

National Rural Development Programme for the 2014 – 2020 period

Official version 1 – 1st of July, 2014



Official version 1 SFC – 1st of July, 2014

Table of contents

1.TITLE OF THE RURAL DEVELOPMENT PROGRAMME.....	11
2.MEMBER STATE OR ADMINISTRATIVE REGION	11
2.1.Geographical area covered by the programme	11
2.2.Classification of the region	11
3.EX-ANTE EVALUATION	13
3.1.Description of the process, including timing of main events, intermediate reports, in relation to the key stages of RDP development.	13
3.2.Structured table containing the recommendations of the ex-ante evaluation and how they have been addressed.	13
3.2.1.001. Common indicators	20
3.2.2.002. Common indicators	20
3.2.3.003. Common indicators	21
3.2.4.004. Common indicators	21
3.2.5.005. Common indicators	21
3.2.6.006. Common indicators	21
3.2.7.007. Common indicators	22
3.2.8.008. Common indicators	22
3.2.9.009. Common indicators	23
3.2.10.010. Common indicators	23
3.2.11.011. Common indicators	23
3.2.12.012. Common indicators	23
3.2.13.013. Common indicators	24
3.2.14.014. Common indicators	24
3.2.15.015. Common indicators	25
3.2.16.016. Common indicators	25
3.2.17.017. Common indicators	25
3.2.18.018. Common indicators	26
3.2.19.019. Common indicators	26
3.2.20.020. Additional indicators	26
3.2.21.021. Additional indicators	27
3.2.22.022. Additional indicators	27
3.2.23.023. Additional indicators	27
3.2.24.024. Evidences supporting SWOT analysis	28
3.2.25.025. Formulation of the elements included in the SWOT analysis	28
3.2.26.026. Formulation of the elements included in the SWOT analysis	29
3.2.27.027. Formulation of the elements included in the SWOT analysis	29
3.2.28.028. Formulation of the elements included in the SWOT analysis	30
3.2.29.029. Formulation of the elements included in the SWOT analysis	30

3.2.30.030. Formulation of the elements included in the SWOT analysis	31
3.2.31.031. Formulation of the elements included in the SWOT analysis	32
3.2.32.032. SWOT analysis in the perspective of SEA	32
3.2.33.033. SWOT analysis in the perspective of SEA	33
3.2.34.034. SWOT analysis in the perspective of SEA	33
3.2.35.035. SWOT analysis in the perspective of SEA	33
3.2.36.036. Connection with the SWOT analysis	34
3.2.37.037. Correct formulation of the needs	34
3.2.38.038. Strategy	35
3.2.39.039. Strategy	35
3.2.40.040. Strategy	35
3.2.41.041. Strategy	36
3.2.42.042. Measures	36
3.2.43.043. Measures	36
3.2.44.044. Measures	37
3.2.45.045. Analysis and assessment on the integration degree of the equal opportunities and non-discrimination principle in the RDP	37
3.2.46.046. Analysis and assessment on the integration degree of the sustainable development principle in the RDP	37
3.2.47.047. Analysis on the adequacy degree of the approach for the Community-led Local Development	38
3.2.48.048. Analysis on the adequacy degree of the approach for the Community-led Local Development	38
3.2.49.049. Analysis on the adequacy degree of the approach for the Community-led Local Development	39
3.2.50.050. Analysis on the adequacy degree of the approach for the Community-led Local Development	39
3.2.51.051. Analysis on the adequacy degree of the approach for the Community-led Local Development	39
3.2.52.052. Analysis on the adequacy degree of the approach for the Community-led Local Development	40
3.2.53.053. Analysis on the contribution of the Rural Network to the implementation of rural policy and good governance in rural areas	40
3.2.54.054. Indicator Plan	41
3.2.55.055. Indicator Plan	41
3.2.56.056. Indicator Plan	41
3.2.57.057. Indicator Plan	41
3.2.58.058. Indicator Plan	42
3.2.59.059. Analysis on the Evaluation Plan	42
3.2.60.060. Analysis on the Evaluation Plan	43
3.2.61.061. Human Resources	43
3.2.62.062. Human Resources	44
3.2.63.063. Human Resources	44

3.2.64.064. Human Resources	44
3.2.65.065. Human Resources	45
3.2.66.066. Analysis on the adequacy degree of thematic sub-programmes	46
3.2.67.067. Analysis on the adequacy degree of thematic sub-programmes	46
3.2.68.068. Strategy	46
3.2.69.069. Preliminary final report	47
3.2.70.070. Measure 4	48
3.2.71.071. Measure 6	48
3.2.72.072. Measure 7	49
3.2.73.073. Measure 8	49
3.2.74.074. Measure 16	49
3.2.75.075. Measure Leader	50
3.3.Ex-ante Evaluation report	50
4.SWOT AND IDENTIFICATION OF NEEDS	51
4.1.SWOT	51
4.1.1.Comprehensive overall description of the current situation of the programming area, based on common and programme-specific context indicators and other qualitative up-to-date information	51
4.1.2.Strengths identified in the programming area	66
4.1.3.Weaknesses identified in the programming area	67
4.1.4.Opportunities identified in the programming area	69
4.1.5.Threats identified in the programming area	70
4.1.6.Common Context Indicators	72
4.2.Needs assessment	82
4.2.1.001. Adequate knowledge among farmers	84
4.2.2.002. Adequate and quality advisory and consultancy services	85
4.2.3.003. Adapting the research activities and the results of research to the needs of farmers and processors	85
4.2.4.004. Adequate level of capital and technology for modern agricultural activities	86
4.2.5.005. Modernizing the agri-food processing sector and its adaptation to EU standards	87
4.2.6.006. Rejuvenation of farmers generations	88
4.2.7.007. Restructuring and modernization of small farms into market-oriented farms	88
4.2.8.008. Setting up producers groups and organizations	89
4.2.9.009. Functional short supply chains	90
4.2.10.010. Risk management in agriculture and forestry	90
4.2.11.011. Easy access to adequate financial instruments for farmers, processors and small entrepreneurs from rural areas	91
4.2.12.012. Maintaining the biological diversity and environmental value of agricultural and forestry lands	92
4.2.13.013. Supporting a sustainable forest management	93
4.2.14.014. Increasing the afforested areas	93
4.2.15.015. Maintaining and improving water resources	94

4.2.16.016. Protecting and improving soil resources	94
4.2.17.017. Adaptation to the effects of climate changes	95
4.2.18.018. Low level of greenhouse gas (GHG) emissions from agriculture and the transition towards a low carbon economy.....	96
4.2.19.019. Reduction of the level of poverty and the risk of social exclusion	96
4.2.20.020. Adequate basic infrastructure and services in rural areas	97
4.2.21.021. Increasing the number of jobs in rural areas	98
4.2.22.022. Preserved local patrimony.....	98
4.2.23.023. Local development through LEADER approach	99
4.2.24.024. Functional National Rural Development Network	99
4.2.25.025. Access to modern ICT infrastructure	101
4.2.26.026. Modernizing the agricultural education infrastructure	101
5.DESCRPTION OF THE STRATEGY	103
5.1.A justification of the needs selected to be addressed by the RDP, and the choice of objectives, priorities, focus areas and the target setting based on evidence from the SWOT and the needs assessment. Where relevant, a justification of thematic sub-programmes included in the programme. The justification shall in particular demonstrate the requirements referred to in Article 8(1)(c)(i) and (iv) of Regulation (EU) No 1305/2013	103
5.2.The combination and justification of the rural development measures for each focus area including the justification of the financial allocations to the measures and the adequacy of the financial resources with the targets set as referred to in Article 8(1)(c)(ii) and (iii). The combination of measures included in the intervention logic shall be based on the evidence from the SWOT analysis and justification and prioritisation of needs under point 5.1	110
5.2.1.P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas	110
5.2.2.P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests	112
5.2.3.P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	114
5.2.4.P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry	115
5.2.5.P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors	118
5.2.6.P6: Promoting social inclusion, poverty reduction and economic development in rural areas	121
5.3.A description of how the cross-cutting objectives will be addressed, including the specific requirements in Article 8(1)(c)(v) of Regulation (EU) No 1305/2013	124
5.4.Strategy summary table.....	128
5.5.A description of the advisory capacity to ensure adequate advice and support for the regulatory requirements and for actions related to innovation to demonstrate the measures taken as required in Article 8(1)(c)(vi) of Regulation (EU) No 1305/2013	130
6.ASSESSMENT OF THE EX-ANTE CONDITIONALITIES	132
6.1.Additional information.....	132
6.2.Ex-ante conditionalities	133
6.2.1.List of actions to be taken for general ex-ante conditionalities	146
6.2.2.List of actions to be taken for priority linked ex-ante conditionalities	147

7.DESRIPTION OF THE PERFORMANCE FRAMEWORK	148
7.1.Indicators.....	148
7.1.1.P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests	150
7.1.2.P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	151
7.1.3.P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry	153
7.1.4.P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors	154
7.1.5.P6: Promoting social inclusion, poverty reduction and economic development in rural areas	155
7.2.Alternative indicators	157
7.2.1.P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	158
7.2.2.P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry	159
7.2.3.P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors	160
7.2.4.P6: Promoting social inclusion, poverty reduction and economic development in rural areas	160
7.3.Reserve.....	162
8.DESRIPTION OF EACH OF THE MEASURES SELECTED	163
8.1.Description of the general conditions applied to more than one measure including, when relevant, definition of rural area, baselines, cross-compliance, intended use of financial instruments, intended use of advances, common provisions for investments, etc.....	163
8.2.Description by measure.....	168
8.2.1.M01 - Knowledge transfer and information actions (art 14)	168
8.2.2.M02 - Advisory services, farm management and farm relief services (art 15)	181
8.2.3.M04 - Investments in physical assets (art 17).....	188
8.2.4.M06 - Farm and business development (art 19)	228
8.2.5.M07 - Basic services and village renewal in rural areas (art 20).....	258
8.2.6.M08 - Investments in forest area development and improvement of the viability of forests (art 21-26).....	274
8.2.7.M09 - Setting-up of producer groups and organisations (art 27).....	294
8.2.8.M10 - Agri-environment-climate (art 28).....	301
8.2.9.M11 - Organic farming (art 29)	356
8.2.10.M13 - Payments to areas facing natural or other specific constraints (art 31)	375
8.2.11.M14 - Animal Welfare (art 33).....	401
8.2.12.M15 - Forest environmental and climate services and forest conservation (art 34).....	403
8.2.13.M16 - Co-operation (art 35).....	420
8.2.14.M17 - Risk management (art 36-39).....	444
8.2.15.M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	457
9.EVALUATION PLAN	492
9.1.Objectives and purpose	492

9.2.Governance and coordination	492
9.3.Evaluation topics and activities	496
9.4.Data and information	498
9.5.Timeline	499
9.6.Communication.....	501
9.7.Resources	502
10.FINANCING PLAN	504
10.1.Annual EAFRD contributions in (€).....	504
10.2.Single EAFRD contribution rate for all measures broken down by type of region as referred to in Article 59(3) of Regulation (EU) No 1305/2013.....	505
10.3.Breakdown by measure and type of operation with different EAFRD contribution rate (in € total period 2014-2020).....	506
10.3.1.M01 - Knowledge transfer and information actions (art 14)	506
10.3.2.M02 - Advisory services, farm management and farm relief services (art 15)	508
10.3.3.M04 - Investments in physical assets (art 17).....	509
10.3.4.M06 - Farm and business development (art 19)	510
10.3.5.M07 - Basic services and village renewal in rural areas (art 20).....	511
10.3.6.M08 - Investments in forest area development and improvement of the viability of forests (art 21-26).....	512
10.3.7.M09 - Setting-up of producer groups and organisations (art 27).....	513
10.3.8.M10 - Agri-environment-climate (art 28).....	514
10.3.9.M11 - Organic farming (art 29)	515
10.3.10.M13 - Payments to areas facing natural or other specific constraints (art 31)	516
10.3.11.M14 - Animal Welfare (art 33).....	517
10.3.12.M15 - Forest environmental and climate services and forest conservation (art 34).....	518
10.3.13.M16 - Co-operation (art 35).....	519
10.3.14.M17 - Risk management (art 36-39).....	520
10.3.15.M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	521
10.3.16.M20 - Technical assistance Member States (art 51-54).....	522
11.INDICATOR PLAN	523
11.1.Indicator Plan	523
11.1.1.P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas	523
11.1.2.P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests	526
11.1.3.P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	528
11.1.4.P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry.....	530
11.1.5.P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors	536
11.1.6.P6: Promoting social inclusion, poverty reduction and economic development in rural areas	540

11.2.Overview of the planned output and planned expenditure by measure and by focus area (generated automatically).....	544
11.3.Secondary effects: identification of potential contributions of Rural Development measures/sub-measures programmed under a given focus area to other focus areas / targets	547
12.ADDITIONAL NATIONAL FINANCING	549
13.ELEMENTS NEEDED FOR STATE AID ASSESMENT	550
13.1.M01 - Knowledge transfer and information actions (art 14)	552
13.2.M02 - Advisory services, farm management and farm relief services (art 15)	552
13.3.M04 - Investments in physical assets (art 17).....	552
13.4.M06 - Farm and business development (art 19)	553
13.5.M07 - Basic services and village renewal in rural areas (art 20).....	553
13.6.M08 - Investments in forest area development and improvement of the viability of forests (art 21-26).....	553
13.7.M09 - Setting-up of producer groups and organisations (art 27).....	554
13.8.M10 - Agri-environment-climate (art 28).....	554
13.9.M11 - Organic farming (art 29)	554
13.10.M13 - Payments to areas facing natural or other specific constraints (art 31)	555
13.11.M14 - Animal Welfare (art 33).....	555
13.12.M15 - Forest environmental and climate services and forest conservation (art 34).....	555
13.13.M16 - Co-operation (art 35).....	556
13.14.M17 - Risk management (art 36-39).....	556
13.15.M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	556
14.INFORMATION ON COMPLEMENTARITY	558
14.1.Description of means for the complementarity and coherence with:	558
14.1.1.Other Union instruments and, in particular with ESI Funds and Pillar 1, including greening, and other instruments of the common agricultural policy	558
14.1.2.Where a Member State has opted to submit a national programme and a set of regional programmes as referred to in Article 6(2) of Regulation (EU) No 1305/2013, information on complementarity between them	563
14.2.Where relevant, information on the complementarity with other Union instruments, including LIFE	563
15.PROGRAMME IMPLEMENTING ARRANGEMENTS	565
15.1.The designation by the Member State of all authorities referred to in Regulation (EU) No 1305/2013 Article 65(2) and a summary description of the management and control structure of the programme requested under Regulation (EU) No 1303/2013 Article 55(3)(i) and arrangements under Regulation (EU) No 1303/2013 Article 74(3).....	565
15.1.1.Authorities.....	565
15.1.2.Summary description of the management and control structure of the programme and arrangements for the independent examination of complaints	565
15.2.The envisaged composition of the Monitoring Committee	568

15.3.Provisions to ensure that the programme is publicised, including through the National Rural Network, making reference to the information and publicity strategy, which describes the information and publicity arrangements for the programme in more detail, referred to in Article 13 of this Regulation.....	570
15.4.Description of mechanisms to ensure coherence with regard to local development strategies implemented under LEADER, activities envisaged under the co-operation measure referred to in Article 35 of Regulation (EU) No 1305/2013, the basic services and village renewal in rural areas measure referred to in Article 20 of that Regulation, and other ESI Funds	574
15.5.Description of actions to achieve a reduction of administrative burden for beneficiaries referred to in Article 27(1) of Regulation (EU) No 1303/2013.....	576
15.6.Description of the use of technical assistance including actions related to the preparation, management, monitoring, evaluation, information and control of the programme and its implementation, as well as the activities concerning previous or subsequent programming periods as referred to in Article 59(1) of Regulation (EU) No 1303/2013	578
16.LIST OF ACTIONS TO INVOLVE PARTNERS	583
16.1.a. Technical level – Setting-up of the Consultative Thematic Committee for Rural Development, Agriculture and Fisheries CCT DRAP	583
16.1.1.Subject of the corresponding consultation.....	583
16.1.2.Summary of the results	583
16.2.b. Setting-up of Working Groups at technical level	584
16.2.1.Subject of the corresponding consultation.....	584
16.2.2.Summary of the results	584
16.3.c. Non-technical level: National conferences – 2 meetings/ Regional conferences – 7 meetings.....	585
16.3.1.Subject of the corresponding consultation.....	585
16.3.2.Summary of the results	585
16.4.d. Information and consultation of beneficiaries – Call Center: contacting of 35,137 beneficiaries of NRDP 2007-2013 and of potential beneficiaries of NRDP 2014-2020	585
16.4.1.Subject of the corresponding consultation.....	585
16.4.2.Summary of the results	586
16.5.e. MADR website: http://www.madr.ro/ro/programare-2014-2020-pndr.html , containing the section dedicated to rural development for the period 2014-2020; www.pndr2020.ro platform; Email address: viitorulpndr@madr.ro	586
16.5.1.Subject of the corresponding consultation.....	586
16.5.2.Summary of the results	586
16.6.(Optional) explanations or additional information to complement the list of actions	586
17.NATIONAL RURAL NETWORK	590
17.1.1.The procedure and the timetable for establishing the National Rural Network (hereinafter NRN).....	590
17.1.2.The planned organisation of the network, namely the way organisations and administrations involved in rural development, including the partners, as referred to in Article 54(1) of Regulation (EU) No 1305/2013 will be involved and how the networking activities will be facilitated.....	591
17.1.3.A summary description of the main categories of activity to be undertaken by the NRN in accordance with the objectives of the programme.....	592

17.1.4.Resources available for establishing and operating the NRN.....	594
18.EX-ANTE ASSESSMENT OF VERIFIABILITY, CONTROLLABILITY AND ERROR RISK	595
18.1.Statement by the Managing Authority and the Paying Agency on the verifiability and controllability of the measures supported under the Rural Development Programme	595
18.2.Statement by the functionally independent body referred to in Article 62(2) of Regulation (EU) No 1305/2013 confirming the adequacy and accuracy of the calculations of standard costs, additional costs and income forgone.....	596
19.TRANSITIONAL ARRANGEMENTS	597
19.1.Description of the transitional conditions by measure.....	597
19.2.Indicative carry-over table	600
20.THEMATIC SUB-PROGRAMMES	602
21.DOCUMENTS.....	602

1. TITLE OF THE RURAL DEVELOPMENT PROGRAMME

National Rural Development Programme for the 2014 – 2020 period

2. MEMBER STATE OR ADMINISTRATIVE REGION

2.1. Geographical area covered by the programme

Geographical Area:

RO - National

Description:

The National Rural Development Programme 2014-2020 covers the entire territory of Romania. Romania is situated in the South-Eastern part of Europe, at the crossroad of the main axes of communications North-South and East-West.

The area is of 238,391 km² and comprises: 61.3% agricultural land (cca. 14,6 mil. ha, of which 64.2% arable land, 32.9 % meadows and natural grasslands and 2.7% plantations of trees and vineyard); 28.3% forests and other forestry vegetation lands; 10.4% the built area of the localities, waters, roads, railways and unproductive lands (INS Tempo Online, 2012).

From the point of view of its area, Romania is an average country in EU 27 (5.41% of the area EU27). The territory of Romania includes 5 bio-geographical regions (steppe, Black Sea, Pannonia, continental and alpine) of the 11 European bio-geographical regions.

Out of the total area of the country, around 87.1% is the rural area that comprises communes, as administrative-territorial units, together with its component villages, and on this territory 45.0% of the Romanian population lived in 2012.

The allocation per geographical area is balanced: 33% plain area (up to 300 m altitude), 37% hill area (300-1000 m) and 30% mountain area (over 1000 m altitude).

2.2. Classification of the region

Description:

According to the Nomenclature for Territorial Units for Statistics (NUTS) the territorial structure of Romania, assimilated to NUTS, is:

- NUTS I: România;
- NUTS II: 8 development regions, with an average population of 2,67 mil. inhabitants per region;
- NUTS III: 42 counties, showing the administrative-territorial structure of the country;
- NUTS IV: is not used[1], because no territorial associations were made yet;

- NUTS V: 320 municipalities and cities, 2,861 communes with 12,957 villages (Statistical yearbook, 2012).

According to the Article 59 in the Regulation on the support for rural development by EAFRD no 1305/2013 *seven of the eight regions of Romania are less developed*, and the gross domestic product (GDP) per capita under 75% in the average GDP of EU27, the exception is the region of Bucharest-Ilfov that registered a GDP per capita of 113% against the average EU27.

[1] In România, the NUTS 4 level - the level of microregions - has not been yet organized. In general, the microregions are made up occasionally, based on the voluntary partnership of some communal administrations, within programmes or projects.

[2] According to Annex I „Coverage of the regional aids by the Member States for the period 2014-2020 at the „Community orientations on the regional State Aid for the period 2014-2020” adopted by the European Commission (EC) on 28.06.2013, GDP per capita expressed in Euro PPC/inhabitant was in the region North-West - 42,33%, Centre 45,00%, North-East – 29,33%, South-East – 37,67%, South-Muntenia 39,33%, South-West Oltenia – 35,67%, West – 52,00%, while in Bucharest-Ilfov it was 113,00% - reported in percentage to the average EU27.

3. EX-ANTE EVALUATION

3.1. Description of the process, including timing of main events, intermediate reports, in relation to the key stages of RDP development.

According to the provisions in Art. 55 in Regulation 1303/2013, the Member States perform ex ante evaluations in order to enhance the quality of the preparation of each programme. The ex ante evaluations are under the responsibility of the authority responsible for the preparation of the programmes.

Under these circumstances, the Managing Authority for PNDR launched - by the Technical Assistance measure in PNDR 2007-2013 - the public tender for awarding the contract: "The ex ante evaluation of the rural development programme for the period 2014-2020", after which the contract was awarded to the association formed by S.C ACZ CONSULTING SRL – leader of association, together with Iris S.R.L. and T33 S.R.L.

The contract was signed on December 13th 2013, and the kick-off meeting of the project took place on January 13th 2014.

The general objective of this evaluation is for experts independent from experts involved in the programming to provide real added value and to enhance the quality of the National Rural Development Programme 2014 and to make value judgments and recommendations on programming issues. The ex ante evaluation of PNDR 2014-2020 includes also a Strategic Environmental Assessment (SEA), prepared according to the requirements in the European Directive SEA 2001/42/EC on the evaluation of the effects of certain plans and programmes on the environment and in the Governmental Decision no 1076/2004 that reflects the provisions of the directive above mentioned.

The analysis of the evaluator covers all the chapters of the programme and ends with conclusions and recommendations for the Managing Authority in order to enhance and to ensure the coherence of the Programme.

The ex ante evaluator has submitted the inception report and intermediary reports. On 1st of July 2014, the ex ante evaluator has submitted a preliminary ex ante evaluation report that contains also the preliminary version of the Report on the Strategic Environmental Assessment, which is attached as an annex to the National Rural Development Programme 2014 – 2020 sent to the European Commissions services in July 2014.

The final version of the ex ante evaluation will be finalized until the adoption of the Programmes.

3.2. Structured table containing the recommendations of the ex-ante evaluation and how they have been addressed.

Title (or reference) of the recommendation	Category of recommendation	Date
001. Common indicators	The SWOT analysis, needs assessment	07/03/2014
002. Common indicators	The SWOT analysis, needs assessment	07/03/2014

003. Common indicators	The SWOT analysis, needs assessment	07/03/2014
004. Common indicators	The SWOT analysis, needs assessment	07/03/2014
005. Common indicators	The SWOT analysis, needs assessment	07/03/2014
006. Common indicators	The SWOT analysis, needs assessment	07/03/2014
007. Common indicators	The SWOT analysis, needs assessment	07/03/2014
008. Common indicators	The SWOT analysis, needs assessment	07/03/2014
009. Common indicators	The SWOT analysis, needs assessment	07/03/2014
010. Common indicators	The SWOT analysis, needs assessment	07/03/2014
011. Common indicators	The SWOT analysis, needs assessment	07/03/2014
012. Common indicators	The SWOT analysis, needs assessment	07/03/2014
013. Common indicators	The SWOT analysis, needs assessment	07/03/2014
014. Common indicators	The SWOT analysis, needs assessment	07/03/2014

	assessment	
015. Common indicators	The SWOT analysis, needs assessment	07/03/2014
016. Common indicators	The SWOT analysis, needs assessment	07/03/2014
017. Common indicators	The SWOT analysis, needs assessment	07/03/2014
018. Common indicators	The SWOT analysis, needs assessment	07/03/2014
019. Common indicators	The SWOT analysis, needs assessment	07/03/2014
020. Additional indicators	The SWOT analysis, needs assessment	07/03/2014
021. Additional indicators	The SWOT analysis, needs assessment	07/03/2014
022. Additional indicators	The SWOT analysis, needs assessment	07/03/2014
023. Additional indicators	The SWOT analysis, needs assessment	07/03/2014
024. Evidences supporting SWOT analysis	The SWOT analysis, needs assessment	07/03/2014
025. Formulation of the elements included in the SWOT analysis	The SWOT analysis, needs assessment	07/03/2014

026. Formulation of the elements included in the SWOT analysis	The SWOT analysis, needs assessment	07/03/2014
027. Formulation of the elements included in the SWOT analysis	The SWOT analysis, needs assessment	07/03/2014
028. Formulation of the elements included in the SWOT analysis	The SWOT analysis, needs assessment	07/03/2014
029. Formulation of the elements included in the SWOT analysis	The SWOT analysis, needs assessment	07/03/2014
030. Formulation of the elements included in the SWOT analysis	The SWOT analysis, needs assessment	07/03/2014
031. Formulation of the elements included in the SWOT analysis	The SWOT analysis, needs assessment	07/03/2014
032. SWOT analysis in the perspective of SEA	The SWOT analysis, needs assessment	07/03/2014
033. SWOT analysis in the perspective of SEA	The SWOT analysis, needs assessment	07/03/2014
034. SWOT analysis in the perspective of SEA	The SWOT analysis, needs assessment	07/03/2014
035. SWOT analysis in the perspective of SEA	The SWOT analysis, needs assessment	07/03/2014
036. Connection with the SWOT analysis	The SWOT analysis, needs assessment	07/03/2014

037. Correct formulation of the needs	The SWOT analysis, needs assessment	07/03/2014
038. Strategy	Construction of the intervention logic	10/04/2014
039. Strategy	Construction of the intervention logic	10/04/2014
040. Strategy	Construction of the intervention logic	10/04/2014
041. Strategy	Construction of the intervention logic	10/04/2014
042. Measures	Construction of the intervention logic	06/06/2014
043. Measures	Construction of the intervention logic	06/06/2014
044. Measures	Construction of the intervention logic	06/06/2014
045. Analysis and assessment on the integration degree of the equal opportunities and non-discrimination principle in the RDP	Construction of the intervention logic	06/06/2014
046. Analysis and assessment on the integration degree of the sustainable development principle in the RDP	Construction of the intervention logic	06/06/2014
047. Analysis on the adequacy degree of the approach for the Community-led Local Development	Construction of the intervention logic	06/06/2014
048. Analysis on the adequacy degree of the approach for	Construction of the intervention	06/06/2014

the Community-led Local Development	logic	
049. Analysis on the adequacy degree of the approach for the Community-led Local Development	Construction of the intervention logic	06/06/2014
050. Analysis on the adequacy degree of the approach for the Community-led Local Development	Construction of the intervention logic	06/06/2014
051. Analysis on the adequacy degree of the approach for the Community-led Local Development	Construction of the intervention logic	06/06/2014
052. Analysis on the adequacy degree of the approach for the Community-led Local Development	Construction of the intervention logic	06/06/2014
053. Analysis on the contribution of the Rural Network to the implementation of rural policy and good governance in rural areas	Construction of the intervention logic	06/06/2014
054. Indicator Plan	Establishment of targets, distribution of financial allocations	06/06/2014
055. Indicator Plan	Establishment of targets, distribution of financial allocations	06/06/2014
056. Indicator Plan	Establishment of targets, distribution of financial allocations	06/06/2014
057. Indicator Plan	Establishment of targets, distribution of financial allocations	28/06/2014
058. Indicator Plan	Establishment of targets, distribution of financial allocations	28/06/2014

059. Analysis on the Evaluation Plan	Programme arrangements implementing	06/06/2014
060. Analysis on the Evaluation Plan	Programme arrangements implementing	06/06/2014
061. Human Resources	Programme arrangements implementing	29/06/2014
062. Human Resources	Programme arrangements implementing	29/06/2014
063. Human Resources	Programme arrangements implementing	29/06/2014
064. Human Resources	Programme arrangements implementing	29/06/2014
065. Human Resources	Programme arrangements implementing	29/06/2014
066. Analysis on the adequacy degree of thematic sub-programmes	Other	06/06/2014
067. Analysis on the adequacy degree of thematic sub-programmes	Other	01/07/2014
068. Strategy	Construction of the intervention logic	19/06/2014
069. Preliminary final report	Construction of the intervention logic	01/07/2014
070. Measure 4	SEA specific recommendations	01/07/2014

071. Measure 6	SEA specific recommendations	01/07/2014
072. Measure 7	SEA specific recommendations	01/07/2014
073. Measure 8	SEA specific recommendations	01/07/2014
074. Measure 16	SEA specific recommendations	01/07/2014
075. Measure Leader	SEA specific recommendations	01/07/2014

3.2.1. 001. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

Sectorial indicators

The indicator *Age structure* needs additional explanation.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted: the proposed value for the report between young/old managers and the value for the total Number of farm managers was accepted

The indicator should include also: *the number of managers under 35 years and those between 35 and 55 years*. This recommendation was partly accepted, this element was accepted only as a percentage figure.

3.2.2. 002. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

The indicator: Employment rate of the population per economic activity shows different values in our

analysis.

How recommendation has been addressed or justification as to why not taken into account

The recommendation was not accepted. The value of this indicator is generated automatically.

3.2.3. 003. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

The indicator *Agriculture area under organic farming* shows different values in our analysis.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. The indicator value was changed.

3.2.4. 004. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

The indicator: *Gross fixed capital formation in agriculture* shows different values in our analysis.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. The indicator value was changed.

3.2.5. 005. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

The indicator: *Forest and other wooded land (FOWL)* shows different values in our analysis.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was partly accepted. It was included the value from 2012 provided by NIS, namely, 6746906 ha (28.3% of the national land area – 23839071 ha)

3.2.6. 006. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

For the indicator: *Forest and other wooded land (FOWL) no. of ha* we have more recent values, from 2012.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted.

3.2.7. 007. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

Socio-economic indicators

The indicators: *Population, Territory and GDP/per capita* must be reformulated by making them specific for the rural area.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was partly accepted.

For the indicators: *Population* and *Territory* relevant for the rural area will be inserted in the SFC the values of the respective additional indicators according to the definition of the rural area for Romania, due to the fact that these values have implications in the establishment of the target indicators (rural population). The indicator: *GDP/per capita – rural* is not collected. Moreover, in the 4.17 section of NRDP are provided the additional indicators relevant for population and territory reported to the rural area in compliance with the national legislation.

3.2.8. 008. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

The indicator: *Population* shows different values in our analysis.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was not accepted. It was used the value from DG AGRI database which is automatically generated by the SFC for the indicator: *Population* at the national level.

3.2.9. 009. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

The indicator: *Age structure* shows different values in our analysis.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was not accepted. The value of the indicator was changed according to the value from DG AGRI database, which is automatically generated by the system.

3.2.10. 010. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

The indicator: *Self employment rate – rural* shows different values in our analysis.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was not accepted. This indicator is not collected by NIS. It was used the value of a proxy indicator that represents the total values of the proxy indicators: *Self employed worker* – 31,5% and *Unpaid family worker* – 26,4%, according to the definition of the rural area applicable for Romanian RDP.

3.2.11. 011. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

The indicator: *Unemployment rate* shows different values in our analysis.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was not accepted. The value of the indicator was changed according to the value from DG AGRI database, which is automatically generated by the system. In the 4.1.7 section of the NRDP is provided the additional indicator relevant for the unemployment rate reported to the rural area according to the national legislation.

3.2.12. 012. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

For the indicators: *Population, Age structure and Unemployment rate* we have more recent values – 2013.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was not accepted. The value of the indicators was changed according to the value from DG AGRI database, which is automatically generated by the system. In the 4.1.7 section of the NRDP are provided the additional indicators relevant for *Population, Age structure and Unemployment rate* reported to the rural area according to the national legislation.

3.2.13. 013. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

The indicators: *Population structure employed per sectors – national and the Economy structure* contain incorrect sources.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was not accepted. For the indicator: *Economy structure* – at the national level was used the value from DG AGRI database, which is automatically generated by the SFC, and for the indicator at the rural level we do not collect data, according to the definition of the rural area specific for the Romanian RDP. Regarding the indicator: *Population structure employed per sectors* – at the national level was used the value provided by NIS, value that was used also in the socio-economic analysis for a better coherence. In the 4.1.7 section of the NRDP was provided the additional indicator relevant for the population structure reported to the rural area in compliance with the national legislation.

3.2.14. 014. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

Environment indicators

The indicators: *Extensive agriculture area, Natura 2000, Soil organic matter in arable land, Soil erosion and GHG emissions from agriculture* need a better formulation.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted, with the exception for the indicator: *Soil organic matter in arable land*, for which was used a proxy indicator (Soil organic matter – source JRC)

3.2.15. 015. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

The indicator: *Production of renewable Energy from agriculture and forestry* needs more details.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. It was inserted *Production of energy by valorification of the forests* and the indicator was updated at the level of the year 2011.

3.2.16. 016. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

The indicator: *Soil organic matter in arable land* needs to be replaced with a proxy one.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. It was inserted the proxy indicator: *Soil organic matter* – source JRC.

3.2.17. 017. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

The indicators *Land cover*, *Extensive agriculture area used for livestock*, *Protected forests*, *Water quality*, *Energy use in food industry* show different values (data with different values are available in other sources).

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted for the first indicator (*Land cover*). We kept the data provided by DG AGRI.

Recommendation was accepted for the indicator *Extensive agriculture area used for livestock*. We used the value provided by DG AGRI but as a proportion (38.9%).

Recommendation was accepted for the indicator: *Protected forests*. We used the value provided by DG AGRI at the level of the year 2005. For this indicator there are no recent data and due to this reason it was

also used a proxy indicator.

Recommendation was accepted regarding the indicator: *Water quality*.

Recommendation was not accepted for the indicator: *Energy use in food industry*. The value of this indicator is in compliance with the data provided by the study undertaken for MARD by the National Centre for Preparation in Statistics (NCPS) in 2013, data from NIS database.

3.2.18. 018. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

For the indicator *Land cover* we have more recent data.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was partly accepted. From the data provided by DG AGRI, the categories of land cover do not correspond with the ones available provided by NIS. Due to this fact, for this indicator was used the data from DG AGRI database since 2006, the last available data. Moreover, in order to show the evolution of different categories of land cover we used specific data provided by NIS through a proxy indicator (The dynamic structure of the land cover).

3.2.19. 019. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

The sources for the indicators: *Land cover, Protected forest and Farming intensivity* should be re-checked.

How recommendation has been addressed or justification as to why not taken into account

The sources were re-checked according to the observations mentioned above.

3.2.20. 020. Additional indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

The indicators: *School drop out rate, Education institutions with an agriculture profile and the net migration* are not strictly connected with the rural dimension.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted for the first 2 indicators, and the third indicator was removed due to consistency reasons.

3.2.21. 021. Additional indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

The indicators: *Diffusion of the internet and Road infrastructure* are not clearly defined.

How recommendation has been addressed or justification as to why not taken into account

The first indicator was removed.

Recommendation was accepted for the second indicator. The typology of the road was detailed.

3.2.22. 022. Additional indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

For the indicator: *Number of farms according to the field activity (vegetable, livestock, mixed)* the title is not correlated with the value foreseen for the percentage.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted.

3.2.23. 023. Additional indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of the context indicators

Description of the recommendation

The indicators: *Application of fertilizers on soil and the Proportion of the agriculture areas that contributes to the net emissions* must be arranged under one indicator with sub-indicators in order to support clearly the elements of the SWOT analysis.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. The indicator was defined by the DG AGRI document (*Sources*

contributing to the annual cumulated emissions of CH4 and N2O from agriculture).

3.2.24. 024. Evidences supporting SWOT analysis

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: SWOT analysis consistency

Description of the recommendation

Each element of the SWOT analysis has to be based on a common or additional indicator or to be supported by a justification provided by the socio-economic analysis. The analysis identified the following possibilities:

- a. The elements may be redundant, too general and hard to be proven and therefore they may be removed. This is the case for example for: *Increase the competition of the products with high added value from other markets and of the pressure exerted on the sale retail sector.*
- b. The elements may be justified with an adequate justification that may be included in the socio-economic analysis. This is the case for example for: *The limited success of the stimulation policy of cooperation between farmers, reflected in a low degree of associations with implications for the viability of farms.*
- c. The elements are important and relevant and the identification of some quantitative data is essential. This is the case for example for: *the Low record in the land cover registry of the agriculture lands.*

How recommendation has been addressed or justification as to why not taken into account

- a. Recommendation was accepted. The element was removed.
- b. Recommendation was not accepted. For this element there are supporting data related to organizations and producer groups in the General description and also the additional indicator no. 29 – No. of organizations (handicraft, consumption, credit). The element from SWOT related to association was reformulated.
- c. Recommendation was not accepted.

3.2.25. 025. Formulation of the elements included in the SWOT analysis

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: SWOT analysis consistency

Description of the recommendation

The second dimension of the SWOT analysis is less represented. There are not many elements related to the future/external perspective, although they are crucial.

Some elements are ambiguous. They could be understood as a trend or as the desired result, for example:

Increase of the added value by diversification of quality wood products offer.

Some elements are actions to be taken, for example: *The establishment of new SMEs with activities that are non-agricultural, cultural, creative and for cooperation in rural areas, in order to generate new jobs.*

How recommendation has been addressed or justification as to why not taken into account

Recommendations were partly accepted. The “opportunities” were analysed and rephrased according to what was recommended by the ex ante evaluator.

For example: *The establishment of new SMEs with activities that are non-agricultural, cultural, creative and for cooperation in rural areas, in order to generate new jobs* was rephrased with: *Availability of a developing market that could be capitalized, at domestic and international level.*

3.2.26. 026. Formulation of the elements included in the SWOT analysis

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: SWOT analysis consistency

Description of the recommendation

The SWOT analysis should be filled in with the following additional information:

(Strengths) “Tangible and intangible cultural heritage and rich and diverse natural heritage”. This element refers to two very important aspects. Thus, it shall be divided in:

i. Tangible and intangible cultural heritage

ii. Rich and diverse cultural heritage

(Strengths) “Experience in the current programming period related to the setting-up of public-private partnerships at local level (LAG)”. This element has been questioned by the Commission. It may be reformulated as: “Awareness and attention to the LEADER approach potential provided at territorial level and confirmed by the high number of applicants between 2007 – 2013.” – to be considered inserting it in “Opportunities”.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. The SWOT analysis has been revised according to the recommendations of the ex ante evaluator.

3.2.27. 027. Formulation of the elements included in the SWOT analysis

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: SWOT analysis consistency

Description of the recommendation

Opportunities) “Attractiveness of rural areas, which can generate premises for development of basic infrastructure and services”. The logic is reversed, the new infrastructure ensures attractiveness. In conclusion it should be rephrased: “Investments in basic infrastructure and communication provide a more attractive rural area”

(Opportunities) “Use of traditional knowledge in the agricultural and rural areas to develop specific activities” – this is a vague phrase. Rephrase: “The non-used value of traditional knowledge in the rural areas to develop high added value products, considering the increased European request for natural and traditional production (non-industrial production) of food (drinks and food).

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. The SWOT analysis has been revised according to the recommendations of the ex ante evaluator.

3.2.28. 028. Formulation of the elements included in the SWOT analysis

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: SWOT analysis consistency

Description of the recommendation

(Opportunities): “Interest of tourists in areas with local cultural and natural resources” – is too vague. Reformulation: “Increase of the international request for touristic locations characterized by the possibility of practicing eco-tourism (with environmental and cultural specific)”.

