes 1, 2, 3 and 4 of NRDP”
16:30	Coffee break
16:45	Presentation of the conclusions of working groups General discussions
18:00	End of first day

Thursday, 31 May 2007

09:00	Plenary session on the discussion themes of the working groups and their organization
09:30	Working groups: “Analysis and highlighting of levers and activities necessary for the local stakeholders or varied groups of local stakeholders within the network”
11:00	Coffee break
11:15	Presentation of the conclusions of working groups in order to insert them in the action plan of the network. Final discussions.
13:00	End of second day

ANNEX 10 a

The list* of the members of the National Rural Development Network

No.	Institution
Relevant Ministries	
1.	Ministry of Development, Public Works and Housing – General Direction Public Works
2.	Ministry of Culture and Cults
3.	Ministry of Environment and Sustainable Development – Managing Authority for the Sectorial Operational Environment Programme
4.	Ministry of Labour, Family and Equal Opportunities – Managing Authority for the Sectorial Operational Human Resources Development Programme
Public Authorities/Their administrations and associations	
5.	Romanian Waters National Administration – Giurgiu Water Management System
6.	National Administration for Landed Improvement, Dunăre-Olt, Olt Administrative Unit
7.	National Agency for Agriculture Consulting, Bucharest
8.	Environment Protection Agency, Deva, Hunedoara
9.	Environment Protection Agency, Giurgiu
10.	ANTREC Moldova, Piatra Neamț, Neamț
11.	Communes Association – Buzău Office
12.	Romanian Communes Association – Botoșani Office
13.	Romanian Communes Association – Dolj Office
14.	Romanian Communes Association – Galați Office
15.	Romanian Communes Association – Gorj Office
16.	Romanian Communes Association – Vaslui Office
17.	Romanian Communes Association (ACoR)– Neamț Office
18.	Romanian Communes Association – Dâmbovița Office
19.	Association of the Communes from the Plain Area of Mureș County
20.	Local Councils Association Belcești, Iași
21.	National Centre for the Preservation and Promotion of Traditional Culture, Bucharest
22.	SUDOLT Community of Communes, Dolj
23.	Valu lui Traian Local Council, Constanța
24.	National Council of Private Small and Medium Enterprises, Arad
25.	County Directorate for Culture, Cults, and National Cultural Heritage, Hunedoara
26.	Romanian Communes Association – Călărași Office
27.	The Foundation for Democracy, Culture, and Freedom – Călărași Office
28.	Forestry and Hunting Inspectorate, Galați
29.	The Prefecture of Neamț County
30.	Village Museum, Bucharest
31.	Museum of the Romanian Peasant, Bucharest
32.	County Office for Agriculture Consulting Neamț
33.	Paying County Office for Rural Development and Fishery, Dolj
34.	National Forest Administration – ROMSILVA, Bucharest
35.	Local Public Forest Administration Kronstadt R.A., Brașov
36.	RNP ROMSILVA – Arad Forest Directorate –Lunca Mureșului National Park
Universities and research institutes etc.¹¹³	
37.	Academy for Agricultural and Forestry Studies (ASAS), Bucharest
38.	Romanian Academy Iași Office – The Economical and Social Research Institute Ghe Zane
39.	Suceava Educators Association, Suceava

* Over 65 institutions and organizations (County Councils, Local councils, mayoralities, prefectures, natural authorized persons) who, following the consultation process, have manifested their interest in becoming members of the NRDN, have not been included in the list, as they are represented by organizations at the national level.