(Opportunities): ”Completion of criteria for the designation of the eco-tourism destination in Romania, as basis for development of agro-tourism tourist facilities in these destinations”. It is recommended reversing the logic: “Improvement and development of tourism infrastructure due to the investments undertaken under NRDP 2007-2013, is a pre-condition for increasing the attractiveness and accessibility of the rural areas”.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. The SWOT analysis has been revised according to the recommendations of the ex ante evaluator.

3.2.29. 029. Formulation of the elements included in the SWOT analysis

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: SWOT analysis consistency

Description of the recommendation

The SWOT analysis should be filled in with elements related to the experience from the 2007 – 2013 period by capitalizing the information contained in the annual reports and intermediary evaluation:

(Strengths): relatively good performance in the implementation and absorption of specific measures for the

“non-productive” investments.

(Strengths): relatively good performance in the implementation and absorption of the measure on investments for “basic services for the rural population” according to the integrated results in the intermediary evaluation.

(Opportunities): Development of microenterprises for obtaining alternative income sources, especially by women, aspect that was proved by their ability to harness the opportunities offered by NRDP for initiating new business (especially in the tourism sector)

Weaknesses: Challenges for small size family farms to provide financing for grants, since the loan banking system does not accept to guarantee real estate loans.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was partly accepted. The SWOT analysis has been revised according to the recommendations of the ex ante evaluator. The proposal on filling in the SWOT analysis with the “strength”: *relatively good performance in the implementation and absorption of specific measures for the “non-productive” investments* was not accepted due to the fact that this measure was not implemented during the 2007 – 2013 period.

3.2.30. 030. Formulation of the elements included in the SWOT analysis

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: SWOT analysis consistency

Description of the recommendation

(Threats): Delayed initiation of activities relevant for the rural development Strategies of LAGs.

(Threats): Risk of rejecting the EU funds due to lack of local public and private beneficiaries’ capacity to support and implement productive investments.

The SWOT analysis should be filled in with the following additional information related to the additional elements relevant to EU policies:

- a. Information on Danube macro-region in terms of capacity building and increase of public efficiency;
- b. Increasing the efficiency of the local actors as a result of the support provided by OP ACD;
- c. Attention to EU social innovation processes that integrate different types of knowledge (producers and consumers are considered to be information sources) in the new research programme (HORIZONT 2020);
- d. Improving the communication and accessibility infrastructure following the investments made through EAFRD during the 2007 – 2013 period;

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. The SWOT analysis has been revised according to the recommendations of

the ex ante evaluator.

Recommendation on the completion of the SWOT analysis with additional information related to EU policies was not accepted.

3.2.31. 031. Formulation of the elements included in the SWOT analysis

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: SWOT analysis consistency

Description of the recommendation

The SWOT analysis should be filled in with other elements related to international Organizations:

- a. Increased awareness among consumers from local and international level on the existing connections between food products, environment and health status (FAO: global trend);
- b. Consumer's demand for developing education on food products, health and nature (FAO: global trend);
- c. New role of women in rural areas, also as economic actors following the natural process of emancipation (source: survey and interviews undertaken under the ex ante evaluation);

In order to have a more concise and clear vocabulary is preferred the use of a more standardized and simple language (low/high level, increase/decrease).

How recommendation has been addressed or justification as to why not taken into account

First recommendation was not accepted.

Second recommendation was accepted.

3.2.32. 032. SWOT analysis in the perspective of SEA

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: SWOT analysis consistency

Description of the recommendation

In the SWOT analysis is recommended to be listed an impact analysis on air quality, related to the GHG emissions and an analysis on the active material management.

How recommendation has been addressed or justification as to why not taken into account

In the SWOT analysis the climate change topic was covered where was provided information related to the GHG emissions in the agriculture sector.

In the SWOT analysis the waste management and manure management topic were covered, which is by far the main provider of agriculture waste.

3.2.33. 033. SWOT analysis in the perspective of SEA

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: SWOT analysis consistency

Description of the recommendation

Moreover, the analysis on the sewage mud management produced by wastewater treatment plants and its use in agriculture as fertilizer should be considered – recycling sewage mud in agriculture lands.

How recommendation has been addressed or justification as to why not taken into account

According to the 2011 environmental report, the amount of sewage mud used in agriculture was of 2376.4 tons in 2010, the entire amount receiving the environmental approval for use. Considering the reduced amount and the fact that the use of it is strictly regulated, we do not consider appropriate to touch this topic in the NRDP, especially due to the fact that the financed investments from EAFRD do not target this aspect.

3.2.34. 034. SWOT analysis in the perspective of SEA

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: SWOT analysis consistency

Description of the recommendation

After checking whether the SWOT analysis refers to the possible development that might take place in case the programme would not be implemented it was proved that such an analysis is not included in the SWOT analysis. Therefore, some threats related to the non-implementation of the NRDP 2014 – 2020 have been filled in in addition to the threats that are presented in the original SWOT analysis.

How recommendation has been addressed or justification as to why not taken into account

Regarding the recommendation for the SWOT analysis to refer to the possible development that might take place in case the programme would not be implemented, we emphasize that the mentioned aspects are subject to SEA, namely the presentation of the “0” alternative (failure version of not implementing the plan/programme).

3.2.35. 035. SWOT analysis in the perspective of SEA

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: SWOT analysis consistency

Description of the recommendation

In the SWOT analysis should be added some strengths, weaknesses, opportunities and threats. For example the insertion of the threat: *“Irrigation systems are in an advanced stage of degradation and they are not operational”*.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. According to the ex ante evaluator certain proposals were included/rephrased.

3.2.36. 036. Connection with the SWOT analysis

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Needs analysis consistency

Description of the recommendation

For the needs related to *ITC/internet and financing support for farmers* we did not find direct elements of the SWOT analysis that may provide justification.

There are 3 needs that might be proven inconsistent with certain SWOT elements, such as: *The need of a rural development instrument for bottom-up promotion of development initiatives and activities by the local communities, having the needs identified at local level and the endogenous potential* is not consistent with: *Experience in the current programming period regarding local rural development based on bottom-up approach, by creating local action groups (LAGs)* – strength in the SWOT analysis

The needs related to *early school dropout* and *social infrastructures* should be supported by SWOT analysis elements related specifically to aspects such as gender equality and those on Roma population.

How recommendation has been addressed or justification as to why not taken into account

Recommendations were accepted. In order to correlate the SWOT analysis the foreseen needs and/or elements were rephrased accordingly.

3.2.37. 037. Correct formulation of the needs

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Needs analysis consistency

Description of the recommendation

It is recommended to rebuild the semantics of the needs description considering the following structure:

- Gaps
- Unforeseen change
- Sector

Target group

How recommendation has been addressed or justification as to why not taken into account

Recommendation was partly accepted. Needs were rephrased considering the following 2 elements: focus on need (gap) and the expected output.

Recommendations on *sector, target group* sections were not accepted due to the following reasons:

- Provisions of the Strategic programming guidelines of the COM request only the need description
- The additional information recommended by the evaluator are parts of each measure fiche

3.2.38. 038. Strategy

Category of recommendation: Construction of the intervention logic

Date: 10/04/2014

Topic: Construction of the intervention logic

Description of the recommendation

Following the analysis it was revealed that Focus Area 6C is not related to any need.

How recommendation has been addressed or justification as to why not taken into account

Observation is correct. The NRDP 2014 – 2020 will not address this Focus Area.

3.2.39. 039. Strategy

Category of recommendation: Construction of the intervention logic

Date: 10/04/2014

Topic: Construction of the intervention logic

Description of the recommendation

It is recommended to provide additional explanation detailing the meaning and association of “need *general objective” in case of needs 12 and 25.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was partly accepted. Information in the strategy was detailed in order to provide better clarity.

3.2.40. 040. Strategy

Category of recommendation: Construction of the intervention logic

Date: 10/04/2014

Topic: Construction of the intervention logic

Description of the recommendation

Internal links and potential synergies are not explicitly described in the NRDP at the Focus Area or Priority level. It is recommended to emphasize more explicitly this internal coherence under the NRDP.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. Chapter 5.2 of the Strategy has been revised according to the ex ante observations. Combination of measures and potential synergies were detailed for each Focus Area in

compliance with the identified needs.

3.2.41. 041. Strategy

Category of recommendation: Construction of the intervention logic

Date: 10/04/2014

Topic: Construction of the intervention logic

Description of the recommendation

The NRDP is not always fully describing the synergic interaction between measures. It is recommended to further detail this aspect in the measures' description.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. The revised Strategy covers precisely this internal consistency part at both Focus Area level and synergies between Focus Areas and cross-cutting objectives level.

3.2.42. 042. Measures

Category of recommendation: Construction of the intervention logic

Date: 06/06/2014

Topic: Construction of the intervention logic

Description of the recommendation

Following the analysis of the proposed support schemes under the NRDP 2014 – 2020, the evaluators believe that the financial allocation for Measure 1 is not adequate considering the need of providing a consistency between the importance of the measure and the financial allocation.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. The allocation for M1 was supplemented in order to address better the needs of training and information activities. The added allocation took into account also the complementarity with the national vocational training services but also the complementarity with the ESF.

3.2.43. 043. Measures

Category of recommendation: Construction of the intervention logic

Date: 06/06/2014

Topic: Construction of the intervention logic

Description of the recommendation

At the programme level a strategy for administrative simplification (for example the adoption of standard costs or lump sums) is not envisaged. Therefore, the risk of long procedure timeline and the risk of commitment due to errors (unintentional) are very high and can jeopardize the financial absorption of the NRDP. Currently, it seems that the possibility provided by the new regulation for the use of simplified costs is not sufficiently considered.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was partly accepted. Simplified costs will be eligible only for sM4.1 relevant for the orchards sub-programme in compliance with the provisions of art. 62 of R (EU) no. 1305/2013 and art. 67 of R (EU) no. 1303/2013. Thus, the standard costs will be used for the costs related to reconversion and setting-up of plantations (eg. seed material, works, support system etc.)

3.2.44. 044. Measures

Category of recommendation: Construction of the intervention logic

Date: 06/06/2014

Topic: Construction of the intervention logic

Description of the recommendation

Considering the current situation, the evaluators find it important for the NRDP to focus on one hand on the innovation system as a whole (relations between Universities, research stations, farmers and agriculture enterprises) and on the other hand to provide the framework for social experiments in the rural areas such as community services, public-private partnerships, welfare, ITC etc. Regarding this aspect, the financial allocation for M16 seems to be inadequate as long as the operational groups appear to be real mechanisms for change in rural areas.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was not accepted. Although the financial allocation seems relatively small, it has taken into account the emphasis on covering the setting-up and functioning costs based on pilot projects of potential operational groups, considering that the innovation culture is poorly represented in the rural areas. Furthermore, the experience from other MS has revealed that the development of such partnerships requires relatively long time and a gradual approach, which is expected to happen also in the Romanian case.

3.2.45. 045. Analysis and assessment on the integration degree of the equal opportunities and non-discrimination principle in the RDP

Category of recommendation: Construction of the intervention logic

Date: 06/06/2014

Topic: Construction of the intervention logic

Description of the recommendation

It is recommended the particularization of some innovative solutions adequate in the SWOT analysis and needs description on the application of equal opportunities and non-discrimination principle.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was partly accepted. The Strategy deals with this principle on both Focus Area 6A and 6B. Thus, the issues are addressed both at the level of equality between residential societies and at the level of disadvantaged population categories.

3.2.46. 046. Analysis and assessment on the integration degree of the sustainable development principle in the RDP

Category of recommendation: Construction of the intervention logic

Date: 06/06/2014

Topic: Construction of the intervention logic

Description of the recommendation

Following the needs and measures analysis it has been revealed that the connection between measures and needs is not always explained. Therefore, in order to consolidate the internal consistency it may be useful to indicate the specific needs that are addressed under each measure.

It is recommended to synthesize the identified needs in the socio-economic analysis at the beginning of each measure description; more specifically, a short reference to the need may be inserted under the section: "General description of the measure, including intervention logic, and contribution to FA and cross-cutting objectives".

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted.

Addressing of needs in compliance with measures is presented in the Strategy section where practically is shown the combination of measures leading to the achievement of the identified needs.

3.2.47. 047. Analysis on the adequacy degree of the approach for the Community-led Local Development

Category of recommendation: Construction of the intervention logic

Date: 06/06/2014

Topic: Construction of the intervention logic

Description of the recommendation

It was considered that the information provided on CLLD is very general in terms of several important aspects presented below. In order to improve the quality of the NRDP, it is recommended to complete the Programme with a more comprehensive description on the way in which these aspects would be addressed.

The preparatory support is limited in explaining how the local actors' building capacity will be covered.

How recommendation has been addressed or justification as to why not taken into account

Recommendation related to the preparatory support was accepted by indicating in detail which are the elements of the preparatory support and how the local actors' building capacity would be organized.

3.2.48. 048. Analysis on the adequacy degree of the approach for the Community-led Local Development

Category of recommendation: Construction of the intervention logic

Date: 06/06/2014

Topic: Construction of the intervention logic

Description of the recommendation

Definition of the areas is very general.

How recommendation has been addressed or justification as to why not taken into account

This recommendation is not justified. The eligible LEADER and population areas were defined in compliance with the Reg. no. 1303/2013 – Art. 33 (6).

3.2.49. 049. Analysis on the adequacy degree of the approach for the Community-led Local Development

Category of recommendation: Construction of the intervention logic

Date: 06/06/2014

Topic: Construction of the intervention logic

Description of the recommendation

The description of the selection criteria for LAGs and LDSs limits itself to define only the titles of the main criteria categories.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. Selection criteria were exemplified.

3.2.50. 050. Analysis on the adequacy degree of the approach for the Community-led Local Development

Category of recommendation: Construction of the intervention logic

Date: 06/06/2014

Topic: Construction of the intervention logic

Description of the recommendation

The specific indicators related to the main challenges are not elaborated.

How recommendation has been addressed or justification as to why not taken into account

This recommendation is not justified. Each local strategy will have LAGs' specific indicators.

3.2.51. 051. Analysis on the adequacy degree of the approach for the Community-led Local Development

Category of recommendation: Construction of the intervention logic

Date: 06/06/2014

Topic: Construction of the intervention logic

Description of the recommendation

In the section related to the quality of the Strategy could be formulated specific sub-criteria, taking into account the adoption of innovation principle, the quality of the LAG structure, the decision making strategy process and the specific features of the LEADER approach.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted: the innovation principle was detailed and there were inserted focus areas in which could be included the actions that address the relevant needs from the territory.

Eligibility criteria related to the quality of the LAG structure were inserted such as administrative capacity for implementing LDS and criteria related to the decision making strategy process or urban organizations must represent maximum 25% at both decision and total population level of the covered territory.

3.2.52. 052. Analysis on the adequacy degree of the approach for the Community-led Local Development

Category of recommendation: Construction of the intervention logic

Date: 06/06/2014

Topic: Construction of the intervention logic

Description of the recommendation

The role of the LAGs in the development of specific evaluation activities related to the local development strategy may be specified in a more detailed manner (What are they? What is the coordination method applied by the MA? What is the role played by the independent evaluator of NRDN and NRDP?)

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. LAGs' activities were detailed according to Art. 34 (3) of Regulation 1303/2013 and it was also included the carrying of specific evaluation activities related to the strategy. Moreover, there were also detailed the tasks of the MA.

Regarding the independent evaluator, as it was mentioned in the Evaluation plan, the MA will initiate the necessary procedures for contracting a "permanent evaluator" at the beginning of the programme for the organization of data provision.

3.2.53. 053. Analysis on the contribution of the Rural Network to the implementation of rural policy and good governance in rural areas

Category of recommendation: Construction of the intervention logic

Date: 06/06/2014

Topic: Construction of the intervention logic

Description of the recommendation

The ex ante evaluator recommends to be mentioned that in the Action Plan of NRDN:

- will be explained how the main categories of key actors will be identified and involved.
- will explain how RSU will develop an intervention logic setting clear indicators and objectives and it will build from the very beginning, a simple monitoring and auto-evaluation system of its own activities.
- will present how RSU will collect indicators and information (completion of basic quantitative data, with a qualitative evaluation and study cases), in order to ensure an adequate monitoring of activities.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was partly accepted. Chapter 17 has been revised and detailed according to the recommendations and took into account the space limitations of the SFC and the fact that the Action Plan of

the NRDN is an implementing and not a programming tool.

3.2.54. 054. Indicator Plan

Category of recommendation: Establishment of targets, distribution of financial allocations

Date: 06/06/2014

Topic: Establishment of targets, distribution of financial allocations

Description of the recommendation

The ex ante evaluator emphasizes the need to provide additional arguments that support the established values (for ex. the 60 euro value allocated to each participant that will be trained under FA 3A).

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. The Indicator Plan is accompanied by an explanatory document that provides additional information related to values and calculation methodologies.

3.2.55. 055. Indicator Plan

Category of recommendation: Establishment of targets, distribution of financial allocations

Date: 06/06/2014

Topic: Establishment of targets, distribution of financial allocations

Description of the recommendation

The ex ante evaluator proposes that the value of 12710 to be updated to 12709 for the indicator: No. of beneficiaries (young farmers) receiving support under Sub-measure 6.1 – FA 2B.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted.

3.2.56. 056. Indicator Plan

Category of recommendation: Establishment of targets, distribution of financial allocations

Date: 06/06/2014

Topic: Establishment of targets, distribution of financial allocations

Description of the recommendation

The ex ante evaluator highlighted that the projects receiving support under LEADER measure do not address to FA 2A, 2B, 5D etc.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted.

3.2.57. 057. Indicator Plan

Category of recommendation: Establishment of targets, distribution of financial allocations

Date: 28/06/2014

Topic: Establishment of targets, distribution of financial allocations

Description of the recommendation

The ex ante evaluator proposes that the value for the indicator: No. of farms participating in the mutual fund (Measure 17.2) – FA 3A to be updated in order to be in compliance with the legislative modification.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted.

3.2.58. 058. Indicator Plan

Category of recommendation: Establishment of targets, distribution of financial allocations

Date: 28/06/2014

Topic: Establishment of targets, distribution of financial allocations

Description of the recommendation

The ex ante evaluator proposes to be detailed the used methodology for calculating the indicator: No. of selected LAGs – FA 6B, the revision of the Indicator Plan and to be provided new values for the projects supported under LEADER.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. The details are shown in the explanatory document.

3.2.59. 059. Analysis on the Evaluation Plan

Category of recommendation: Programme implementing arrangements

Date: 06/06/2014

Topic: Implementing arrangements

Description of the recommendation

- a. In the “Activities on evaluations preparation” (9.3), it might be useful to also include the mechanism for identification of additional evaluation questions by consulting the stakeholders.
- b. According to the interviews, human resources represent the main issue. In sub-chapter 9.7 this issue must be taken into account more in depth. It may be useful to anticipate a specific plan on the evaluation capacity that would identify the important needs and would present the activities undertaken to strengthen the human resources and recruitment.
- c. Moreover, it may be useful to organize specific activities related to: workshops on the counterfactual analysis, peer review in other European MAs, active participation in the European Rural Network for evaluation, collaboration with academia (internship of PHD students in MARD)

How recommendation has been addressed or justification as to why not taken into account

- a. Recommendation was accepted. In the section related to the preparation activities of the evaluation plan was inserted “the mechanism for identification of additional evaluation questions by consulting

the stakeholders”

b. Recommendation was accepted. In the section “Human Resources” were inserted notes on the elaboration of a specific plan on the evaluation capacity that would identify the important needs and would present the activities undertaken to strengthen the human resources and recruitment.

c. Recommendation was accepted. In the section “Human Resources” were inserted the necessary additional activities in order to strengthen the administrative capacity.

3.2.60. 060. Analysis on the Evaluation Plan

Category of recommendation: Programme implementing arrangements

Date: 06/06/2014

Topic: Implementing arrangements

Description of the recommendation

a. The “Auto-evaluation” activity of LAGs will be managed at the central level through NRDN. It may be useful to be foreseen the preparation of an operational guidelines.

b. A more structured support may come through the ongoing selection of the evaluator in early stages (as it is recommended also by the EC). The evaluator, in collaboration with the NRDN may support the consolidation of the capacity relevant for the previously mentioned activities.

How recommendation has been addressed or justification as to why not taken into account

a. Recommendation was accepted. In the section “Local Action Groups” were inserted provisions related to the fact that the NRDN will be involved in the consolidation of the capacity to fulfil these actions, by elaborating operational guidelines for evaluation and by training actions.

b. Recommendation was accepted. There were detailed notes related on contracting a “permanent evaluator”.

3.2.61. 061. Human Resources

Category of recommendation: Programme implementing arrangements

Date: 29/06/2014

Topic: Implementing arrangements

Description of the recommendation

Considering that many of the aspects related to the consolidation of capacity are reported at the national level it is necessary to have a strong coordination with the OP ACD. In order to have a synergy in this sector it would be useful to create a cooperation protocol.

How recommendation has been addressed or justification as to why not taken into account

This recommendation is not justified. The consolidation of the capacity for the involved staff in implementing EAFRD is eligible under the measure “Technical Assistance” from the NRDP 2014 – 2020. Regarding the public beneficiaries of the NRDP (municipalities), they represent an eligible category of beneficiaries under the OP ACD.

3.2.62. 062. Human Resources

Category of recommendation: Programme implementing arrangements

Date: 29/06/2014

Topic: Implementing arrangements

Description of the recommendation

Regarding the need of consolidating the capacity at internal level it would be useful to undertake a structured evaluation in order to plan a consolidation of human resources and internal knowledge management. Among the useful actions emerged from the interviews include: peer workshops on specific topics (eg. standard costs), exchanges through European sectorial projects and territorial cooperation projects, focus on the following specific topics: public procurements, monitoring and evaluation, practice experience and pilot projects.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. In the Action Plan for implementing TA such actions will be considered for consolidating the administrative capacity.

3.2.63. 063. Human Resources

Category of recommendation: Programme implementing arrangements

Date: 29/06/2014

Topic: Implementing arrangements

Description of the recommendation

In the public procurement procedure for certain activities such as evaluation and technical assistance should be used the criterion based on quality and not on price. Although, it is difficult and dangerous considering the possibility of submitting appeals, it is strongly recommended that the experience of the contractor to be considered more important than the lowest price.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. We will consider this in the implementation of the TA (including for the activities relevant for the Evaluation Plan).

3.2.64. 064. Human Resources

Category of recommendation: Programme implementing arrangements

Date: 29/06/2014

Topic: Implementing arrangements

Description of the recommendation

It is necessary to develop an integrated Plan for simplification on different topics regarding simplification. It may be implemented under the technical assistance. Some elements may be related to:

- a. Launching of a selection call in two stages. In the first stage would be presented the project idea and the minimum requirements regarding the eligibility; the selection would be done based on a

subjective eligibility and analysing the value of the project idea. In the second stage the contractor would define its proposal and would integrate the administrative aspects. If the proposal was valid then the project would be selected and financed.

b. The use of a standard format of required information through the financing application form so that the potential beneficiary that would like to submit projects to be able to know what information he/she must provide.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was partly accepted. For simplification is intended to:

- Request at the submission of the project a minimum number of simplified documents following at the signing of contract to be requested the authorizations, approvals and all the other documents that are necessary for the investment,
- However, in order to reduce the administrative burden there will be available project models for financing certain types of investments carried out under the NRDP.

3.2.65. 065. Human Resources

Category of recommendation: Programme implementing arrangements

Date: 29/06/2014

Topic: Implementing arrangements

Description of the recommendation

It is necessary to develop an integrated Plan for simplification on different topics regarding simplification. It could be implemented under the technical assistance. Some elements may be related to:

- a. The adoption of standard costs and lump sums (as it is already done for M6). Standard costs already a possible practice for ESF during the 2007 – 2013 period may be applied for Measures 1 and 2.
- b. To adopt an indicator system in order to monitor the costs and the administrative burden. This tool is useful providing a cost analysis based on indicators.

How recommendation has been addressed or justification as to why not taken into account

a. Recommendation was partly accepted. Simplified costs will be eligible only under sM4.1 relevant for the orchards sub-programme in compliance with the provisions of art. 62 of R (EU) no. 1305/2013 and art. 67 of R (EU) no. 1303/2013. Thus, there will be used standard costs for the costs related to reconversion and setting-up of plantations (eg. seed material, works, supporting system etc.).

b. Recommendation was accepted. The proposed simplifications will be monitored, evaluated and improved continuously and in due time through the following mechanisms:

- monitoring on how the system responds on the on-line submission and its improvement in due time so that the beneficiaries to be able to submit financial applications under optimum conditions,

- regular update and completion of the reference price database;
- annual evaluation on the organization of sessions and on the available allocations regarding the number of submitted projects and the necessary evaluation time for ARIF in order to improve the organization of sessions, to limit the decision making process on the approval of projects.

3.2.66. 066. Analysis on the adequacy degree of thematic sub-programmes

Category of recommendation: Other

Date: 06/06/2014

Topic: Fruit growing thematic sub-programme

Description of the recommendation

The main weakness of this sub-programme is the absence of a distinctive Indicator Plan according to the provisions of art. 8 (2.c) of Regulation no. 1305/2013.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. The Indicator Plan related to the fruit growing thematic sub-programme has been elaborated and sent to the ex ante evaluator.

3.2.67. 067. Analysis on the adequacy degree of thematic sub-programmes

Category of recommendation: Other

Date: 01/07/2014

Topic: Fruit growing thematic sub-programme

Description of the recommendation

It is recommended to insert in the thematic sub-programme M2 – Advisory services.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was not accepted. The increase knowledge level of farmers working in the orchards sector will be addressed in an integrated manner under the NRDP by measures 1 and 2. Moreover, under sub-measure 7.2 support will be provided for the extension and modernization of the secondary education institutions from agriculture sector, actions that will provide to the future farmers an increase level of knowledge and working capacities. Therefore, we consider that the current approach will have a stronger effect on the level of knowledge of farmers working in the orchards sector than the inclusion of M2 in the orchards sub-programme.

3.2.68. 068. Strategy

Category of recommendation: Construction of the intervention logic

Date: 19/06/2014

Topic: Construction of the intervention logic

Description of the recommendation

There is a lack of consistency between FA from Chp. 5 – Strategy and Chp. 8 – Measures, as follows:

- a. Measure 1: FA 1A and 1C are mentioned in Chp. 5 but not mentioned in Chp. 8
- b. Measure 2: FA 1A is mentioned in Chp. 5 but not mentioned in Chp. 8.
- c. Measure 10: It was added sub-measure 10.2 that addresses FA 4A. FA 4B, 5A, 5D and 5E do not appear in Chp. 5 but they appear in Chp. 8. In Chp. 5, FA 5A was removed from the table but the text indicates the fact that the FA is presented under Measure 10.
- d. Measure 11: It was added Sub-measure 11.1; it is not clear if there is a sub-measure 11.2. In Chp. 5 were removed FA 4A, 4C and 5E but they appear in Chp. 8. FA 4C was removed from the table but the text indicates the fact that the FA is presented under Measure 11.
- e. Measure 13: From Chp. 5 was removed FA 4A while Chp. 8 keeps the notes related to FA 4A and 4C.
- f. Measure 16: On one hand FA 5A is kept in Chp. 5 but it is removed from Chp. 8. On the other hand FA 2A and 6A are removed both from Chp. 5 and Chp. 8.

How recommendation has been addressed or justification as to why not taken into account

- a. Recommendation was not accepted. Measure 1 is a horizontal measure that addresses to FA 1A and 1C. In terms of allocation M1 is not quantified under P1. Under the measure is stipulated the FA with financial allocation. Considering that through the programme is provided training and formation for farmers, young farmers, processors, mutual fund and farmers involved in the environment protection, there were mentioned those FA where the measure has allocation. It is correct the specification for FA 1A and 1C for Chp. 5 because this chapter describes the priority and presents the measures that address the FA.
- b. Recommendation was not accepted for the same reasons outlined above for Measure 1.
- c. Recommendation was accepted. Chp. 8 has been revised, FA 5A was inserted and there were kept the main FA. FA 5A is considered main one in both Chp. 5 and Chp. 8.
- d. Recommendation was accepted. Chp. 8 has been revised keeping as main only FA (4B). There are two sub-measures and both of them address to FA 4B.
- e. Recommendation was not accepted. Chapter 8 has been revised keeping as main one only FA (4C).
- f. Recommendation was accepted. FA 5A was removed from Chp. 5 under this measure.

3.2.69. 069. Preliminary final report

Category of recommendation: Construction of the intervention logic

Date: 01/07/2014

Topic: Preliminary final report

Description of the recommendation

It is recommended the insertion of micro-loan schemes.

How recommendation has been addressed or justification as to why not taken into account

MARD plans to provide to the NRDP beneficiaries the necessary financial instruments in order to ensure the private financing. To this end it is developed an ex ante assessment for financial instruments according to the provisions of art. 37 (2) of R (EU) no. 1303/2013. The results of this assessment will allow the selection and adequacy of those financial instruments that respond best to the needs of the targeted market. Currently, in this process, is analyzed the opportunity of inserting in the NRDP two financial instruments: credit and guarantee.

3.2.70. 070. Measure 4

Category of recommendation: SEA specific recommendations

Date: 01/07/2014

Topic: SEA specific recommendations

Description of the recommendation

The negative impact of investments activities would be reduced by the proper application of the rules in force related to the construction investment objectives, to the relevant environmental legislation and the provisions of Community regulations on rural development (eg. provisions on investment in irrigation systems). It is recommended that for each activity that is supported under this measure to be paid particular attention to the eligibility and selection criteria that are in compliance with environmental protection.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. For each activity that is supported under this measure were established eligibility and selection criteria that are in compliance with the environmental protection.

3.2.71. 071. Measure 6

Category of recommendation: SEA specific recommendations

Date: 01/07/2014

Topic: SEA specific recommendations

Description of the recommendation

There is a risk of negatively affecting the environment through an inadequate implementation of some eligible actions under the measure (for ex. uncontrolled development of tourism, inadequate development of livestock sector which can be a source of air pollution, water and soil resources and may affect biodiversity). Therefore, it would be necessary that the different business plans concerning the environmental impact to be continuously assessed.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. The business plan requires obtaining an environmental permit. The business plan, among other things, will prove the opportunity of implementing the project by taking into account the specific conditions.

3.2.72. 072. Measure 7

Category of recommendation: SEA specific recommendations

Date: 01/07/2014

Topic: SEA specific recommendations

Description of the recommendation

In terms of environmental perspective, investments in small scale basic infrastructure through the proposed actions present a risk to the environment, particularly for biodiversity, ecosystems and ecosystem services. However, these risks can be mitigated through an assessment of the environmental impact of each activity or project, and a proper assessment of their (for Natura 2000 sites), which will result in mitigation measures for the environment.

For tourism development it would be necessary to be assessed the importance of the area for tourism development potential and to be harmonized the development of tourism together with the area potential. The selection criteria must also confer a close attention to the environment.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. For each activity that is supported under this measure were established eligibility and selection criteria that are in compliance with the environmental protection. At the same time, before implementation, the projects that need an assessment on the environmental impact will be subject to EIA/EA.

3.2.73. 073. Measure 8

Category of recommendation: SEA specific recommendations

Date: 01/07/2014

Topic: SEA specific recommendations

Description of the recommendation

If the actions are implemented inside Natura 2000 Sites it is necessary to go through the EA proceedings in order to establish whether the afforestation action would bring changes to the conservation status of habitats/species which were declared sites.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. For these projects will be developed EA in compliance with the legal provisions.

3.2.74. 074. Measure 16

Category of recommendation: SEA specific recommendations

Date: 01/07/2014

Topic: SEA specific recommendations

Description of the recommendation

Considering that this measure can also support the implementation of project investments, in such cases, it is

very important to be assessed the impact of those on the environment. In such cases, it is recommended the use of selection criteria aimed at protecting the environment.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted. For each activity that is supported under this measure were established eligibility and selection criteria that are in compliance with the environmental protection.

3.2.75. 075. Measure Leader

Category of recommendation: SEA specific recommendations

Date: 01/07/2014

Topic: SEA specific recommendations

Description of the recommendation

Regarding the investments measures under this measure, they may have a negative impact on the environment. Therefore, when assessing the quality of the strategy, it would be necessary to take into account the environment criteria. Similarly, when assessing the quality of the partnership it would be appropriate to evaluate the activities of the partnership targeting the environmental protection in the area covered by the partnership.

How recommendation has been addressed or justification as to why not taken into account

Recommendation was accepted.

3.3. Ex-ante Evaluation report

See Annexed Documents

4. SWOT AND IDENTIFICATION OF NEEDS

4.1. SWOT

4.1.1. Comprehensive overall description of the current situation of the programming area, based on common and programme-specific context indicators and other qualitative up-to-date information

Territory and population

Romania has a significant but underutilized growth potential. With a total area of 238,391 km² {1} [CI 3] and a population of 21.356 ^[1] million inhabitants {1} (according to Eurostat, in 2012 Romania had a population of 20.077 million inhabitants – provisional data) {1} [CI 1], Romania ranks 7th in the EU27 for both area (6.0%) and population (4.25%). From a regional perspective there is a balanced distribution of territory between the 6 regions (14.33% North, 14.30% Center, 15.46% North-East, 15% South-East, 14.45% South-Muntenia, 12.25% South-West-Oltenia, 13.44% West), while Bucharest - Ilfov region occupies only 0.76% of Romania. By geographic areas (mountains, hills and plains), the country's territory is distributed in relatively balanced proportions.

Rural areas, representative for Romania, have substantial resources for development. Thus, in 2012, rural areas (according to the Definition in Annex 1) have a surface of 207,522 km² (87.1%) {3} [A3] and 45.0% of Romania's population lives in this territory {2} [A1]. The rural population is not evenly distributed across the country. In some regions it's percentage is higher (South Muntenia - 58.6% North East - 56.8% and South West - 51.9%), the highest density, except for Bucharest-Ilfov region, being registered in the North-East region (63.24 inhabitants / km²), while in the western part of the country the rural area is less populated (26.51 inhabitants/km² in West region) {2} [A4]. These disparities influence the socio-economic development of the area and the quality of life of the rural population.

Rural population is facing demographic decline, constantly decreasing and aging. During the period 2005 - 2012, the rural population decreased by 65,646 persons {2} [A 1], and according to demographic projections it will continue to decrease, at a moderate pace, until 2015, followed by a sharp decline in the period 2015-2050 {5}. At national level, in the reference period, the analysis of the population's structure by age shows significant differences (0-14 years category decreased by 0.6% reaching 15% in 2012 and the categories 15-64, respectively the category over 65 years had a slightly upward trend -by 0.3% and 0.2%, reaching 70% and 15% in 2012) {1} [CI 2], the phenomenon of decrease and aging of the rural population being obvious. The 0-14 category decreased (from 17.8% in 2005 to 16.6% in 2012), while the category over 65 remained at significantly high levels (18.7% in 2005 and 18.3% in 2012) {2} [A2].

The general situation of the Romanian economy

In the field of economic development, Romania has a modest position in EU27, it's share in the European GDP, in 2012, being of only 1%. Although after 2010 the GDP per capita (euros) recorded an upward trend (Appendix 1 Figure 1), it represents only 49% of the EU27 average in terms of PPS/inhabitant, {1} [CI 8].

The agricultural sector and the rural economy in general continue to have substantial growth potential, still unused.

Agriculture generated 6924.752, million Euros gross value added (GVA), representing 6.01% of the total GVA. The evolution of GVA distribution by sectors shows a continuous decline of the share of agriculture (9.52% of total GVA in 2005, 6.0% in 2012), in favor of the secondary (35.90% in 2005, 42.3% in 2012)

and tertiary sectors (54.58% in 2005, 51.6% in 2012). **Although this phenomenon reflects that the structure of Romania's economy is getting closer to the structure existing in other MS, agriculture's share remains more than three times higher than in EU27 (1.74% in 2012) {1} [CI 10].**

In 2012, **labor productivity** in agriculture, forestry and fishing was of 2,464 €/person employed, being almost five times lower than the national average (12,527 €/person employed), while in the secondary (industry and construction) and tertiary sectors the recorded values were 1.5 and respectively 1.3 times higher {1} [CI 12].

The analysis of rural **SMEs** highlights their reduced ability to respond to the need of providing employment for the rural population. Development of small business is recognized as the most important source for employment/income generation in rural areas, both for already developed economies and for developing economies.

At national level, of the active SMEs with non-agricultural profile, only 18.1% were listed in the rural area in 2011, which shows **a low share of SMEs from rural areas involved in carrying out non-agricultural activities (industry, services and rural tourism).**

Although between 2005-2011 the number of SMEs from rural areas with non-agricultural profile increased by 16%, the effects of the economic crisis have been felt in the last three analyzed years, when there has been a decrease by 7,492 of these units, reaching a number of 77,315 non-agricultural SMEs (secondary sector and tertiary sector third) in 2011 {2} [A24].

Although the micro-enterprises which carry out non-agricultural activities in rural areas were supported also from NRDP 2007-2013 (in 2011 most of the projects financed through measure 312 – 56.5% - were aimed at activities related to the supply of auxiliary services in agriculture {39}), yet **the density of SMEs per 1,000 inhabitants** in rural areas is still lower than the national average (9.64 compared to 23.66 in 2011) {7} [A25]. Rural tourism does not have the location in rural areas as its sole dimension, but also cultural, traditional, agricultural and ecological dimensions, being represented by components such as: agri-tourism, eco-tourism, ecumenical tourism and recreational tourism, in the context of local specificity.

With regard to **tourism infrastructure**, the accommodation capacity (existing beds) at national level increased by 6.13% in 2012 compared to 2005, the hotels having 60% of all accommodation capacity. If we refer to the accommodation capacity existing in agro touristic hostels from rural areas, it has doubled in the analyzed period, registering a 59.4% increase, mostly due to the financial support from European funds {4} [A 23].

Despite all this support, rural tourism has not yet reached a satisfactory level of development, particularly in terms of quality of infrastructure and services provided, especially for the ones related to recreation.

The access of SMEs to finance remains problematic. In terms of territoriality, financial services are generally less accessible to enterprises from rural areas and the agricultural sector (especially for small farms), with high credit costs. In 2010, the level of the loans granted to agriculture was less than 3% of the total loans granted to the non-governmental sectors of the economy {5}. In the previous programming period, although financial mechanisms (guarantee schemes) were in place, some of the beneficiaries who signed financing contracts were not able to access credits for investment.

The decrease of the number of workshops and handicraft cooperatives units generated severe compression of the social economy from rural areas. However, the agricultural cooperative sector is underdeveloped compared to other MS and the trend is to keep on decreasing. In 2005, the number of cooperative units was of 108 and in 2010 decreased to 68 {4} [A29]. Moreover, unlike European Cooperatives, the Romanian cooperatives carry out their activity in the production sector and not in the processing or marketing sectors.

Also, with regard to the practice of traditional activities (crafts, handicrafts) by craftsmen working on their

own or in organized associations, in 2010, out of the 2017 cooperatives, 42.5% were crafts cooperatives. {4}

Education and vocational training

Rural population in Romania, in 2011, had a low **level of education**, the highest share of the rural population aged between 25 and 64 attending just a secondary school (38.5%). Regarding pre-university studies, only 22.2%, respectively 17.4% of the rural population attended a vocational school, respectively high-school. Regarding the rural population with higher education, only 1.6% have completed this kind of education {8} [A10] .

The dropout rate is much higher in rural areas than in urban areas, but also in relation to the national one - of 4.2% in the school year 2011/2012, for secondary and vocational education. Thus, in rural areas, the dropout rate for the educational sector analyzed, reached 5.3%, 1.2% higher than the rate in urban areas {2} [A11].

In the last decade, the number of agricultural, agromountain and veterinary high-schools recorded a downward trend (by 40% by 2011, when only 67 such schools were left nationwide and only 44 in the rural areas), the most drastic decrease being recorded at the level of agricultural high schools (52%) {4} [A12]. This decrease of agricultural high-schools occurred at the same time with the decrease of the number of graduates (over 44% between 2001 and 2011), in 2011 being recorded a rate of 0.76% of the total number of high school graduates at national level. Regarding the situation in rural areas, in 2011 only 1.20% of graduates graduated a highschool with agricultural profile {4} [A13].

The low attractiveness of the agricultural sector as well as the decrease in the number of graduates of schools with agricultural profile are factors that have contributed to lowering **the level of training of farm managers**.

In Romania, lifelong vocational training is in an early stage of manifestation, which is showed by the low level of participation in the training process in the year 2012. At national level, the participation in the process of education or training of population aged between 25-64 is of 1.4%, and even lower, for the rural population, namely 0.5% {2} [A17]. Although, according to the data presented in the annual implementation report of SOP HRD for 2012, the number of participants from rural areas in integrated programs for human resource development was of 31,721, only 32.8% of the target has been reached {28}. A similar situation occurred also for the 111 *Vocational Training, information and diffusion of knowledge* measure, through which only 18,030 out of the 27,266 targeted farmers who own semi-subsistence farms have been trained by the end of 2012 {12} .

The structure of labor force and employment

Urbanization of the active population. In the last decade, the economic development of the secondary and tertiary sector drew the active rural population to urban areas, in 2012 the active population in urban areas being 11.7% higher than in rural areas (44, 6%) {4}.

Although the active population in rural areas recorded a slightly downward trend (by 1%), between 2005 and 2012 on the account of the decreasing and aging of the rural population, there is available labor force which at present is involved in a high proportion in subsistence and semi-subsistence agriculture.

In Romania, employed population is decreasing both nationally and in rural areas. Nationally, in 2012, the employment rate, as an expression of the concentration of the employed population aged 15-64 years, was of 59.5%, lower than the European average by 4.7 pp {1} [CI 5].

In the the reference period 2005-2012, an analysis of population employed by activity sectors of national economy indicates the decrease of the number of people employed in the primary and secondary sectors (by 3.2% in agriculture and 1.7% in industry and construction) and an increase by 4.9% in the tertiary sector {2} [CI 11] .

In rural areas, the structure of employed population shows a higher share of the population employed in agriculture, of 60.3%, compared to the population employed in non-agricultural sectors (by 40.2 pp compared to industry and 40.6 pp to services) {2} [A9].

Analyzing the structure of employed population in terms of professional status, we note that in 2012 freelancers and unpaid family workers from rural areas accounted for 89% of the total population falling within this professional status. Also, in the context of the rural economy, their share is of 57.9% of total population employed in rural areas in 2012, aspect that is rather associated with subsistence farming and lack of alternatives than with entrepreneurship {2} [A6].

In rural areas, there is a decrease in the employment rate for the main age group, 15-64 years (61.6% in 2005, compared to 60.7% in 2012) {2} [A5].

If we refer to the residence environment, we note that in 2012 the employment rate for population aged 15-64 from rural areas (60.7%) is 2% higher than in urban areas, which, instead of reflecting the existence of better employment opportunities rather indicates insufficient employment of labor force in this area {2} [A5].

Unemployment

Given that in 2012 unemployment rate in Romania remains below the European average (10.5% in EU27 and 7% in RO) {1} [CI 7], a higher employment rate in rural areas masks hidden unemployment. Thus, the unemployment rate in rural areas is of 5.1% compared to 8.6% in urban areas. The categories mostly at risk of not having a job are the young people aged 15-24. The share of unemployed people in this category significantly increased from 13.9% in 2005 to 15.9% in 2012 {2} [A7]. Long term unemployment rate in rural areas was of 2.0% in 2012 {4}.

Quality of life in rural areas

In 2011, 40.3% of the population was at risk of poverty and social exclusion, with 16.1 pp higher than in EU27 {1} [CI 9]. These differences have a deep territorial character, the share of people at risk of poverty or social exclusion in rural areas representing 54.2% (61.9% in 2007) {2} [A8].

One of the most vulnerable groups at risk of social exclusion is the Roma minority. According to the 2011 Census on population and housing, 619,000 people declared themselves as being of Roma ethnicity {2}[A32]. Low participation and limited access to insecure and marginal jobs in the labor market translate into poor incomes and high risk of poverty and social exclusion among the Roma population. Thus, in 2012, at the level of Roma population from rural areas, aged between 15 and 64, an employment rate of 38% was recorded, 28% below the percentage of population employed in rural areas {2 }.

In rural areas, incomes are relatively low compared to urban areas (at the level of 2011-503 Euros /

household in rural areas compared to 621 Euros / household in urban areas). At the same time the share of incomes (both cash and in kind) from agriculture represent 42% of total gross income / household in rural areas, while wages are currently around 26% {2}.

Romanian rural areas are affected by the absence or deficiency of infrastructure, which has a negative impact on economic development and quality of life.

Communal roads have a length of 31,639 km and represent 37.8% of the total number of public roads, only 7% of these being modernized. {4}. Of the total number of communal roads, 48% are paved and 29% are of dirt, often being impassable during rainy days) [A19] {9}. Although between 2005 and 2012 the length of drinkable water distribution network in rural areas registered a considerable increase (by 55.65%), the access of rural population to the water supply network is lower than in the urban area (70.29% of rural localities compared to 99% urban localities). Regarding the length of sewerage network in rural areas, it increased by 22.68% during the analyzed period, the number of localities having sewerage networks being 75.37% lower than urban localities (21.53% in rural areas compared to 96.90% in urban areas) {2} [A20].

The feasibility studies for the projects contracted by the end of 2012 through the NRDP 2007-2013 show that 92.26% of the 4149 km of road set as target will be modernized and created, 44.16% of the target of 6317 km of pipes for drinkable water supply and 83.33% of the 5053 km of sewerage pipes set to be achieved {12}.

The main difficulties in implementing the projects for basic infrastructure were related to the high level of complexity and the duration of execution of projects. Also, to carry out the required investment a large number of authorizations issued by different authorities was necessary, which slowed down the implementation process. In addition, there was a difficulty in applying the concept of integrated development projects as interventions focused on clearly defined areas.

Basic services do not meet the needs of the rural population and the lack of conditions for the development of rural areas from a social perspective will reflect in the economic development of this areas. Thus, the **educational infrastructure** is unable to support a decent living. In this context, the ante-preschool education (nursery) and pre-school (kindergarten) are facing a major deficit in terms of infrastructure. Thus, at the level of nurseries, of the 295 units in 2011, only 1% were in rural areas, given that, of all children aged 0 to 4, 45.5% were registered in rural areas. As far as the coverage degree of kindergartens in rural areas is concerned, it was of only 7.44% of the number registered at national level in the school year 2012-2013. {2} [A21].

Also, health related infrastructure is unable to sustain a decent living.

Providing and access to **health services** is a key issue for ensuring a better quality of life in rural communities. The situation of health units in Romania, both in terms of number and human resources involved, registered a negative development between 2005 and 2011. The number of medical clinics at national level decreased by 16.5% from 2005, reaching 187 units in 2011, of which only 7.5% were located in rural areas. Regarding the number of rural inhabitants per docto was of 1,722 in 2011, nearly seven times higher than in urban areas {2} [A22].

The cultural identity of the Romanian village is an important source of local development and is characterized by a diverse **material** and immaterial **cultural heritage**. In the Romanian rural areas, the access of the inhabitants from villages and communes to culture is limited compared to the access of the ones from urban areas.

An integrated part of the cultural heritage is represented by monasteries. The Romanian monasteries' specificity is to preserve the national identity, by crafts, culinary and farming practices, but also by preserving the architectural styles specific to the regions where they are built. Of all religious units in Romania (18,439), only 1.9% are monasteries (1.5%) and hermitages (0.4%) and almost half of the

monasteries (49.3%) and more than 56% of hermitages are historical monuments {29}.

In this context, the religious-ecumenical tourism is a tool for promoting the cultural heritage represented by cultural-religious objectives. The capitalization of rural inheritance and cultural patrimony was achieved in the previous programming period, in particular by supporting investment to renovate, modernize and endow the cultural units; restoration, consolidation and preservation of cultural and natural patrimony objectives; procurement of equipment for protection of cultural patrimony.

Development and local governance

In light of its specific features, the LEADER approach can address a balanced development of rural areas. The involvement of local actors in the development of areas where they work will contribute to development of local governance and to achieving a dynamic development supported by a local development strategy conceived, implemented and managed by representatives of LAGs. In 2012, the territory covered by LAGs was of about 14,398 km² (comprising 1,805 communes and 79 towns with less than 20,000 inhabitants) representing 63% of the eligible LEADER territory, attended by about 58% of the LEADER eligible population {12} [A15, A16]. In the two selection sessions, 163 Local Action Groups were selected for funding, of which 81 in 2011 and 82 in 2012. By the end of 2012, only 87 LAGs had signed contracts under the sub-measure 431.2 *Operation of Local Action Groups, acquiring skills and animating the territory*, totaling 44,465.611 thousand Euros, thus being able to start the activities of implementing the strategies. In terms of implementation, the LAGs selected in the first session encountered difficulties in providing the necessary funding for institutional organization, for hiring staff and for covering the costs necessary for functioning.

The low level of cooperation activities carried out by LEADER 2007-2013 was determined on one hand by the lack of experience of LAGs regarding this approach, but also by the paying authorities which, in the absence of very precise criteria for defining projects of this type, were reserved in contracting such projects. In addition, although cooperation projects have been foreseen at the level of LAGs strategies, the economic crisis of 2008-2010 severely limited the financial capacity of partners to carry out such projects. Innovation is also one of the main elements of the LEADER approach. However, the lack of experience of LAGs and implementing authorities made the innovative projects to be reflected in a very low share among the priorities identified in the local development strategies. Cultural inheritance is an important source of development at both local and regional level, the symbolic capital being essential for the cultural identity represented by values, customs and occupations, beliefs and symbols shared by the entire community. The manifestation of cultural identity, traditions and customs is influenced by region, which is more than a geographical location. Protecting the rural heritage is extremely important for the development of rural tourism, as a mean to promote Romanian villages, with a positive effect on attracting tourists and economic benefits for the local population.

The museums, cultural institutions, libraries, cinemas, radio, television and internet are ways of transmitting and preserving the cultural heritage and Romania's accession to EU has brought an increase in the number of museums in the country and an increase in the accessibility of rural areas to Internet.

However, the **access to Internet in rural areas remains limited**. Thus, in 2012, **the rate of penetration of broadband** Internet was of 60.28% in urban areas and 23.47% in rural areas {14} [A18].

The main reason for this poor penetration and use rate is the low incomes of the rural population.

In this regard, the development of a knowledge-based economy in conjunction with the stimulation of information and communications technology sector (ICT) will be able to stimulate economic

competitiveness and to contribute to social cohesion.

Successful implementations of the NRDP 2014-2020 will not only depend on the existence of financial support, but will also depend on the existence of good ideas for new projects that promote development of rural businesses and rural communities. By NRDP 2007-2013, we established the National Rural Development Network (NRDN) which contributed to promoting and connecting local actors, but this network was functional for a short period of time. However, NRDN demonstrated its usefulness, by contributing to development of animation and exchanges of experience between rural actors involved in rural development. Through dissemination activities carried out at rural level (conferences, seminars, publishing newsletters, etc..) NRDN led to increasing awareness of rural population on the funding opportunities available through the NRDP 2007-2013. The most important results of NRDN were: the establishment and the coordination of eight regional offices, a number of 1097 NRDN members, 4 meetings of the National Coordination Committee, 4 meetings of the Leader Working Group, 24 meetings of Thematic Working Groups, 2 meetings of the most representative members of NRDN, 5 meetings of experts, a dynamic virtual community with 1,429 users, more than 100 best practices identified and more than 87 practices disseminated through network's publications, 4 training sessions attended by 397 participants, etc. {20}.

Analysis of the agricultural sector

Agricultural land use

In RO, the utilized agricultural area (UAA) is decreasing, a tendency also present in EU27. Between 2005 and 2010, UAA decreased by 4.3% (from 13.9 million hectares to 13.3 million hectares). In the structure by categories of use, arable land has the largest share (62.4%), followed by grasslands and hayfields (33.9%). The UAA of arable lands and of permanent crops decreased by 6.3% respectively 8.2% in 2005-2010, while the UAA of grasslands and hayfields remained at a relatively constant level {1} {10} [CI 18].

Most orchards are older than 25 years, with low production potential, in decline or abandoned. In 2013, the total area of orchards was of 158.6 thousand ha (from 313.4 thousand ha in 1990), representing about 1.2% of UAA [A36] (data on family gardens is not included). Classification by age indicates that out of the total area of orchards, 73.8% (117 thousands ha) are plantations older than 25 years, 18.7 % (29.7 thousand ha) are plantations aged 10 – 25 years and only 7.5% (11.8 thousand ha) are plantations aged 1-10 years. Also, about 83 thousand ha represent plantations in decline (52.4 % of total area), about 67.61 thousand ha are bearing plantations (42.2 % of total surface) and 8.54 thousand ha are young plantations (5.4 % of total surface) {24} [A37].

According to the used crop system, more than half of orchards are extensive(classic). Only 47.20 thousand ha of plantations (29.7%) are grown in an intensive system and 2.93 thousand ha (1.9%) are super-intensive plantations {24}.

The main fruit-tree species grown are apple and plum, which in 2013 amounted for 83% of the surface cultivated with fruit-trees and 77% of the production of fruits (2012). Based on information provided by the County Departments of Agriculture at the level of 2011, the storage capacity did not cover the needs in this regard. The total capacity of fruit warehouses is of only 132,735 tonnes (in the context of a total fruit production of 1076.5 thousand tonnes in 2012). Also, of the total warehouses 12.35% (with a capacity of 16,400 tonnes) are inoperative, without facilities and 1.34% (1,780 tonnes) in construction.

Due to lack of funds and poor representation of producers groups at national level (only 153 groups in

August 2013), the small number of storage spaces also became a major issue, being covered less than 20% of the need for storage and conditioning for the production of fruits and vegetables and about 40% of the storage and conditioning for potato production, which generates significant income losses.

The regional distribution of UAA varies depending on the variety of landscape and social-economic conditions. UAA has high values especially in the West and South regions and arable lands are predominant in South-East (16.5%) and South Muntenia (17.5%). In the Centre and North-West, grasslands and hayfields represent more than half of the UAA (65.6% and 52.8%) {10}. The **area cultivated in organic farms is still low, but rising.** In 2012, in RO, only 2.1% of total UAA was cultivated under organic farming, compared with 5.8% in the EU27. Of the 288,000 ha, 64.2% (185,000 ha) were in conversion and only 35.8% (103,000 ha) were certified. In 2012, compared to 2007, the area under organic farming increased more than 2 times {2} [CI 19].

Physical and economic size of agricultural farms

The physical and economic size of agricultural farms in RO records significant differences compared to the European averages. In 2010, 32.1% (3,859,040) of the total agricultural holdings in EU27 (10.0% less compared to 2005) were found in RO. The average size of a Romanian farm (3.4 ha UAA/farm) is more than 4 times lower than the European one (14.3 ha UAA) {1} and the fragmentation degree is very high, the average size of a parcel being of 0.45 hectares, each farmers owning, on average, 4.8 parcels {23}. There is a very high gap compared to UE 27 also in economic size, which is 9.4 lower in Romania (2,700.2 Euros standard output/farm in Romania; 25,450.0 Euros standard output/farm in UE27) [CI 17]. Significant differences compared to EU were also recorded in terms of intensity of use of labor force in farms, as an expression of productivity. Thus, AWU/Romanian farm was half of the EU27 average (0.4 AWU / farm compared to 0.8 {6} [CI 17].

According to the General Agricultural Census (RGA) from 2010, compared to 2002, at national level, the structural changes were not significant. Thus, the small farms, with less than 5 hectares, represent 92.9% of the total farms and use 29.7% of UAA. The farms bigger than 50 ha, fewer in number (about 21,000), manage 52% of UAA.

Most of the Romanian agricultural farms record low levels of economic development. 96.7% of the total number of farms, which represents 43% of the farms in from EU27 in this size class, fall within the under 8000 Euros category. The farms with the economic size starting from 8000 SO (127,107 holdings, representing 3.29% of the total number of holdings at national level) have the greatest chances to improve their economic performance, particularly by increasing the level of marketing of their products. Of these, the category 8,000-12,000 account for about 61,000 agricultural farms (more than 48.00 % of the total number of holdings over 8,000 SO) and represent the farms with the high potential to be market-oriented. Another important segment, the one of average-sized farms, meaning the category of 12,000 – 250,000 Euros, representing 50% of the total holdings over 8,000 SO, is the segment that has needs for investments in order to surpass the gaps related to endowments and output.

At regional level there are no significant differences compared to the national situation, except for the Western Region that has a higher level of development of farms, both in terms of physical size (6.3 ha UAA/unit) that exceeds by 2.9 ha UAA the national average /farm and of economic size (4,096 € SO/farm) {1} [CI 17].

The legal type of organization of agricultural farms

According to RGA 2010, only 30.6 thousand agricultural farms had legal entity. The remaining 99.2% were organized as individual farms, certified individuals or family enterprises without legal entity {11} {10} [[A27]. **A particularity of the Romanian agriculture is the duality of the way the agricultural land is managed: half of UAA is managed by commercial-type farms, efficient and competitive and the other half belongs to subsistence and semi-subsistence farms.**

Only 15% of properties are currently registered in the land register, Land Registry Office. But Romania is in full process of developing a coherent system of registration of property, by which it aims to increase this percentage.

The output of livestock sector

Livestock is an area with tradition in Romania, as confirmed by the predominance of farms specialized in animal growing and mixed farms (68% of total) {10}. However, the number of animals is low (4.0% of total EU-27 and 5.4 million LU) and **has decreased at a faster pace in RO than in the EU27.** In the case of Romania, decreasing tendencies were registered only for cattle and pigs, the rest registering increases {1} [CI 21].

Labor force in agriculture

In 2010, in the Romanian farms, the existing labor force was equivalent to 1, 5 million of annual work units (AWU) - 16.7% of total EU-27 {1} [CI 22]. As in EU 27, men predominate in the total volume of labor force in agriculture. **Most of the farmers work their land individually (52.9% of total AWU).** Employed labor force is only 4.8% of the AWU, a level which is 11.1 pp lower than in the EU27. At the same time, in 2010, the ratio between the managers of farms younger than 35 per one manager older than 55 is close to the European one (12:100 in RO compared to 14.2:100 in EU 27) and reflects **the degree of aging of the labor force in the sector, which is in the European trends.** Also, this phenomenon is reflected in the low share of young farmers, of only 7, 27% of the total farm managers {1} [CI 23].

In RO, compared to other countries of the EU27, labor force in agriculture is still oversized. In 2012, nationwide, more than 28.3% of all employed people were working in agriculture, 2.1% in the food industry, 2.0% in tourism and 0.7% in forestry. Only in the case of agriculture there are substantial differences compared to EU27 (the indicator being 6 times lower in EU 27); for the other mentioned sectors RO has similar values {1} [CI 13]. The employment rate in agricultural, forestry and fishery activities in RO was relatively constant over the past five years, around 29%, much higher than the European average (4.6%). In this context, we do not foresee relevant changes to the evolution of the size of labor force for the next period {1} {10}. At regional level, the employment rate in agricultural, forestry and fishery activities recorded the highest values in North-East (41.54%) and South-West (40.09%), where the rural character is more pronounced.

Productivity of labor and production factors. There are significant differences between RO and EU27 in terms of labor productivity in the agricultural sector. Average value of labor productivity for 2010-2012 was four times lower than the one of the EU 27 (4,328.5 Euros/AWU, respectively 14,967.0 Euros/AWU {6}. This indicator had one of the lowest growth rates in comparison with other European countries (only 0.1%) {1} [CI 14]. Among the causes for productivity differences are the low level of training of agricultural workers, the underdeveloped public system of advisory services and inefficient

dissemination of research results to small and medium farms. Thus, in 2010, only 2.5% of managers of farms were graduates of agricultural education (basic or complete education) (compared to 7.3% in 2005), way lower than the European level of 29.6% and 97.5% had only agricultural practical experience {1} [CI 24]. Regarding the agricultural research sector, the poor results are reflected in the low share of agricultural SMEs engaged in research - development, respectively 1.2% of all SMEs that carry out such activities {2} [A31].

The agricultural research system under the coordination of the Academy of Agricultural Sciences in Romania, with a tradition of more than 50 years in the field, is characterized by the existence of a network of 60 research, development and innovation units of public interest that manage a land fund of about 30,000 ha, of which the activity of scientific research in agriculture is about 90% of research-development at country level. In the research-development network of public interest work about 530 researchers, covering the whole range of professions specific and related to agricultural research, livestock, fishery, forestry and food industry {38}.

As for the advisory system, in 2012, the total number of employees in the network of public advisory was of 850 people, of which 500 in local centers of agricultural advisory and 350 in county chambers of agriculture {37} [A14]. They cover only 25% of administrative units (the optimum ratio is 1 advisor/administrative unit). Thus, during the previous programming period, the agricultural advisory system was poorly adapted in terms of the requirements of Common Agricultural Policy, quality and farmers' access to agricultural advisory services.

Contribution of agriculture to the development of Romanian economy

As a result of restructuring of production and community allocations, the overall productivity of factors in agriculture increased by 13% between 2009-2011, compared to 2005 {1} [CI 27]. In this context, the income of the agricultural sector too has steadily increased since 2007 (except for 2011 - atypical), reaching 1931.9 Euros/AWU in 2012, respectively 19.1% of the EU27 average {1} [CI 26]. Nevertheless, in Romania, farmers' incomes are less than half of the average income per employee (47.1%). Compared to EU27 the share is even lower (37.1%). However, analyzed in terms of value, the incomes of Romanian farmers are four times lower (1.6 euro/hour in RO compared to 6.3 in EU 27 {6}.

In 2012, GVA (at production factor cost per AWU) was of 2,169.5 Euros/AWU, representing only 17.1% of the EU27 level. In the period 2007-2012 the gap with the EU27 average was almost the same, except for 2011 (23.5%) {1} [CI 25].

The low level of GVA achieved in agriculture has affected the amounts allocated to future investment. Although, in 2011, 18.9% of GVA in agriculture sector returned in the form of investment, the gross fixed capital formation in agriculture (GFCF) remains 25% below the European average {1} [CI 28]. Also, although there have been important investments in developing new processes and agricultural products, especially for the introduction of innovative technology and techniques (19,415 projects submitted for Measures 121, 123 and 312, of which 5,153 contracted, totaling 1.533 million RON - at the end of 2013) {27}, out of the total volume of investment at national level, in 2011, only 3, 7% were in agriculture, a percentage that remained the same in 2012 too {4}. All these negatively influence **the degree of technical endowment of farms**. The endowment of a farmer from RO, compared to one from EU15, is about 25-26 times lower (350 euros in tangible assets/Romanian farmer compared to 9,000-9,200 Euros in EU 15 {5} [A30]. This is due to the reduced physical and economic size of farms, the lack of associative structures and poor crediting and guaranteeing systems. Obtaining the loans needed for investments and their high cost was one of the major problems of the farmers. In 2012, agriculture received less than 4.0% of the total loans granted to the non-governmental sector. **Thus, bank loans for farmers were 15-16 times**

lower in comparison with EU27 (110 Euro/ha in RO and 1,700-2,000 Euros/ha in EU-27) {5}.

The adaptation infrastructure

The lack of funds negatively influenced the infrastructure for adaptation of agriculture to climate changes, given that Romanian agriculture is still heavily dependent on weather conditions, which causes high fluctuations in farmers' incomes. **Existing irrigation systems are mostly degraded and non-functional and their use is expensive for farmers**, so even if the agricultural area equipped for irrigations (3.1 million ha in 2012) did not significantly change, the area effectively irrigated was of only 1.2% of UAA {4} [CI20].

Food Industry

After accession to EU the **number of units in food industry** decreased by about 13%, a phenomenon caused mainly by slow pace and/or their inability to adapt to European standards and the unreliability of the supply chain with raw materials. In 2012, only 7,691 units still functioned in the sector (1.6% of all SMEs). {4} [A26].

The challenge for Romanian agri-food sector still remains the compliance with European food quality and safety standards throughout the entire agri-food chain. This had a great impact on the meat and dairy industry, where standards have been the most severe. In 2007 (June), there were 425 units of meat production and processing, of which 123 were approved by the EU and 302 were subject to a transition period until the end of 2009. In the dairy industry, in 2007 there were 259 processors, of which 52 met the EU requirements, while 207 were undergoing transition period.

Animal products processing industry has been underused in recent years, mainly because of the fragmented demand (only 22% of total milk production is processed by the industry) and the existence of many small producers who do not comply with strict EU hygiene rules (Appendix I, Table 4). Of the total capacity of processing milk and milk products, only 94 units comply with EU requirements and are authorized on the European market. {14}.

According to the monitored status of the NRDP 2007-2013, at the end of 2013, of the total number of 531 processing units for red meat, poultry, milk and dairy products and eggs undergoing the transition period for meeting the food safety standards (Annex I M123, NRDP 2007 - 2014), only 12.2% concluded financing contracts for investments necessary to meet the required standards.

Regarding the population employed in the food industry in Romania, in 2011 it accounted for 2.1% (Eurostat) of the total employed population, with 34% lower than the EU-12 average of 2.8%. The ratio between the population employed in agriculture and the one in food industry is 12:1 (the highest in Europe), compared to the average of EU-12 of 5:1 {6}.

Given that in a proportion of about 70% we still export unprocessed or primarily processed production (livestock, grain, oilseeds, tobacco, vegetable fats and oils), this is a key industry which makes available various possibilities for having efficient use of raw materials. The relatively low degree of endowment and the obsolete technologies used in most units in this field, is reflected in the low level of labor productivity in the sector, which in 2010 was 78% lower than the European average (in EU27 40,785 Euros/person, 9,086.3 Euros/person in Romania) {1} [CI 16] and in the quality of products. At national level, there is a

good potential, still unused, of recognizing and promoting local brands through their inclusion in EU quality schemes. Although, there are 4,180 traditional products in 2013 there was only one product recognized and protected at Community level. Real efforts were made to both promote traditional products and to develop craft and handicraft activities and other non-agricultural traditional activities with a local specificity. However, according to the latest progress report, only 42 projects were approved for this segment, representing 1.1% of the target of 3,806 {12}.

After 2007, by accessing specific European funds, a number of new viable units that meet EU market demands were established.

Forestry sector

The surface of forests, that comprises the National Forest Fund (FFN) and the forest vegetation outside the National Forest Fund (VFAFFN) remained relatively constant over time, so that in the year 2012 it was of 6,746,906 ha (6,529,100 ha in FFN and 217,806 ha in VFAFFN), representing about 28.3% of the total area of national land fund, lower than the European average of 37.6% {31} {2} [CI 29], {2} {4} [A 34]. However, the surface of forests records annual changes, mainly due to removal or inclusion of some lands from/into FFN (for instance afforestation works on lands outside the FFN, carrying out national or private interest objectives, the inclusion into FFN of afforested grasslands with a consistency higher than 0.4, etc.), as well as correction made on the occasion of some forest improvements. The largest share in the FFN goes to State-owned public forests (50.4% of total), followed by forests privately owned by individuals and legal entities (32.6%), the forests owned by administrative-territorial units accounting for about 17% {26}. In EU27, the share of public forests in the total area is of about 33% and the share of private forests is of about 67%. The forests privately-owned are characterized by small and fragmented holdings. The average size of forest holdings is of about 2.56 ha/property (there are about 830,000 owners {30}). In accordance with the stipulations of the forestry law in force, the management of FFN, regardless of ownership, must be done by forest districts. By the end of 2011, 466 forest management structures were certified and recertified, of which 326 districts from the structure of Romsilva National Forest Administration (legal administrator of State-owned forests) and 140 private forest districts {26}.

Periodically, forests are affected by the negative action of biotic and abiotic factors. It is estimated that in Romania, on average, about 1 million m³ of timber is annually taken down by wind and snow and about 130,000 hectares of forest in FFN, mainly lowland areas, are annually affected by drying phenomena due to lack of water in soil.

The efficient management of the forestry sector faces a number of obstacles. First, the forest roads network is underdeveloped, their average density, of 6.4 m/ha, is way lower than the level of other European countries, which have broadly similar topography (Austria 36 m/ha Switzerland 40 m/ha and France 26 m/ha) {30}. Moreover, the endowment of companies operating in the primary wood processing industry is insufficient, outdated and poorly diversified {30}. **As far as the labor productivity in this sector is concerned, it remains 14.7% lower than in the EU 27** (the average of 2008-2010 was of 8,608.4 euros/AWU in RO and 10,086.7 Euros/AWU in EU 27 {1} [CI 15]).

Environmental Analysis

The natural environment of Romania is generally characterized by a good preservation of natural resources of soil and water, variety of traditional landscapes and a remarkable biological diversity. However, some of these resources are subject to pressure factors impacting on their productive potential, quantitatively and qualitatively. Regarding the area of land fund, between 2006 and 2012 there was a slight

decrease of agricultural area (0.79%) and an increase of the area covered by unproductive and degraded lands (11.6%) {2} {4} [A 34]. In 2010, more than 1.3 million hectares of agricultural land were unused, as a result of the precariousness of the factors of production in small holdings, improper functioning of agricultural markets, restrictions caused by natural factors (climate, forms of relief, edaphic characteristics, etc.), disputes between landlords etc. {1} {10} [CI 18], {2} {4} [A 34]. About 55%, respectively 2.49 million ha, of the surface of meadows used in 2010, was used extensively (representing 18.7% of UAA at national level). Compared to 2007, in 2010 the area of meadows extensively used increased by about 24% {1} {10} [CI 18], {2} [A 35].

Romania is one of the most important EU countries in terms of biological diversity. Also, in Romania are found most of the bio-geographical regions in the EU27, respectively 5 of the 11 existing, with the following layout: continental (53% of the country's surface), alpine (23%), steppe (17%), Pannonian (6%) and Black Sea (1%) {13}.

In 2011, Natura 2000 sites occupied 5,406,718 ha, representing 22.7% of the surface of the land fund (ranked 7th in EU-27), of which SPA - 3,554,250 ha and SCI - 3,995,251 ha (there is a mixed area, in which SPA overlaps SCI). 12.5% of UAA and 38.6% of the surface of FFN is found in Natura 2000 sites {1} {2} [CI 34] (Appendix 1, Figure 4). Natura 2000 sites are managed based on the principles of sustainable development, aimed at finding solutions that will allow carrying out economic activities simultaneously with the preservation of biodiversity. According to data from the Ministry of Environment and climate changes, mid-2013 there were only two approved management plans for those 383 SCI areas and 148 SPA areas designated at country level. In order to ensure special measures for protection and preservation "in situ" of the assets of natural patrimony, in addition to the management system established by the designation of Natura 2000 sites, in Romania there is a functional system of natural protected areas, developed over time, covering an area significant at national level (areas covered in 2012: biosphere reservations – 664,446 ha; national parks - 316, 782 ha; natural parks – 772,810 ha; scientific reservations, nature monuments, natural reservations – 387,387 ha; wetlands of international importance – 804,497 ha) {4}.

At national level a number of 783 types of habitats have been identified, of which 196 habitats specific to meadows, 206 forest habitats and 135 habitats specific to other types of agricultural lands, 13 coastal habitats, 143 wetland habitats and 90 habitats specific to dunes and rocky areas.

Romania has one of the richest resources of agricultural land that can be classified as having high nature value (ranked 5th in EU-27 with a surface of 5,221,251 ha) {6}. A high contribution to maintaining biodiversity in Romania have the areas of meadows with high natural value (HNV) which, in 2010, covered a surface of about 2.79 million ha {2} [CI 37]. In this category we have natural and semi-natural meadows. A high natural value also have the traditional extensive orchards presents (included in the eligible HNV areas in Romania since 2012), the mosaic landscapes including meadows, trees, shrubs and small agricultural plots extensively cultivated in which biodiversity, including wildlife, is high or meadows in the vicinity of forests. According to the results of studies ({13} {32}) on the conservative value of habitats of natural and semi-natural meadows in the mountains, it was found that for about 50% of these types of habitats preservation measures are needed {2} [CI 36]. The HNV ecosystems and landscapes are threatened by abandonment of agricultural activities, by their conversion into arable lands, by adverse interventions etc. Between 2008 and 2012, for preservation of biodiversity in HNV areas, we annually allocated funds from EAFRD for an area of about 1.2 million ha {12}.

Also, the diversity of natural ecosystems/habitats is complemented by remarkable diversity of species. Thus, in Romania, in areas designated as IBAs, there are birds that have a significant share of the population in the EU - 27, such as *Lanius minor* (about 97%), *Falco vespertinus* (about 50%), *Crex crex* (about 28%) and so on and in some of the IBAs there are birds that are vulnerable, endangered or rare, the number of specimens of these species being very low. Of the 54 species of birds specific to agricultural lands in Europe, in Romania we evaluated, both quantitatively and qualitatively, 20 species (Appendix 1, Table 2) and also the

priority species targeted by agri-environment measure {19} {17}. In 2010, the reference value necessary to calculate the index of bird populations specific to agricultural lands was of $1.47 = 100\%$ {17} [CI 35]. During the programming period 2007-2013 we also allocated funds from EAFRD for preservation of species, for example for 2012 it covered an area of about 85,000 ha {12}.

Within the agricultural sector, the catalog of plant varieties grown in Romania included 2,118 varieties of plants (in 2008) and the catalog of domestic mammals includes 79 species (26 are still active, 19 are endangered and 34 extinct) {21}. Although the native genetic potential is high, the programs developed and implemented were insufficient to develop this segment. However, for farm animals from local breeds in danger of abandonment, there are preservation programs approved and carried out by ANARZ for 27 breeds from 8 species.

Forests, which play an important role in the protection and preservation of biological diversity, have been classified in 2005 into two classes, depending on the intervention of human factor: *Class I - Biodiversity Preservation* (398,000 ha, with subclasses: 1.1 - without intervention – 136,200 ha; 1.2 - with minimal intervention – 83,800 ha; 1.3 - with preservation through active management – 178,400 ha); *Class II - Protection of landscapes and specific natural elements* (140,500 ha) {1} [CI38]. According to the Romanian system of classification, the forests with special protection functions, designated through forest improvements, have a share of 53.3% of the total area of FFN, of which: 43% for soil protection (11 functional categories); 31% for water protection (8 functional categories); 11% for recreation (6 functional categories); 10% with scientific functions for protection of the forests' geno-fund and eco-fund (14 functional categories); 5% for protection against harmful climatic and industrial factors (12 functional categories) {4} {26} [A 38].

The areas facing natural constraints or other specific constraints (less favored areas) have a significant share in the total area of Romania. These areas have unfavorable environmental characteristics, as a result of bio-physical factors (climatic, edaphic, relief) that limit the agricultural activity, by getting lower outputs, by having shorter vegetation periods, increased production costs, etc. According to EC Regulation no.1257/1999, 30.7% of UAA was classified as less favored areas, divided as follows: mountain areas (18.3%), significantly less favored areas (1.2%); areas disadvantaged by specific natural conditions (11.2%) (Appendix 1 Figure 2) {1} {2} [CI 32]. The high share of HNV areas in less favored areas (mountain area is covered more than 90% by HNV) supports their importance for the environment. After redefining the less favored areas based on the new bio-physical Community criteria aimed at climate, soil and land, in the next programming period we estimate to extend their area (the total agricultural surfaces classified as LFAs for 2014-2020 are found in the fiche of measure 13 *Payments for areas facing natural constraints or other specific constraints*).

Freshwater resources of Romania are reduced and unevenly distributed, which puts Romania in the category of countries with scarce water resources. With a hydrographic network of 78,905 km and a water volume of lower rivers of 40 billion m^3 {4}, the average quantity of water available is of 2,100 m^3 of water/ inhabitant/ year, half of the European average (4,230 m^3 of water/inhabitant/year). This level for Romania was set without taking into account the hydrological potential of Danube (62% of total per country), because it can be economically exploited only partially (20-30 km^3 / year), due to the high costs of pumping and other factors that make its management difficult. Regarding water quality, it is good and very good (90.8% of the total coded watercourses falling in classes I and II) {22}. A significant part of agricultural area in Romania felt the negative effects of drought, insufficient water reserves and poorly functioning irrigation systems. The absence or the high degree of degradation of irrigation infrastructure meant that about 48% of the total agricultural area (7.1 million ha in 2006) was affected by these phenomena (the most affected areas were the Romanian Plain, southern Moldavia and Dobrogea). The gross volume of water used for irrigations has increased by 52.65%, from 212,979 thousand m^3 in 2010 to

325,127 thousand m³ in 2012 {2} [CI 39] but the Romanian agriculture continues to be dependent on climatic factors. The negative effects of this phenomenon are mainly reflected in low yields recorded for the main crops (35-60 % of potential).

Romania developed in 2009 and implemented in 2012 the National Management Plan, together with the 11 management plans of basins *and the national management plan related to the portion of Danube River's international hydrographic basin that is on the territory of Romania* {33}. According to the information comprised in the plan, 97.4% of Romania's surface is part of Danube's international hydrographic district (DHID), representing about 29% of its surface. The Romanian part of DHID includes 11 hydrographic sub-basins. Of the total 142 underground waters monitored in this hydrographic basin, 19 are in a poor chemical state. The pollutants that lead to failure to achieve good chemical state are the nitrogen (17 underground waters) and ammonia (14 underground waters). 64% of all surface waters in Romania were assessed as being in good or better ecological state. Only in the case of less than 2% of surface waters the assessments indicated a poor or bad ecological state. About 91.6% of surface waters in Romania were assessed in 2010 as having a good quality in terms of nitrate pollution, about 8.4% as having a moderate quality, the assessments indicating that there were no surface waters identified with low quality. Regarding the quality of underground waters, 84.4% were identified as having a high quality, 6.7% moderate and 8.9% low {1} [CI 40].

Regarding the areas vulnerable to nitrates, from their first designation (2003), the surface included in these areas increased from 8.64% of country's surface (2003) to 57.7% in 2008. In 2013 Romania has decided to apply an action program for protection of waters against pollution caused by nitrates from agricultural sources at the level of the entire territory. The fact that about 80% of animals-cattle, sheep, pigs, birds are in individual households, whose functioning is not depending on getting the environmental agreements and do not have facilities for storing manure is an important risk factor not only for water pollution but also for the increase of the levels of GHG emissions.

Romania has good quality soils threatened by various negative phenomena. The production potential of agricultural lands decided based on the evaluation notes grouped the agricultural lands in 5 quality classes, Class I comprising lands of the highest quality. Most of the arable lands in Romania fall in classes II and III. Soil erosion by water action was one of the biggest problems in RO, affecting 769,400 ha (5.6% of the agricultural area of RO, close to the EU27 average of 6%), of which 95% were arable lands {1} [CI 42]. In 2006, soil erosion by water action had a value of 2.6 tons / ha / year, 0.6% less than the EU27 average - 2.76 tons / ha / year {1} [CI 42]. During the period 2005-2012 the area improved for fighting against soil erosion increased from 2,281,995 ha to 2,286,221 ha {4}.

In RO, the use of agri-chemical inputs represented by fertilizers, pesticides and so on, generally results in a low pressure on soil and water. Thus, in 2012, the amount of chemical fertilizers and pesticides decreased compared to 2005, by 5% and respectively 15% {4} [A 39]. The advantage of allocating reduced agri-chemical inputs is canceled by the uneven use of them, resulting in the emergence of areas at risk of being polluted with nutrients.

Also as a result of agricultural practices to use agri-chemical inputs, in the period 2005-2010, RO recorded a surplus in the balance of nitrogen (as diffuse source of pollution) of 6.8 kg / ha, while the balance of phosphorus content in the soil was deficient in RO (-1.3 kg / ha) {1} [CI 40].