No.	Institution
40.	Agricultural Training Centre – AGROMRO, Mureș
41.	Zootechny Improvement and Breeding Territorial Centre
42.	Dr. C. Angelescu Agriculture College, Buzău
43.	„Țara Bârsei” Agriculture and Food Industry College, Brașov
44.	“TERRA NOSTRA” Academic Foundation for Rural Progress, Iași
45.	Alma Mater University Foundation – Alma Mater University, Sibiu
46.	Costești Vocational Agriculture Highschool, Argeș
47.	“Ion Ionescu de la Brad” Vocational Agriculture Highschool, Hori, Neamț
48.	M. Kogălniceanu, Vocational Agriculture Highschool, Miroslav, Iași
49.	Rm. Sărat Vocational Agriculture Highschool, Buzău
50.	Research-Development Institute for Grass Lands, Brașov
51.	Research Development Institute for Beekeeping, Bucharest
52.	Research Development Institute for the Industrialization of Horticultural Products – HORTING, Bucharest
53.	Research Development Institute for Pomiculture Mărăcineni, Argeș
54.	National Research Development Institute for Pedagogy, Agro-chemistry, and Environment Protection (ICPA), Bucharest
55.	The Scientific Society SYGNIUS – UNESCO Centre, Suceava
56.	Agricultural Research Development Station, Brăila
57.	Legume Research Development Station, Bacău
58.	Legume Research Development Station, Buzău
59.	Viticulture and Wine-making Research Development Station, Drăgășani, Vâlcea
60.	Pomiculture Research Development Station, Vâlcea
61.	Viticulture and Wine-making Research Development Station Târgu Bujor
62.	Babeș Bolyai University, The Faculty of Economic Sciences and Business Management, Cluj
63.	University of Agricultural Sciences and Veterinary Medicine of Banat, Timișoara
64.	University of Agronomical Sciences and Veterinary Medicine, Bucharest
65.	University of Agronomical Sciences and Veterinary Medicine, Iași
66.	Dunărea de Jos University Galați – Agriculture – Ecology Department, Brăila
67.	Dunărea de Jos University Galați – Faculty of Engineering, Brăila
Civil and non-profit sectors	
68.	AGROPOG Association, Brașov
69.	Alba FRODA Association for Rural Development, Alba
70.	Chamber of Commerce and Food Industry Association, Prahova
71.	Faerag Sports Club Association – Certeju de Sus, Hunedoara
72.	Codrii Făgărașului Association, Brașov
73.	Codru Association, Satu Mare
74.	Valea Gurghiului Communities Association, Mureș
75.	Condor Club Arad Association (tourism, environment protection), Arad
76.	“Elanul Rural Academy” Cultural Association, Găgești, Vaslui
77.	“ETHNOS” Cultural Association, Pădureni, Vaslui
78.	Tășnad Microregion Cooperation and Development Association, Satu Mare
79.	“Valea Someșului” Intercommunity Development Association, Sălaj
80.	“Valea Zalăului” Intercommunity Development Association, Sălaj
81.	“Valea Agrișului” Reservoir Intercommunity Development Association, Sălaj
82.	“Valea Barcăului” Intercommunity Development Association, Sălaj
83.	“SOL CAMPI” Intercommunity Development Association, Călărași
84.	Depresiunea Horezu Intercommunity Development Association, Vâlcea
85.	Sântana Intercommunity Development Association, Arad
86.	Târnava Mare Intercommunity Development Association, Mureș
87.	“Alcsik” Microregional Development Association, Harghita
88.	Rural Development Association Someș – Nadăș, Cluj

No.	Institution
89.	Area Development Association Medgidia, Constanța
90.	Education for the 3 rd Millennium Association, Giurgiu
91.	LAG Microregion Hârtibaciu Association, Sibiu
92.	Germisara Association – Project Club Germisara – Geoagiu, Hunedoara
93.	Harghita Nord-Est Association, Harghita
94.	Inter-communal “ARGEȘUL CĂLĂRAȘI” Association
95.	“Rajka Peter” (AIRP) Entrepreneurs Association, Cluj
96.	Mountain Development County Association, Mureș
97.	LINISOR Association, Hunedoara
98.	ECONATUR Microregional Association, Satu Mare
99.	Iernuțanca Microregional Association, Suceava
100.	Pogany-Havas Microregional Association, Harghita
101.	Târnavă Mică Bălăușeri – Sovata Microregional Association, Mureș
102.	Călimani Microregion Association, Harghita
103.	Țara Codrului Economical-Social Development Microregion Association, Maramureș
104.	Rika Microregion Association, Harghita
105.	National Rural Ecological and Cultural Tourism Association (ANTREC), Bucharest
106.	“Nașterea Maicii Domnului” non-profit Association, Deleni, Iași
107.	Obcinele Bucovinei Association, Suceava
108.	Focul Viu Sustainable Development Association, Vrancea
109.	“EURO – RURAL” Sustainable Rural Development Association, Brașov
110.	The Association for the Development and Promotion of Human Resources Deva, Hunedoara
111.	“REPERE” Association for European Integration, Bacău
112.	The Association for the Integration of Sustainable Development, Hunedoara
113.	The Association for the Promotion of Professional and Technological Values in Agriculture and Rural Development, Mureș
114.	Tourism and Local Economic Development Association, Sucevița, Suceava
115.	Pro Democrația – Club Association, Iași
116.	PROTIN 2000 Association, Trușești, Botoșani
117.	Community Development Romanian Association – Craiova Office
118.	Cristuru Secuiesc Region Association, Harghita
119.	Community Development Romanian Association, Vrancea
120.	The Association of Rural Development Experts, Argeș
121.	TURDA FEST Association, Cluj
122.	Tutova Puiesti Association, Vaslui
123.	Chamber of Commerce and Industry Bucharest (CCIB)
124.	Romanian Chamber of Commerce and Industry – Călărași Office
125.	Chamber of Commerce and Industry Brașov – Făgăraș Office
126.	Chamber of Commerce and Industry, Neamț
127.	Chamber of Commerce, Industry and Agriculture, Călărași
128.	Chamber of Commerce, Industry and Agriculture, Galați
129.	Centre for Rural Assistance (CAR), Romania
130.	Centre for Consultancy and Regional Development, Buzău
131.	Centre for Rural Development – Valea Sâmbetei (CDR-VS)
132.	Ecology Regional Centre, Bacău
133.	Initiatives for the Citizens Regional Centre – PROCIVIC, Buzău
134.	Regional Centre for Sustainable Rural Development (CEDER), Constanța
135.	Simeria Veche Equine Centre, Hunedoara
136.	Mountain Sports Club, Hunedoara
137.	Dorna Mountain Agriculturalists Federation, Vatra Dornei, Suceava
138.	Romanian Beet Sugar Cultivators Federation (FCSZR)
139.	Romanian Agricultural Producers National Federation