Total energy consumption in agriculture and forestry has recorded an upward trend in the period 2007 - 2011 (from 260 ktoe to 433 ktoe), while the energy consumption in food industry decreased by about 22% (from 722 ktoe in 2007 to 560 ktoe in 2011) {2} [CI44]. The production and use of energy from renewable sources in the agricultural sector are still low, so that only 2.5% of the total production of renewable energy at national level came in 2011 from agriculture, compared to 9.8% in the EU27. Instead, about 69.1% of renewable energy at national level in 2011 came from the forestry sector, compared with 48.3% in the EU 27 {6} [CI 43]. Between 2009 and 2011, the production of energy from renewable

sources from agriculture and forestry decreased by 6.8% (from 3,864 ktOE to 3,601 ktOE) [6] [CI 43]. Romania has a variety of renewable energy sources, but the capacity to capitalize on them is reduced due to technological limitations, economic efficiency and environmental restrictions (Appendix 1, Table 3 and Figure 3) [16].

GHG emissions from agriculture and rural activities, in RO, are reduced. GHG emissions from agriculture decreased by 6.4% in 2011 (18,941.5 Gg equivalent CO₂) compared to 2007 (20236.9 Gg equivalent CO₂) and by 48.4% compared to reference year of 1990, reaching a low level of GHG emissions compared to other Member States (ranked 24th in the EU-27 in terms of GHG emissions per ha of UAA) [34] [CI 45]. The main reasons that led to this substantial decrease of GHG emissions in the agricultural sector, compared to 1990, are represented by the decrease of number of animals, the decrease of surfaces cultivated with rice, the decrease of production level per hectare for major field crops, as well as the decrease of the volume of nitrogen-based fertilizers. The sources that contributed in 2011 to cumulated annual GHG emissions from agriculture are the application of fertilizer on agricultural lands (47.9%), enteric fermentation (41.6%), agricultural waste burning (0.9%), rice cultivation (0.1%) and manure management (9.5%) [34] [A33]. According to climate scenarios in Romania it is expected the average annual temperature to increase by about 4 - 4.5 °C at the end of the XXI century, unlike most of the temperate areas where they expect an averaged increase of 3-4 °C [35]. Moreover, the increase of temperatures and the decrease of the level of rainfalls can already be noticed in the evolutions recorded in recent years. The first 5 hottest and driest months of July in the last 61 years have been recorded in the last two decades [36].

4.1.2. Strengths identified in the programming area

Social-economic situation of rural area

- High share of rural areas within the national territory.
- Most of the natural resources in a good state of preservation.
- Pilot experiences in development of quality local food and non-food products.
- Recognized craftsmen that carry out traditional activities and make local products.
- Relatively good results in implementing and in-taking the measure “Basic services in rural areas”.
- High share of active population in rural areas.

Sectoral level

- Significant agricultural area, with a large share of arable lands.
- Half of the agricultural area is used in large market-oriented commercial farms.
- Good uptake of innovative technologies at the level of large commercial farms.
- Quality agricultural and non-agricultural raw materials.
- Growth tendency for the sector of organic products.
- Wide range of quality traditional foods registered at national level.
- Investors' increasing interest in agri-food sector.
- Diversified resources of quality wood.
- The existence of a regulatory framework and of a planning system in the forestry sector, with wide coverage.
- Industry of wood processing with tradition, generating added value, with comparative and competitive advantages at international level.
- Tradition in research-development activity in agriculture and forestry.

- Increasing number of graduates of agricultural universities.
- Regulated Food Safety system contributing to the mandatory minimum standards for food.

Environment and climate

- High share of agricultural and forestry lands generating ecosystem services, characterized by high biological diversity, including significant agricultural areas with high nature value (HNV), traditionally managed, contributing to biodiversity preservation.
- The existence of some traditional breeds adapted to local conditions.
- The existence of programs preserving breeds, for local breeds in danger of abandonment.
- High share of coverage of important areas in terms of environment protection (protected areas, Natura 2000) from the point of view of sustainable management of agricultural and forestry lands.
- Reduced use of agri-chemical inputs (fertilizers and pesticides) at national level.
- Good level of quality of water resources.
- Significant area of agricultural lands under agri-environmental commitments that promote extensive farming practices with low environmental impact.
- The low level of emissions of greenhouse gases in agriculture.
- High share of forests that have been designated to have protection functions, being managed on the basis of sustainable forest management concepts compatible with those recognized at European level.
- Good results in implementing and in-taking environmental measures
- Diversified range of renewable energy sources.

4.1.3. Weaknesses identified in the programming area

Social-economic situation of rural area

- Negative demographic trend - decreasing rural population (especially young people) and aging.
- Poor development of non-agricultural activities generates dependency of rural population on subsistence agriculture.
- Low level of labor productivity.
- Low level of training in rural areas.
- High dropout rate in high-schools and vocational schools from rural areas, compared to the urban rate and national rate.
- Underdeveloped entrepreneurial culture, characterized by the lack of basic managerial knowledge.
- Low participation of residents from rural areas in training programs to acquire new skills in non-agricultural activities.
- Low income per household.
- Poor quality of tourism infrastructure and of rural tourism services.
- Poorly developed basic infrastructure and basic rural services.
- Limited access to centralized public drinking water and sewerage networks in rural areas, compared to urban areas.
- Increased share of rural population at risk of poverty or social exclusion.
- Degradation of traditional settlements with cultural value and of historical monuments.
- Low access to financial resources for small entrepreneurs and new business initiatives in rural areas.
- LAGs' weak capacity to reach the objectives set in the local development strategies.
- Ceasing the activity of National Rural Development Network, since 2012.
- Low capacity to develop and implement effective sustainable local development projects.

- High costs of crediting products.
- Low connectivity of rural population to broadband internet.

Sectoral level

- Large number of small farms (subsistence and semi-subsistence) that use a large share of UAA and a lot of labor force.
- High level of dispersion of agricultural and forest lands.
- High share of older farmers.
- Low agricultural productivity.
- Low appreciation for public environmental services provided by farmers (for instance landscapes, biodiversity).
- Insufficient programs for turning the genetic autochthonous potential into account.
- The lack of public systems for preservation of native genetic potential.
- The decrease of the number of animals - especially cattle and pigs.
- The decrease of surfaces and aging orchards.
- Low level of basic vocational training and of skills among farmers and forest owners.
- Insufficient vocational training programs (lifelong) for farmers, forest owners.
- Poor adaptation of specializations of universities to labor market requirements.
- Public advisory system currently in transition and global advisory capacity inadequate compared to market requirements.
- Poorly developed structures and systems for the transfer of knowledge and innovation.
- Reduced capacity of the research activity, particularly the private sector, to meet the needs of the agri-food sector.
- Deficient and insufficient technical endowment in agriculture and forestry.
- Difficulties to adapt to new technologies for small farmers and processors due to the reduced access to financing.
- Increased vulnerability of small farmers.
- Poor cooperation between farmers, reflected in a low degree of association, with effects on the viability of farms.
- Maintaining a high percentage of unprocessed products for export.
- Low access to credits for agricultural sector.
- The downward trend for food processing units determined by their weak capacity to adapt to EU standards.
- Only one traditional product recognized at EU level, which leads to limitation of the value added of Romanian agricultural products.
- Production, collection and storage systems poorly developed, especially for fruits, vegetables and potatoes.
- Inadequate risk management systems and services through which to solve potential agricultural risks.
- The share of wood areas is lower than the EU average and below the minimum threshold recommended by the scientific and academic community from Romania.
- Large agricultural areas located in areas affected by natural constraints, characterized by low productivity of lands.
- Poor adaptation of commercial farms to the management of risks associated with adverse environment conditions.

Environment and climate

- Poor economic efficiency of traditional agricultural practices.
- Abandonment of agricultural activities, mainly due to the decrease of the number of animals on natural and semi-natural grasslands situated in areas affected by natural constraints.
- Improper management of waste from agricultural activities, especially in small- scale farms.
- Insufficient correlation of agricultural research sector (including the research relevant for the specific challenges related to climate changes mitigation and adaptation) with agricultural practice.
- Low number of animals from traditional breeds that are adapted to local condition, mainly due to the low productivity of animals from these breeds.
- Insufficient staff involved in the management of support schemes addressed to the sustainable use of natural resources, compared with the complexity of the implementation of agri-environment and climate measures.
- Large agricultural areas affected by soil degradation phenomena (erosion, landslides, desertification, etc.).
- Irrigation systems, mostly degraded and non-functional.
- The level of production and use of renewable energy resources in agriculture and forestry is low.
- Frequent interventions, with forestry-technical works, on forestry surfaces, with impact on biodiversity and soils.
- The accessibility of forests is reduced due to a low density of the network of forest roads.
- Limited water resources unevenly distributed associated with the increases of occurrence of drought.
- Insufficient administrative systems for managing Natura 2000 areas.

4.1.4. Opportunities identified in the programming area

Social-economic situation of rural area

- Unused traditional practices in rural areas, for development of products with high value added, in the context of increased demand at European Union level.
- The availability of developing markets, both domestic and foreign, that could be used.
- Investment in basic infrastructure and services will increase the attractiveness of rural areas.
- Development of basic infrastructure and services as prerequisite to increase the levels of attractiveness of rural areas.
- The come-back of persons that worked abroad and gained knowledge and capital necessary for development of economic activities.
- Rural population's access to lifelong learning programs and programs for development of entrepreneurship skills.
- The potential of information technology and media to support rural development.
- The increase of domestic and foreign demand for areas where rural and eco-tourism are carried out in areas with local cultural and natural resources.
- Keeping and promoting the local identity.
- Access of entrepreneurs to financial instruments.
- Strengthening partnerships as a basis for strengthening local strategies that can facilitate innovation promote cooperation and generate local economic growth.
- Improvement of agri-tourism and recreation infrastructure, in order to strengthen the investment carried out through NRDP 2007-2013, as a pre-requisite for the attractiveness of rural areas.

Sectorial level

- Partnerships for innovation, creation of knowledge basis and new methods.
- Global food demand determined by the increase of population, economic growth and urbanization.
- The interest of young generations in practicing market-oriented agricultural activities.
- Increased demand for quality agri-food products and traditional animal products.
- The demand for a diverse range of wood products.
- Improved advisory services, in order to increase the performance of agricultural and forest sectors.
- Increasing the value added for food products with quality signs.
- Diversification of quality wood products.
- The use of innovative technologies that would provide an efficient management of natural resources and overcoming the risks associated with climate changes .
- Local supply chains with agri-food products and marketing networks that would connect producers and consumers, providing a better connection between rural and urban areas.
- A National Rural Development Network that would facilitate the dissemination of information, encourage transnational and inter-regional cooperation and assimilation of innovative best practices.
- The use of risk management tools in agriculture.
- The high number of individual farms that breed animals, having the possibility to reorient themselves towards breeding local breeds.

Environment and climate

- Awareness in health public system on the connection between food, environment and health and the increase in the number of consumers informed on this connection.
- Attractiveness of rural areas (especially HNV areas) in the perspective of increasing the investments in public and environmental services
- Attractiveness of rural areas from the perspective of availability and good quality of natural resources (biodiversity, water, soil, landscapes).
- Large-scale access to technologies for producing energy from renewable sources
- Public policies for sustainable management of natural resources.

4.1.5. Threats identified in the programming area

Social-economic situation of rural area

- The decrease of rural population, especially among young people and skilled persons, especially in areas affected by natural and social constraints.
- Deepening the disparities between rural and urban areas, from the perspective of the quality of life.
- Maintaining a high level of employment in the agricultural sector, compared to other sectors of the rural economy.
- Human and material losses generated by the vulnerability of rural communities against the manifestation of the effects of climate changes and extreme weather phenomena.
- Alteration and loss of cultural heritage and rural traditions.
- The delay in project submission by potential beneficiaries identified within a LAG's local development strategies.
- The failure of local partnerships in implementing local development strategies.

- The risk of unemploying the funds due to the limited capacity of public authorities and potential beneficiaries to make investments.

Sectoral level

- Maintaining the downward trend for the number of agri-food research centers.
- Maintaining a high degree of dissociation of research activities from the applicative aspects and the market demands.
- The non-adaptation of the capacity of advisory services, from the quantity and quality points of view, to the needs of the farmers.
- Volatility of prices for agricultural products.
- Abolishment of EU milk quotas in 2015 will generate more pressure on small producers and processors.
- Increased share of areas covered by aging orchards, less productive.
- Destabilization of wood market and damage of forest ecosystems' health, as a result of the extreme weather phenomena with increased frequency and intensity (drought, strong winds, floods, etc), caused by climate changes.
- Maintaining a high degree of fragmentation of agricultural holdings, with implications for the global performance at farms level.
- The increase of prices for energy and inputs.

Environment and climate

- Increasing the negative impact of agricultural activities on environment, as a result of intensification of agriculture (especially on the most productive farmlands).
- Abandonment of agricultural activities, with negative influences on biodiversity, soil quality, landscapes, especially in areas affected by natural constraints.
- The loss of genetic resources associated with the local breeds in danger of abandonment
- Accentuation of the negative effects, particularly on water resources, resulting from the use of bad technology or technology not-adapted to local conditions.
- Changing climatic conditions may lead to increased pest attacks and diseases and to lower natural productivity of agricultural and forest lands.
- Risk of punctiform pollution of waters, eutrophication of wet habitats and increased GHG emissions as a result of the increased number of animals in individual households and reduced number of facilities and equipment for manure management;
- Accentuated manifestation of phenomena of soil degradation in the absence of expansion of forested areas in high-risk areas;
- Accentuated manifestation of phenomena associated with climate changes, in the absence of development of forest belts systems.

4.1.6. Common Context Indicators

I Socio-economic and rural situation			
1 Population			
Indicator name	Value	Unit	Year
total	21.355.849	Inhabitants	2012 p
rural	45	% of total	2012 p
Comment: <i>The used value is related to the additional indicator in compliance with the definition of the rural area applicable to Romanian RDP.</i> Source: <i>CNPS Study</i>			
intermediate	0	% of total	
Comment: <i>indicator was not used. It is not applicable to Romanian RDP due to the use of the rural area definition.</i>			
urban	0	% of total	
Comment: <i>It was not used.</i>			
2 Age Structure			
Indicator name	Value	Unit	Year
total < 15 years	15	% of total population	2012 p
total 15 - 64 years	70	% of total population	2012 p
total > 64 years	15	% of total population	2012 p
rural <15 years	16,6	% of total population	2012 p
Comment: <i>The used value is related to the additional indicator in compliance with the definition of the rural area applicable to Romanian RDP.</i> Source: <i>CNPS Study</i>			
rural 15 - 64 years	65,1	% of total population	2012 p
Comment: <i>The used value is related to the additional indicator in compliance with the definition of the rural area applicable to Romanian RDP.</i> Source: <i>CNPS Study</i>			
rural > 64 years	18,3	% of total population	2012 p
Comment: <i>The used value is related to the additional indicator in compliance with the definition of the rural area applicable to Romanian RDP.</i> Source: <i>CNPS Study</i>			
3 Territory			
Indicator name	Value	Unit	Year
total	238.391	Km2	2012
rural	87,1	% of total area	2012
Comment: <i>The used value is related to the additional indicator in compliance with the definition of the rural area applicable to Romanian RDP.</i> Source: <i>NIS Statistics Research of Land Cover</i>			
intermediate	0	% of total area	
Comment: <i>It was not used.</i>			
urban	0	% of total area	

Comment: <i>It was not used.</i>			
4 Population Density			
Indicator name	Value	Unit	Year
total	93	Inhab / km2	2011
rural	46,4	Inhab / km2	2011
Comment: <i>The used value is related to the additional indicator in compliance with the definition of the rural area applicable to Romanian RDP.</i> Source: <i>CNPS Study</i>			
5 Employment Rate			
Indicator name	Value	Unit	Year
total (15-64 years)	59,5	%	2012
male (15-64 years)	0	%	
Comment: <i>Nu s-a utilizat.</i>			
female (15-64 years)	0	%	
Comment: <i>Nu s-a utilizat.</i>			
* rural (thinly populated) (15-64 years)	60,7	%	2012
Comment: <i>The used value is related to the additional indicator in compliance with the definition of the rural area applicable to Romanian RDP.</i> Source: <i>CNPS Study</i>			
total (20-64 years)	0	%	
Comment: <i>It was not used.</i>			
male (20-64 years)	0	%	
Comment: <i>It was not used.</i>			
female (20-64 years)	0	%	
Comment: <i>It was not used.</i>			
6 Self-employment rate			
Indicator name	Value	Unit	Year
total (15-64 years)	57,9	%	2012
Comment: <i>It was not used the value at the national level. The used valued is the result of the summed up values of proxy indicators "Self-employed worker – 31,5% and unpaid family worker – 26,4% in compliance with the definition of the rural area applicable to Romanian RDP.</i> Source: <i>CNPS Study</i>			
7 Unemployment rate			
Indicator name	Value	Unit	Year
total (15-74 years)	7	%	2012
youth (15-24 years)	22,7	%	2012
rural (thinly populated) (15-74 years)	5,1	%	2012
Comment: <i>The used value is related to the additional indicator in compliance with the definition of the rural area applicable to Romanian RDP.</i> Source: <i>CNPS Study</i>			

youth (15-24 years)	15,9	%	2012
Comment: <i>The used value is related to the additional indicator in compliance with the definition of the rural area applicable to Romanian RDP.</i> Source: <i>CNPS Study</i>			
8 GDP per capita			
Indicator name	Value	Unit	Year
total	49	Index PPS (EU-27 = 100)	2012
* rural	0	Index PPS (EU-27 = 100)	
Comment: <i>The indicator is not collected according to the definition of the rural area applicable to Romanian RDP.</i>			
9 Poverty rate			
Indicator name	Value	Unit	Year
total	40,3	% of total population	2011
* rural (thinly populated)	54,2	% of total population	2011
Comment: <i>The used value is related to the additional indicator in compliance with the definition of the rural area applicable to Romanian RDP.</i> Source: <i>CNPS Study</i>			
10 Structure of the economy (GVA)			
Indicator name	Value	Unit	Year
total	115.220,5	EUR million	2012
primary	6	% of total	2012
secondary	42,3	% of total	2012
tertiary	51,6	% of total	2012
rural	0	% of total	
Comment: <i>The indicator is not collected according to the definition of the rural area applicable to Romanian RDP.</i>			
intermediate	0	% of total	
Comment: <i>Not applicable.</i>			
urban	0	% of total	
Comment: <i>Not applicable.</i>			
11 Structure of Employment			
Indicator name	Value	Unit	Year
total	9.263	1000 persons	2012
Comment: <i>It was used the value provided by the CNPS study.</i> Source: <i>CNPS Study</i>			
primary	29	% of total	2012
Comment: <i>It was used the value provided by the CNPS study.</i> Source: <i>CNPS Study</i>			
secondary	28,6	% of total	2012
Comment: <i>It was used the value provided by the CNPS study.</i>			

<i>Source: CNPS Study</i>			
tertiary	42,4	% of total	2012
Comment: <i>It was used the value provided by the CNPS study.</i>			
<i>Source: CNPS Study</i>			
rural	45,2	% of total	2012
Comment: <i>The used value is related to the additional indicator in compliance with the definition of the rural area applicable to Romanian RDP.</i>			
<i>Source: CNPS Study</i>			
intermediate	0	% of total	
Comment: <i>Not applicable.</i>			
urban	0	% of total	
Comment: <i>Not applicable.</i>			
12 Labour productivity by economic sector			
Indicator name	Value	Unit	Year
total	12.526,8	EUR/person	2012
primary	2.464	EUR/person	2012
secondary	0	EUR/person	
Comment: <i>It was not used.</i>			
tertiary	0	EUR/person	
Comment: <i>It was not used.</i>			
rural	0	EUR/person	
Comment: <i>It was not used.</i>			
intermediate	0	EUR/person	
Comment: <i>It was not used.</i>			
urban	0	EUR/person	
Comment: <i>It was not used.</i>			

II Agriculture/Sectorial analysis			
13 Employment by economic activity			
Indicator name	Value	Unit	Year
total	9.262,8	1000 persons	2012
agriculture	2.619,1	1000 persons	2012
agriculture	28,3	% of total	2012
forestry	61,5	1000 persons	2012
forestry	0,7	% of total	2012
food industry	191,7	1000 persons	2012
food industry	2,1	% of total	2012
tourism	185,9	1000 persons	2012
tourism	2	% of total	2012
14 Labour productivity in agriculture			
Indicator name	Value	Unit	Year
total	4.328,5	EUR/AWU	2010 - 2012
15 Labour productivity in forestry			
Indicator name	Value	Unit	Year
total	8.383,3	EUR/AWU	2008 - 2009
16 Labour productivity in the food industry			
Indicator name	Value	Unit	Year
total	9.086,3	EUR/person	2010
17 Agricultural holdings (farms)			
Indicator name	Value	Unit	Year
total	127.107	No	2014
Comment: The total number of farms refers to farms eligible under the NRDP 2014-2020 that have the economic size (SO) higher than 8000 euro SO. The indicator on the total number of farms in Romania may be found in section 4.1.7. ind. No. 41			
farm size <2 Ha	2.866.440	No	2010
farm size 2-4.9 Ha	727.390	No	2010
farm size 5-9.9 Ha	182.440	No	2010
farm size 10-19.9 Ha	43.610	No	2010
farm size 20-29.9 Ha	9.730	No	2010
farm size 30-49.9 Ha	8.210	No	2010
farm size 50-99.9 Ha	7.480	No	2010
farm size >100 Ha	13.730	No	2010
farm economic size <2000 Standard Output (SO)	2.816.460	No	2010
farm economic size 2.000 - 3.999 SO	602.470	No	2010
farm economic size 4.000 - 7.999 SO	313.000	No	2010
farm economic size 8.000 - 14.999 SO	78.460	No	2010
farm economic size 15.000 - 24.999 SO	22.240	No	2010
farm economic size 25.000 - 49.999 SO	13.370	No	2010
farm economic size 50.000 - 99.999 SO	6.450	No	2010
farm economic size 100.000 - 249.999 SO	4.120	No	2010
farm economic size 250.000 - 499.999 SO	1.450	No	2010

farm economic size > 500.000 SO	1.010	No	2010
average physical size	3,4	ha UAA/holding	2010
average economic size	2.700,23	EUR of SO/holding	2010
average size in labour units (persons)	1,9	Persons/holding	2010
average size in labour units (AWU)	0,4	AWU/holding	2010
18 Agricultural Area			
Indicator name	Value	Unit	Year
total UAA	13.306.130	ha	2010
arable	62,4	% of total UAA	2010
permanent grassland and meadows	33,9	% of total UAA	2010
permanent crops	2,3	% of total UAA	2010
19 Agricultural area under organic Farming			
Indicator name	Value	Unit	Year
certified	23.060	ha UAA	2010
Comment: The indicator used by RO is different than the one from DG AGRI database and it may be found in chapter 4.1.7, indicator No. 42 a) (82981,3 Ha)			
in conversion	26.920	ha UAA	2010
Comment: The indicator used by RO is different than the one from DG AGRI database and it may be found in chapter 4.1.7, indicator No. 42 b) (99720,0 Ha).			
share of UAA (both certified and conversion)	0,4	% of total UAA	2010
Comment: The indicator used by RO is different than the one from DG AGRI database and it may be found in chapter 4.1.7, indicator No. 42 c) (1.4%).			
20 Irrigated Land			
Indicator name	Value	Unit	Year
total	3.148.882	ha	2012
Comment: NIS			
share of UAA	1	% of total UAA	2010
21 Livestock units			
Indicator name	Value	Unit	Year
total	5.444.180	LSU	2010
22 Farm labour force			
Indicator name	Value	Unit	Year
total regular farm labour force	7.156.930	Persons	2010
total regular farm labour force	1.501.000	AWU	2010
23 Age structure of farm managers			
Indicator name	Value	Unit	Year
total number of farm managers	3.859.040	No	2010
share of < 35 y	7,3	% of total managers	2010
ratio <35 / >= 55 y	12	No of young managers by 100 elderly managers	2010
24 Agricultural training of farm managers			
Indicator name	Value	Unit	Year
share of total managers with basic and full agricultural training	2,5	% of total	2010
share of manager < 35 y with basic and full agricultural training	2,9	% of total	2010
25 Agricultural factor income			
Indicator name	Value	Unit	Year
total	2.169,5	EUR/AWU	2012
total (index)	113,3	Index 2005 = 100	2012

26 Agricultural Entrepreneurial Income			
Indicator name	Value	Unit	Year
Standard of living of farmers	1.931,9	EUR/AWU	2012
Standard of living of farmers as a share of the standard of living of persons employed in other sectors	47,1	%	2012
27 Total factor productivity in agriculture			
Indicator name	Value	Unit	Year
total (index)	113	Index 2005 = 100	2009 - 2011
28 Gross fixed capital formation in agriculture			
Indicator name	Value	Unit	Year
GFCF	1.499,54	EUR million	2011
share of GVA in agriculture	18,9	% of GVA in agriculture	2011
29 Forest and other wooded land (FOWL) (000)			
Indicator name	Value	Unit	Year
total	6.747	1000 ha	2012
Comment: Information from the study conducted in 2013 by the National Centre for Preparation in Statistics, based on statistical data series from NIS.			
share of total land area	28,3	% of total land area	2012
Comment: Similar to the previous row.			
30 Tourism infrastructure			
Indicator name	Value	Unit	Year
bed-places in collective establishments	301.109	No of bed-places	2012
Comment: The used value is relevant for the additional indicator: "Existing number of bed-places"			
Source: Tempo Online, data series, NIS.			
Rural	9	% of total	2012
Comment: The used value is relevant for the additional indicator: "Existing number of bed-places in agro-touristic establishments".			
Sursa: Tempo Online, data series, NIS.			
intermediate	0	% of total	
Comment: Not applicable.			
urban	0	% of total	
Comment: Not applicable.			

III Environment/climate			
31 Land Cover			
Indicator name	Value	Unit	Year
share of agricultural land	56,8	% of total area	2006
share of natural grassland	1,3	% of total area	2006
share of forestry land	29,4	% of total area	2006
share of transitional woodland shrub	2,4	% of total area	2006
share of natural land	1,9	% of total area	2006
share of artificial land	6,3	% of total area	2006
share of other area	1,9	% of total area	2006
32 Areas with Natural Constraints			
Indicator name	Value	Unit	Year
total	28,9	% of total UAA	2008
mountain	15,7	% of total UAA	2008
other	1,3	% of total UAA	2008
specific	11,9	% of total UAA	2008
33 Farming intensity			
Indicator name	Value	Unit	Year
low intensity	71,5	% of total UAA	2007
medium intensity	22,5	% of total UAA	2007
high intensity	6	% of total UAA	2007
grazing	38,9	% of total UAA	2010
Comment: See also Additional Indicator 35 - Area of grasslands used extensively			
34 Natura 2000 areas			
Indicator name	Value	Unit	Year
share of the territory	22,7	% of territory	2011
share of UAA (incl. natural grassland)	12,5	% of UAA	2011
share of total forestry area	38,4	% of forest area	2011
35 Farmland Birds index (FBI)			
Indicator name	Value	Unit	Year
total (index)	NA	Index 2000 = 100	
Comment: The reference value of the index was calculated by the Romanian Ornithology Society in 2010, with the value: 1.47% (100%).			
36 Conservation status of agricultural habitats (grassland)			
Indicator name	Value	Unit	Year
favourable	NA	% of assessments of habitats	
Comment: See Additional Indicator 40 - Conservative value of permanent grassland habitats in the mountain area.			
unfavourable - inadequate	NA	% of assessments of habitats	
Comment: See Additional Indicator 40 - Conservative value of permanent grassland habitats in the mountain area.			
unfavourable - bad	NA	% of assessments of habitats	

Comment: <i>See Additional Indicator 40 - Conservative value of permanent grassland habitats in the mountain area.</i>			
unknown	NA	% of assessments of habitats	
Comment: <i>See Additional Indicator 40 - Conservative value of permanent grassland habitats in the mountain area.</i>			
37 HNV Farming			
Indicator name	Value	Unit	Year
total	21	% of total UAA	2010
Comment: <i>Information from the study conducted in 2013 by the National Centre for Preparation in Statistics, based on statistical data series from NIS.</i>			
38 Protected Forest			
Indicator name	Value	Unit	Year
class 1.1	NA	% of FOWL area	
Comment: <i>See Additional Indicator 38 - Forest protection categories in NFF.</i>			
class 1.2	NA	% of FOWL area	
Comment: <i>See Additional Indicator 38 - Forest protection categories in NFF.</i>			
class 1.3	NA	% of FOWL area	
Comment: <i>See Additional Indicator 38 - Forest protection categories in NFF.</i>			
class 2	44,4	% of FOWL area	2011
Comment: <i>See Additional Indicator 38 - Forest protection categories in NFF.</i>			
39 Water Abstraction in Agriculture			
Indicator name	Value	Unit	Year
total	325.127	1000 m3	2012
Comment: <i>Information from the study conducted in 2013 by the National Centre for Preparation in Statistics, based on statistical data series from NIS.</i>			
40 Water Quality			
Indicator name	Value	Unit	Year
Potential surplus of nitrogen on agricultural land	6,8	kg N/ha/year	2005 - 2008
Potential surplus of phosphorus on agricultural land	-1,3	kg P/ha/year	2005 - 2008
Nitrates in freshwater - Surface water: High quality	91,6	% of monitoring sites	2010
Nitrates in freshwater - Surface water: Moderate quality	8,4	% of monitoring sites	2010
Nitrates in freshwater - Surface water: Poor quality	0	% of monitoring sites	2010
Nitrates in freshwater - Groundwater: High quality	84,4	% of monitoring sites	2010
Nitrates in freshwater - Groundwater: Moderate quality	6,7	% of monitoring sites	2010
Nitrates in freshwater - Groundwater: Poor quality	8,9	% of monitoring sites	2010
41 Soil organic matter in arable land			
Indicator name	Value	Unit	Year
Total estimates of organic carbon content	2.300	mega tons	2010
Comment: <i>(organic carbon in the surface layer of the soil 0-30 cm) – Information taken from JRC publications.</i>			
Mean organic carbon content	NA	g kg-1	

42 Soil Erosion by water			
Indicator name	Value	Unit	Year
rate of soil loss by water erosion	2,6	tonnes/ha/year	2006
agricultural area affected	769,4	1000 ha	2006 - 2007
agricultural area affected	5,6	% of agricultural area	2006 - 2007
43 Production of renewable Energy from agriculture and forestry			
Indicator name	Value	Unit	Year
from agriculture	124,9	kToe	2011
Comment: Information taken from DG AGRI Report "Rural Development in the European Union - Statistical and economic information"			
from forestry	3.476	kToe	2011
Comment: Information taken from DG AGRI Report "Rural Development in the European Union - Statistical and economic information"			
44 Energy use in agriculture, forestry and food industry			
Indicator name	Value	Unit	Year
agriculture and forestry	432	kToe	2011
use per ha (agriculture and forestry)	20,9	kg of oil equivalent per ha of UAA	2011
food industry	564	kToe	2011
45 GHG emissions from agriculture			
Indicator name	Value	Unit	Year
total agriculture (CH4 and N2O and soil emissions/removals)	15.874,6	1000 t of CO2 equivalent	2011
Comment: Information taken from the database of the European Environmental Agency - GHG viewer			
share of total GHG Emissions	16,2	% of total net emissions	2011
Comment: Information taken from the database of the European Environmental Agency - GHG viewer			

4.2. Needs assessment

Title (or reference) of the need	P1			P2		P3		P4			P5					P6			Cross cutting objectives		
	1A	1B	1C	2A	2B	3A	3B	4A	4B	4C	5A	5B	5C	5D	5E	6A	6B	6C	Environment	Climate change mitigation and adaptation	Innovation
001. Adequate knowledge among farmers	X		X	X	X	X	X	X	X	X									X	X	X
002. Adequate and quality advisory and consultancy services	X			X	X	X										X			X	X	X
003. Adapting the research activities and the results of research to the needs of farmers and processors	X	X				X													X	X	X
004. Adequate level of capital and technology for modern agricultural activities				X										X					X	X	X
005. Modernizing the agri-food processing sector and its adaptation to EU standards						X										X			X		X
006. Rejuvenation of farmers generations					X														X	X	X
007. Restructuring and modernization of small farms into market-oriented farms				X															X	X	
008. Setting up producers groups and organizations						X											X				X
009. Functional short supply chains	X	X				X															X
010. Risk management in agriculture and forestry							X												X	X	
011. Easy access to adequate financial instruments for farmers, processors and small entrepreneurs from rural areas				X		X										X					
012. Maintaining the biological diversity and environmental value of agricultural and forestry lands								X		X	X								X	X	X

013. Supporting a sustainable forest management				X						X									X	X	
014. Increasing the afforested areas															X				X	X	
015. Maintaining and improving water resources									X										X	X	
016. Protecting and improving soil resources										X									X	X	
017. Adaptation to the effects of climate changes											X				X				X	X	
018. Low level of greenhouse gas (GHG) emissions from agriculture and the transition towards a low carbon economy										X			X	X	X				X	X	
019. Reduction of the level of poverty and the risk of social exclusion																	X	X			X
020. Adequate basic infrastructure and services in rural areas																		X	X	X	
021. Increasing the number of jobs in rural areas																	X		X		X
022. Preserved local patrimony																		X	X		X
023. Local development through LEADER approach																		X	X	X	X
024. Functional National Rural Development Network	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			X
025. Access to modern ICT infrastructure																		X	X	X	X
026. Modernizing the agricultural education infrastructure																		X			

4.2.1. 001. Adequate knowledge among farmers

Priorities/Focus Areas

- 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
- 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors
- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal
- 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations
- 3B) Supporting farm risk prevention and management
- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes
- 4B) Improving water management, including fertiliser and pesticide management
- 4C) Preventing soil erosion and improving soil management

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

Most farmers in Romania, especially those who own small and medium-sized holdings, do not have the proper knowledge in the field of management methods, modern production technologies and standards, especially for livestock and horticulture, focusing mainly on traditional practical experience. Also, the level of awareness, skills and knowledge about modern and innovative methods of processing and marketing agricultural products, including in the context of short supply chains, is insufficient to meet market demands and EU standards. In addition, they do not have sufficient knowledge about the environmental practices that bring benefits to biodiversity, soil and water and do not have information on agricultural practices that contribute to a better adaptation to climate change in risky areas and reduction of GHG emissions. The evolution of the agri-food sector in Romania requires a high level of technical, economical and business management at farm level to successfully meet EU standards (food safety, animal health, environmental regulations, etc.) and to cope with a competitive environment.

Improving the level of farmers' knowledge and skills will contribute to the restructuring/modernization of farms (small and medium), product diversification, market orientation of small farms, adoption of innovative technologies and best practices, especially by young farmers and to the creation of short supply chains. Also, the sustainable management of natural resources and adaptation to climate change will be

encouraged.

4.2.2. 002. Adequate and quality advisory and consultancy services

Priorities/Focus Areas

- 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal
- 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations
- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

Currently, the agricultural advisory services in Romania are insufficient and do not meet the market requirements. This particularly affects young farmers who want to set up as managers of holdings, but also small farmers. They need access to quality advisory services adapted to their own requirements regarding farm development, innovation, adaptation to market standards and requirements, market orientation, creation of associative forms and promotion of entrepreneurship. Also, agricultural holdings require advisory services adapted to their own needs that would support their efforts to improve agricultural activities in terms of both economic and environmental performance. These specific needs, generated mainly by the excessive fragmentation of agricultural holdings and the lack of associative forms, have perpetuated the phenomenon of duality of small farms and commercial farms, with different needs in terms of advisory services. In addition, the rural population needs specific advice on setting-up economic activities in rural areas in non-agricultural fields.

Providing specific advisory services for young and small farmers will increase the market penetration of small farmers, will increase the economic viability of farms led by young farmers and the diversification of on-farm activities, with subsequent effects on farm competitiveness. Also, the advisory services for establishing new small-scale businesses in rural areas will help stimulate entrepreneurship and economic development of rural areas.

4.2.3. 003. Adapting the research activities and the results of research to the needs of farmers and processors

Priorities/Focus Areas

- 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
- 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance
- 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

In Romania, the research and innovation sector is not sufficiently adapted to the specific needs of farmers and processors. The structural problems of agriculture in Romania, the effects of climate change and the low degree of adaptation to market requirements are issues that maintain a high gap between market demand, climate change and the actual production, processing and marketing possibilities. The modest collaboration between farmers and stakeholders promoting innovation and research has led to a limited research and innovation transfer from suppliers to farmers. It is therefore necessary that the specific problems of farmers in terms of environmentally-friendly practices, the optimal use of resources and production factors find solutions in the development of innovative products and processes. The implementation of innovative technologies, developed and supported by research and innovation activities, identified by farmers who find in the research-development provider a partner in addressing their issues, will generate socio-economic and environmental positive effects, such as increase of production, development and promotion of quality food products, stimulation of the establishment of short supply chains, the decrease of fuel consumption and the improvement of working conditions for farmers.

Collaboration of farmers, businesses and researchers on research initiatives via operational groups is important, particularly in the fruit growing sector, as restructuring and modernization of this sector requires both new varieties and new management methods.

4.2.4. 004. Adequate level of capital and technology for modern agricultural activities

Priorities/Focus Areas

- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 5D) Reducing green house gas and ammonia emissions from agriculture

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

- Innovation

Description

Agriculture in Romania is characterized by an insufficient level of endowment with machinery and equipment, often physically worn. Currently, many farmers use in their production systems outdated and poor quality mechanization and inadequate storage facilities. Their physical assets are not adapted to the conditions of production, particularly during peak periods. Many farms are facing difficulties to adapt to new technologies, as a result of insufficient financial means and limited access to financing. These farms, especially small and medium ones, need support to harness their potential and become competitive. For this, they need investments in modernization and construction of facilities, equipment, machinery, post-harvest facilities, sorting systems, means of production, etc.

By addressing these needs, the farms will improve their production and harvesting physical assets, will adapt the agricultural management methods, will increase cost efficiency, diversify their incomes, improve productivity and standards – including the ones related to environmental protection, hygiene and animal welfare.

Addressing these needs will provide better market access for agricultural products, particularly those coming from livestock farms that will have improved access to adequate facilities and equipment for manure management. Also, farms will be encouraged to use technologies that would contribute to a better management of soil and water and will be more adapted to climate change. Also, there will be a better orientation towards advanced irrigation systems that would contribute to water efficiency, endowment and equipment that would lead to a decrease of energy consumption and equipment for production and use of renewable energy (i.e. biomass) in farms.

4.2.5. 005. Modernizing the agri-food processing sector and its adaptation to EU standards

Priorities/Focus Areas

- 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations
- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation

Cross cutting objectives

- Environment
- Innovation

Description

In Romania, the agri-food processing sector requires investments to create new modernized processing units, equipment and technologies, technological flows enabling compliance with new Community standards. These needs place the Romanian food industry at significant gaps in the value added of agricultural products compared with the production capacity of domestic agricultural products.

It is therefore necessary to focus the support on those agri-food products for which the domestic supply is relatively low compared with the existing potential. Specifically, the need for investment in production

facilities and technologies, new product development, implementation of innovative practices and technologies is high in dairy and milk products, in the processing of horticultural products, but also in the meat industry and products with high value added. Progress in these areas will increase the number of processing units that meet EU standards (food safety and traceability) and the market share of domestic value-added products; it will balance the processing needs in relation to domestic production, with positive effects on the trade balance. Also, the processing units will be able to work more efficiently, by reducing the energy consumption and by producing and using renewable energy in their units.

4.2.6. 006. Rejuvenation of farmers generations

Priorities/Focus Areas

- 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

The agricultural sector is confronted with a high degree of aging among owners and managers of farms. This situation generates a negative effect on the level of development, modernization and competitiveness and also on the good environmental practices in farms. Farms managed by old farmers often show weak market orientation, low adaptation of modern techniques, technologies and implementation of Community standards and a limited opening towards restructuring, diversification, thus maintaining an increased gap compared to the possibility of increasing competitiveness.

Also the need to mitigate and adapt to climate change by using renewable resources, the decrease of carbon dioxide emissions and the awareness of the negative effects of agricultural lands abandonment on the economic development of rural areas, are issues that have a limited perspective among older farmers.

Therefore, Romania needs a larger number of young farmers to take over farm management from the older generations, to improve farm productivity and increase their market access.

Significant growth of the share of young farm owners/managers with adequate levels of knowledge will lead to the improvement of technical capacity and innovation potential and will generate sustainable management by improving the overall performance of farms and their better integration on the market. In addition, young farmers will be able to invest in other tangible assets, such as agricultural lands, equipment, machinery, post-harvest facilities, production means, etc.

4.2.7. 007. Restructuring and modernization of small farms into market-oriented farms

Priorities/Focus Areas

- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as

agricultural diversification

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

Romania has a high number of small subsistence and semi-subsistence farms, which use a significant share of the agricultural land. At present, some farms are vulnerable due to their economic size, many of these having limited prospects to improve their economic performance and to be market-oriented. These farms have low productivity, poor technical endowment, are often affected by high degree of fragmentation, apply traditional agricultural practices with weak economic efficiency and thus have difficulties in adapting to new technologies. Therefore, small farms need concerted support for small investments and for elaboration and development of a business plan to become market-oriented and to improve farm management. Also, small livestock farms need support to make investments in storage facilities for manure, in order to align themselves to the mandatory minimum environmental requirements.

Addressing this specific Romanian need will provide new opportunities for facilitating restructuring, integration of small farmers on the market, increased production.

These investments will create further premises for improving the economic performance by modernizing farms through investments in physical assets.

4.2.8. 008. Setting up producers groups and organizations

Priorities/Focus Areas

- 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations
- 6B) Fostering local development in rural areas

Cross cutting objectives

- Innovation

Description

Romanian farmers, especially small ones, are still reluctant to the concept of cooperation, despite the mutual benefits of such cooperation.

It is therefore necessary to have a more sectoral and local approach of this cooperation concept between farmers and within producer groups, in order to improve and adapt their production to market requirements (including issues related to supply, quantity and quality) and sell their products jointly (including via short supply chains). Specialized support is needed to inform and encourage farmers to engage in these structures/groups and to make them work effectively for the benefit of members. This need should be addressed including by a fiscal policy that would stimulate the establishment and functioning of associative forms in agriculture. The needs mentioned above exist in all agricultural sectors, but the fruit growing sector

is mostly affected by the lack of associations, which also contributes to the low level of competitiveness of primary producers.

By association in business activities, farmers will strengthen their bargaining power, they can buy agricultural equipment, technology and other agricultural inputs at reasonable prices and they can have easier access to credits and can introduce innovations and management ideas. Producer groups can play an important role in solving the management problems that farms are facing and in building the means of increasing their income. Supporting the establishment of producer groups in the orchard sector will help decrease the structural disadvantages and will strengthen the market position of farmers in this sub-sector.

4.2.9. 009. Functional short supply chains

Priorities/Focus Areas

- 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
- 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance
- 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations

Cross cutting objectives

- Innovation

Description

The existence and promotion of short agri-food chains currently registers a major gap in terms of organizational and promotion methods which could allow the producer to have a relationship with the consumer as directly as possible. Thus, the needs to create and promote short agri-food chains are complex and their complexity is given by the necessity of a support focused on the entire value chain but also the need to accompany them with information, awareness, promotion and cooperation. Currently, all these elements taken individually seem to have potential but the major need occurs in their integration into an organized framework, with focused support.

This support will allow farmers in Romania to be integrated into short chains, in order to diversify and increase their income sources, to develop sustainable links with consumers while promoting the important role of agriculture for the society. Creating short supply chains will open market opportunities for farmers, forest owners and other rural entrepreneurs, to diversify their products, to promote and sale them on local markets or near the production source, either individually or jointly.

4.2.10. 010. Risk management in agriculture and forestry

Priorities/Focus Areas

- 3B) Supporting farm risk prevention and management

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

In Romania, in general, natural resources are in good condition, but risk management systems and services which can mitigate potential risks are completely inadequate. Even commercial farms are insufficiently and inadequately equipped to deal with climate risk management and adverse climatic events.

It is therefore necessary that farmers manage better risks associated with their own business, as on medium and long-term a high impact of climate change on primary production is expected. Possible risks are related to the decrease of economic activity caused by environmental incidents, natural disasters and the effects of climate change (such as persistent flooding, landslides, erosion, damage caused by storms, drought, disease outbreaks, lack of access to water resources).

If support systems and funds for management and mitigation of these risks are in place, farmers would minimize the effects of catastrophic events and climate change which could affect production, the overall viability of businesses, the safety of households and income and food sources.

4.2.11. 011. Easy access to adequate financial instruments for farmers, processors and small entrepreneurs from rural areas

Priorities/Focus Areas

- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations
- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation

Cross cutting objectives

Description

Farmers and non-agricultural enterprises from rural areas need easy access to loans with favorable terms and conditions (including in terms of interest rates, reimbursement period and collaterals) to invest in their businesses. The situation is quite different at the moment, because in Romania the financial instruments are less accessible to rural enterprises (especially those newly established) and to the agricultural sector in general. Despite the financial mechanisms established under the National Rural Development Program 2007-2013, access to bank loans is still difficult because of the high costs of loans and lack of collaterals.

Improved access to loans with favourable terms would support farms in their process of modernization and increased market orientation, including participation in short supply chains, a more competitive procurement of inputs, diversification of production and improved operations and overall viability. Financial instruments

are specifically important when farms start rural development projects that require co-financing. Financial instruments dedicated to start-up initiatives could represent the basis for the establishment and development of non-agricultural small businesses that generate jobs and opportunities for additional income in rural areas.

4.2.12. 012. Maintaining the biological diversity and environmental value of agricultural and forestry lands

Priorities/Focus Areas

- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes
- 4C) Preventing soil erosion and improving soil management
- 5A) Increasing efficiency in water use by agriculture

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

The natural environment in Romania is generally characterized by a good state of conservation of natural soil and water resources, variety of traditional landscapes and a remarkable biological diversity.

However, the risk of intensification and abandonment of agricultural activities puts a high pressure on biodiversity.

Thus, it is necessary to encourage farmers to serve society as a whole, by continuing to practice environmentally-friendly farming, promoting traditional extensive agricultural practices, based on reduced use of inputs while maintaining the landscapes and their features, the quality of natural resources, including the quality of soil and genetic diversity.

To respond to these needs, farmers must be supported to apply agricultural production methods compatible with the protection and improvement of environment, which involves loss of income and additional costs compared to conventional methods of agricultural production.

Also, in order to improve the environmental conditions specific to forest ecosystems, in addition to environment protection measures under the national laws, it is necessary to apply measures to limit technical-forestry interventions that involve loss of income for which the forest holders should be compensated.

The measures mentioned above will result in preservation of wildlife and natural habitats on agricultural and forestry lands, including on high nature value farmland, as well as in maintaining and enhancing their natural value. Also, the preservation of local breeds of animals in danger of abandonment will be ensured.

This will ensure the sustainable development of the agricultural and forestry sector, while addressing the more increasing demand of society for environmental services and at the same time promoting traditional

products and the diversification of activities through sustainable tourism.

4.2.13. 013. Supporting a sustainable forest management

Priorities/Focus Areas

- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 4C) Preventing soil erosion and improving soil management

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

Forests in Romania, regardless of ownership, are managed based on sustainable management concepts compatible with the ones recognized at European level, through a regulatory framework and a unitary national planning system. This framework is oriented especially towards ensuring the protection functions that forests have. However, the management of forest resources is hampered by the low level of accessibility of forest, as well as by insufficient, outdated and less diversified technical endowment of businesses in the forestry sector.

It is therefore necessary to support the various actors in the forestry sector to modernize and build forest roads and to purchase equipment and technologies. Also, the use of traditional practices in logging activity, with low environmental impact, should be encouraged.

Increasing the accessibility of forests will ensure improved conditions to carry out forestry-cultural works, prevention and firefighting and the use of forests in ecological and profitable conditions. Using modern equipment and technologies and traditional practices will have a positive impact on environment, by reducing soil degradation, air and water pollution and by reducing GHG emissions and energy consumption.

4.2.14. 014. Increasing the afforested areas

Priorities/Focus Areas

- 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

In Romania, the share of forest area is lower than the EU average and below the minimum threshold recommended by the national scientific community of Romania. Also, forest areas are unevenly distributed

on the main landforms, the plains being particularly affected by climate change and with only 11% of the total forest area. Also, the hilly and mountain areas are affected by soil degradation and floods on both agricultural and non-agricultural lands.

Increasing the forest areas and the development of forest belts is a necessity in terms of meeting the global targets of reducing CO₂ emissions and adaptation to climate change, as well as in terms of meeting the objectives of reducing soil degradation, mitigating of flood risks and decreasing the negative effects of floods. In addition, afforestation of agricultural and non-agricultural lands will help increase local biodiversity, by restoring habitats and ecosystems and by creating transition zones proper for development of populations of insects, birds and mammals. Due to their ecologic, social and economic functions, forests also provide other goods and services to society, such as wood and non-wood products, recreation spaces, and landscapes.

4.2.15. 015. Maintaining and improving water resources

Priorities/Focus Areas

- 4B) Improving water management, including fertiliser and pesticide management

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

Most water resources in Romania are of good and very good quality. Although agriculture is not currently a major polluter of surface waters and ground waters (with fertilizers, pesticides, nitrates and nitrites), in the context of the growing demand for food products the pressure for intensification of agriculture will be an important risk for increased water pollution, associated with inappropriate use of agricultural technologies.

In this respect, it is necessary to maintain a low level of water pollution from agricultural sources, by using agricultural practices and facilities with a low impact on water quality.

The increase of water quality will be a consequence of the use of practices specific to organic farming, which limit or even prohibit the use of fertilizers and plant protection products. In addition, the use of extensive agricultural practices and proper management of manure will contribute to maintaining and improving water quality.

4.2.16. 016. Protecting and improving soil resources

Priorities/Focus Areas

- 4C) Preventing soil erosion and improving soil management

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

Despite the overall good condition of natural resources, the trend of increasing the surface on which organic farming is carried out, the large share of sustainably managed areas that promote extensive agriculture with low environmental impact, there are large agricultural surfaces affected by various soil degradation phenomena.

The more and more frequent manifestation of extreme weather events, the risk of abandonment of agricultural activities and the use of inappropriate technologies on agricultural and forestry lands, can lead to soil degradation by erosion, salinization/ alkalization, compaction, decrease of biodiversity of soil and decrease of organic matter. In some regions, these threats increasingly contribute to the risk of decreased productivity and even marginalization of agricultural lands and abandonment of agricultural activities.

To reduce the risk of soil degradation it is necessary to encourage farmers and forest owners to implement management practices that ensure the protection of soil resources and the continuation of farming in areas which face natural constraints or other specific constraints, as well as their encouragement to use technologies with low impact on soil.

A first set of important measures for soil protection is cross compliance, whose application in areas facing natural constraints or other specific constraints represents by itself the continuation of agricultural activities. Also, the promotion of land management measures that go beyond the minimum standards for maintenance of lands, will further contribute to reducing the soil degradation processes. In addition, the application of methods specific to organic farming, as well as the afforestation of agricultural lands affected by various degradation phenomena, can support the protection of soil resources.

4.2.17. 017. Adaptation to the effects of climate changes

Priorities/Focus Areas

- 5A) Increasing efficiency in water use by agriculture
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

In the context of climate scenarios on medium and long term, which forecast an increase of annual average temperatures, the frequency of extreme weather events (droughts, floods, etc.) will also increase. In addition, the existing irrigation infrastructure in Romania is lagging behind in terms of resource efficiency.

The adaptation to climate changes requires the establishment, expansion and/or modernization of irrigation installations, the promotion of new agricultural management practices and technologies, the adoption of risk management measures, the establishment of protective forest belts.

These actions will tackle excessive droughts, improving the local climate, covering the losses caused by the vulnerability of rural communities in regard to climate change and the more efficient use of freshwater resources.

4.2.18. 018. Low level of greenhouse gas (GHG) emissions from agriculture and the transition towards a low carbon economy

Priorities/Focus Areas

- 4C) Preventing soil erosion and improving soil management
- 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy
- 5D) Reducing green house gas and ammonia emissions from agriculture
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

Emissions of greenhouse gases from agriculture decreased by 53% from 1990. This decrease of emissions is associated with the economic decline of agriculture after 1989, including the low number of animals and the low use of mineral fertilizers. However, the emissions of greenhouse gases from storing and spreading manure are still very high as a result of inadequate storage facilities and obsolete equipment used for spreading.

To maintain a low level of greenhouse gas emissions from agriculture, it is necessary to create facilities and use modern equipment for storing and spreading of manure, to apply agricultural practices that help maintain carbon in soil, including the production and use of renewable energy. Also, increasing forest areas and developing forest belts is a necessity in terms of meeting the global targets of reducing CO2 emissions and adaptation to climate change.

These actions will result in maintaining a low level of greenhouse gas emissions from agriculture.

4.2.19. 019. Reduction of the level of poverty and the risk of social exclusion

Priorities/Focus Areas

- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation
- 6B) Fostering local development in rural areas

Cross cutting objectives

- Innovation

Description

Rural areas of Romania register major gaps in terms of quality of life in rural areas. These are reflected in all socio-economic components: rural economy, services, municipal and recreational infrastructure, training

and education, administrative capacity, demographic potential, health, culture, etc.

All these needs assessed as a whole leading to the main need: to reduce poverty and the risk of social exclusion.

Thus, specifically, rural areas are characterized by important gaps compared to urban areas, in terms of basic infrastructure and services, employment opportunities and entrepreneurship, local government, access to credits for investment.

The need to protect and preserve the cultural heritage is also essential in maintaining the identity of rural communities. At the same time, it is more and more obvious the need to have bottom-up integrated participatory local approaches, with the possibility to identify the local needs and to find viable and innovative solutions that a conventional top-down approach cannot achieve.

An adequate basic infrastructure will create the premises for the attractiveness of rural areas both as a place of residence and business environment that may provide opportunities for employment, especially in non-agricultural fields. These needs once addressed in a pyramid or integrated way, by a Leader-type of approach, will lead to alternative incomes, quality and attractiveness of rural areas.

Addressing social-economic and cultural needs of rural areas will decrease the disparities and will lead to equal opportunities for the rural population, by providing increased access to jobs, entrepreneurship, basic infrastructure, health, education, culture.

4.2.20. 020. Adequate basic infrastructure and services in rural areas

Priorities/Focus Areas

- 6B) Fostering local development in rural areas

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

Basic infrastructure and services in rural communities are inadequate both in terms of their quality and, most of all, functionality. These are the main elements that maintain a high gap between rural and urban areas of Romania and represent an obstacle for the equality of chances and the socio-economic development of rural areas.

Thus, the development and modernization of water/wastewater systems adapted to standards, networks of local roads and health services are basic needs for the rural population. The limited access to these is reflected in a low degree of attractiveness of rural areas, both for entrepreneurs and for young people. The deficiencies arising from a poorly developed local infrastructure also cause gaps in the accessibility of education.

An improved basic infrastructure will create adequate living conditions, development and revitalization of rural economy, while ensuring access to health, social services and education.

A centralized system of water/wastewater infrastructure will improve water quality and reduce the pollution caused by the biodegradable organic waste produced by rural households.

4.2.21. 021. Increasing the number of jobs in rural areas

Priorities/Focus Areas

- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation

Cross cutting objectives

- Environment
- Innovation

Description

Currently, employment opportunities in Romania are scarce, especially in the non-agricultural sector. The rural population is dependent upon agricultural activities which offer subsistence living conditions. The gap between rural and urban areas is reflected in low levels of income and employment rates. The need to obtain additional income for the population employed in subsistence and semi-subsistence agriculture is urgent, especially in the context of the depopulation trend. At the same time, the need to stimulate entrepreneurship in rural areas is high and is in resonance with the need to increase the capitalization of the potential of rural communities in terms of landscapes, culture, traditional activities and local resources.

The development of small scale businesses is recognized as being the most important source of jobs and additional income. Thus, addressing the needs outlined above will be translated into the development by small farmers or the members of their families of small-scale activities in non- agricultural fields, such as agri-tourism, crafts. Also, investments in creation and development of service activities and, especially, production in rural areas, will solve the need to create jobs for the rural population and to maintain the population in rural areas.

4.2.22. 022. Preserved local patrimony

Priorities/Focus Areas

- 6B) Fostering local development in rural areas

Cross cutting objectives

- Environment
- Innovation

Description

Characterized by a weak capacity to develop and implement effective sustainable local development projects, by a poor quality of tourism infrastructure, degradation of traditional establishments with cultural value and historical monuments, the Romanian villages, with a rich heritage, need a better organization in order to ensure the preservation of unique cultural resources and their use in view of socio-economic development.

The rural ethno-folk, cultural, environmental, gastronomic traditions and the local environmental characteristics are insufficiently exploited for the development of tourism, jobs, income and for ensuring a

positive impact on the sense of dignity and pride of local communities.

The support granted within an integrated and balanced process of territorial development, including through local development strategies, will lead to the preservation and conservation of local heritage while marketing activities could generate value added for domestic products.

Via innovative actions for exploiting the local heritage the attractiveness of rural areas could be increased for the rural population and tourists alike. A better recognition and protection of the cultural and natural heritage would intensify the degree of identification of the rural population with the areas where they live and their desire to remain in rural areas, thus reducing the desire to migrate to urban areas.

4.2.23. 023. Local development through LEADER approach

Priorities/Focus Areas

- 6B) Fostering local development in rural areas

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

The need to continue with the rural development instrument for bottom up promotion of development initiatives and activities by local communities, starting from the the needs identified at local level and the endogenous potential is important considering the specific needs of local communities.

The need to develop, in an integrated and innovative manner, of local issues and the need for a balanced development of local communities are vital to accelerate the structural evolution of these communities.

Also, the need to strengthen local governance in terms of management capacity should be increased to allow the rural stakeholders to be better informed and stimulated about the possibility to get involved to a greater extent in the development of their local communities.

The involvement of local stakeholders in developing the areas where they operate will contribute to a dynamic development supported by a local development strategy locally developed and implemented and managed by LAG representatives.

Innovation within the LEADER approach will lead to adaptation of needs to the demands of the local context.

4.2.24. 024. Functional National Rural Development Network

Priorities/Focus Areas

- 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
- 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance

- 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors
- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal
- 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations
- 3B) Supporting farm risk prevention and management
- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes
- 4B) Improving water management, including fertiliser and pesticide management
- 4C) Preventing soil erosion and improving soil management
- 5A) Increasing efficiency in water use by agriculture
- 5B) Increasing efficiency in energy use in agriculture and food processing
- 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy
- 5D) Reducing green house gas and ammonia emissions from agriculture
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry
- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation
- 6B) Fostering local development in rural areas
- 6C) Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas

Cross cutting objectives

- Innovation

Description

The successful implementation of the NRDP 2014-2020 will not only depend on the existence of financial support and the implementation of well-structured measures, but also on the dissemination of information, success models, innovative methods and practices for projects that promote the development of rural businesses and communities, in a coherent approach. Thus, it is necessary to have a national rural development network that, due to the specificity of its activities, would cover this stringent need for stakeholders involved in rural development.

A strengthened rural development network will ensure networking of local actors, the dissemination of knowledge and new innovative methods and animation of actors from local communities, essential aspects for an active rural space.

4.2.25. 025. Access to modern ICT infrastructure

Priorities/Focus Areas

- 6B) Fostering local development in rural areas

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

Currently there is poor connectivity to broadband in rural areas, due to the lack of modern ICT infrastructure and the low incomes of rural population.

There is the need to develop a communication network in rural areas, including some broadband services in the main points of interest, such as centers, libraries, local administrations, that would allow improved information, better exchange of knowledge and an intensified innovation in farms and forest holdings.

The modernization of ICT infrastructure and communications services in local communities will facilitate a more intense participation of rural population in the process of economic growth, reducing therefore the disparities between rural and urban centers areas in terms of quality of services.

With such an infrastructure, rural areas will become more attractive for socio-economic development, including for creation and development of businesses, creation of innovative partnerships for the purposes of facilitating the exchange of information and the establishment of a common knowledge base for communication activities, strategic planning and analysis, social cohesion, health and education, etc. Thus, it is possible to reverse the trend of the decreasing rural population, especially young people and people with various expertise, who will be motivated to stay in rural areas, in the context of improved living conditions.

Improved access to modern ICT infrastructure will contribute to climate change mitigation, through the use of innovative technologies that require such access to an efficient management of natural resources.

4.2.26. 026. Modernizing the agricultural education infrastructure

Priorities/Focus Areas

- 6B) Fostering local development in rural areas

Cross cutting objectives

Description

In rural areas of Romania, the agricultural education infrastructure is insufficiently developed to meet the needs of teaching and putting into practice agricultural knowledge. The migration of rural youth is an issue that contributes to the decreasing number of graduates of agricultural schools, a phenomenon caused by a limited degree of opportunities for the younger generations to develop professionally in rural areas. Among

the causes of migration of rural youth to urban areas are the low level of attractiveness of rural areas from the socio-economic point of view and the low level of skills acquired through education.

Also, the low level of education in the agricultural field, caused by the lack of facilities in this sector, generates an underperforming management of farms and thus contributes to the deepening of poverty in rural areas.

The need to provide educational curricula adapted to rural specificity, such as agricultural sciences, is important among young people from rural areas.

Thus, addressing the need related to a proper and adapted agricultural education will lead to stabilization of young people in rural areas and will increase the competitiveness of the agricultural sector.

By improving the agricultural education infrastructure, a solid foundation for providing proper knowledge and services could be built that would ensure the education of the next generation in the agricultural field. Therefore, investments in the agricultural educational infrastructure could be a solution for training new generations of well-trained young people who would meet the development needs of the agri-food sector.

5. DESCRIPTION OF THE STRATEGY

5.1. A justification of the needs selected to be addressed by the RDP, and the choice of objectives, priorities, focus areas and the target setting based on evidence from the SWOT and the needs assessment. Where relevant, a justification of thematic sub-programmes included in the programme. The justification shall in particular demonstrate the requirements referred to in Article 8(1)(c)(i) and (iv) of Regulation (EU) No 1305/2013

Romania is facing challenges to achieve the economic and social potential of the agri-food sector. As the SWOT analysis indicates, the rural area overall shows significant deficiencies and is characterized by: persistent structural weaknesses; low level of entrepreneurship and of added value, with labour intensive activities notably in (semi)subsistence farming; modest export orientation; low investments; access to services and infrastructure well behind urban areas; widening regional disparities; a high share of population at risk of poverty and social exclusion and a range of man-made and environmental risks, exacerbated by climate change, that pose a threat to rural areas and to the country as a whole.

There is a real opportunity through the National Rural Development Programme (NRDP) 2014-2020 to tackle the weaknesses, building upon sector strengths and on the progress achieved under 2007-2013 NRDP. Significant improvements were achieved during 2007-2013 with specific regard to a better agri-food chain integration of producers and processors, farm generational renewal, use of environmentally-friendly practices and investments, diversified local economies and local infrastructure but these improvements are insufficient compared to the needs. Starting with 2007, Romania began the promotion of the continuous and sustainable use of agricultural and forestry lands, creating the premises for maintaining the natural heritage and preserving the high natural value of rural areas. In this context, NRDP 2014-2020 will be able to maintain the efforts necessary for developing the rural space, by strategically approaching the following objectives:

i) restructuring and increasing farm viability; ii) sustainable management of natural resources and tackling climate change; iii) diversification of economic activities, creation of jobs, improvement of infrastructure and services for improving the quality of life in rural areas, according to the provisions of the Partnership Agreement. These objectives are consistent with those defined in national strategies, particularly with the Strategy for the development of the agri-food sector on medium and long term 2020-2030, the Common Agricultural Policy and the Europe 2020 strategy. The measures meant to achieve these objectives are subordinated to the principles and objectives established by international conventions and European directives for the preservation of biodiversity, natural habitats and species of wild fauna and flora and the sustainable management of natural resources.

Achieving these objectives will be carried out in the 2014-2020 programming period, via **the six EU priorities** established in the Rural Development Regulation (1305/2013):

- *Fostering knowledge transfer and innovation in agriculture, forestry, and rural areas (P1);*
- *Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests (P2);*
- *Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture (P3);*
- *Restoring, preserving and enhancing ecosystems related to agriculture and forestry (P4); Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors (P5);*

- ***Promoting social inclusion, poverty reduction and economic development in rural areas (P6).***

All these priorities are expressed by focus areas (FA) and facilitate the accomplishment of cross-cutting objectives related to innovation, environment protection and climate change mitigation and adaptation.

Following the SWOT analysis and the needs identification, the needs to be addressed by the NRDP 2014-2020 have been selected. These will be addressed in the context of the cross-cutting nature of P1, via focus areas 1A, B, C.

The interventions through P1 will reduce the gaps in knowledge, information and advisory services among farmers, will link research to practice and will connect stakeholders involved in rural development in terms of entrepreneurial culture and dependency upon agricultural activities which are specific to rural areas. The need to reduce the gaps in knowledge and information among farmers will also be approached in terms of implementation of environmental practices that bring benefits for biodiversity, soil and water and adaptation to climate change. At the same time, the networking of stakeholders involved in rural development and the facilitation of knowledge transfer will be supported through the National Rural Development Network (NRDN)-N.1-3, 12, 15-18, 24.

The needs which are addressed primarily through **priorities 2-6** are established as follows:

- i) The objective of restructuring and increasing farm viability (Fig. Xi)**

Increasing the competitiveness of agriculture, forestry and food sector is essential for the economic development of rural areas and the creation of jobs and is, therefore, central to this strategy. There is a good potential for increased productivity, better integration of agricultural producers on the market, import substitution, increase of exports of added value products and modernization of the sector for processing agricultural products. In particular, significant benefits can be gained from increasing the competitiveness of the orchard sector. The orchard sector, which declined for the past 25 years, both in terms of area and productivity, will be addressed through a dedicated sub-programme, in order to eliminate the structural issues affecting the placing on the market of fresh fruit, raw materials for processing and overall competitiveness of the sector. This support allows the identification of specific needs in the context of a detailed analysis of the sector, a zoning of the intervention and by addressing them more effectively on the entire supply chain, from production and processing to marketing and the increase of beneficiaries' interest, due to the increased awareness of the opportunities offered by this sector.

Objective i) of the NRDP 2014-2020 will address the selected needs (N. 1-13), through the rural development priorities P2 and P3 and the horizontal priority P1, as follows:

- **Rural Development Priority 2 (P2)** by focus areas **2A, B** will reduce the gaps in: capital and technology in farms, market-oriented, restructured and modernized farms, easy access to financial instruments, young generations of farmers, support for a sustainable forest management (N. 4, 6, 7, 11, 13);
- **Rural Development Priority 3 (P3)** by focus areas **3A, B** will reduce the gaps related to the modernization and adaptation to EU standards in the agri-food sector, the integration of farmers and processors in short supply chains and risk management in agriculture (N. 5, 8, 9, 10);

Priorities 1, 2 and 3 and the corresponding focus areas will provide the overall framework for addressing the needs selected and a subprogramme dedicated to the orchard sector (on the whole value chain) will

revitalize this sub-sector with high potential.

Given the low level of technical endowment, the excessive polarization of holdings and the difficult access to investment, addressing the needs 4,6,7 and 11 is the central element that will be approached by supporting the modernization of the agricultural sector, small and medium sized farms and family farms, which will ensure the increase of the structural consolidation of this segment, by increasing the agricultural productivity, the quality of supply of agricultural raw materials and their adaptation to market demands and EU standards. Also, special attention will be given to the installation of young farmers and restructuring of small and medium farms.

In order to decrease the vulnerability to the negative effects generated by climate change, sanitary and environmental incidents, farmers' access to funds and support systems for risk management will be ensured.

An increase in the share of products processed and marketed, including products with high value added, will be achieved by addressing the needs 5, 8, 9. The development of producer groups at local level via LEADER and via the orchard subprogramme, will decrease the weaknesses related to the low volume and fragmentation of products, thus strengthening the agricultural producers' position on the market, in order to sell the products jointly.

In the context of the decrease of the number of processing units and the need to comply with EU standards, supporting investment for modernizing the processing industry in relation to production capacity will increase the supply of agri-food products on the market, generating value added for the agricultural products, with positive effects on the trade balance as well. Stimulating short supply chains will open new market opportunities and strengthen the ties between producers and consumers.

The low education level and low managerial capacity among young farmers and small farmers will be improved by providing training and advisory services regarding the improvement of productivity and the increase of value added, as well as risk management. The lack of adaptation of research activities to the needs of agri-food sector (particularly in the fruit-growing sub-sector) will be addressed by enabling the establishment of operational groups, comprising farmers, business environment and researchers. Given the elements identified above, the **support from NRDP will mainly address:**

- Creation, expansion and modernization of farm facilities (buildings, access roads, irrigations, technologies for reducing pollution and production of energy from renewable sources, storage facilities, marketing and processing, including in the context of short supply chains, etc.).
- Investments in processing and marketing, including in energy efficiency, marketing, storage, conditioning, adaptation to standards, etc.;
- Support for restructuring farms, especially small ones and rejuvenation of generations of farmers;
- Risk management in the agri-food sector;
- Advisory and training activities, including via producer groups.

ii) Sustainable management of natural resources and tackling climate change (Fig. Xii)

The sustainable management of natural resources and tackling climate change are essential actions for approaching the cross-cutting objectives of the NRDP related to environment protection and mitigation and adaptation to climate change. NRDP 2014-2020 aims to maintain the high natural value and the good condition of natural resources, by promoting the sustainable use of these resources, as well as to contribute to achieving the national objective of maintaining a low level of GHG emissions in the agricultural sector

and adaptation to climate change effects.

The threats that the natural environment in Romania is facing, for which several measures have been proposed in PNDR 2014-2020, also include the risks associated with climate change, manifested by the more frequent occurrence of extreme weather events (droughts, floods, etc), as well as pollution from agricultural sources.

Objective ii) of the NRDP 2014-2020 will be achieved by approaching rural development priorities P4 and P5, in this way addressing the selected needs (N.12-18), as follows:

- Addressing **Rural Development Priority 4 (P4)**, through focus areas **4A, B, C**, will lead to the preservation of the biological diversity of agricultural and forestry lands, as well as to the protection and improvement of water and soil resources (N.12, 13, 15, 16, 18);
- Addressing **Rural Development Priority 5 (P5)**, through focus areas **5A, C, D, E**, will lead to a more efficient use of water in agriculture, an increase of production and use of energy from renewable sources, a decrease of GHG emissions from agriculture, promotion of carbon sequestration and conservation, as well as adaptation to climate change effects (N.12, 14, 17, 18);

Romania has a high biological diversity, in a good and very good state of preservation; however, further efforts are necessary to encourage the maintenance of extensive farming practices, based on low inputs, with a low impact on environment, at large scale. This way, the maintenance of the environmental value of agricultural lands, especially those situated in Natura 2000 sites, will be ensured on short and medium term, contributing to the consistency with European and national strategies for the preservation of important species (including local breeds in danger of abandonment) and priority habitats. Thus, the needs identified will be addressed (N12, N.15, N16, N18). This is of particular importance, especially in the context of intensification of agricultural activities as a result of the socio-economic development recorded in Romania. The promotion of the continuous use of lands in areas less attractive for agricultural activities is a challenge in terms of maintaining the traditional landscapes specific to the Romanian countryside and the sustainable management of natural resources. The threats that the Romanian natural environment is facing, for which measures under NRDP 2014-2020 are proposed (agri-environment and climate or organic farming) are also aimed at reducing pollution from agricultural sources (N15, N18).

The multifunctional role of forests, as a result of afforestation actions and limitations to the number of works in forests, will meet the needs identified, both from the perspective of P 4 (N12, N13, and N16) and P 5 (N12, N14).

To address the needs related to climate change (P5), it will be necessary to promote farming practices that lead to adaptation to climate change (N17), the promotion of proper management of manure and the decrease of the use of inputs (N18), the promotion of efficient use of water in agriculture (N17) or the promotion of production and use of energy from renewable sources (N18).

iii) Diversification of economic activities, creation of jobs, improvement of infrastructure and services for improving the quality of life in rural areas (Fig. Xiii)

Rural areas play an important socio-economic role in Romania, accounting for a large share of the total territory, being home to nearly half of the country's population. This area could benefit from a good development of business environment and could provide new jobs, providing employment opportunities for the active population of rural areas.

Objective iii) of the NRDP 2014-2020 will address the selected needs by rural development priority P6, respectively horizontal priority P1, as follows:

- **Rural Development Priority 6 (P6)** by focus areas **6A, B**, will reduce the gaps related to: risk of poverty and social exclusion, employment in rural areas, basic infrastructure and services, as well as agricultural education infrastructure; preservation of local heritage and local development and the level of quality of life in rural areas (N.5, 8, 11, 19-23, 25, 26).

Addressing the needs 19-23 will support the change in the occupational structure of rural areas (including the absorption of surplus labour from agriculture), by stimulating a rural economy that would provide the residents with opportunities for diversification, in order to obtain incomes and to reduce poverty. This will create equal opportunities between rural and urban population, by providing proper living conditions, including in the context of education, health and social services.

Supporting the establishment of new micro and small enterprises will create new jobs in rural areas and will lead to absorption of surplus labour from the agricultural sector. The creation of new enterprises with non-agricultural activities or the development of existing ones, including for the stimulation of rural tourism but also a better recognition and protection of cultural and natural heritage, will enhance the attractiveness of rural areas, thus reducing residents' trend to migrate to urban areas in search of new socio-economic opportunities.

Continuing the LEADER approach has a major importance, given the specific needs of local communities and investments in modern ICT infrastructure will help address the need 25. By addressing the need 26, a solid foundation could be built for providing knowledge and proper services that would ensure the education of the next generation from the agricultural field, in order to meet the development needs of the agri-food sector.

Considering the elements identified above, the **support from the NRDP will mainly address:**

- Support for investments in micro and small non-agricultural enterprises in rural areas;
- Improvement of local educational and healthcare infrastructure, water supply systems, sewage and local roads;
- Restoration and preservation of cultural heritage;
- Support for locally-generated strategies that ensure integrated approaches to local development;
- Consultancy services and knowledge transfer actions for developing businesses in rural areas.

The measures that will help address the needs within the priorities 2-6 will be synergistically supported by support-measures under the focus areas within rural development priority 1.

i) The objective of restructuring and increasing farm viability		
Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the	Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management	Fostering knowledge transfer and innovation in agriculture, forestry (P1)

sustainable management of forests (P2)	in agriculture(P3)	
Selected needs: N.4 Adequate level of capital and technology for modern agricultural activities; N.6 Rejuvenation of farmers generations; N.7 Restructuring and modernization of small farms into market-oriented farms; N.11 Easy access to adequate financial instruments for farmers, processors, small entrepreneurs from rural areas. N.13 Supporting a sustainable forest management.	Selected needs N.5 Modernizing the agri-food processing sector and adapting it to EU standards; N.8 Setting up producer groups and organizations; N.9 Functional short supply chains; N.10 Risk management in agriculture and forestry; N.11 Easy access to adequate financial instruments proper for farmers, processors, small entrepreneurs from rural areas..	Selected needs N.1 Adequate knowledge among farmers; N.2 Adequate and quality agricultural advisory and consultancy services; N.3 Adapting the research activities and the results of research to the needs of farmers and processors; N.24 Functional national rural development network

Fig. Xi

ii) Sustainable management of natural resources and the fight against climate change	
5.1.1. Restoring, preserving and enhancing ecosystems related to agriculture and forestry (P4)	Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors(P5)
Selected needs: N.12 Maintaining the biological diversity and the environmental value of agricultural and forestry lands; N.13 Supporting a sustainable forest management; N.15 Maintaining and improving water resources; N. 16 Protecting and improving soil resources; N.18 Low level of greenhouse gas emissions in the agricultural sector and the support of a transition towards a low-carbon economy.	Selected needs N.12 Maintaining the biological diversity and the environmental value of agricultural and forestry lands; N.14 Increasing the afforested areas; N.17 Adaptation to the effects of climate change; N.18 Low level of greenhouse gas emissions in agricultural sector and the transition towards a low-carbon economy.

Fig. Xii

iii) Diversification of economic activities, creation of jobs, improvement of infrastructure and services for improving the quality of life in rural areas

Promoting social inclusion, poverty reduction and economic development in rural areas (P6)	Fostering knowledge transfer and innovation in agriculture, forestry (P1)
<p>Selected needs:</p> <p>N.5 Modernizing the agri-food processing sector and adapting it to EU standards;</p> <p>N.8 Setting up producer groups and organizations;</p> <p>N.11 Easy access to adequate financial instruments for farmers, processors, small entrepreneurs from rural areas;</p> <p>N.19 Reduction of the level of poverty and the risk of social exclusion,</p> <p>N.20 Adequate basic infrastructure and services in rural areas;</p> <p>N.21 Increasing the number of jobs in rural areas;</p> <p>N.22 Preserved local heritage;</p> <p>N.23 Local development through LEADER approach;</p> <p>N.25. Access to modern ICT infrastructure;</p> <p>N.26 Modernizing the agricultural education infrastructure.</p>	<p>Selected needs:</p> <p>N.2 Adequate and quality agricultural advisory and consultancy services;</p> <p>N.3 Adapting the research activities and the results of research to the needs of farmers and processors;</p> <p>N.24 Functional national rural development network</p>

Fig. Xiii

5.2. The combination and justification of the rural development measures for each focus area including the justification of the financial allocations to the measures and the adequacy of the financial resources with the targets set as referred to in Article 8(1)(c)(ii) and (iii). The combination of measures included in the intervention logic shall be based on the evidence from the SWOT analysis and justification and prioritisation of needs under point 5.1

5.2.1. P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas

5.2.1.1. 1A) *Fostering innovation, cooperation, and the development of the knowledge base in rural areas*

5.2.1.1.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M16 - Co-operation (art 35)

5.2.1.1.2. Combination and justification of rural development measures

According to the SWOT analysis, the rural population in Romania has a low level of information and innovation, phenomenon especially reflected among small and medium-sized farmers. The situation is accentuated in the context of insufficient vocational training programs and a capacity of advisory services and research and innovation initiatives not adapted to the demand of farmers. The lack of short supply chains deepens the poor links between producers and consumers and is maintained by a poor promotion and organization.

In order to *foster innovation, cooperation and the development of a knowledge base in rural areas*, support-measures for knowledge transfer and information actions (M1), advisory services (M2) and cooperation (M16) are selected.

Vocational training will support the restructuring and modernization of farms, in order to increase the competitiveness and productivity. The information and demonstration actions (SM 1.2) will help encourage innovation and strengthen farmers' knowledge on topics of interest, methods and innovative practices, but with practices that lead to environment protection. At the same time, by SM 1.2, farmers will have access to knowledge and information for a better management of the risks that their farms are exposed to.

Advisory services will also accompany the support granted for restructuring and modernizing farms, for renewal of generations of farmers, diversification of economic activities in rural areas and organization of agri-food chain, by advising and introducing new methods and practices into the business development plans. Facilitating the access of farmers to the value chain and promotion of cooperation will be supported by SM 16.4. Encouraging innovation in the agri-food sector and creating a knowledge base will be supported by SM 16.1., through dissemination of results of operational groups' research-innovation themes.

Also, the establishment of NRDN will increase awareness of stakeholders in the agri-food sector and rural areas, through dissemination activities, such as conferences, seminars, newsletters, etc.

The choice and combination of these measures will complement the national public support for vocational training and advisory services and will promote the use of innovative methods and techniques.

5.2.1.2. 1B) *Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance*

5.2.1.2.1. Choice of rural development measures

- M16 - Co-operation (art 35)

5.2.1.2.2. Combination and justification of rural development measures

In Romania, research and innovation activities are not sufficiently responsive to the needs of the agri-food sector. In addition, there is poor dissemination of research results among farmers and foresters, due to underdeveloped channels and links between research and practice. These difficulties have a negative impact on productivity and competitiveness, including in the context of environmental performance.

In order *to strengthen the links between agriculture, food production and forestry, on one hand, and research and innovation on the other, including for the purpose of improved environmental management and performance*, the cooperation measure (M16) is programmed.