No.	Institution
140.	Romanian Fund for Social Development (FRDS), Bucharest
141.	“ VIITOR EUROPEAN PENTRU GIURGIU” Foundation
142.	„Obârșii” Deva Foundation, Hunedoara
143.	ADAR Foundation– The Agency for the Promotion and Development of Arad County
144.	ADEPT Transylvania Foundation, Mureș
145.	CIVITAS Foundation ¹¹⁴ for the Civil Society, Cluj Napoca
146.	“Creștinii în acțiune” Foundation, Vrancea
147.	Mușeata Armână Cultural Foundation, Constanța
148.	“SPERANȚA” Local Development Foundation, Târgu Neamț
149.	EU-RO Consult Foundation, Galați
150.	Romanian-Swiss Multimedia Institute Foundation, Hunedoara
151.	M.A.T.C.A. – 2000 Foundation – Artistry, Harmony, Tradition, Creativity, Aspiration Foundation, Bucharest
152.	Partners for Local Development Foundation (FPDL), Bucharest
153.	Partnership for Community Action and Transformation (PACT), Bucharest
154.	Handicrafts Foundation, Bucharest
155.	The Foundation for the Promotion of Small and Medium Enterprises, Brașov
156.	Tismana Foundation, Gorj
157.	Transylvania Trust Foundation, Cluj
158.	DOMUS Humanitarian Foundation, Suceava
159.	LAG TROTUȘ, Bacău
160.	“Valea Crasnei” Microregion, Sălaj
161.	Firtoș Microregion - „Firtostető Egyesület” Association, Harghita
162.	Gura Humorului Microregion, Suceava
163.	United Nations Development Programme (UNDP)/GEF (Small Grants Programme), Bucharest
164.	RuralNet – Romania**
165.	Romanațiul Mijlociu Subregional Territory, Olt
166.	Zona de Sud-Vest Subregional Territory, Olt
167.	Romanian Agricultural Producers National Union
168.	World Wide Fund For Nature (WWF) – Danube Carpathians Programme, Romania
Ethnic and Minority Groups	
169.	Romanian Roma Civic Association, Bucharest
170.	Youth Association of the Roma in Bârlad, Iași
171.	Interactive Community Development Association, Botoșani
172.	Development Projects Implementation Agency, Argeș
173.	“Roma in Brazil” Association, Sălaj
174.	Magyar Agriculturalists Association in Romania, Cluj
175.	Magyar Agriculturalists Association in Romania, Mureș
176.	Szeke Regional Community Development Association, Harghita
177.	“ALEGRIA” Youth Association for Community Development and Social Inclusion Promotion, Călărași
178.	County Office for the Roma, Giurgiu
179.	Roman Informal Group for the Roma, Călărași
Economic Sectors	
180.	AF Balea Vasile- Aurel Vlaicu, Hunedoara
181.	Almis Distribution SRL, Brăila
182.	C.R.O.N.O.Association–Resource Centre for Non-Profit Organizations in Oltenia, Olt

** Network comprising 21 organisations, among which resource centres, and minority and ethnic groups (Roma, Magyar, etc.) as well as organizations promoting equality of opportunity, and which are concerned with ensuring and improving the quality of the services provided by the organizations which are active in the field of community development in Romania, and the superior valorization of their competences and resources.

No.	Institution
183.	Valea Crișului Alb Superior Economic and Social Development Association, Arad
184.	Cricov Intercom Association, Prahova
185.	Romanian Businessmen Association (AOAR), Bucharest
186.	Dairy Industry Romanian Patronage Association, Bucharest
187.	“ADL-PROGRES” Local Development Association, Neamț
188.	The Association for the Promotion of Small and Medium Enterprises, Făgăraș
189.	RURALMED ZELETIN SRL Association, Bacău
190.	TÂRGOVIȘTE towards Europe Association, Dâmbovița
191.	FERMGED PROD, Brăila
192.	LAM Foundation (agricultural producers), Covasna
193.	HORTIFRUCT SRL, București
194.	LACTO IND Ștefănești, Botoșani
195.	Agricultural Producers Patronage Association, Argeș
196.	Tinned Fruit and Vegetable and Tinned Mixed Goods Industry Patronage – ROMCONSERV, Bucharest
197.	IMM Patronage, Ialomița
198.	Small and Medium Enterprises Patronage, Constanța
199.	Small and Medium Enterprises Patronage, Teleorman
200.	Bucharest Small and Medium Private Enterprises Patronage and the Small and Medium Enterprises Patronage Federation – Bucharest-Ilfov Region
201.	Local Small and Medium Enterprises Patronage (PLIMM) Calafat, Dolj
202.	Romanian Pork Meat Patronage, Bucharest
203.	Grape Vine and Wine National Patronage, Bucharest
204.	Mill Industry, Bread Manufacture and Farinaceous Products Romanian Patronage (ROMPAN), Bucharest
205.	Romanian Sugar Patronage, Bucharest
206.	Raiffeisen Bank – Giurgiu Office
207.	S.C. AGRAR CONSULTING SRL, Neamț
208.	S.C. MARSAT S.A. Roman, Neamț
209.	S.C. PROD ABC COMPANY SRL, Neamț
210.	SC Agro Holding ANNABELLA SRL, Vâlcea
211.	SC Agrocov SRL, Galați
212.	SC AGROCT FOREST SRL, Caraș Severin
213.	SC AGROFERM Bănilă, Caraș Severin
214.	SC AGROHOLDING SA, Giurgiu
215.	SC Agromans SRL –Pestenita, Hunedoara
216.	SC AGROMECA SA Putineiu, Giurgiu
217.	SC Agromec SRL - Rapoltu Mare, Hunedoara
218.	SC AGROTOTAL PRODCOM SRL, Argeș
219.	SC ARLAND SRL Unțeni, Botoșani
220.	SC AVENSA Consulting SRL, Iași
221.	SC Buzoiești, Argeș
222.	SC CANIDO SRL, Vâlcea
223.	SC CRESPOS SRL Zărnești, Brașov
224.	SC Delta Consulting SRL, Giurgiu
225.	SC DOC Popăuți, Botoșani
226.	SC EMA GAB SRL -Aurel Vlaicu, Hunedoara
227.	SC Energia Verde SA, Olt
228.	SC ERTIM TOMUTA SRL –Beriu, Hunedoara
229.	SC GabiEma Col SRL –Romos, Hunedoara
230.	SC HOFIGAL SA Import – Export, București
231.	SC Hortimex SRL –Hațeg, Hunedoara

No.	Institution
232.	SC Kiss Gazda SRL, Sălaj
233.	SC Nirvana Agrocom Prod SRL –Hateg, Hunedoara
234.	SC Ocolul Silvic Lungo Bălănescu SRL, Arad
235.	SC Polaris Consult SRL, Vâlcea
236.	SC Regional Consulting SRL, Suceava
237.	SC RÎMNICOMB SRL, Buzău
238.	SC Secerişul SRL, Dolj
239.	SC SEMAGRA SRL Dobreni, Neamţ
240.	SC SEMROM Oltenia SA - Sucursala Olt
241.	SC SURAKI SRL, Giurgiu
242.	SC UNIC SG SRL, Harghita
243.	SC. MECANICA CEAHLAU SA, Neamţ
244.	SCM (crafts) ROMARTIZANA, Bucureşti
245.	CERES Agricultural Society, Argeş
246.	Bucovina Hunting Society, Suceava
247.	“NOUA ALINAȚĂ” Ecological Society, Giurgiu
Forest Owners, Comercial Farms	
248.	Forest Administrators Association, Sibiu
249.	Stejarul Daia Common Property Association, Harghita
250.	MIKLOSFALUA Forest and Grass Land Common Property Association, Nicoleşti, Harghita
251.	MIPETCU Forest and Grass Land Common Property Association, Harghita
252.	ECOFORST Association, Neamţ
253.	Pietroasele Forest Owners Association, Buzău
254.	Ardeal Forest, Grass Land, and Agricultural Fields Owners Association, Sălaj
255.	Romanian Peasants and Owners Syndicate –Land, Forest, Houses, Mobile and Immobile Goods Owners Peasants National Association – PROPACT 2005, Bucharest
Small Farms	
256.	Panaci ECOFARM, Suceava
Producers Associations and their Organizations and Associations	
257.	“Floare de Colţ” Common Property Association – Râu de Mori, Hunedoara
258.	“Animal Ban” Association, Baniţa, Hunedoara
259.	“Narcisa” Association, Sălaşu de Sus, Hunedoara
260.	ACORD Association –Hobita Pui, Hunedoara
261.	LICIU Agricultural Association – Ostrov, Hunedoara
262.	Agro-technical and Agro-tourism Agriculturalists Association, Buces, Hunedoara
263.	Agro-Vegetables Association, Olari, Prahova
264.	Lunca Cernii Agro-zootechnical Association, Hunedoara
265.	ASIMCOV Association Sf. Gheorghe, Covasna
266.	“Petreanu” Common Property Association – Clopotiva, Hunedoara
267.	General Berthelot Common Property Association, Hunedoara
268.	Beekeepers Association – Arad Office
269.	Beekeepers Association – Buzău Office
270.	Beekeepers Association – Neamţ Office
271.	Romanian Beekeepers Association – Suceava Office
272.	Romanian Beekeepers Association – Vaslui Office
273.	Romanian Beekeepers Association, Bucharest
274.	Animal Breeders Association, Ivăneşti, Vaslui
275.	“Crişana” Animal Breeders Association, Blăjeni, Hunedoara
276.	Animal Breeders Association, Bârlad, Vaslui
277.	Animal Breeders Association, Negresti, Vaslui
278.	Animal Breeders Association, Surad Ciocăneşti, Suceava