For the development of pilot projects, new products, practices, innovative processes and technologies in the agricultural, food and forestry sectors, the establishment and consolidation of interactions between researchers, farmers, forest holders and processors will be encouraged through sub-measure 16.1 that will provide support for the establishment and operation of operational groups, in order to develop pilot projects, new products, practices, processes and technologies in the agricultural, agri-food and forestry sectors.

5.2.1.3. 1C) *Fostering lifelong learning and vocational training in the agricultural and forestry sectors*

5.2.1.3.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)

5.2.1.3.2. Combination and justification of rural development measures

According to the SWOT analysis, the rural population in Romania has a low level of education, and most farmers, especially the managers of small and medium holdings, do not have sufficient competencies in the context of the need for performance in agriculture. This situation is accentuated in the context of insufficient proper vocational training programs and a capacity of advisory services and research and innovation initiatives not adapted to the requirements of farmers. The lack of short chains deepens the poor links between producers and consumers and is maintained by a poor promotion and organization.

In order to *foster lifelong learning and vocational training in the agricultural sector*, the measure for knowledge transfer and information actions (M1) was programmed.

Vocational training will support the restructuring and modernization of farms, in order to increase the competitiveness and productivity. Also, these actions, as well as information and demonstration ones (SM

1.1 and 1.2) will support the good management of farms managed by young farmers, small farmers and family farms and the adoption of environmentally-friendly practices. Via SM 1.2, farmers will have access to knowledge and information, for a better management of the risks their farms are exposed to.

Advisory services will also accompany the support for restructuring and modernizing farms, the renewal of generations of farmers, diversification of economic activities in rural areas and organization of agri-food chain. Particularly, advice will be provided for the elaboration and implementation of business plans for small farms, young farmers, non-agricultural micro and small enterprises, producer groups and organizations.

5.2.2. P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests

5.2.2.1. 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

5.2.2.1.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M04 - Investments in physical assets (art 17)
- M06 - Farm and business development (art 19)

5.2.2.1.2. Combination and justification of rural development measures

Poor market orientation of small farms, the inadequate level of endowment and adaptation of production to market demands, the low level of knowledge of farmers and the low access to advisory services are obstacles to increasing competitiveness. The specific needs for restructuring and modernizing the fruit-growing sector result from the fragmentation of most areas, aging orchards and low productivity.

The management of agricultural and forestry resources is hampered by the low level of accessibility of farms and forests and inadequate technical endowment.

For *improving the economic performance on all farms and facilitating farm restructuring and modernization*, measures for investments in physical assets (M4), farm and business development (M6), knowledge transfer (M1) and advisory services (M2) are programmed.

The restructuring and integration of small farms on the market will be supported by SM 6.3, the market orientation will be monitored by evaluating the impact of investments on the marketing of production. Synergistically, the elaboration of business plans for restructuring the farms through the advisory measure (M2), but also knowledge acquisition in agriculture will be supported.

Increasing the performance of holdings, especially family and medium-sized farms, will be supported by investments for restructuring and modernizing farms, adaptation to standards, including for producing and using renewable energy on farms, including the integration into the agri-food chain, by increasing the value

added (SM 4.1) and by investments for making the farms more accessible (SM 4.3).

The principle of association is synergistically addressed, helping the small and medium-sized farms to strengthen their market position.

Synergistically, the restructuring of small and medium farms will be supported via SM 1.1, 1.2.

An integrated approach to fruit-growing will require investments in modernization, processing and reconversion of plantations.

The choice and combination of these measures under FA 2A will lead to the restructuring and modernization of farms, increased market orientation and consolidation of small farms, restructuring and consolidation of family farms and increased competitiveness of medium farms.

5.2.2.2. 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal

5.2.2.2.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M06 - Farm and business development (art 19)

5.2.2.2.2. Combination and justification of rural development measures

Increasing the performance and competitiveness of the agricultural sector in Romania is closely related to the rejuvenation of generations in agricultural holdings. There is a high level of aging among farm owners and managers and reluctance to transfer their holdings, the holdings often being the main source of income. This has a negative effect on the modernization, competitiveness and good environmental practices of farms, as older farmers are generally less inclined towards innovation, investments in new technologies and production efficiency.

To facilitate the generational renewal of farmers, measures for farm and business development (M6), as well as measures for knowledge transfer (M1) and advisory services (M2) are programmed.

In order to support the formation of a new generation of farmers, the support for setting up young farmers (SM6.1) will be aimed at investments for modernization of farms, compliance with environmental protection, health and animal welfare, work safety, based on a business plan. Part of the support is conditioned by the achievement of the objectives set in the business plan. Synergistically, supporting the development of realistic business plans adapted to the needs of farmers and the advisory services will be supported, with a significant contribution to addressing the need regarding the rejuvenation of generations of farmers. At the same time, activities for vocational training and skill acquisition, as well as demonstrative and information sessions, will contribute to enhancing the knowledge of young farmers in the agri-food sector, in order to streamline the activities at farm level.

Also, the permanent transfer of the entire holdings by the older generations in exchange for a single

payment will consolidate and merge the agricultural holdings, by (SM 6.5).

The choice and combination of these measures will create those synergies necessary for the renewal of generations and the use of knowledge and skills of young farmers in order to increase the competitiveness.

5.2.3. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

5.2.3.1. 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations

5.2.3.1.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M04 - Investments in physical assets (art 17)
- M09 - Setting-up of producer groups and organisations (art 27)
- M14 - Animal Welfare (art 33)
- M16 - Co-operation (art 35)

5.2.3.1.2. Combination and justification of rural development measures

The competitiveness of the agri-food sector in Romania is connected to a better integration onto the value chain. Farms, especially small ones, have difficulties in integrating onto the market and in ensuring the mandatory standards. The processing units are affected by wear of equipment, lack of production facilities and compliance with hygiene rules. In particular, the orchard sub-sector is affected by the fragmentation of offer, lack of facilities in the processing units and the lack of cooperation between the stakeholders in the value chain.

To improve the competitiveness of primary producers through a better integration into the agri-food chain, measures for investments (M4), cooperation (M16), setting up producer groups (M9), advisory (M2), knowledge transfer and information actions (M1) and animal welfare (M14), have been selected.

The support under the transitional measure dedicated to animal welfare (M14) aims to ensure higher animal welfare standards in pig and poultry farms, addressing the needs related to food safety and food quality.

The support for setting up producer groups through M9 (in the orchard sector and via LEADER) will help farmers to jointly capitalize their production, from a stronger negotiating position, and to provide the necessary raw materials to processors. The support is supplemented by advisory services for the preparation and management of the implementation of the business plans for setting up producer groups (SM 2.1). The support for cooperation will strengthen the role of farms in the supply chain, by creating short chains (SM 16.4) and developing pilot projects, new products, practices and technologies (SM 16.1), by strengthening the links between farmers, researchers and other stakeholders in rural areas.

The investments in post-harvest facilities to processing and in ensuring product quality while respecting European standards, will generate higher added value of agricultural products, particularly in the fruit-growing sub-sector. The farmers who will complement their primary production activities with processing activities will benefit from information actions and demonstration sessions via SM 1.2.

5.2.3.2. 3B) Supporting farm risk prevention and management

5.2.3.2.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)
- M17 - Risk management (art 36-39)

5.2.3.2.2. Combination and justification of rural development measures

In the context of climate change, of the risks regarding plant and animal diseases, environmental incidents, the primary production on medium and long term is threatened and may adversely affect the performance of the agri-food sector. The lack of knowledge in the field and poor information about the existing risks further exacerbates the vulnerability of production.

In order to support farm risk prevention and management, the farmers' need to have access to funds to compensate the economic losses arising in this context will be addressed by the measure for risk management (M17) and supported by providing access to knowledge transfer and information actions (M1).

In practice, this support will enable farmers to access and contribute to mutual funds that will be used to restore the production potential and to compensate for the income foregone. Risk management at farm level can also imply the improvement of available knowledge and information. Such actions will be supported by SM 1.2, dedicated to the support for demonstrative and information actions.

5.2.4. P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry

5.2.4.1. 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes

5.2.4.1.1. Measures for agricultural land

- M01 - Knowledge transfer and information actions (art 14)
- M10 - Agri-environment-climate (art 28)
- M11 - Organic farming (art 29)
- M13 - Payments to areas facing natural or other specific constraints (art 31)

5.2.4.1.2. Measures for forestry land

- M15 - Forest environmental and climate services and forest conservation (art 34)

5.2.4.1.3. Combination and justification of rural development measures

On medium and long term, biodiversity is threatened by a number of risks, of which on one hand, the intensification of agricultural activities in the context of economic development and on the other hand the abandonment of less productive animals, but important from the viewpoint of conservation of local genetic resources or, although secondary, even farming in less productive areas, due to the manifestation of limitative phenomena. At the same time, advanced technologies, specific to modern agriculture, tend to replace extensive and traditional agricultural practices due to their high efficiency in terms of profitability.

Particular attention should be paid to the key areas for some important species as biological indicators of environment quality or priority habitats, for which a series of extensive management measures of agricultural lands will be promoted.

In the forestry sector, the limitation of the number of applied forestry works will have a positive impact on the quiet areas created for the purpose of biodiversity conservation. Also, in addition to these threats of anthropogenic origin, the phenomena associated with climate change may have a negative impact on biological diversity.

To *preserve the biological diversity on agricultural and forestry lands and the local animal genetic resources at risk of abandonment*, compensatory measures are programmed, namely agri-environment and climate (M10) and forest-environment services, climate services and forest preservation (M15). From the perspective of the expected impact, the consistency of agri-environment and climate commitments will be ensured by increasing beneficiaries' access to knowledge transfer and information actions (M1).

5.2.4.2. 4B) Improving water management, including fertiliser and pesticide management

5.2.4.2.1. Measures for agricultural land

- M01 - Knowledge transfer and information actions (art 14)
- M10 - Agri-environment-climate (art 28)
- M11 - Organic farming (art 29)
- M13 - Payments to areas facing natural or other specific constraints (art 31)

5.2.4.2.2. Measures for forestry land

- M15 - Forest environmental and climate services and forest conservation (art 34)

5.2.4.2.3. Combination and justification of rural development measures

Most of water resources in Romania are in good and very good quality. Although agriculture is not currently

a major pollutant of ground and underground water (with fertilizers, pesticides, nitrates and nitrites), the pressure of intensification of agriculture, associated with the inappropriate use of agricultural technologies, could lead to the increase of water pollution risk.

To **improve water management, including fertiliser and pesticide management** on farmland, measures for conversion or maintenance of practices and methods specific to organic farming (M11) and knowledge transfer and information actions (M1) have been programmed.

Also, other measures that will be implemented through the NRDP will secondary contribute to the improvement of water management, by promoting extensive agricultural practices based on the decrease of inputs and afforestation of agricultural lands.

To improve knowledge, in order to properly apply farming practices specific to organic farming measure, farmers will benefit from information and awareness, via the measure on knowledge transfer and information actions (M1).

5.2.4.3. 4C) Preventing soil erosion and improving soil management

5.2.4.3.1. Measures for agricultural land

- M01 - Knowledge transfer and information actions (art 14)
- M10 - Agri-environment-climate (art 28)
- M11 - Organic farming (art 29)
- M13 - Payments to areas facing natural or other specific constraints (art 31)

5.2.4.3.2. Measures for forestry land

- M15 - Forest environmental and climate services and forest conservation (art 34)

5.2.4.3.3. Combination and justification of rural development measures

Large areas of Romania experience natural limitations in terms of agricultural productivity, which lead to the risk of abandonment of agricultural activities, limitations that are due to climatic and biophysical conditions that are not proper for carrying out optimum agricultural activities.

The more and more frequent manifestation of extreme weather events, the risk of abandonment of agricultural activities and the use of inappropriate technologies on agricultural and forestry lands, can lead to soil degradation by erosion, salinization/ alkalization, compaction, decrease of biodiversity of soil and decrease of organic matter.

To **prevent erosion and improve soil management** on agricultural and forestry lands, compensatory measures are programmed, namely agri-environment and climate (M10), payments for areas facing natural constraints or other specific constraints (M13) and forest-environment services, climate services and forest preservation (M15). These measures will be supported by providing access to knowledge transfer and

information actions (M1).

By compensating the farmers for the income foregone and the additional costs incurred as a result of applying special soil management conditions, respectively the ongoing use of green crops, the agri-environment and climate measure (M10) will help improve soil management. Also, the M11 will help improve soil management, by encouraging the maintenance of agricultural activities in eligible areas, compensating farmers for the disadvantages encountered when they carried these activities, while decreasing the risk of abandonment of agricultural lands.

At the same time, the measure for forestry-environmental services, climate services and forest conservation (M15) will help prevent soil erosion on forest lands, by promoting the use of technologies with low impact on soils.

The support for information and awareness actions by the measure for knowledge transfer and information actions (M1) will support the improvement of knowledge, in order to properly implement the agricultural practices necessary for soil protection.

5.2.5. P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

5.2.5.1. 5A) *Increasing efficiency in water use by agriculture*

5.2.5.1.1. Choice of rural development measures

- M04 - Investments in physical assets (art 17)
- M10 - Agri-environment-climate (art 28)

5.2.5.1.2. Combination and justification of rural development measures

In the context of climate scenarios on medium and long term, which forecast an increase of annual average temperatures, the frequency of extreme weather events (droughts, floods, etc.) will also increase. In addition to these expected climate changes, the irrigation infrastructure is partly non-functional or inefficient in terms of water and energy consumption. In this context, it is necessary to identify the technological solutions and the agricultural practices that provide alternatives to fighting drought through classic irrigation methods, in order to adapt to climate change.

For a more *efficient use of water in agriculture* investment measures (M4) and agri-environment and climate measures (M10) have been selected.

The establishment, expansion and/or modernization of irrigation installations (M4) and the promotion of technology and new agricultural management practices (M10) will contribute to the efficiency of water use by agriculture and, at the same time, to the adaptation to climate change. Also, other measures that will be implemented through the NRDP will secondary contribute to this objective, such as the measure by which the forest belts for protection of lands will be established.

The implementation of these measures will also help fight the excessive droughts and improve the local climate.

5.2.5.2. 5B) Increasing efficiency in energy use in agriculture and food processing

5.2.5.2.1. Choice of rural development measures

-

5.2.5.2.2. Combination and justification of rural development measures

Focus area 5B is not directly budgeted. On the other hand, the implementation of investment measures, by supporting the purchase of technologies, new equipment and machinery and the modernization of irrigation systems will indirectly and consistently contribute to a more efficient energy use in the agri- food sector.

5.2.5.3. 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy

5.2.5.3.1. Choice of rural development measures

- M06 - Farm and business development (art 19)

5.2.5.3.2. Combination and justification of rural development measures

In the context of the transition towards a low carbon economy, producing and using renewable energy is one of the ways to reduce GHG emissions. Romania has a wide range of renewable energy resources that can be used within the actions proposed in rural development projects set out in the NRDP.

Supplying and using renewable energy sources will be supported by the measure for farm and business development (M6).

This will offer support for supplying and using of renewable energy sources, by supporting the creation and development of agricultural and non-agricultural business activities in rural areas, in accordance with the applicant's business plan/ project.

Also, other measures that will be implemented through the NRDP will secondary contribute to this objective, such as sub-measures for investment in agricultural holdings (M4.1) and investments in processing/marketing of agricultural products (M 4.2).

5.2.5.4. 5D) Reducing green house gas and ammonia emissions from agriculture

5.2.5.4.1. Choice of rural development measures

- M04 - Investments in physical assets (art 17)

5.2.5.4.2. Combination and justification of rural development measures

In Romania, although the level of GHG emissions from agriculture has decreased in recent years, efforts are needed to maintain a low level of emissions as the investments and agri-food production in the sector increase. However, GHG emissions from the livestock sector are still high due to inadequate facilities for manure storage and old equipment used for spreading the manure on lands.

The reduction of greenhouse gas and ammonia emissions from agriculture will be supported by the measure for investments in physical assets (M4), which will support the investment in facilities and modern equipment for manure management.

Indirectly, this objective will also be achieved by applying methods specific to extensive agriculture that promote reduced use of inputs, reduced use of mechanization and protects the soil. Also, the sustainable forest management promoted by forest-environment measure and the investment measure will contribute to the reduction of greenhouse gas emissions.

To ensure the effective implementation of the support described above, the trainings and information sessions organized via the knowledge transfer measure will include topics on agricultural methods and practices which contribute to GHG reduction.

5.2.5.5. 5E) Fostering carbon conservation and sequestration in agriculture and forestry

5.2.5.5.1. Choice of rural development measures

- M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

5.2.5.5.2. Combination and justification of rural development measures

In order to contribute to the global goal of decreasing GHG emissions, Romania, among other measures in this field, will also implement a measure dedicated to carbon sequestration, i.e. the measure for investment in the development of forest areas and the improvement of viability of forests (M 8), the sub-measure for afforestation and creation of woodlands.

Also, at secondary level, the extensive agricultural practices (especially the establishment of green crops and the maintenance of permanent meadows), but also the practices specific to organic farming, which ensure improved management of soil, will be supported via agri-environment and climate measures and organic farming.

5.2.6. P6: Promoting social inclusion, poverty reduction and economic development in rural areas

5.2.6.1. 6A) *Facilitating diversification, creation and development of small enterprises, as well as job creation*

5.2.6.1.1. Choice of rural development measures

- M02 - Advisory services, farm management and farm relief services (art 15)
- M04 - Investments in physical assets (art 17)
- M06 - Farm and business development (art 19)

5.2.6.1.2. Combination and justification of rural development measures

According to the SWOT analysis, the rural areas of Romania have difficulties in terms of risk of social exclusion, reduced number of jobs, high degree of poverty, lack of employment alternatives, etc. These difficulties are deepened by the low access to finance and by the poor entrepreneurial skills among the rural population.

In order to ***facilitate diversification, creation and development of small enterprises, as well as job creation***, measures for investments in physical assets (M4), setting-up and development of non-agricultural activities (M6) and provision of advisory services (M2) have been programmed.

Diversification of activities in rural areas and creation of new income alternatives will be stimulated by the measure for farm and business development, SM 6.2 and 6.4. The support for sub-measure 6.2 will be awarded on the basis of a business plan and will be directed towards the establishment of new non-agricultural activities, in order to generate new job opportunities. The support will focus on activities such as production, handicrafts, agri-tourism and services. At the same time, in order to generate alternative income, farmers or their family members will be encouraged to diversify their activity in the non-agricultural sector.

The potential beneficiaries of this measure will be supported to develop and implement business plans, via advisory services (M2). In order to facilitate the access to finance, micro-enterprises and small non-agricultural enterprises will have access to financial instruments.

Also, creation of new jobs will be stimulated by setting up new processing units, including investments for production and use of energy from renewable resources, within the measure for investments in physical assets, SM 4.2.

The measures, both at the level of investment for enterprises and the support-measures, will synergistically provide a higher living standards, will increase the level of inclusion on the labour market and the economic development in rural areas.

The choice and combination of these measures will create the necessary synergies which will balance the occupational structure of the rural population, will enhance the living conditions of the rural population, thus leading to a revitalization of the Romanian rural economy.

5.2.6.2. 6B) *Fostering local development in rural areas*

5.2.6.2.1. **Choice of rural development measures**

- M07 - Basic services and village renewal in rural areas (art 20)
- M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)

5.2.6.2.2. **Combination and justification of rural development measures**

The SWOT analysis shows that rural areas register important gaps compared to urban areas, in terms of infrastructure, services and quality of life. Romanian villages have a rich cultural heritage insufficiently exploited. All these challenges are amplified by poor involvement of local communities in the development of rural areas.

In order to *foster local development in rural areas*, measures for investments in basic services and village renewal (M7) and for stimulation of community-led local development (M19) have been selected.

The development of the rural infrastructure, basic services and local cultural heritage protection will be achieved via the measure for investments in basic services and village renewal, SM 7.2, 7.6, with emphasis on the compliance with the country's commitments for investments in water/wastewater infrastructure; also, the establishment and modernization of local roads, in order to ensure the connectivity of population and increase the economic development potential at local level, the investments in ante and preschool educational infrastructure, social infrastructure and health services infrastructure, will lead to a balanced development of rural areas.

Investments in local heritage and monasteries will have a positive impact on the preservation and promotion of specific local features and the development of rural tourism. The LEADER measure will bring added value through the implementation of local strategies in the context of local needs and innovative projects. This will facilitate access to ICT infrastructure and will encourage the rural communities to capitalize on and promote their resources and traditions and will provide equal opportunities for young people, women, old people, persons with disabilities and members of national minorities.

Through the openness manifested by LEADER approach for the types of investments that are not financed by traditional measures from NRDP 2014-2020, the gaps between rural and urban areas will be covered, while preserving the local identity and stimulating the coagulation of community interests.

The choice and combination of these measures will create strong synergies at the level of FA 6B, boosting the links between infrastructure, basic services and local development, thus facilitating the economic development through correlation with other focus areas, such as 6A and 2A.

5.2.6.3. 6C) Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas

5.2.6.3.1. Choice of rural development measures

-

5.2.6.3.2. Combination and justification of rural development measures

-

5.3. A description of how the cross-cutting objectives will be addressed, including the specific requirements in Article 8(1)(c)(v) of Regulation (EU) No 1305/2013

This section aims to summarise the contribution of the NRDP 2014-2020 towards the three cross-cutting objectives of i) innovation, ii) environment and iii) climate change mitigation and adaptation that underpin the six rural development priorities of the European Union and therefore also the achievement of smart, sustainable and inclusive growth in accordance with the Europe 2020 strategy.

Support for **innovation** and the development, use and transfer of “new ideas that work in practice” has been a key priority for EU rural development for many years and is now also specifically addressed by the NRDP 2014-2020. There are 5 main areas of on-going support for innovation in the NRDP:

1. Innovation remains the key principle of the **LEADER** approach and as the LEADER approach is strengthened in 2014-2020, then support for a broad range of innovative, bottom-up, community-based actions will also be refreshed and strengthened. The LEADER approach proposed for 2014-2020 will therefore encourage the promotion in the local development strategies of innovative projects with a particular focus upon the identification and transfer of good practices and their adaptation to local context;
2. Alongside LEADER, another bottom-up initiative - the **European Innovation Partnership (EIP) on Productivity and Sustainability of Agriculture (EIP-AGRI)** - will be put in place to promote pilot projects, new products, practices, processes and technologies in the agricultural and forestry sector via operational groups. Financing will be provided under **Measure 16 (Co-operation)** to support the establishment and running of Operational Groups which will bring groups of farmers or foresters together with researchers, advisers, NGOs and other practitioners to implement projects which develop and test practical and economically-viable solutions to the practical problems faced in agriculture and forestry;
3. Innovation is intimately connected with knowledge transfer and information exchange. **Measure 1** and **Measure 2** will therefore foster innovation by encouraging farmers and other rural business to adopt innovative solutions via: a) dedicated vocational training; b) demonstration and information activities, and; c) dedicated advisory services;
4. In compliance with Article 54(2) of Regulation No. 1305/2013, the **National Rural Development Network (NRDN)** will have an important new task in 2014-2020 to “foster innovation in agriculture, agri-food sector, forestry and rural areas”. NRDN will therefore have the following tasks:
 - awareness-raising and animation for the EIP-AGRI, notably the provision of innovation support services encouraging the formation of well-balanced and functional Operational Groups, and;
 - support for the dissemination of results from the projects implemented by Operational Groups;
5. Finally, innovation has been a general principle informing the selection and design of individual sub-measures for the NRDP 2014-2020. For example, it is anticipated that implementation of **sub-measure 16.4 (Support for horizontal and vertical cooperation among actors in the supply chain)** will lead to many new and alternative configurations of supply chain actors, involving non-governmental organizations and public authorities.

It is clearly understood that the **protection, conservation and responsible use of environmental resources** must be integrated into every aspect of the NRDP 2014-2020. The NRDP 2014-2020 must deliver a broad range of environmental services (biodiversity, landscape, soil, water and air) through a broad range of mechanisms and the risk of negative impacts from the financing of inappropriate actions must be avoided.

The approach adopted to ensure this can be summarised as follows:

1. *The connection with national/EU/international strategies/conventions on environment* – the measures dedicated to reaching the objectives for environment protection and for mitigation and adaptation to climate change under the NRDP 2014-2020, are subordinated to the principles and objectives set by the international conventions and European directives on the preservation of biodiversity (the Convention on the Biological Diversity from Rio de Janeiro, EU's Biodiversity Strategy 2020, Council Directive 92/43/EEC on the preservation of natural habitats and species of wild fauna and flora and Directive 2009/147/EC on the preservation of wild birds) and the sustainable management of natural resources (EU strategy on adaptation to climate change, Directive 2000/60/EC establishing a framework for Community action in the field of water, Directive 91/676/EEC regarding the protection of waters against pollution caused by nitrates from agricultural sources), in terms of which Romania has an active role, by assuming the specific national strategies (e.g. National Strategy for Sustainable Development of Romania Horizons 2013-2020-2030, National Strategy and Action Plan for Biodiversity Preservation 2010 - 2020, National Strategy for Climate Change 2013-2020).
2. *Full respect for, and complementarity with, the regulatory baseline of environmental legislation* – all relevant environmental legislation is referenced in the appropriate places in the NRDP 2014-2020 and ex-ante conditionalities regarding the environment are respected. The cross-compliance (GAEC / SMR) and greening elements of the pillar 1 direct payments are fully taken into account regarding relevant compensatory payments. At the same time, in all cases, the projects supported by the NRDP 2014-2020 will be implemented in compliance with the legislation in force on the environment protection and the management of natural resources, which is certified by obtaining the agreements and approvals required from competent authorities.
3. *Enhancement and implementation of measures that directly target the delivery of environmental services* – **Measure 10 (Agri-environment-climate)** and **Measure 11 (Organic Farming)** are key measures which will directly target the protection, conservation and responsible use of biodiversity, soil and water via the maintenance of traditional extensive farming practices, greatly reduced use of agrochemical inputs and introduction / maintenance of organic farm management practices. **Measure 10** continues to support the important concept of High Nature Value (HNV) farming and has been refined with additional sub-measures targeted at biodiversity conservation on specific habitat types. The implementation of **Measure 13 (Payments for areas facing natural constraints or other specific constraints)** will contribute to the protection of local environmental factors (biodiversity, soil or landscape) and the maintenance of viability of rural areas, by decreasing the phenomenon of abandonment of agricultural activities. The use of practices beneficial for the protection of soil against forestry-specific works and the decrease of the number of forestry-cultural interventions, promoted by **Measure 15 (Forest-environment services, climate services and forest preservation)** will support the preservation of biodiversity and the protection of soil resources on forest lands. The compliance with the basic requirements and the specific requirements of the commitments under **Measures 10 and 11**, by developing specific skills and knowledge acquired through the system of advisory services, will contribute to reaching the objectives of environment protection.
4. *Implementation of measures that indirectly support the delivery of environmental services* – many other measures will provide less targeted (but equally important) support for the sustainable use of environmental resources in 2014-2020. These include:

Measure 1 – an important measure for developing the environmental management skills and knowledge of

farmers and foresters

Measure 2 (Advisory services) – another important measure for supporting farmers, by elaborating the business plans, including for farm manure management and the use of environmentally-friendly methods and technologies.

Measure 4 – the availability of investment support for new and efficient pollution and soil erosion reduction technologies, modernisation of on-farm irrigation equipment and off-farm secondary infrastructure, and the production and use of energy from renewable sources within the farm will contribute significantly to improving the environmental performance of many farms

Measure 7 - by supporting the investments for establishment, expansion and improvement of water/wastewater infrastructure

Measure 8 – brings potential benefits for protecting biodiversity, reducing soil erosion and improving water quality

Measure 16 (Co-operation) – constitutes a potential support for EIP-AGRI Operational Groups to develop pilot projects, new and innovative technologies and practices which address specific issues related to environmental management.

5. *Avoidance of negative environmental impacts through inappropriate investments and other actions* – investments in new buildings and equipment under **Measure 4 (Investments in physical assets)** will be subject to ex ante conditionality regarding energy efficiency and, in the specific case of irrigation equipment, also to the obligations of Article 46 of Regulation No. 1305/2013 regarding the efficiency of water use.

Climate change is a challenge for the agriculture, forestry and rural development sector in Romania. On the one hand, agriculture is a source of greenhouse gas (GHG) emissions and must therefore be expected to contribute towards the climate change mitigation goals of the Europe 2020 Strategy. On the other hand, the sector is highly vulnerable to the impacts of climate change since the capacity of rural areas to provide adequate food supply, deliver environmental services, support economic growth, and provide a safe living environment for rural communities is *directly dependent* upon favourable climatic conditions.

The general approach to addressing climate change mitigation and adaptation as a cross-cutting objective in the NRDP 2014-2020 is as follows:

1. *Implementation of measures that include specific climate-related actions* – these are:

Measure 4 (Investments in physical assets) – the measure supports the following types of investment:

- modern facilities and equipment for the storage and spreading of livestock manure
- setting-up, expansion and/or modernisation of irrigation equipment
- installations for production and use of renewable energy within the farm, including energy efficiency
- production and use of energy from renewable resources within agri-food processing units
- setting-up, expansion and modernisation of the irrigation infrastructure

Measure 6 (Farm and business development) – the measure supports investments in production of fuel from bio-mass and green energy. **Measure 8 (Investments for forest area development and for increased**

forest viability) – the measure provides support for afforestation of low quality agricultural and non-agricultural land, thus promoting the increase of carbon sequestration and adaptation to climate change in areas where forests are lacking.

Measure 11 (Organic farming) – the measure provides compensatory payments for conversion to and / or maintenance of organic farming

Measure 17 (Risk management) – the measure defines the framework for the establishment of mutual funds for insurance against losses as a result of adverse climatic events, the occurrence of diseases affecting livestock and crops, pest infestations, as well as the occurrence of other environmental incidents.

2. *Implementation of measures that support climate-related actions* – these include:

Measure 1 (Knowledge transfer and information actions) and **Measure (Advisory services)** – these measures together have an important role to play in raising awareness of climate change amongst farmers, foresters and other rural stakeholders; orientating them towards adapting their businesses to the increasingly uncertain climatic conditions experienced in Romania, and; supporting the implementation of specific climate-related actions (e.g. Agri-environment-climate actions)

Measure 16 (Co-operation) – the EIP-AGRI is an important tool for supporting farmer-led research and pilot projects on relevant climate actions such as more water efficient technologies, drought effects reduction, etc.

3. *Avoidance of negative environmental impacts through inappropriate investments and other actions* –the investments in new buildings and equipment under **Measure 4 (Investments in physical assets)** will be subject to ex ante conditionality regarding energy efficiency and, in the specific case of irrigation equipment, also to the Article 46 obligations regarding the efficiency of water use.

5.4. Strategy summary table

Priority 1			
Focus Area	Target indicator name	Target value 2023	Combination of measures
1A	T1: percentage of expenditure under Articles 14, 15 and 35 of Regulation (EU) No 1305/2013 in relation to the total expenditure for the RDP (focus area 1A)	1,56	M01
			M02
			M16
1B	T2: Total number of cooperation operations supported under the cooperation measure (Article 35 of Regulation (EU) No 1305/2013) (groups, networks/clusters, pilot projects...) (focus area 1B)	215,00	M16
1C	T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 (focus area 1C)	153.318,00	M01
Priority 2			
Focus Area	Target indicator name	Target value 2023	Combination of measures
2A	T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	2,89	M01
			M02
			M04
			M06
2B	T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	10,00	M01
			M02
			M06
Priority 3			
Focus Area	Target indicator name	Target value 2023	Combination of measures
3A	T6: percentage of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)	0,92	M01
			M02
			M04
			M09
			M14
			M16
3B	T7: percentage of farms participating in risk management schemes (focus area 3B)	11,80	M01
			M17
Priority 4			
Focus Area	Target indicator name	Target value 2023	Combination of measures
4A	T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)	7,92	M01
			M10
			M11
			M13
4A	T8: percentage of forest/other wooded area under management contracts supporting biodiversity (focus area 4A)	12,60	M15
4B	T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)	1,23	M01
			M10
			M11
			M13
4B			M15
4C	T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	1,73	M01
			M10

			M11
			M13
4C	T13: percentage of forestry land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	1,26	M15
Priority 5			
Focus Area	Target indicator name	Target value 2023	Combination of measures
5A	T14: percentage of irrigated land switching to more efficient irrigation system (focus area 5A)	14,78	M04
			M10
5C	T16: Total investment in renewable energy production (€) (focus area 5C)	1.960.784,44	M06
5D	T17: percentage of LU concerned by investments in live-stock management in view of reducing GHG and/or ammonia emissions (focus area 5D)	0,43	M04
5D	T18: percentage of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (focus area 5D)		M04
5E	T19: percentage of agricultural and forest land under management contracts contributing to carbon sequestration and conservation (focus area 5E)	0,05	M08
Priority 6			
Focus Area	Target indicator name	Target value 2023	Combination of measures
6A	T20: Jobs created in supported projects (focus area 6A)	24.417,00	M02
			M04
			M06
6B	T21: percentage of rural population covered by local development strategies (focus area 6B)	80,00	M07
			M19
6B	T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)	26,64	M07
			M19
6B	T23: Jobs created in supported projects (Leader) (focus area 6B)	2.055,00	M07
			M19

5.5. A description of the advisory capacity to ensure adequate advice and support for the regulatory requirements and for actions related to innovation to demonstrate the measures taken as required in Article 8(1)(c)(vi) of Regulation (EU) No 1305/2013

A functional and effective agricultural advisory system is an important element for the development of agriculture and rural areas in Romania. In the 2014-2020 programming period, the actions of consultancy and information provided by the national public system of agricultural consultancy play an essential role in the successful implementation of the Common Agricultural Policy (CAP) in general, but also in complementing the actions that NRDP 2014-2020 supports.

The Romanian public agricultural consultancy system aims at helping farmers better understand and meet the EU's compulsory basic requirements on environment, public health and animal welfare and GAEC and SMR, as set out in article 93 and Annex II of the Regulation (EU) 1306/2013.

The current advisory system supports farmers and helps them to comply with the obligations at the level of agricultural holdings resulted from the regulatory requirements, but also the specific consultancy related to production methods and technologies.

In addition to the public services provided by the national system, the advisory services implemented via NRDP will be rolled-out after selecting the providers of advisory services and will aim at farm modernisation, competitiveness building, sectoral integration, association and short-supply chain, innovation, market orientation and promotion of entrepreneurship in rural areas as well as aspects (in business plans) related to the implementation of certain environmental criteria which need to be respected by farmers (such as those imposed by the Water Framework Directive).

Providing advisory services in Romania

The national agricultural advisory service offers advisory services such as information, knowledge transfer and vocational training in agriculture. The technical and methodological coordination of this service is done by the Department for Advisory Services, Extension and Vocational Training within MARD and under the management of county councils.

At national level, this service functions in all 41 counties and at local level in approximately 450 local centres that ensure direct links with farmers. The service has 850 advisers specialized in agriculture and related rural development fields including technology improvements and innovation actions..

The public advisory system operates in accordance with Law 329/2009 and Government Decision 1609/2009. It is targeted especially to small and medium farms, family farms, that are registered with the APIA paying agency (over 1 million farmers) as well as micro-enterprises in rural areas.

They receive regular training related to GAEC, SMRs, minimum requirements for fertilizer and plant protection products, code of good agricultural practices, etc.

In addition to these training and consultancy programs, the public advisory service, via qualified consultants offer individual consultancy services to farmers on crop production, livestock, organic farming and traditional products.

Besides the public advisory service there are over 360 registered private advisory service providers mostly involved in elaborating projects on a fee-paying basis for large farms, enterprises, companies and

associations. In addition, there are numerous private companies promoting and providing technical advice related to farm input products, for example, seed and planting material, breeding material, etc.

Strengthening the capacity of providers of public agricultural advisory services

Since 2010, the public system of consultancy, information and vocational training has undergone reform.

As a result of this reform, the technical and methodological coordination of the Department for Advisory services, Extension and Vocational Training was transferred to the MARD and the administrative subordination to county councils.

The training and capacity-building of the staff is carried out in accordance with the new regulations and requirements of CAP 2014-2020. In this respect, every year there is a plan of training of advisors within the public system, approved by MARD. For example, the 2014 plan for training of advisors include the following topics:

- Training of advisors on the new changes to GAEC, SMRs, on the minimum requirements for using fertilizers and plant protection products, the code of good agricultural practices, etc.
- Training of advisors on NRDP measures, regulations and the new requirements covered by the CAP.

A protocol signed in May 2014 between the Paying Agencies and MARD will complement the free public support provided by the Chambers of Agriculture, by Integrated Agricultural Offices (IAO) composed of representatives of Paying Agencies.

IAOs will facilitate farmers' access to information about EAGF, SAPS (Single Area Payment Scheme), NRDP and GAEC and will cover 10 main counties (Alba, Arges, Constanta, Dolj, Hunedoara, Iasi, Maramures, Olt, Satu Mare, Timis). In addition, the IAOs will function as a cooperation platform between farmers, groups of farmers, advisory suppliers, paying agencies and local authorities.

The National Rural Development Network (NRDN), including its regional offices, will operate as important centers of information for local actors and will complement the other sources mentioned above. NRDN will specifically inform and facilitate the innovative activities, including the establishment of links between farmers/foresters and researchers, advisors and other actors (EIP operational groups).

6. ASSESSMENT OF THE EX-ANTE CONDITIONALITIES

6.1. Additional information

((1) Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

(2) Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1).

(3) Directive 2006/32/EC of the European Parliament and of the Council of 5 April 2006 on energy end-use efficiency and energy services and repealing Council Directive 93/76/EEC (OJ L 114, 27.4.2006, p. 64).

(4) Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (OJ L 140, 5.6.2009, p. 16).