No.	Institution
279.	„Cireșei” Animal and Birds Breeders Association, Buces, Hunedoara
280.	“Motul Vulcan” Animal and Birds Breeders Association, Buces, Hunedoara
281.	Sălașu de Sus Animal and Birds Breeders Association, Hunedoara
282.	Viișoara Animal and Birds Breeders Association, Teleorman
283.	Ulieș Cattle Breeders Association, Harghita
284.	Cattle Breeders Association, Covasna
285.	Cattle Breeders Association, Sălaj
286.	Caprine Breeders Association, Prahova
287.	“Capricorn” Caprine Breeders Association – Buzău Office
288.	Miorița Ovine Breeders Association, Vrancea
289.	Valea Mureșului Superior Ovine and Caprine Breeders Association, Mureș
290.	MOLDOOVIS Ovine and Caprine Breeders Association, Răchiți, Botoșani
291.	Ovine and Caprine Breeders Association, Teleorman
292.	Bird Breeders Association, Vaslui
293.	Taurine Breeders Association – Brăila Office
294.	Taurine Breeders Association – Buzău Office
295.	Taurine Breeders Association – Galați Office
296.	Taurine Breeders Association – Giurgiu Office
297.	Taurine Breeders Association – Teleorman Office
298.	Taurine Breeders Association Rebricea, Vaslui
299.	Taurine Breeders Association Bala, Mehedinți
300.	Mureș County Taurine Breeders Association – Târgu Mureș – Deda – Bistrița Mureșului Local Office
301.	Taurine Breeders Association, Botoșani
302.	Dobrogea Cereal Growers Association, Constanța
303.	Cereal and Technical Plants Growers, Galați
304.	Intercommunity Development Association, Valea Buzăului
305.	Pollen Producers Cooperation Economical Association, Blaj, Alba
306.	EUROFERMIERUL Prahovean Association, Prahova
307.	Taurine Breeders General Association – Mehedinți Office
308.	Romanian Taurine Breeders General Association
309.	Gicaras Târnava VATA Association, Hunedoara
310.	Hunedoara County Bird and Animal Breeders Association
311.	Sălaj County Ovine and Caprine Breeders Association
312.	“PETRODAVA” County Taurine Breeders Association, Neamț
313.	County Taurine Breeders Association, Bacău
314.	Pensioners County Association, Iași
315.	Hunters and Sports Fishermen County Association, Sălaj
316.	Tourism County Association, Sibiu
317.	Cocoșul de Hurez Popular Craftsmen Association, Vâlcea
318.	Young Legume Producers National Association, Galați
319.	Product Association – Legumes, Fresh and Processed Fruits, Curtești, Botoșani
320.	Product Association – Beet Sugar, Sugar, Processed Products, Dragalina, Botoșani
321.	Product Association – Grapes, Must, Wine, Frumuseica, Botoșani
322.	Product Association Poultry – Eggs, M. Eminescu, Botoșani
323.	Product Association Pork Meat and Processed Products, Botoșani
324.	Product Association Beef Meat and Processed Products, Botoșani
325.	Product Association Milk and Dairy Products, Botoșani
326.	Environment and Tourism Association, Ulmul Cerașului, Prahova
327.	Commercial Fishermen Association, Fălciu – Prut, Vaslui
328.	Fălticeni Fruit-Growing Area Pomiculturists Association
329.	Cornățel Agricultural Producers Association, Bacău

No.	Institution
330.	Cereal and Technical Plants Agricultural Producers Association, Prahova
331.	Agricultural Producers Association Slobozia, Bacău
332.	Legume and Potatoes Producers Association, Constanța
333.	DANUBIU Seeds and Seeding Material Producers, Processors, and Traders Association, Brăila
334.	Romanian Meat Association, Bucharest
335.	Valea Sebeșului (tourism) Association, Alba
336.	Sarcău –Hunedoara – Certeju de Sus Zoo-technical Association, Hunedoara
337.	Făgăraș Potato Producers Association, Brașov
338.	Legume-Fruit Producer Group SC Prod Legumicolă SRL, Colibași, Giurgiu
339.	SC FABRIA COM SRL Producer Group , Prahova
340.	LIVEZILE Fruit Producer Group, Argeș
341.	Irrigation Water Users Organization (OUAI), Galați
342.	Irrigation Water Users Organization Prut Berzeni, Vaslui
343.	PRODCOM Legumes-Fruits National Inter-professional Organization, Bucharest
344.	Irrigation Water Users Organization, Vaslui
345.	Irrigation Water Users Organization, Doniceasa, Vaslui
346.	“Taurine Breeders County Association” Agricultural Society, Deva, Hunedoara
347.	Bârsa Vulcan Agricultural Society, Brașov
348.	Romanian Pomicultivators National Association, Argeș
Organizations Promoting Gender Equality of Opportunity	
349.	“Ion Vinea” Youth Association, Giurgiu
350.	Romanian Association for Equality of Opportunity Promotion – APES.RO, Hunedoara
351.	“Maria” Women Association, Brad, Hunedoara
352.	Romanian Women in the Rural Areas National Association
353.	Romanian Women Association, Bucharest
354.	Partnership for Equality Centre, Bucharest
355.	Free Youth Organization, Botoșani
Religious Units	
356.	Neamț-Vânători Monastery, Neamț
357.	Herăști Parish, Giurgiu
358.	Zalău Orthodox Archpriest, Sălaj
359.	Zalău Reformed Archpriest, Sălaj
360.	Piatra Neamț Archpriest, Neamț
Other Organizations	
361.	Codrenii Văsoaia, Arad
362.	“Movila lui Burcel” Foundation, Miclești, Iași
363.	Maltese Support Service in Romania, Arad