6.2. Ex-ante conditionalities

Applicable ex-ante conditionality at national level	Applicable ex-ante conditionality fulfilled: Yes/No/Partially	Assessment of its fulfilment	Priorities/Focus Areas	Measures
G1) Anti-Discrimination: the existence of administrative capacity for the implementation and application of Union anti discrimination law and policy in the field of ESI Funds.	yes	Yes	6B	M16, M01, M19, M02
G2) Gender Equality: the existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.	yes	Yes	6A, 6B	M01, M07, M06, M02, M16, M19
G3) Disability: the existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCPRD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC	yes	Yes	6B, 6A	M19, M07, M16, M06
G4) Public Procurement: the existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	yes	Yes	5C, 6B, 2A, 5B, 5A	M04, M16, M07, M19, M02, M01
G5) State Aid: the existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	yes	Yes	P4, 5D, 3B, 3A, 2A, 1C, 5C, 5B, 5E, 1B, 6C, 1A, 5A, 6A, 6B, 2B	M13, M04, M16, M11, M20, M06, M02, M09, M01, M08, M10, M19, M07, M17, M15
G6) Environmental legislation relating to Environmental Impact Assessment (EIA) and, Strategic Environmental Assessment (SEA): the existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA.	yes	Yes	P4, 5C, 2A, 5E, 3A, 6A, 5D, 5B, 5A	M10, M04, M08, M13, M16, M11, M06, M07
G7) Statistical systems and result indicators: the existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	yes	Yes		

P3.1) Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation	partially	No	3B	M17
P4.1) Good Agricultural and Environmental Conditions (GAEC): standards for good agricultural and environmental condition of land referred to in Chapter I of Title VI of Regulation (EU) No 1306/2013 are established at national level	yes	Yes	P4	M10, M11, M13
P4.2) Minimum requirements for fertilisers and plant protection products: minimum requirements for fertilisers and plant protection products referred to in Article 28 of Chapter I of Title III of Regulation (EU) No 1305/2013 are defined at national level	yes	Yes	P4	M10, M11
P4.3) Other relevant national standards: relevant mandatory national standards are defined for the purpose of Article 28 of Chapter I of Title III of Regulation (EU) No 1305/2013	yes	Yes	P4	M10
P5.1) Energy efficiency: actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.	yes	Yes	5B	M06, M07, M04
P5.2) Water sector: the existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.	yes	Yes	5A	M04
P5.3) Renewable energy: actions have been carried out to promote the production and distribution of renewable energy sources	yes	Yes	5C	M04, M06

Applicable ex-ante conditionality at national level	Criteria	Criteria fulfilled (Yes/No)	Reference (if fulfilled) [reference to the strategies, legal acts or other relevant documents]	Assessment of its fulfilment
G1) Anti-Discrimination: the existence of administrative capacity for the implementation and application of Union anti discrimination law and policy in the field of ESI Funds.	G1.a) Arrangements in accordance with the institutional and legal framework of Member States for the involvement of bodies responsible for the promotion of equal treatment of all persons throughout the preparation and implementation of programmes, including the provision of advice on equality in ESI fund related activities.	Yes	http://www.madr.ro/ro/programare-2014-2020-NRDP /comitet-consultativ-tematic/regulamentul-de-organizare-si-functionare.html http://www.madr.ro/ro/programare-2014-2020-NRDP /comitet-consultativ-tematic/componenta.html Further explanations: During the process of the 2014-2020 NRDP elaboration, a number of consultative meetings were held with relevant national and local authorities, as well as with representatives of the civil society and other social and economic partners. In particular, following the Memorandum approved by the government, the Consultative Thematic Committee for Rural Development, Agriculture and Fisheries (CCT DRAP) was established as a partnership structure with an advisory role for establishing and prioritizing the investments funded under the 2014-2020 NRDP. Convening in both plenary and working group sessions, the composition of CCT DRAP complies with the equal treatment principle because it involves stakeholders from the field of agriculture, rural development and fisheries irrespective of their race, ethnicity, socio-economic status, faith, sexual orientation, age, gender, etc. Particularly, the participation in three working groups (Economic Development, Innovation and Vocational Training and LEADER) of the National Agency for Roma (ANR) has ensured that the analyses, priority areas, indicators and potential beneficiaries do not contradict with the principles of the equal treatment of persons, especially from the perspective of the non-discrimination of the Roma population. On the other hand, the participation of the Foundation for Inclusion and Social Cohesion (<i>Fundația pentru Incluziune si Coeziune Socială</i>) in the LEADER Working Group ensured that the documents subject to debate take into account the inclusion of the persons who are socially disadvantaged and that the social and economic status does not constitute a discrimination criterion. The promotion of women rights and their level of social inclusion as part of the 2014-2020 NRDP programming process have been ensured by the participation of the National Association of Women from Rural Areas (<i>Asociația Națională a Femeilor din Mediul Rural</i>) in the Working Group on Economic Development.	
	G1.b) Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union anti discrimination law and policy.	Yes	The 2014 action plan that covers the training needs of MA NRDP includes training activities in the field of EU anti-discrimination policies and legislation	
G2) Gender Equality: the existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.	G2.a) Arrangements in accordance with the institutional and legal framework of Member States for the involvement of bodies responsible for gender equality throughout the preparation and implementation of programmes, including the provision of advice on gender equality in ESI Fund related activities.	Yes	http://www.madr.ro/ro/programare-2014-2020-NRDP /comitet-consultativ-tematic/regulamentul-de-organizare-si-functionare.html http://www.madr.ro/ro/programare-2014-2020-NRDP /comitet-consultativ-tematic/componenta.html Further explanations: he promotion and integration of gender equality aspects in the 2014-2020 NRDP elaboration process have been ensured by the active involvement of the Ministry of Labour, Family, Social Protection and Elderly in the CCTDRAP meetings. Given its attributions in the horizontal implementation of gender equality legislation, the Ministry of Labour, Family, Social Protection and Elderly (in particular, the National Agency for the Equality of Chances among Women and Men – ANES) ensures that the	

			<p>2014-2020 NRDP preparation process is compliant with, and promotes, gender equality.</p> <p>In addition, the involvement of the National Association of Women from Rural Areas (<i>Asociația Națională a Femeilor din Mediul Rural</i>) in the Working Group on Economic Development guaranteed that women's rights were not infringed during the preparation of the programme and that women have an equal access as men to the opportunities available under the 2014-2020 NRDP.</p>	
	G2.b) Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union gender equality law and policy as well as on gender mainstreaming.	Yes	The 2014 action plan covering the training needs of MA NRDP includes training activities on EU legislation and policies in the field of gender equality and gender mainstreaming.	
G3) Disability: the existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC	G3.a) Arrangements in accordance with the institutional and legal framework of Member States for the consultation and involvement of bodies in charge of protection of rights of persons with disabilities or representative organisations of persons with disabilities and other relevant stakeholders throughout the preparation and implementation of programmes.	Yes	<p>http://www.madr.ro/ro/programare-2014-2020-NRDP /comitet-consultativ-tematic/regulamentul-de-organizare-si-functionare.html</p> <p>http://www.madr.ro/ro/programare-2014-2020-NRDP /comitet-consultativ-tematic/componenta.html</p> <p>Further explanations:</p> <p>The promotion of the rights of the disabled persons in the preparation of the 2014-2020 NRDP was promoted by means of an active involvement in the CCT DRAP meetings of the Ministry of Labour, Family, Social Protection and Elderly (MMFPSPV). Due to its attributions in the implementation of the legislation on special protection and promotion of the rights of the disabled, the Ministry of Labour, Family, Social Protection and Elderly ensures that the 2014-2020 NRDP preparation and implementation respects and promotes the rights of the disabled.</p>	
	G3.b) Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of applicable Union and national disability law and policy, including accessibility and the practical application of the UNCRPD as reflected in Union and national legislation, as appropriate.	Yes	The action plan on MA-NRDP training needs prepared for the year 2014 includes training activities in the field of national legislation and policies for the persons with disabilities.	
	G3.c) Arrangements to ensure monitoring of the implementation of Article 9 of the UNCRPD in relation to the ESI Funds throughout the preparation and the implementation of the programmes.	Yes	The principles under Article 9 of the UNCRPD were protected all throughout the 2014-2020 NRDP preparation process. More specifically, the disabled persons had free and unrestricted access to information, systems, technologies and other services. During the 2014-2020 NRDP implementation, the competent authorities will make sure that the disabled persons will not encounter any obstacle or barrier in what concerns their access to opportunities, services, means of communication, etc.	
G4) Public Procurement: the existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	G4.a) Arrangements for the effective application of Union public procurement rules through appropriate mechanisms.	Yes	<p>The National Authority for the Regulation and Monitoring of Public Procurement (ANRMAP)</p> <p>http://www.anrmap.ro</p> <p>www.e-licitatie.ro</p> <p>Further explanations:</p> <p>The European directives (2004/17/EC, 2004/18/EC and 2009/81/EC) governing public procurement have been transposed in the Romanian legislation by means of several legal acts (Government Emergency Ordinance No. 34/2006 with subsequent amendments). These legal acts regulate the way in which the public procurement can occur in optimal conditions of transparency and equality.</p> <p>The entry into force at the beginning of 2014 of improved European legislation on public procurement procedures calls for amendments to the existing national laws in view of making the procedures simpler and more flexible. The new procedures will focus <i>inter alia</i> on the efficient use of ESI funds via proper mechanisms.</p>	
	G4.b) Arrangements which ensure transparent contract award procedures.	Yes	The current rules applicable in Romania ensure the efficient use of ESI funds through an effective, ethical, equidistant and transparent public procurement process. The manner in which public procurement contracts are awarded is monitored, analysed	

			<p>and assessed by the National Authority for the Regulation and Monitoring of Public Procurement (ANRMAP), whose fundamental role is to design, promote and implement public procurement policies. In addition, ANRMAP makes sure that the seven European principles that govern public procurement (non-discrimination, equal treatment, mutual recognition, transparency, proportionality, efficiency of use of the public funds and accountability) are respected. The compliance with the principle of publicity and transparency is ensured by the Electronic System for Public Procurement (SEAP). For tenders that exceed a certain value, any contracting authority is required to publish on SEAP prior information notices, contract notices and contract award notices. This enables all economic operators to express their interest and participate efficiently and transparently in the public procurement process. In spite of the problems that occurred at the outset, some important steps were made recently in making public procurement processes more efficiently via SEAP.</p> <p>At the same time, the efficient use of the ESI funds is being monitored and overseen carefully by the Romanian Court of Accounts, whose role is to monitor whether operations supported by public funds are performed correctly.</p>	
	G4.c) Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.	Yes	<p>Over the past few years, several training sessions on public procurement have been organised. These sessions are essential for training MARD staff to manage efficiently and correctly the public procurement procedures that involve EU funds. In the future, the MARD will continue to organise information and vocational training sessions in the sector of public procurement for staff who is involved in managing EAFRD.</p>	
	G4.d) Arrangements to ensure administrative capacity for implementation and application of Union public procurement rules.	Yes	<p>The efficiency and transparency of the use of ESI funds in Romania is guaranteed by the existence of an administrative capacity that can monitor and carefully assess the way in which public procurement contracts are awarded. At Government level, the National Authority for the Regulation and Monitoring of Public Procurement is tasked with regulating the public procurement procedures in accordance with the requirements of the <i>acquis communautaire</i> and with monitoring the award of public procurement contracts.</p> <p>In addition, the complaints and disputes that occur during a public procurement procedure are handled by the National Council for Solving Complaints (CNSC). Besides this, the Public Procurement Coordination and Verification Unit under the Ministry for Public Finance is responsible for checking all procedural issues that are related to the award of public procurement contracts.</p> <p>Furthermore, for the public beneficiaries of the NRDP standard documentations will be prepared. Templates of award documentations will be prepared and the qualification requirements, the assessment factors and their share will be pre-established.</p>	
G5) State Aid: the existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	G5.a) Arrangements for the effective application of Union State aid rules.	Yes	<p>http://www.consiliulconcurentei.ro/ro/despre-noi.html</p> <p>G.E.O. no 117/2006 on the national procedures in the field of State aid, approved with amendments and completions by Law no 137/2007</p> <p>Further explanations:</p> <p>The Romanian applicable legislation in the field of State aids complies with the European rules. Starting in 2007, any grantor who wants to grant a State aid scheme must meet the relevant European legislation. At national level, the Romanian Competition Council, an independent institution, was charged to be the „contact point” in the field of State aid between the European Commission and the national authorities. Also, the Competition Council has the role to monitor the State aids granted by grantors at national level. All State aids are included in the dashboard and are reported to the European Commission. In the field of agriculture, Romania can apply national policy measures as long as they do not alter the competition within EU and do not compromise the single EU market. Thus, for any State aid introduced, MARD must notify the European Commission on the basic elements of the scheme.</p> <p>Via MARD's Directorate General for European Affairs and European Relations, the national legislation on state aid is notified to the specialised units of the European Commission. In addition, in its capacity as national competition authority, the Competition Council enforces and ensures the compliance with the EU competition law provisions. At the same time, for state aid issues, the Competition Council plays the role of a national contact point between the European Commission, on one hand, and the public institutions, suppliers and state aid recipients, on the other hand.</p>	

			The Romanian legislation for state aid in agriculture shall be updated in first half of the year 2014 in order to comply with the new relevant European regulations.	
	G5.b) Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.	Yes	<p>Given the complexity and the specialisation of the state aid component in the agricultural and rural development sector, MARD will continue the training and awareness activities for the employees who are involved in EAFRD-related activities.</p> <p>A part of the training activity will be covered with support from the Competition Council (the National State Aid Network). Another part of the training will be covered with support from the National Agency of Civil Servants which will organize training and dissemination activities for the employees who are involved in EU funds implementation.</p> <p>The 2014 action plan covering the training needs of MA NRDP includes training sessions on state aid.</p>	
	G5.c) Arrangements to ensure administrative capacity for implementation and application of Union State aid rules.	Yes	<p>At the level of MARD, the Directorate General for Human Resource Management and Legal Issues - through its Legal Directorate - monitors the coherence of the national legislation with the EU state aid rules. In addition to that, the Directorate General for European Affairs and International Relations ensures the coordination with European Commission's departments in charge with state aid.</p> <p>At national level, the Competition Council took the initiative to implement a database of all state aids awarded in Romania, in order to avoid cumulation.</p>	
G6) Environmental legislation relating to Environmental Impact Assessment (EIA) and, Strategic Environmental Assessment (SEA); the existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA.	G6.a) Arrangements for the effective application of Directive 2011/92/EU of the European Parliament and of the Council (EIA) and of Directive 2001/42/EC of the European Parliament and of the Council (SEA);	Yes	<p>Decision no 445 of 08/04/2009 on the assessment of the impact on the environment of certain public and private projects</p> <p>Government Decision (HG) no 1076/2004</p> <p>Order 135/76/84/1284/2010 of the minister of environment and forests, of the minister of administration and interior, of the minister of agriculture and rural development and of the minister of regional development and tourism on the approval of the Methodology on the application of the environmental impact assessment for public and private projects.</p> <p>Further explanations:</p> <p>The provisions of the EU legislation on the environmental impact assessment and the strategic environmental assessment have been fully transposed in the Romanian legislation. In addition, the applicable legislation also refers to the assessment of the effects that certain public and private projects generate upon the environment and to the assessment according to the Habitats Directive.</p> <p>Given the complexity of the effects generated by the agricultural and rural development legislation, the MARD has started SEA procedures for most of the major public policy documents. This process will continue in the future in order to assess the impact that different major strategic documents might have upon the environment.</p> <p>Taking into account that the text of a new directive amending the current EIA directive is currently being negotiated, the national transposition and implementation legislation will also have to be amended. A thorough analysis of the national legislation will precede the necessary amendments.</p>	
	G6.b) Arrangements for training and dissemination of information for staff involved in the implementation of the EIA and SEA Directives.	Yes	The 2014 action plan covering the training needs of MA NRDP includes training on environmental impact assessment legislation (Environmental Impact Assessment – EIA) and the strategic environmental assessment (Strategic Environmental Assessment - SEA).	
	G6.c) Arrangements to ensure sufficient administrative capacity.	Yes	The activities related to SEA implementation for plans and programmes are performed under the direct coordination of the public authority for environmental protection, more specifically the Ministry of Environment and Climate Change, in accordance with the provisions of Government Decision No. 1076/2004.	
G7) Statistical systems and result indicators: the existence of a statistical	G7.a) Arrangements for timely collection and aggregation of statistical data with the	Yes	Due to its Common Monitoring and Evaluation Framework, prepared by the Commission and MSs, the NRDP complies with the specified requirements.	

basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	following elements are in place: the identification of sources and mechanisms to ensure statistical validation			
	G7.b) Arrangements for timely collection and aggregation of statistical data with the following elements are in place: arrangements for publication and public availability of aggregated data	Yes	Due to its Common Monitoring and Evaluation Framework, prepared by the Commission and MSs, the NRDP complies with the specified requirements.	
	G7.c) An effective system of result indicators including: the selection of result indicators for each programme providing information on what motivates the selection of policy actions financed by the programme	Yes	Due to its Common Monitoring and Evaluation Framework, prepared by the Commission and MSs, the NRDP complies with the specified requirements.	
	G7.d) An effective system of result indicators including: the establishment of targets for these indicators	Yes	Due to its Common Monitoring and Evaluation Framework, prepared by the Commission and MSs, the NRDP complies with the specified requirements.	
	G7.e) An effective system of result indicators including: the consistency of each indicator with the following requisites: robustness and statistical validation, clarity of normative interpretation, responsiveness to policy, timely collection of data	Yes	Due to its Common Monitoring and Evaluation Framework, prepared by the Commission and MSs, the NRDP complies with the specified requirements.	
	G7.f) Procedures in place to ensure that all operations financed by the programme adopt an effective system of indicators	Yes	Due to its Common Monitoring and Evaluation Framework, prepared by the Commission and MSs, the NRDP complies with the specified requirements.	
P3.1) Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation	P3.1.a) A national or regional risk assessment with the following elements shall be in place: A description of the process, methodology, methods and non-sensitive data used for risk assessment as well as of the risk-based criteria for the prioritisation of investment;	No	<p>Memorandum on the accomplishment of ex-ante conditionalities. Action plan of the Ministry of Internal Affairs (MIA).</p> <p>Explanations:</p> <p>The Ministry of Internal Affairs will implement a project meant to assess the risks that exist at national level. In this respect, a working group has been set-up (composed of representatives of relevant institutions, including MARD) in order to assess the various types of risks. The following steps will be taken under the project:</p> <ul style="list-style-type: none"> • Preparation of a single methodology for risk assessment at national level; • Preparation of a list of significant impact risk scenarios and description of the most representative risks that are selected for the assessment; • Preparation of nation-wide hazard maps; • Creation of a national database on risk exposure; • An analysis of the vulnerability of the elements exposed to risk; • Elaboration of national risk maps. <p>In this regard, MARD will provide the needed support in terms of offering adequate information on the risks associated with agricultural activities.</p> <p>In addition, the following initiatives were taken by the Ministry of Internal Affairs:</p> <ul style="list-style-type: none"> • Amending Government Emergency Ordinance no. 21/2004 with a view to create the legal framework needed for the creation of the Platform for Disaster Risk Reduction (PDRR) 	

			<ul style="list-style-type: none"> Drafting a government decision for the adoption of the regulation on organization and functioning of PDRR and the working group on the national risk assessment (WGNRA). 	
	P3.1.b) A national or regional risk assessment with the following elements shall be in place: A description of single-risk and multi-risk scenarios;	No		
	P3.1.c) A national or regional risk assessment with the following elements shall be in place: Taking into account, where appropriate, national climate change adaptation strategies.	Yes	<p>National Strategy on Climate Changes 2013-2020</p> <p>http://www.mmediu.ro/beta/wp-content/uploads/2012/10/2012-10-05-Strategia_NR-SC.pdf</p> <p>Annex I</p> <p>http://www.mmediu.ro/protectia_mediului/schimbari_climatice/1_Documentatie/PNASC_ro.pdf</p> <p>National Action Plan on Climate Changes (under preparation)</p> <p>Further explanations:</p> <p>The National Climate Change Strategy recommends <i>inter alia</i> the following climate change adaptation measures in view of managing risks:</p> <ul style="list-style-type: none"> elaboration of good practice handbooks for agriculture, especially for the areas that are not irrigated; preparation and implementation of local action plans (at commune level) for climate change adaptation; preparation and implementation of land improvement plans that can increase the likelihood of precipitations (including afforestation, bodies of water, etc.); use making use of research to fight against existing vulnerabilities and to change the structure of crops/holdings, in terms of having a climate-smart agriculture; encouraging the insurance of crops/farms; improving the availability and applicability of the modelling and adaptation options to the benefit of farmers (supplying data and findings on the reaction of water resources to the possible climate change scenarios, promote the use of GIS technology, etc.); developing the necessary infrastructure and technology for active local interventions for combating extreme weather events in view of protecting crops and local communities. 	
P4.1) Good Agricultural and Environmental Conditions (GAEC): standards for good agricultural and environmental condition of land referred to in Chapter I of Title VI of Regulation (EU) No 1306/2013 are established at national level	P4.1.a) GAEC standards are defined in national law and specified in the programmes	Yes	<p>http://www.apia.org.ro/legislatie_nationala/Ordin%20GAEC%20MARD-MMDD%2015-56%20din%202008.pdf</p> <p>http://www.apdrp.ro/uploads/Docu%20LEGISLATIE/Ordin_MARD/MMP no 30/147/2010.pdf</p> <p>http://www.apia.org.ro/dir_iacs/Ghid%20ecoconditionalitate%20pentru%20agricultori%20in%202013%20v%20%202%201.pdf</p>	

			<p>Further explanations:</p> <p>The GAEC standards are defined in Romania since 2007, by joint Order of the minister of agriculture, forests and rural development and of the minister of environment and water management no <u>791/1.381/2006</u> for the definition of the good agricultural and environmental conditions in Romania and the joint Order no <u>15/56/2008</u> of the minister of agriculture, forests and rural development and of the minister of environment and rural development for the adoption of the measures on the good agricultural and environmental conditions in Romania.</p> <p>The legal acts above mentioned implement the Council Regulation no 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers (regarding the good agricultural and environmental conditions)</p> <p>The provisions of the Regulation no 73/2009 were transposed by joint Order no 30/147/2010 of the minister of agriculture and rural development and of the minister of environment and forests on the GAEC approval in Romania, with the subsequent amendments.</p> <p>The latest amendments were introduced by Joint Order no 36/888/2012 of the minister of agriculture and rural development and of the minister of environment and forests by introducing a new mandatory standard GAEC 12 and the joint Order no 212/361/2014 by introducing GAEC 13.</p> <p>In terms of the legislative framework regarding the GAEC in the programming period 2014-2020 and taking into consideration that the year 2014 is a transition year for the new Common Agricultural Policy, Romania shall undertake the necessary approaches in order to comply with the new basic conditions related to the CAP reform, starting in 2015. Under these conditions, after the approval of delegated and implementing acts at EU level, Romania shall update the legal framework, taking into consideration the following:</p> <ul style="list-style-type: none"> - review of the changes brought to GAECs at EU level; - amending the national law for approving the GAECs. 	
P4.2) Minimum requirements for fertilisers and plant protection products: minimum requirements for fertilisers and plant protection products referred to in Article 28 of Chapter I of Title III of Regulation (EU) No 1305/2013 are defined at national level	P4.2.a) Minimum requirements for fertilisers and plant protection products referred to in Chapter I of Title III of Regulation (EU) No 1305/2013 are specified in the programmes;	Yes	<p>Explanations:</p> <p>The code of good agricultural practices for the protection of waters against pollution caused by nitrates from agricultural sources, as approved by the joint Order no. 1182/1270/2005 of the Ministry of Environment and Water Management and the Ministry of Agriculture, Forests and Rural Development is under amendment in order to be brought in line with the Action Plan for the protection of waters against pollution with nitrates from agricultural sources, as approved by Decision no. 221.983/GC/12 .06.2013 of the Commission for the implementation of the Action Plan for the protection of waters against pollution caused by nitrates from agricultural sources, as per Article 6, paragraph (1) of Government Decision No. 964/2000.</p> <p>The minimum requirements for the plant protection products are the following:</p> <ol style="list-style-type: none"> 1) Use of products classified as highly toxic (T+) or toxic (T) is made in accordance with Art. 7, paragraph (1) of Government Ordinance no. 41/2007 regulating the sales of plant protection products and amending or repealing certain laws governing the phyto-sanitary conditions; 2) Use of plant protection products should be made in accordance with the following: <p>Article 2 of Government Decision no. 1559/2004 regulating the procedure for the approval of plant protection products for placing on the market and use in Romania, with the subsequent amendments.</p> <p>art. 19 of Government Ordinance no. 4/1995 regulating the production, marketing and use of plant protection against diseases,</p>	

			<p>pests and weeds in agriculture and forestry;</p> <p>Articles 28 and 55 (the first and second sentence) of the Regulation no.1107/2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC;</p> <p>3) Banning the treatment of plants with plant protection products in specific protection sectors by the relevant authorities, in accordance with Art. 27, par. (1), letter e) of Government Ordinance No. 4/1995 regulating the production, marketing and use of plant protection against diseases, pests and weeds in agriculture and forestry.</p>	
<p>P4.3) Other relevant national standards: relevant mandatory national standards are defined for the purpose of Article 28 of Chapter I of Title III of Regulation (EU) No 1305/2013</p>	<p>P4.3.a) Relevant mandatory national standards are specified in the programmes</p>	<p>Yes</p>	<p>Explanations:</p> <p>Romania started to implement the statutory management requirements (SMRs) in 2012 as per Order no. 187/2.155/42/2011 of the Ministry of Agriculture and Rural Development (MARD), Ministry of Forests and Waters (MESC) and the National Sanitary-Veterinary and Food Safety Authority (ANSVSA) that approves the SMRs for environment and for identifying and registering the animals of Romanian farmers in schemes and measures, with subsequent amendments. In 2013, this Order was amended by means of a joint Order no. 496/1632/65/2013 of MARD/MESC/ANSVSA in order to review a number of mandatory requirements and/or control elements for SMR 1- SMR 8.</p> <p>In April 2014, this order has been modified by the joint Order no. 234/362/52/2014 which introduced SMR 9-15.</p> <p>Romania will gradually implement all SMRs by 01 January 2016, which is the deadline for implementing the SMR-related legislation in Romania. In this context, considering the provisions of the post-2013 CAP regulations and the fact that 2014 is a transitional year for the new Common Agricultural Policy, Romania will undertake the necessary steps to comply with the new requirements imposed by the CAP reform starting with 2015. In this regard, the national relevant legislation will be updated in order to ensure the compliance with these requirements. The following steps have been scheduled:</p> <ul style="list-style-type: none"> • setting-up a working group composed of representatives of the various ministries and departments involved; • reviewing the amendments brought to the SMR at EU level under the post-2013 CAP; • amending the national law for approving the SMRs, if changes at EU level are identified and introducing the SMRs that Romania benefits from in the transition period. 	
<p>P5.1) Energy efficiency: actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.</p>	<p>P5.1.a) Measures to ensure minimum requirements are in place related to the energy performance of buildings consistent with Articles 3, 4 and 5 of Directive 2010/31/EU of the European Parliament and the Council;</p>	<p>Yes</p>	<p>http://www.dreptonline.ro/legislatie/legea_performatei_energetice_cladirilor.php</p> <p>http://lege5.ro/Gratuit/gm4dombvgq/ordinul-nr-3457-2013-pentru-aplicabilitatea-unor-acte-normative-cu-caracter-tehnic-elaborate-in-aplicarea-legii-nr-372-2005-privind-performanta-energetica-a-cladirilor</p> <p>http://www.mdrt.ro/userfiles/consultari_publice/11_09_12/oug.pdf</p> <p>Further explanations:</p> <p>Law no. 372/2005 on the energy performance of buildings transposes EU's Directive 31/2010 which is applicable in this field. The purpose of this law is to promote measures for enhancing the energy performance of buildings, while taking into account the exterior climate and location conditions, the interior comfort requirements, the optimum level, the costs, the energy performance requirements, as well as the improvement of the urban aspect of communities. The law has been amended, republished and complemented by means of a series of subsequent enforcement documents, such as:</p> <ul style="list-style-type: none"> • Order no. 157/2007 of the Ministry of Transports, Constructions and Tourism for the approval of the technical regulation "Energy Efficiency Calculation Methodology for Buildings", with the subsequent amendments; 	

			<ul style="list-style-type: none"> Order no. 3457/2013 of the Ministry of Regional Development and Public Administration for the enforceability of technical regulations that were issued to support the implementation of Law no. 372/2005 on the energy performance of buildings. <p>The minimum energy performance requirements for buildings in rural areas, which are included in the above provisions, apply differently to various types of buildings, both new and old.</p> <p>According to Article 16 of Law no. 372/2005, as republished, the Ministry of Regional Development and Public Administration develops policies and initiates regulations that promote measures to improve the energy performance of buildings and of buildings whose transition from conventional energy to renewable energy is nearly null, which takes into account especially the following: properly using the structural funds in order to enhance the energy efficiency of buildings, especially in what concerns the houses, making efficient use of the funds provided by the public financial institutions, coordinating the use of funds provided by national and EU bodies: other types of support provided in order to encourage investment in energy efficiency.</p>	
	P5.1.b) Measures necessary to establish a system of certification of the energy performance of buildings consistent with Article 11 of Directive 2010/31/EU;	Yes	<p>http://www.dreptonline.ro/legislatie/legea_performatei_energetice_cladirilor.php</p> <p>http://lege5.ro/Gratuit/gm4dombvgq/ordinul-nr-3457-2013-pentru-aplicabilitatea-unor-acte-normative-cu-caracter-tehnic-elaborate-in-aplicarea-legii-nr-372-2005-privind-performanta-energetica-a-cladirilor</p> <p>http://www.mdrt.ro/userfiles/consultari_publice/11_09_12/oug.pdf</p> <p>Further explanations:</p> <p>Law no. 372/2005 on the energy performance of buildings transposes EU's Directive 31/2010 which is applicable in this field. The purpose of this law is to promote measures for enhancing the energy performance of buildings, while taking into account the exterior climate and location conditions, the interior comfort requirements, the optimum level, the costs, the energy performance requirements, as well as the improvement of the urban aspect of communities. The law has been amended, republished and complemented by means of a series of subsequent enforcement documents, such as:</p> <ul style="list-style-type: none"> Order no. 157/2007 of the Ministry of Transports, Constructions and Tourism for the approval of the technical regulation "Energy Efficiency Calculation Methodology for Buildings", with the subsequent amendments; Order no. 3457/2013 of the Ministry of Regional Development and Public Administration for the enforceability of technical regulations that were issued to support the implementation of Law no. 372/2005 on the energy performance of buildings. <p>The minimum energy performance requirements for buildings in rural areas, which are included in the above provisions, apply differently to various types of buildings, both new and old.</p> <p>According to Article 16 of Law no. 372/2005, as republished, the Ministry of Regional Development and Public Administration develops policies and initiates regulations that promote measures to improve the energy performance of buildings and of buildings whose transition from conventional energy to renewable energy is nearly null, which takes into account especially the following: properly using the structural funds in order to enhance the energy efficiency of buildings, especially in what concerns the houses, making efficient use of the funds provided by the public financial institutions, coordinating the use of funds provided by national and EU bodies: other types of support provided in order to encourage investment in energy efficiency.</p>	
	P5.1.c) Measures to ensure strategic planning on energy efficiency, consistent with Article 3 of Directive 2012/27 EU of the European Parliament and the Council;	Yes	<p>http://www.dreptonline.ro/legislatie/legea_performatei_energetice_cladirilor.php</p> <p>http://lege5.ro/Gratuit/gm4dombvgq/ordinul-nr-3457-2013-pentru-aplicabilitatea-unor-acte-normative-cu-caracter-tehnic-elaborate-in-aplicarea-legii-nr-372-2005-privind-performanta-energetica-a-cladirilor</p>	

			http://www.mdrt.ro/userfiles/consultari_publice/11_09_12/oug.pdf <p>Further explanations:</p> <p>Law no. 372/2005 on the energy performance of buildings transposes EU's Directive 31/2010 which is applicable in this field. The purpose of this law is to promote measures for enhancing the energy performance of buildings, while taking into account the exterior climate and location conditions, the interior comfort requirements, the optimum level, the costs, the energy performance requirements, as well as the improvement of the urban aspect of communities. The law has been amended, republished and complemented by means of a series of subsequent enforcement documents, such as:</p> <ul style="list-style-type: none"> Order no. 157/2007 of the Ministry of Transports, Constructions and Tourism for the approval of the technical regulation "Energy Efficiency Calculation Methodology for Buildings", with the subsequent amendments; Order no. 3457/2013 of the Ministry of Regional Development and Public Administration for the enforceability of technical regulations that were issued to support the implementation of Law no. 372/2005 on the energy performance of buildings. <p>The minimum energy performance requirements for buildings in rural areas, which are included in the above provisions, apply differently to various types of buildings, both new and old.</p> <p>According to Article 16 of Law no. 372/2005, as republished, the Ministry of Regional Development and Public Administration develops policies and initiates regulations that promote measures to improve the energy performance of buildings and of buildings whose transition from conventional energy to renewable energy is nearly null, which takes into account especially the following: properly using the structural funds in order to enhance the energy efficiency of buildings, especially in what concerns the houses, making efficient use of the funds provided by the public financial institutions, coordinating the use of funds provided by national and EU bodies; other types of support provided in order to encourage investment in energy efficiency.</p>	
	<p>P5.1.d) Measures consistent with Article 13 of Directive 2006/32/EC of the European Parliament and the Council on energy end use efficiency and energy services to ensure the provision to final customers of individual meters in so far as it is technically possible, financially reasonable and proportionate in relation to the potential energy savings.</p>	Yes	http://www.dreptonline.ro/legislatie/legea_performatei_energetice_cladirilor.php http://lege5.ro/Gratuit/gm4dombvgq/ordinul-nr-3457-2013-pentru-aplicabilitatea-unor-acte-normative-cu-caracter-tehnic-elaborate-in-aplicarea-legii-nr-372-2005-privind-performanta-energetica-a-cladirilor http://www.mdrt.ro/userfiles/consultari_publice/11_09_12/oug.pdf <p>Further explanations:</p> <p>Law no. 372/2005 on the energy performance of buildings transposes EU's Directive 31/2010 which is applicable in this field. The purpose of this law is to promote measures for enhancing the energy performance of buildings, while taking into account the exterior climate and location conditions, the interior comfort requirements, the optimum level, the costs, the energy performance requirements, as well as the improvement of the urban aspect of communities. The law has been amended, republished and complemented by means of a series of subsequent enforcement documents, such as:</p> <ul style="list-style-type: none"> Order no. 157/2007 of the Ministry of Transports, Constructions and Tourism for the approval of the technical regulation "Energy Efficiency Calculation Methodology for Buildings", with the subsequent amendments; Order no. 3457/2013 of the Ministry of Regional Development and Public Administration for the enforceability of technical regulations that were issued to support the implementation of Law no. 372/2005 on the energy performance of buildings. <p>The minimum energy performance requirements for buildings in rural areas, which are included in the above provisions, apply differently to various types of buildings, both new and old.</p>	

			According to Article 16 of Law no. 372/2005, as republished, the Ministry of Regional Development and Public Administration develops policies and initiates regulations that promote measures to improve the energy performance of buildings and of buildings whose transition from conventional energy to renewable energy is nearly null, which takes into account especially the following: properly using the structural funds in order to enhance the energy efficiency of buildings, especially in what concerns the houses, making efficient use of the funds provided by the public financial institutions, coordinating the use of funds provided by national and EU bodies: other types of support provided in order to encourage investment in energy efficiency.	
P5.2) Water sector: the existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.	P5.2.a) In sectors supported by the EAFRD, a Member State has ensured a contribution of the different water uses to the recovery of the costs of water services by sector consistent with Article 9, paragraph 1 first indent of the Water Framework Directive having regard where appropriate, to the social, environmental and economic effects of the recovery as well as the geographic and climatic conditions of the region or regions affected.	Yes	<p>MARD Order no 120/2011 for the approval of the methodological rules on the calculation and payment of tariffs for services for land improvements</p> <p>DECISION no 1202/2010 on the update of the amount of specific contributions for the management of water resources</p> <p>http://www.legex.ro/Hotararea-1202-2010-108801.aspx</p> <p>Further explanations:</p> <p>Order no. 120/2011 of the Minister of Agriculture and Rural Development establishes land improvement tariffs to ensure an equitable exploitation of the land development schemes, the irrigation systems or drainage systems and protection against floods or soil erosion control in order to protect the interests of all beneficiaries, in order to prevent the inefficient usage of water, the humidity excess, the soil erosion and pollution and in order to promote the environment protection according to the environmental standards.</p>	
P5.3) Renewable energy: actions have been carried out to promote the production and distribution of renewable energy sources	P5.3.a) Transparent support schemes, priority in grid access or guaranteed access and priority in dispatching, as well as standard rules relating to the bearing and sharing of costs of technical adaptations which have been made public are in place consistent with Article 14(1) and Article 16(2) and (3) of Directive 2009/28/EC;	Yes	<p>Order no 46/2012 on the approval of the procedure for the issue of the origin certificate for the biomass from agriculture and related industries, used as fuel or raw material for electricity production:</p> <p>http://lege5.ro/Gratuit/gmytgmrg4/ordinul-nr-46-2012-privind-aprobarea-procedurii-de-emitere-a-certificatului-de-origine-pentru-biomasa-provenita-din-agricultura-si-industiile-conexe-utilizata-drept-combustibil-sau-materie-prima-pent</p> <p>Further explanations:</p> <p>Order no. 46/2012 al MARD for approving the procedure for releasing the origin certificate for biomass from agriculture and the related sectors, used as fuel or raw material for the production of electricity.</p> <p>Provisions of Articles 13-19 of Directive 2009/28/EC have been transposed in:</p> <ul style="list-style-type: none"> • Government Ordinance no. 935/2011 for promoting the use of biofuels and bioliquids; • Order no. 136/2012 of the Minister of Economy on the certification of biofuels and bioliquids in what concerns the compliance with the durability criteria, as well as the evaluation criteria and the recognition of bodies that are competent to certify and verify the annual reports that contain information about the compliance with the durability criteria of biofuels and bioliquids. 	
	P5.3.b) A Member State has adopted a national renewable energy action plan consistent with Article 4 of Directive 2009/28/EC	Yes	<p>National Renewable Energy Action Plan (PNAER)</p> <p>http://www.minind.ro/energie/PNAER_final.pdf</p> <p>Further explanations:</p> <p>The National Action Plan for Energy from Renewable Sources (A) adopted through a governmental memorandum signed in 2010 – the section devoted to agriculture and rural development: pages 16, 38, 82-84, 173-186 and 198.</p>	

6.2.1. List of actions to be taken for general ex-ante conditionalities

Applicable ex-ante conditionality at national level	Criteria Not Fulfilled	Action to be taken	Deadline	Bodies responsible for fulfillment
---	------------------------	--------------------	----------	------------------------------------

6.2.2. List of actions to be taken for priority linked ex-ante conditionalities

Applicable ex-ante conditionality at national level	Criteria Not Fulfilled	Action to be taken	Deadline	Bodies responsible for fulfillment
P3.1) Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation	P3.1.a) A national or regional risk assessment with the following elements shall be in place: A description of the process, methodology, methods and non-sensitive data used for risk assessment as well as of the risk-based criteria for the prioritisation of investment;	<ul style="list-style-type: none"> • Preparation of a single methodology for risk assessment at national level; • Preparation of a list of significant impact risk scenarios and description of the most representative risks that are selected for the assessment; • Preparation of nation-wide hazard maps; • Creation of a national database on risk exposure; • An analysis of the vulnerability of the elements exposed to risk; • Elaboration of national risk maps. 	31-12-2015	<p>Ministry of Administration and Interior (coordinator) together with the ministries that share the specific responsibilities in risk management:</p> <p>Ministry of Regional Development and Public Administration, Ministry of Health, Ministry of Environment and Climate Changes, Ministry of Transports, Ministry of Agriculture and Rural Development, Ministry of Economy, Ministry of Public Finance and the National Commission for Nuclear Activities Control.</p>
	P3.1.b) A national or regional risk assessment with the following elements shall be in place: A description of single-risk and multi-risk scenarios;	<ul style="list-style-type: none"> • Preparation of a single methodology for risk assessment at national level; • Preparation of a list of significant impact risk scenarios and description of the most representative risks that are selected for the assessment; • Preparation of nation-wide hazard maps; • Creation of a national database on risk exposure; • An analysis of the vulnerability of the elements exposed to risk; • Elaboration of national risk maps. 	31-12-2015	<p>Ministry of Administration and Interior (coordinator) together with the ministries that share the specific responsibilities in risk management:</p> <p>Ministry of Regional Development and Public Administration, Ministry of Health, Ministry of Environment and Climate Changes, Ministry of Transports, Ministry of Agriculture and Rural Development, Ministry of Economy, Ministry of Public Finance and the National Commission for Nuclear Activities Control.</p>

7. DESCRIPTION OF THE PERFORMANCE FRAMEWORK

7.1. Indicators

Priority	Applicable	Indicator and measurement unit, where appropriate	Target 2023 (a)	Adjustment top ups (b)	Milestone 2018 % (c)	Milestone absolute value (a-b)*c
P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests	X	Total Public Expenditure P2 (EUR)	1.757.974.976,00		13%	228.536.746,88
	X	Number of agricultural holdings with RDP support for investment in restructuring or modernisation (focus area 2A) + holdings with RDP supported business development plan/investment for young farmers (focus area 2B)	16.388,00		12%	1.966,56
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	X	Total Public Expenditure P3 (EUR)	1.019.184.800,00		39%	397.482.072,00
		Number of supported agricultural holdings receiving support for participating in quality schemes, local markets/short supply circuits, and producer groups (focus area 3A)	1.164,00			
		Number of agricultural	15.000,00			

		holdings participating in risk management schemes (focus area 3B)				
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry	X	Total Public Expenditure P4 (EUR)	2.697.211.178,00		50%	1.348.605.589,00
		Agricultural land under management contracts contributing to biodiversity (ha) (focus area 4A) + improving water management (ha) (focus area 4B) + improving soil management and/preventing soil erosion (ha) (focus area 4C)	1.447.400,00			
P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors	X	Total Public Expenditure P5 (EUR)	1.025.682.431,00		11%	112.825.067,41
		Number of investment operations in energy savings and efficiency (focus area 5B) + in renewable energy production (focus area 5C)	9,00			
		Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (focus area 5E) +	476.405,00			

		Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (focus area 5D) + Irrigated land switching to more efficient irrigation system (ha) (focus area 5A)				
P6: Promoting social inclusion, poverty reduction and economic development in rural areas	X	Total Public Expenditure P6 (EUR)	2.653.289.550,01		6%	159.197.373,00
		Number of operations supported to improve basic services and infrastructures in rural areas (focus areas 6B and 6C)	1.151,00			
	X	Population covered by LAG (focus area 6B)	7.688.106,00		100%	7.688.106,00

7.1.1. P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests

Indicator and measurement unit, where appropriate: Total Public Expenditure P2 (EUR)

Applicable: Yes

Target 2023 (a): 1.757.974.976,00

Adjustment top ups (b):

Milestone 2018 % (c): 13%

Milestone absolute value (a-b)*c: 228.536.746,88

Justification for the milestone setting: When setting intermediary milestones we started from the existing situation in 2011 for the relevant measures. Thus, for the measure on investments in agricultural holdings in the vegetal sector, as it comprises mostly projects for purchase of machineries, facilities and agricultural equipment (with short implementation period), a relatively high number of projects finalized and fully paid is foreseen until the end of the year 2018. In the case of projects for the adoption of agricultural and forestry infrastructure, due to the complex process for the preparation of the documentation for the financing application, but also the long implementation period of projects, the expected payment level is low. In 2011, according to the monitoring reports, there were no projects finalized within the measure for small farms, M141 and in the case of the measure M112 the projects finalized represented 5% of the contracted projects. Nevertheless, due to the increased interest for these measures, to the increase of the support threshold as compared to the previous period and to the fact that the evaluation/selection criteria shall be simplified, both measures are expected to contribute to the accomplishment of intermediary milestones, but a relatively limited percentage, as they are still subject to the support payment in 2 tranches (the second after three years from the approval of the individual financing decision) which will lead to a low number of projects finalized and fully paid at the end of the year 2018.