ANNEX 10 b
The organisation of the consultation process
regarding the Strategic Environment Assessment

No.	The planning of the reunion (date)	The agenda of the working group reunion	The institutions whose representatives have participated in the reunion
1.	17.01.2007 MARD Head Office Hall 20 9.30-14.00	1. The general presentation of the National Rural Development Programme (NRDP); 2. The general presentation of the Strategic Environment Assessment (SEA) according to GD 1076/2004; 3. The mechanism establishing a preliminary set of environment issues and relevant objectives to be used for the strategic environment evaluation of the NRDP.	- Ministry of Agriculture and Rural Development; - Ministry of Economy and Commerce;
2.	02.02.2007 MARD Head Office Hall 20 14.00-16.30	The analysis of the “0” alternative and the analysis of other alternative propositions for each measure of the NRDP: -the analysis of new measures (NRDP) in relation to the SAPARD Programme measures; -the analysis of the means of allocation of the financial resources between axes or in comparison to other Eastern European countries; -comparative analysis between the “agricultural measures” and the “environment measures”, and the complementarity, interactions, and the synergic effects of these two types of measures.	- Ministry of European Integration; -Ministry of Administration and Internal Affairs; - Ministry of Finances; -Ministry of Public Health;
3.	20.02.2007 MARD Head Office Hall 20 10.00-14.00	The establishment of the relevant environment objectives, in view of their completion.	- Ministry of Communications and Information Technology;
4.	12.03.2007 MARD Head Office Hall 20 14.00-16.30	1. The debate of the “0” alternative, elaborated by the environment expert; 2. The completion of the relevant environment objectives; 3. The debate concerning the correlation of the relevant environment objectives with the objectives of the NRDP 2007-2013; 4. The establishment of the potential environment impact of the NRDP, taking into consideration the correlation of the NRDP objectives with the relevant environment objectives focused on fields of intervention (air, water, soil, bio-diversity, human health, etc).	- Ministry of Education and Research; - Ministry of Environment and Water Management; - EPC – Environment Consultancy.
5.	22.03.2007 MARD Head Office Hall 20 10.00-13.00	The identification of the sensitive fields of intervention on the environment of the NRDP, on which the quantification of the environment impact of the NRDP will be based.	
6.	11.04.2007 MARD Head	The presentation of the alternatives that take into account the relevant environment objectives for	

	Office Hall 20 10.00-13.00	measure 121 “The modernisation of the agricultural holdings”, measure 123 “Adding value to agricultural and forestry products”, and measure 312 “Support for the creation and development of micro-enterprises”.	
7.	09.05.2007 MARD Head Office Hall 20 14.00-16.30	The presentation of the draft of the Environment Report for the National Rural Development Programme 2007-2013.	
8.	28.06.2007	Public debate regarding the National Rural Development Programme 2007-2013 and the afferent Environment Report.	

ANNEX 11
Informing and publicity actions for NRDP

Crt. No.	Implementation PERIOD	Category of ACTIVITIES	Types of ACTIONS	Category of RECEIVERS	Bodies involved	BUGET	INDICATORS
1	2007 - 2008 Preparing the launching of NRDP	Informing and promoting campaign	informing and promoting regional conferences informing and promoting national conference distributing of informing documents	potential beneficiaries wide audience	MARD PARDF	own budget (aprox. 140,000 Euro) PHARE budget	number of national and regional conferences number of participants
2		Elaborating and distributing of informing documents	institutional promoting and general informing of EAFDR leaflets specific informing guides of priority measures	potential beneficiaries	MARD PARDF		number of printed and distributed leaflets number of printed and distributed informing guides
3		Elaborating and distributing of technical informing documents	Beneficiary guides for priority measures	potential beneficiaries beneficiaries	MARD PARDF		number of printed and distributed guides
4		needs and modalities informing evaluation	Opinion questionnaire distributed to the potential beneficiary	potential beneficiaries	PARDF		number of distributed questionnaires number of questioned and registered persons
		general informing campaign	communication plan elaborating NRDP logo elaborating and slogan	potential beneficiaries wide audience	MARD		NRDP logo recognized, Community logo through polls

			publicity clip elaboration				number of clip publications
5			informing documents elaborations				number of distributed informing materials
6	2008 - 2010 Launching NRDP and unrolling the accredited measures	Promoting the Programme in the mass-media	publishing the announcement of project demands starting for priority measures	general public/ potential beneficiaries	PARDF	own budget	number of editorial publications
		general informing campaign	communication training actions	general public/ potential beneficiaries	MARD	budget PHARE 2006 (700,000 Euro)	number of trained persons
			identifying promoting actions suitable to each implementation year of NRDP				number of news paper, TV, radio appearances
			development and implementation of a mass-media campaign which comprise publicity, articles in news papers, interviews (contacts with NRDP potential beneficiaries)				
8		Specific and technical informing conferences for the measures to be launched	regional thematic seminars county workshop	general public/ potential beneficiaries	DARD / RPCRDF / CPORDF	TA budget 2008 10% (about 5 million Euro)	number of seminars and workshop took place number of participants
9		informing publicity campaign	elaboration and implementation of the EAFRD specific visibility elements elaborating and printing of informing documents in Romanian language and also in the minorities' languages	general public/ potential beneficiaries	MARD PARDF		number of editorial, radio and TV appearances number of produced and applied visibility elements for EAFRD promoting

			<p>informing circuit in rural area for informing like kitchen table approach</p> <p>purchasing mass-media slot for general and specific data dissemination</p> <p>elaborating promotions specific materials (banner, panels, presentation stall, etc)</p> <p>evaluation sociologic polls of targeted public and informing and accessing EAFRD needs</p> <p>other specific useful and needed activities identified by market studies</p>			<p>number of printed and distributed informing materials in Romanian language through DARD, PRCRDF and PTORDF</p> <p>number of localities where took place informing actions</p> <p>number of informed potential beneficiaries</p> <p>number of printed and distributed informing materials in minorities' languages through DARD, PRCRDF and PTORDF</p>
10		management of electronic information	<p>optimizing and technical improvement of PARDF web programme</p> <p>specialised soft elaboration and implementation in order to administrated website data</p> <p>specialised soft elaboration and implementation for promoting the investments financed through EAFRD in order to ensure the transparency of European funds unrolling</p>	general public/ potential beneficiaries	PARDF	<p>number of website users</p> <p>number of inputs in database created based on softs</p>

11		participation to the informing and promoting public events	elaborating and printing of informing, publicity and promoting materials elaborating promotions specific materials (banner, panels, presentation stall, etc) costs needed for participation, support and organization	general public/ potential beneficiaries	PARDF		number of informing, publicity and promoting products number of specific promoting products produced number of public events participations and organisations
12		informing materials (info sheets)	elaborating specific brochures and other informing materials	beneficiaries	CPORDF	TA budget 2009 10% (about 5 million Euro)	number of distributed specific brochures and other informing materials distributed on the finalisation of the financing contracts
13		publicity campaign of awareness and persuade in order to implement the measures to be launched	purchasing mass-media slot for dissemination and persuading, including the emissions dedicated to the minorities conference for NRDP and EAFRD promoting elaborating and printing of informing, publicity and promoting materials other specific useful and needed activities identified by market studies as a result of evaluation informing needs evaluation sociologic polls of the campaign and of informing and accessing EAFRD needs	general public /potential beneficiaries	MARD PARDF		number of editorial publications, radio and TV appearances number of took place promoting conferences number of directly or through mass-media informed persons number of publicity informing materials distributed through DARD, PRCRDF and PTORDF activities adapted to market studies results

			other specific useful and needed activities identified by market studies				
14		market evaluation	thematic studies for evaluating and improving of programme implementation	general public /potential beneficiaries	MARD PARDF		number of elaborated and implemented thematic studies
15	2010 - 2012 unrolling the accredited measures	general and specific informing conference for the procedural flow	regional and national conference county thematic seminars	potential beneficiaries	DARD / RPCRDF / CPORDF	TA budget 2010 10% (about 5 million Euro)	number of took place conference and seminars
16		informing materials (info sheets)	elaborating specific brochures and other informing materials	beneficiaries	CPORDF		number of participants
17		informing publicity campaign	elaborating and printing of informing documents in Romanian language and also in the minorities' languages informing circuit in rural area for informing like kitchen table approach purchasing mass-media slot for general and specific data dissemination elaborating promotions specific materials (banner, panels, presentation stall, etc)	potential beneficiaries	MARD PARDF		number of distributed specific brochures and other informing materials distributed on the finalisation of the financing contracts
							number of editorial publications, radio and TV appearances number of informing products printed in minorities' languages and distributed through DARD, RPCRDF and PTORDF number of localities where took place informing actions number of informed potential beneficiaries

			evaluation sociologic polls of targeted public and informing and accessing EAFRD needs other specific activities identified through market studies, as useful and necessary					
18		participation to the promoting and informing public events	elaborating and printing of informing, publicity and promoting materials elaborating promotions specific materials (banner, panels, presentation stall, etc) costs needed for participation, support and organization	potential beneficiaries beneficiaries wide audience	MARD PARDF			number of informing, publicity and promoting materials number of specific promoting materials elaborated number of public events participations and organisations
19		publicity campaign of awareness and persuade about the procedural flow	purchasing mass-media slot for dissemination and persuading, including within the emissions addressed to the minorities conference for NRDP and EAFRD promoting elaborating and printing of informing, publicity and promoting materials other specific useful and needed activities identified by market studies as a result of evaluation informing needs	potential beneficiaries beneficiaries	MARD - MA NRDP PARDF	TA budget 2011 10% (about 5 million Euro)		number of editorial publications, radio and TV appearances number of took place promoting conferences number of directly or through mass-media informed persons number of publicity informing materials distributed through DARD, PRCRDF and PTORDF

			evaluation sociologic polls of the campaign and of informing and accessing EAFRD needs other specific useful and needed activities identified by market studies				activities adapted to market studies' results
20		participation to the promoting and informing public events	elaborating and printing of informing, publicity and promoting materials elaborating promotions specific materials (banner, panels, presentation stall, etc) costs needed for participation, support and organization	potential beneficiaries beneficiaries wide audience	MARD PARDF		number of distributed informing, publicity and promotion materials number of specific promoting materials elaborated number of participations and public events organisations
21		market evaluation	thematic studies for evaluating and improving of programme implementation	potential beneficiaries beneficiaries	MARD PARDF		number of elaborated and implemented thematic studies
22	2012 - 2013 unrolling the accredited measures	general and specific informing conference for accredited measures	regional thematic conference regional thematic seminars	potential beneficiaries	DARD / RPCRDF / CPORDF	TA budget 2012 10% (about 5 million Euro)	number of took place conference and seminars number of participates
23		informing materials (and info sheets)	elaborating specific brochures and other informing materials	beneficiaries	CPORDF		number of distributed specific brochures and other informing materials distributed on the finalisation of the financing contracts
24		informing publicity campaign	elaborating and printing of informing documents in Romanian language and also in the minorities' languages	potential beneficiaries	MARD PARDF		number of editorial publications, radio and TV appearances

		informing circuit in rural area for informing like kitchen table approach purchasing mass-media slot for general and specific data dissemination elaborating promotions specific materials (banner, panels, presentation stall, etc) evaluation sociologic polls of the targeted public and informing and accessing EAFRD needs other specific activities identified through market studies, as useful and necessary				number of informing materials printed and distributed through DARD, PRCRDF and PTORDF number of localities where took place informing actions number of informed potential beneficiaries number of informing materials printed in minorities' languages and distributed through DARD, PRCRDF and PTORDF
25	participation to the promoting and informing public events	elaborating and printing of informing, publicity and promoting materials elaborating promotions specific products (banner, panels, presentation stall, etc) costs needed for participation, support and organization	potential beneficiaries beneficiaries wide audience	MARD PARDF		number of informing, publicity and promotion materials number of specific promoting materials elaborated number of public events participations and organisations
26	publicity campaign of awareness and persuade about the procedural flow	purchasing mass-media slot for dissemination and persuading, including the emissions dedicated to the minorities conference for NRDP and EAFRD promoting	potential beneficiaries beneficiaries	MARD - MA NRDP PARDF	TA budget 2013 10% (about 5 million Euro)	number of editorial publications, radio and TV appearances number of took place promoting conferences

			elaborating and printing of informing, publicity and promoting materials other specific useful and needed activities identified by market studies as a result of evaluation informing needs evaluation sociologic polls of the campaign and of informing and accessing EAFRD needs other specific useful and needed activities identified by market studies			number of directly or through mass-media informed persons number of publicity informing materials distributed through DARD, PRCRDF and PTORDF activities adapted to market studies' results
27	participation to the promoting and informing public events	elaborating and printing of informing, publicity and promoting materials elaborating promotions specific materials (banner, panels, presentation stall, etc) costs needed for participation, support and organization	potential beneficiaries beneficiaries wide audience	MARD PARDF		number of informing, publicity and promotion materials number of specific promoting materials elaborated number of public events participations and organisations
28	market evaluation	thematic studies for evaluating and improving of programme implementation	potential beneficiaries beneficiaries	MARD PARDF		number of elaborated and implemented thematic studies
29	Informing campaigns for the wide audience concerning the results of the Programme	regional and national conferences	Wide audience	MARD PARDF		The visibility of MA in the mass-media Number of the wide informing events organized by MA

!	The informing circuits, the thematic seminars, workshops, public events, informing conferences have a general addressability, the informing and promotion actions being directed towards all the Romanian citizens, regardless of their social status, ethnic origin, sexual orientation, religion or belief, political membership
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