Indicator and measurement unit, where appropriate: Number of agricultural holdings with RDP support for investment in restructuring or modernisation (focus area 2A) + holdings with RDP supported business development plan/investment for young farmers (focus area 2B)

Applicable: Yes

Target 2023 (a): 16.388,00

Adjustment top ups (b):

Milestone 2018 % (c): 12%

Milestone absolute value (a-b)*c: 1.966,56

Justification for the milestone setting: When setting intermediary milestones we started from the previous experience because the two measures contributing to the target have a corresponding measure in the current programming period that enable comparison. Therefore, based on the monitoring reports for the relevant measures (112 and 121 vegetal), the number of contracted projects, the number of finalized projects and the payments done for the projects finalized at the end of the year 2011 were analysed. The values following the analysis were adjusted according to the changes at the level of measures and the programme implementation strategy against the period 2007-2013. Moreover, the call for May-June 2014 for M121 (old rules, new money according to R1310/2013) was taken into account also whose results will also contribute to the milestones.

7.1.2. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

Indicator and measurement unit, where appropriate: Total Public Expenditure P3 (EUR)

Applicable: Yes

Target 2023 (a): 1.019.184.800,00

Adjustment top ups (b):

Milestone 2018 % (c): 39%

Milestone absolute value (a-b)*c: 397.482.072,00

Justification for the milestone setting: A significant part of the financial allocation for this priority corresponds to the measure 14 *Animal welfare* and represents contracts concluded in the period 2007-2013 that shall be finalized mainly (70%) in 2017. In the case of investments for processing and marketing agricultural products, due to the high level of complexity of activities and implicitly the longer implementation period, it is estimated that the percentage of projects of this type, finalized and fully paid until the end of the year 2018, will be low. Consequently, the contribution of the relevant measure to the milestone will be limited. Also, because the measure for risk management is subject to the establishing of mutual funds, its contribution to the milestone will be also insignificant.

Indicator and measurement unit, where appropriate: Number of supported agricultural holdings receiving support for participating in quality schemes, local markets/short supply circuits, and producer groups (focus area 3A)

Applicable: No

Target 2023 (a): 1.164,00

Adjustment top ups (b):

Milestone 2018 % (c):

Milestone absolute value (a-b)*c: 0,00

Justification for the milestone setting: Because the condition of a 50% threshold is not met in the case of this indicator, we will not use the indicator pre-established by the Commission for this priority but we will opt for an additional (alternative) specific indicator that is relevant in the case of Ro, namely, "Number of holdings/beneficiaries supported for animal welfare"

Indicator and measurement unit, where appropriate: Number of agricultural holdings participating in risk management schemes (focus area 3B)

Applicable: No

Target 2023 (a): 15.000,00

Adjustment top ups (b):

Milestone 2018 % (c):

Milestone absolute value (a-b)*c: 0,00

Justification for the milestone setting: Because the condition of a 50% threshold is not met in the case of this indicator, we will not use the indicator pre-established by the Commission for this priority. Within P3, the most relevant measure in terms of allocation is M14 *Animal welfare*.

7.1.3. P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Indicator and measurement unit, where appropriate: Total Public Expenditure P4 (EUR)

Applicable: Yes

Target 2023 (a): 2.697.211.178,00

Adjustment top ups (b):

Milestone 2018 % (c): 50%

Milestone absolute value (a-b)*c: 1.348.605.589,00

Justification for the milestone setting: The following measures have a significant contribution to this priority: agri-environment and climate (measure 10) and payments for the areas facing natural constraints or other specific constraints (measure 13). In the previous programming (the period 2007-2011) the accomplishment level of these payments was more than 50%.

In the case of environmental measures, when setting intermediary milestones we started from the previous experience, namely from the analysis of the existing situation in 2011 for the relevant measures. Also, it was taken into account that the payments are made annually and we started from the premise that most current beneficiaries will apply for support also in the new programme.

Indicator and measurement unit, where appropriate: Agricultural land under management contracts contributing to biodiversity (ha) (focus area 4A) + improving water management (ha) (focus area 4B) + improving soil management and/preventing soil erosion (ha) (focus area 4C)

Applicable: No

Target 2023 (a): 1.447.400,00

Adjustment top ups (b):

Milestone 2018 % (c):

Milestone absolute value (a-b)*c: 0,00

Justification for the milestone setting: Because the condition of a 50% threshold is not met in the case of this indicator, we will not use the indicator pre-established by the Commission for this priority but we will opt for an additional specific indicator that is relevant in the case of Ro, namely agricultural land under management contracts contributing to biodiversity (focus area 4A) + improving water management (focus area 4B) + improving soil management and/preventing soil erosion + agricultural land under LFA contract payments (focus area 4C).

7.1.4. P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

Indicator and measurement unit, where appropriate: Total Public Expenditure P5 (EUR)

Applicable: Yes

Target 2023 (a): 1.025.682.431,00

Adjustment top ups (b):

Milestone 2018 % (c): 11%

Milestone absolute value (a-b)*c: 112.825.067,41

Justification for the milestone setting: 83% of the allocation for this priority is for the measure for investments in physical assets, the amounts are dedicated to the investments in livestock farms and investments for their rehabilitation and modernization of irrigation systems. When setting the milestone, the high complexity level of projects and their long implementation period, as well as the experience from the previous period were taken into consideration. In the case of the measure for irrigation infrastructure, it is less likely to have finalized projects until the end of the year 2018, although it is estimated that 40% of the amount will be contracted. In the case of livestock farms, the number of projects finalized and paid was very low in 2011 and a similar level of accomplishment is also expected in the programming period 2014-2020.

Indicator and measurement unit, where appropriate: Number of investment operations in energy savings and efficiency (focus area 5B) + in renewable energy production (focus area 5C)

Applicable: No

Target 2023 (a): 9,00

Adjustment top ups (b):

Milestone 2018 % (c):

Milestone absolute value (a-b)*c: 0,00

Justification for the milestone setting: Because the condition of a 50% threshold is not met in the case of this indicator, we will not use the indicator pre-established by the Commission for this priority. It is not foreseen a distinct allocation for the focus area 5B because the energy efficiency operations are components of the investment projects that are quantified within other focus areas, as the case may be. Similarly, in the case of the focus area 5C, whose allocation (much under the 50% threshold) comes from the projects dedicated exclusively to obtaining renewable energy (biofuels) from the sub-measure 6.4.

For priority 5 the sub-measure 4.1 *investments in agricultural holdings*, through the component dedicated to animal husbandry, and the sub-measure 4.3, through the irrigations component, have a significant contribution. The proposal for additional indicators is foreseen in section 7.2.

Indicator and measurement unit, where appropriate: Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (focus area 5E) + Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (focus area 5D) + Irrigated land switching to more efficient irrigation system (ha) (focus area 5A)

Applicable: No

Target 2023 (a): 476.405,00

Adjustment top ups (b):

Milestone 2018 % (c):

Milestone absolute value (a-b)*c: 0,00

Justification for the milestone setting: Given the important contribution of the submeasure 4.3 to the focus area 5D, we shall use a KIS indicator, namely *Irrigated area by shifting to a more efficient irrigation system* (at the level of the projects contracted). This indicator was chosen based on the previous experience within M125 that proved that the investment projects in irrigation infrastructure have a high complexity level and require long implementation periods. According to the monitoring data, at the previous programming mid-term, there was no project finalized for M125.

7.1.5. P6: Promoting social inclusion, poverty reduction and economic development in rural areas

Indicator and measurement unit, where appropriate: Total Public Expenditure P6 (EUR)

Applicable: Yes

Target 2023 (a): 2.653.289.550,01

Adjustment top ups (b):

Milestone 2018 % (c): 6%

Milestone absolute value (a-b)*c: 159.197.373,00

Justification for the milestone setting: The financial allocation of this measure is distributed between the measures dedicated to supporting the processing and non-agricultural activities, 6.4, M7 and LEADER. In the case of the first two, the expected payment level is low due to the high complexity level of projects. In the case of the third measure, the low expected payment level for 2018 is due to the complexity of the preparation process of the documentation necessary for accessing the support, the heavy public procurement procedures and the long implementation period of the projects. In the previous programming period, the accomplishment level of the relevant indicator was 8,1% in 2011.

In the case of the LEADER measures, their implementation is subject in a first stage to the establishing and recognition of LAGs, implicitly to the preparation and the selection of local development strategies. In this context, the effective implementation of the projects shall be carried out in the second part of the programming period, especially in terms of payments made.

Indicator and measurement unit, where appropriate: Number of operations supported to improve basic services and infrastructures in rural areas (focus areas 6B and 6C)

Applicable: No

Target 2023 (a): 1.151,00

Adjustment top ups (b):

Milestone 2018 % (c):

Milestone absolute value (a-b)*c: 0,00

Justification for the milestone setting: In the case of the focus area 6B a KIS indicator (at the level of projects contracted) is proposed due to the high complexity level of the projects (especially public projects) that require a longer period for completion, and for the focus area 6C no allocation is foreseen and no intermediary milestone can be set up for the performance framework.

Indicator and measurement unit, where appropriate: Population covered by LAG (focus area 6B)

Applicable: Yes

Target 2023 (a): 7.688.106,00

Adjustment top ups (b):

Milestone 2018 % (c): 100%

Milestone absolute value (a-b)*c: 7.688.106,00

Justification for the milestone setting: One of the objectives for the programming period 2014-2020 is the increase of the area covered by LAGs and implicitly of the population, up to the threshold of 80% in total rural population, especially due to the need to implement integrated projects but also to facilitate access of persons to information and knowledge as well as to funds available through the programme.

7.2. Alternative indicators

Priority	Applicable	Indicator and measurement unit, where appropriate	Target 2023 (a)	Adjustment top ups (b)	Milestone 2018 % (c)	Milestone absolute value (a-b)*c
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	X	Number of farmers benefiting of animal welfare	497,00		70%	347,90
	X	Number of operations supported by 4.2	205,00		10%	20,50
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry	X	Agricultural land under management contracts contributing to biodiversity (ha) (4A) + Agricultural land under management contracts improving water management (ha) (4B) + Agricultural land under management contracts improving soil management and/preventing soil erosion (ha) + agricultural land under LFA contract payments (4C)”	3.043.473,00		80%	2.434.778,40
P5: Promoting resource efficiency and	X	Nr of operations supported by 4.1 (e.g.	1.935,00		8%	154,80

supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors		manure storage, manure treatment)				
	X	Area (ha) concerned by investments for saving water (e.g. more efficient irrigation systems...) contracted KIS	435.410,00		40%	174.164,00
P6: Promoting social inclusion, poverty reduction and economic development in rural areas	X	Nr of operations contracted to improve basic services and infrastructures in rural areas (P6B and P6C) KIS	2.836,00		50%	1.418,00

7.2.1. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

Indicator and measurement unit, where appropriate: Number of farmers benefiting of animal welfare

Applicable: Yes

Target 2023 (a): 497,00

Adjustment top ups (b):

Milestone 2018 % (c): 70%

Milestone absolute value (a-b)*c: 347,90

Justification for the milestone setting: This indicator relates to the contracts concluded for animal welfare in the period 2007-2013 and finalized mostly in 2017, and for the year 2018 only the beneficiaries whose contracts start in 2014 will be in the tables, they have a reduced weight in total granted financing.

Although COM Guide foresees that the assessment of the stage objective shall be carried out for the multi-annual measures based on the table for 2018 (prepared based on the principle of non-cumulation), for the indicator “number of holdings that benefit from animal welfare” the data from 2017 must be taken in account, considering the above.

Indicator and measurement unit, where appropriate: Number of operations supported by 4.2

Applicable: Yes

Target 2023 (a): 205,00

Adjustment top ups (b):

Milestone 2018 % (c): 10%

Milestone absolute value (a-b)*c: 20,50

Justification for the milestone setting: The additional indicator proposed is related to the investments in processing and marketing of the agri-food products contributing to the promotion and the functioning of short supply chains and local markets. When establishing the weight of the indicator, the complexity of the projects as well as the experience from the previous programming (the period 2007-2011) were taken into account when the accomplishment level of the indicators was 8,55%.

7.2.2. P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Indicator and measurement unit, where appropriate: Agricultural land under management contracts contributing to biodiversity (ha) (4A) + Agricultural land under management contracts improving water management (ha) (4B) + Agricultural land under management contracts improving soil management and/preventing soil erosion (ha) + agricultural land under LFA contract payments (4C)”

Applicable: Yes

Target 2023 (a): 3.043.473,00

Adjustment top ups (b):

Milestone 2018 % (c): 80%

Milestone absolute value (a-b)*c: 2.434.778,40

Justification for the milestone setting: The indicator pre-established by COM is agricultural land under management contracts contributing to biodiversity (focus area 4A) + improving water management (focus area 4B) + improving soil management and/preventing soil erosion (focus area 4C), but because we do not meet the condition that this indicator has more than 50% of the priority we will add also the area supported for payments from LFA whose allocation is more than 50% of the allocation for P4. In the programming 2007-2013, the area with commitment contracts from the relevant measures taken into account as a landmark (M211, M212 and M214) got to 76,5%, that is why it was opted for a percentage of 80% for the stage milestones.

7.2.3. P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

Indicator and measurement unit, where appropriate: Nr of operations supported by 4.1 (e.g. manure storage, manure treatment)

Applicable: Yes

Target 2023 (a): 1.935,00

Adjustment top ups (b):

Milestone 2018 % (c): 8%

Milestone absolute value (a-b)*c: 154,80

Justification for the milestone setting: The additional indicator chosen is relevant, especially for the investments in modernization and building animal husbandry farms meeting the environmental standards (systems for waste removal, manure platforms, purification stations etc.). When setting the weight for the year 2018, the accomplishment level of these projects through PNDR 2007-2013 (period 2007-2011) was taken into account, namely 13,1%, but also the high number of cancelled projects.

Indicator and measurement unit, where appropriate: Area (ha) concerned by investments for saving water (e.g. more efficient irrigation systems...) contracted KIS

Applicable: Yes

Target 2023 (a): 435.410,00

Adjustment top ups (b):

Milestone 2018 % (c): 40%

Milestone absolute value (a-b)*c: 174.164,00

Justification for the milestone setting: The indicator is related to the area contracted for investments on efficient water management and the application of saving systems by the modernization of irrigation systems (water metering, reducing water loss etc.). When setting the weight of this additional indicator it was taken into account that the preparation and the implementation of the projects require a longer period of time and the beneficiaries are organizations of irrigation water users. In the programming period 2007-2013 the contracting percentage was 32,6 % of the milestones foreseen in the programme.

7.2.4. P6: Promoting social inclusion, poverty reduction and economic development in rural areas

Indicator and measurement unit, where appropriate: Nr of operations contracted to improve basic services and infrastructures in rural areas (P6B and P6C) KIS

Applicable: Yes

Target 2023 (a): 2.836,00

Adjustment top ups (b):

Milestone 2018 % (c): 50%

Milestone absolute value (a-b)*c: 1.418,00

Justification for the milestone setting: The use of the key stage (KIS) *Number of operations contracted in order to improve basic services and the infrastructure in rural areas (P6B and P6C)* - KIS is considered to be relevant because the investments are complex and require a longer preparation and implementation period. The more so as the beneficiaries are public authorities that have to apply public procurement procedures that may lead to delays in starting construction works. This indicator was monitored and accomplished more than 50% also in PNDR 2007-2013.

7.3. Reserve

Priority	Total union contribution planned (€)	Total union contribution planned (€) subject to the performance reserve	Performance reserve (€)	Min performance reserve (Min 5%)	Max performance reserve (Max 7%)	Performance reserve rate
P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests	1.516.921.821,00	1.551.445.233,97	93.086.714,04	77.572.261,70	108.601.166,38	6%
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	867.579.309,00	887.324.425,95	53.239.465,56	44.366.221,30	62.112.709,82	6%
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry	2.309.486.595,00	2.362.047.879,54	165.343.351,56	118.102.393,98	165.343.351,57	7%
P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors	856.179.372,00	875.665.039,37	43.783.251,97	43.783.251,97	61.296.552,76	5%
P6: Promoting social inclusion, poverty reduction and economic development in rural areas	2.287.128.386,00	2.339.180.823,17	125.487.021,00	116.959.041,16	163.742.657,62	5.36%

8. DESCRIPTION OF EACH OF THE MEASURES SELECTED

8.1. Description of the general conditions applied to more than one measure including, when relevant, definition of rural area, baselines, cross-compliance, intended use of financial instruments, intended use of advances, common provisions for investments, etc.

Scope of measures and sub-measures

Depending on their specificity, the scope indicated in the technical fiches of measures and sub-measures under the National Rural Development Programme 2014-2020 may refer:

- To the level of the entire Romanian territory: M.1, M.2, M.4; sM.6.1, sM.6.3, sM6.5, M.8.1, M.9, M.10, M11, M.13, M.14, M.15, M.16, M.17.
- To the level of the rural area (defined as the totality of communes at the level of administrative-territorial unit. A commune is the smallest administrative-territorial unit, NUTS 5 level. From an administrative standpoint, the Romanian rural area comprises 2,861 communes. Pursuant to the national legislation - Law 350/2001 *on territorial planning and urbanism* and Law no. 351/2001 *on the approval of the National Territorial Planning Programme*, the rural area for NRDP purposes is represented by the rural localities, as villages composing the communes): sM6.2, sM6.4, M7;
- To the level of the LEADER-eligible area (administrative-territorial units-communes and administrative-territorial units – small towns with a population of maximum 20,000 inhabitants) – all measures under the local development strategies implemented through LEADER.

Specifications for beneficiaries

As mentioned in the technical fiches of measures and sub-measures under NRDP 2014-2020 and in Reg. (EU) no. 1305/2013, the beneficiaries of non-refundable funds may fall under the following categories:

- Public and/or private entities, including associations thereof – legal persons with competencies in the field of vocational training, information, advisory services and promotion;
- Farmers – the specific conditions are described in the measure fiches;
- Young farmers pursuant to the definition foreseen under art. 2 of Reg. (EU) no. 1305/2013;
- Private legal persons incorporated pursuant to the national legislation (PFA, ÎI, IF, enterprises) – the specific conditions are described in the measure fiches;
- Administrative-territorial units and/or associations thereof;
- Producer groups, cooperatives, established according to the legislation in force, including in the fruit-growing sector;
- Operational Groups;
- Established partnerships - sM16.4;
- Public and private holders of agricultural and non-agricultural land and associations thereof;
- Forest owners and/or associations thereof;
- Administrators of the forest fund under state public property;

- Organisations/federations of water users, owners/holders of agricultural lands established in compliance with the legislation in force;
- Non-governmental organisations;
- Cult units;
- Mutual funds for agriculture, established in compliance with the national legislation, as non-profit legal associations, accredited by the competent authority;
- Public-private partnerships of LAG type;
- Managing Authority, Paying Agencies, Competent Authority, other bodies involved in the implementation of NRDP.

The annual ex-post publication of NRDP funding beneficiaries shall be made pursuant to art.111 of Reg. (EU) no.1306/2013.

Pursuant to Art.113 of Reg. (EU) no.1306/2013, the beneficiaries shall be notified that their data will be made public in compliance with art. 111 and that the data will be processed by audit and investigation bodies of the Union and of the Member States for the purposes of protecting the financial interests of the Union. According to the requirements of Directive 95/46/CE, in case of personal data, the Member States shall inform the beneficiaries on their rights pursuant to data protection rules and on applicable procedures to exercise these rights.

Provisions on eligibility of expenditures

The general eligible expenditures shall be compliant with the provisions of:

- **Regulation (EU) no. 1305/2013** - art. 45 on investments, art. 46 on investments in irrigations, art. 60 on eligibility of expenditure, specifically with the provisions on eligibility of expenditure in case of natural disasters, art. 61 on eligible expenditure;

- **Delegated Regulation (EU) no..../.....** supplementing R (EU) no. 1305/2013 – art. 13 on investments;

- **Regulation (EU) no. 1303/2013** – art. 65 on eligibility, art. 66 on forms of support, art. 67 on forms of grants and repayable assistance, art. 68 on flat rate financing for indirect costs and staff costs concerning grants and repayable assistance, art. 69 on specific eligibility rules for grants and repayable assistance, art. 70 on eligibility of operations depending on location, art. 71 on durability of operations;

The general costs due to expenditures for the construction or improvement of immovable property and to purchase or lease-purchase of new machinery or equipment, up to the market value of the asset, to architect, engineer and consultation fees, to fees related to advice on environmental and economic sustainability, including feasibility studies, will be incurred up to the limit of 10% of the total eligible expenditure for construction-erection works projects, and up to the limit of 5% for exclusively purchase projects.

The following intangible investments are also eligible: software purchase or development and purchase of patents, licences, copy rights, brands.

The eligible expenditures for investments specific to each measure will be foreseen in sub-chapter 8.2. Details on measure-specific eligible expenditures in the national implementation framework.

All supported investments will be subject to the environmental assessment from the perspective of potential negative effects onto the environment, in compliance with the legal provisions in force.

General non-eligible expenditures applicable to all measures:

- expenditures for the purchase of “second hand” goods and equipment;
- expenditures incurred before the project is approved for funding, except for general costs defined under art. 45, para. 2 letter c) of R (EU) no. 1305/2013;
- expenditures for the purchase of transportation means for personal use and for passenger transportation, except for expenditures incurred for the purchase of transportation means for school transportation, eligible under sM 7.2 and of transportation means used by the LAG team, as per the specifications under sM 19.4;
- investments in installations of which main purpose is the production of electric energy from biomass are not eligible for support, unless a minimum thermal energy percentage is utilised, to be determined by Member States pursuant to art. 13 (d) of the Delegated R (EU) no..../.....;
- expenditures for investments subject to double financing;
- expenditures which are non-eligible pursuant to art. 69, para. (3) of R (EU) no. 1303/2013, namely:
 - (a) interest on debt, except in relation to grants given in form of an interest rate subsidy or guarantee fee subsidy;
 - (b) purchase of land not built on and land built on, except for the purchase of land under sM 6.1, sM 6.2 and sM 6.3 within the limit of 10% out of the total eligible expenditures foreseen in the business plan;
 - (c) value added tax, except where it is non-recoverable under the national VAT legislation;
 - (d) in case of leasing contracts, the other leasing contract-related costs, such as the lessor’s margin, the interest refund costs, the general and the insurance expenditures, are not eligible expenditures.

In regard to the eligibility of the in-kind contribution, it shall be only eligible for sM 4.1 corresponding to the fruit-growing sub-programme, in accordance with the provisions of art. 61 of R (EU) no.1305/2013 and of art. 69 of R (EU) no. 1303/2013.

The amount of these costs will be considered as part of the beneficiary’s private co-financing.

The non-eligible expenditures for investments specific to each measure will be foreseen in sub-chapter 8.2. Details on measure-specific non-eligible expenditures in the national implementation framework.

Advance payments

Pursuant to the provisions of Art. 42, Art. 45 and Art. 63 of Reg. (EU) 1305/2013, RO has taken the option to include in NRDP 2014-2020 the facility that the beneficiaries of investment support as well as the Local Action Groups may request the payment of an advance payment of up to 50% of the public aid granted by the competent paying agencies. The measures under which beneficiaries may request the payment of an advance payment are: M 4, sM 6.4, M 7, M16, sM 19.2, sM 19.4, as well as the measures corresponding to

the fruit-growing sub-programme.

The Measures providing compensatory area payments for which an advance payment up to 75% may be granted, pursuant to the provisions of art. 75 of Reg. (EU) no.1306/2013, are: M.8, M.10, M.11, M.13 and M.15.

Standard costs

As regards the eligibility of standard costs, those shall be only eligible for sM 4.1 corresponding to the fruit-growing sub-programme, in compliance with the provisions of art. 62 of Reg. (EU) no. 1305/2013 and art. 67 of Reg. (EU) no. 1303/2013. These will be used only for costs related to reconversion and establishment of plantations (eg: propagating material, works, support system etc.).

The rural development compensatory payments foreseen under M.8, M.10, M.11, M.13 and M.15 will be also paid based on standard costs assessed by calculation methodologies.

Financial instruments

Given the financing needs of farmers and entrepreneurs in the rural areas, the NRDP will make adequate financial instruments available to private beneficiaries, so as to address their private co-financing needs.

For this purpose, the ex-ante assessment of financial instruments is under development at MARD level, pursuant to the provisions of art. 37, para. 2 of Reg. (EU) no. 1303/2013. Based on the preliminary results of the ex-ante assessment of financial instruments, MARD has identified the need to combine the financial instruments with the grants, so as to support the beneficiaries of private investments projects co-financed by the following NRDP measures:

- M 4 „Investments in physical assets”, sM 4.1 „Investments in agricultural holdings” and sM 4.2 „Investments for processing/marketing of agricultural products”,
- M 6 „Farm and business development”, sM 6.4 „Investments in the creation and development of non-agricultural microenterprises and small enterprises”,
- sM 4.1 and 4.2 under the fruit-growing thematic sub-programme,
- Projects financed by LEADER and contributing to the objectives of the above-mentioned sub-measures.

The financial instruments will be established based on art. 38 (1) b of Reg. (EU) no. 1303/2013, while the analysis carried-out at this stage concerns the appropriateness and capacity of the guarantee instrument and of the crediting instrument which MARD intends to apply to support Programme beneficiaries to address the identified needs.

The current status in regard to the ex-ante assessment of financial instruments will enable the completion of the analysis and the introduction of instruments until the adoption of the Programme, so that the financial instruments can be applied from the very beginning of the NRDP 2014-2020 implementation period. Subsequent to the completion of the ex-ante assessment according to art. 37 para. 2 of Reg. (EU) no. 1303/2013 and to the decision to provide Programme contribution to the financial instruments, the budgetary allocation of measures under which financial instruments will apply, will be subject to financial instruments contribution, pursuant to the provisions of art. 59, para. 4 letter (d) of Reg. (EU) 1305/2013.

The selection method of fund managers and of financial intermediaries will be decided based on the ex-ante assessment results.

Selection principles

Under chapter 8 „*Description of each of the measures selected*”, NRDP 2014-2020 includes principles to be used for establishing the selection criteria for projects and local development strategies, taking into account the relevant objectives. The description of the selection principles has a general but sufficient nature so as to reflect the target of the financial support, the potential beneficiaries/groups of beneficiaries and to enable the subsequent elaboration of selection criteria specific to each individual measure.

The selection criteria which allow to establish a hierarchy of the funding applications, so as the financial support can be targeted to those projects corresponding to the identified needs, to the SWOT Analysis and to the objectives established under NRDP, are established by the Managing Authority by means of consultations with the Monitoring Committee. The selection criteria will be assigned a certain score, according to their importance, therefore enabling the adequate implementation of the evaluation-selection activity.

The selection criteria will be detailed in the subsequent national legislation, in compliance with the provisions of art. 49 of Reg. (EU) no. 1305/2013 regarding the equal treatment of applicants, a better use of financial resources and the targeting of measures in compliance with the rural development priorities of the Union.

Project selection will be carried-out pursuant to a transparent and well-documented procedure, based on the established selection criteria and on the rules presented under chapter 15, section 5. Project selection is applied for measures 4, 6, 7, 8, 15 and 16, account being taken of the principle of proportionality in regard to the size of the operation.

Specifications on cross-compliance and relevant reference level

Cross-compliance

Pursuant to the provisions of art. 92 of Regulation (EU) no. 1306/2013, the beneficiaries of measures foreseen under art. 21(1)(a), 28, 29 and 31 in Regulation (EU) no. 1305/2013 shall apply the cross-compliance standards at the level of the entire farm, these including the Good Agricultural and Environment Conditions (GAEC) and the Statutory Management Requirements (SMR). The cross-compliance standards applied as of 2015 are those established in the national legislation transposing the provisions of Title VI – Ch. I of Regulation (EU) no. 1306/2013.

In case the specific requirements for packages under measure 10 „agri-environment and climate” are contrary to certain cross-compliance standards, then priority shall be given to compliance with the agri-environment and climate requirements against the cross-compliance requirements, and no sanction shall be imposed on the support beneficiaries if identified that the agricultural activities performed within the farm are compliant with measure 10 – specific requirements.

Relevant baseline

Pursuant to the provisions of art. 28 (3) and 29 (2) of Regulation (EU) no. 1305/2013, the baseline requirements for payments granted under the agro-environment and climate commitments and under organic farming commitments represent the minimum mandatory non-remunerated level, and consist of:

- relevant mandatory standards established pursuant to title VI chapter I of Regulation (EU) no. 1306/2013;
- relevant criteria and minimum activities established pursuant to article 4 paragraph (1) letter (c) points (ii) and (iii) of Regulation (EU) no 1307/2013;
- minimum relevant requirements on the use of fertilisers and plant protection products foreseen by the national legislation;
- other relevant mandatory requirements foreseen by the national legislation.

The relevant mandatory standards established pursuant to title VI chapter I of Regulation (EU) no. 1306/2013 are established in Romania pursuant to the national legislation by adapting the provisions of Joint Order of MARD/MEF no. 30/147/2010 on the approval of GAECs in Romania and of Joint Order MARD/MEF/ANSVSA no. 187/2155/42/2011 on the approval of SMRs in Romania, to the new legal framework applicable as of 2015.

As well, the relevant criteria and the minimum activities established pursuant to article 4 paragraph (1) letter (c) points (ii) and (iii) of R (EU) no. 1307/2013 are established in Romania through the national legislation.

The minimum relevant requirements on the use of fertilisers and of plant protection products are as well foreseen by the national legislation (MEWM Order no. 1234/2006 *on the approval of the Code of good farming practices*, GO no. 4/1995 *on the production, marketing and use of phytosanitary use products for fighting against diseases, pests and weeds in agriculture and forestry*, GD 1559/2004 *on the procedure for homologation of plant protection products with the aim of placement on the market and use on the Romanian territory* – legal acts with subsequent amendments and additions).

Combination of commitments

The rules applicable for agri-environment and climate measures (M.8.1, M.10.1, M.11, M.13 and M15) are foreseen in the technical measure fiches.

Transfer between Pillars

In regard to the allocation for sub-measure 6.5 *Small farmers scheme*, RO will notify the COM on the transfer from Pillar I to Pillar II within the deadline foreseen by Reg. 1305/2013. Given the fact that budgetary resource for sub-measure 6.5 *Small farmers scheme* will be the amount transferred from Pillar I, it will have a temporary “0” budgetary allocation in the financial plan. Once the transfer is approved, the financial allocation corresponding to this measure will be revised.

8.2. Description by measure

8.2.1. M01 - Knowledge transfer and information actions (art 14)

8.2.1.1. *Legal basis*

Regulation (EU) no 1305/2013

Implementing Act (EU) no ...for setting up the application rules of the Regulation (EU) no 1305/2013

Delegated Act (EU) no completing Regulation (EU) no 1305/2013

Regulation (EU) no 1303/2013

8.2.1.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The actions related to knowledge transfer and information actions aim to accompany the measures for the increase of competitiveness and diversification in agriculture and the need to restructure and modernise the agricultural sector, foster market-oriented businesses, processing and marketing of agricultural products, enhance the requirements for a wide and diversified range of economic, financial and management skills, as well as the requirements for achieving the objective of sustainable land management and environmental protection, the use of environmentally friendly technologies and practices, of good agricultural production practices, as well as the use of renewable energy.

The evolution and specialisation of agriculture requires an appropriate level of technical and economic vocational training, and an increased capacity to access knowledge and information, including through information dissemination actions.

Knowledge transfer and information actions shall be adapted to the needs of the targeted actors, farmers and individuals who are active in the agri-food sector. Therefore, vocational guidance, demonstration projects and information actions shall be equally supported.

Knowledge and information acquired by knowledge transfer and information actions should allow farmers, in particular individuals involved in the food sector, to increase their competitiveness, to use innovative technologies and processes, to use the resources more efficiently and to improve environmental performances.

In order to answer to the needs identified, the support under the measure “Knowledge transfer and information actions” will be granted in two directions: vocational training and skills acquisition and demonstration projects and information actions. Therefore, two sub-measures are proposed to be implemented:

Contribution of each sub-measure to the focus areas

Sub-measure 1.1. „Support for vocational training and skills acquisition actions”

FA 2A - Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

The vocational training actions will be orientated in order to ensure the development of skills and competencies necessary in view of improving the performance and the viability of the farms for a better integration on the market as well as improvement of management knowledge.

FA 2B - Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal

Young farmers will receive specific training in view of improvement of their agricultural knowledge level in order to enhance the general farm performances.

FA 3A - Improving competitiveness of primary producers by better integrating them into the agri-food chain

through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations;

FA 4C - Preventing soil erosion and improving soil management

The increase of farmers' training level of use of fertilizers and pesticides, as well as practice of agricultural technologies and works for a better management of soil and biodiversity preservation.

Sub-measure 1.2. „Support for demonstration projects/information actions”

FA 2A - Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

The information actions and the demonstration projects will ensure farmers on the possibilities to improve activity efficiency and production diversification in order to improve market participation and orientation, on innovative techniques and technologies.

FA 3A - Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations;

The access to the results of the research activities in the technological, economic, environmental protection, adaptation to climate changes fields and to cooperation actions for short supply chains will be facilitated for farmers (including producer groups and organizations) and processors.

FA 3B- Supporting farm risk prevention and management

Farmers can be informed on the possibilities of the adherence to the mutual fund in view of the possibility of their financial compensation following the production of unfavourable climate phenomena or animal and plant diseases.

FA 4A - Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes;

FA 4B - Improving water management, including fertiliser and pesticide management;

FA 4C - Preventing soil erosion and improving soil management;

The information actions will contribute to the promotion of good practices in agriculture, water use and management, awareness of land users on the risks of extreme climate phenomena and inappropriate soil management practices (increase of soil degradation risk due to the erosion caused by waters and wind, salinization/alkalinisation, soil compaction, decrease of soil biodiversity and organic matter).

Contribution to cross-cutting objectives

Innovation

Training and information activities play an important role in knowledge acquisition, competencies and new

concepts among farmers and active individuals in the agri-food field. Also, the demonstration projects enable them to lay hands on modern equipment and machineries, innovative technologies, benefit from transfer of new practices etc. The training courses and demonstration sessions can foster innovation including by co-opting innovative practitioners who can act as dissemination factors for the farmers in the neighbourhood. Also, group interaction, exchanges of experience, practices, and ideas can act as a catalyst for the innovation process. Finding out about new ideas, methods and principles, interacting and learning, farmers are better prepared, more receptive to new ideas and concepts and more willing to apply innovative technologies and practices in their activity field.

Information and knowledge transfer and the development and acquisition of skills play an extremely important role in making farmers understand and undertake the commitments on **environment protection**, including biodiversity protection, as well as **climate changes mitigation actions** (limiting emissions from agriculture, generated by key activities such as animal husbandry and the use of fertilisers, as well as intensifying carbon sequestration activity in terms of land exploitation and change of land use).

Knowledge and information transfer has an extremely important role within the National Rural Development Programme for 2014-2020 as it supports **Innovation** and facilitates the development, use and transfer of new ideas, products or technologies in order to improve a certain production system, product or service.

Environment and climate

In the following programming period 2014 -2020 farmers and rural area inhabitants expect to implement and to adopt a series of requirements in terms of environment according to the strategy on biodiversity, Water Framework Directive, the requirements on control and pesticide use or soil erosion prevention. The knowledge transfer plays an extremely important role for farmers to understand and undertake the commitments on biodiversity protection, both in Natura 2000 and HNV protected areas, as well as outside those areas, the sustainable management of agricultural lands, as well as the correlation and the creation of synergies with the requirements foreseen in the greening package and cross-compliance within direct payments (CAP - Pillar I). An extremely important component of the information and knowledge transfer, training and skills acquisition must focus also on the climate changes mitigation actions in terms of land exploitation, change of land use, practices and technologies targeting carbon sequestration, adoption of crops resistant to drought, methods to envelope buildings, identification of renewable energy source leading to limiting emissions from agriculture, generated by key activities such as animal production and fertilizer use, at farm level, large agricultural units or even at community level. Fostering demonstration and information activities within farms aims a more significant transfer and openness of farmers to adopt new practices that contribute to a better environment protection and adaptation to climate changes.

8.2.1.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.1.3.1. 1.1 Support for vocational training and skills acquisition actions

8.2.1.3.1.1. Sub-measure:

- 1.1 - support for vocational training and skills acquisition actions

8.2.1.3.1.2. Description of the type of operation

Under this sub-measure the target is to improve farmers' competencies and basic knowledge, including in terms of environment protection and climate such as individuals active in food industry (in management, marketing, processing, food safety and hygiene, standards etc.) and promotion of the research and innovation results through vocational training actions and knowledge acquisition.

The purpose of the support granted by this sub-measure will contribute to:

- Improvement of technical and economic knowledge, specific to the practice and management of agri-food activities;
- Farmers' awareness on issues related to environment and efficient management of natural resources;
- Increase of information level of farmers and agricultural land administrators, such as the introduction of new innovation technologies.

Operations/actions eligible for support

The sub-measure supports short vocational training courses (ex: initiation, upgrading), with differentiated training periods, according to the training level of young farmers and farmers managing small farms and family farms and the curricula of the vocational training programme.

The vocational training programmes will mainly target:

- The improvement of farmers' knowledge towards the practice of agricultural and innovation techniques and technologies, including following the research results;
- improvement of knowledge related to community standards at farm level, improvement of production quality;
- diversification of activities in agricultural holdings;
- sustainable management of agricultural lands, assimilation of knowledge on cross-compliance and application of production methods that are compatible with the landscape maintenance and improvement, respectively environment and climate.

8.2.1.3.1.3. Type of support

Expense reimbursement.

8.2.1.3.1.4. Links to other legislation

Regulation (EU) no 1310/2013;

Regulation (EU) no 1336/2013;

8.2.1.3.1.5. Beneficiaries

The beneficiaries are the providers of vocational training services, under the conditions of the legislation in force.

8.2.1.3.1.6. Eligible costs

The eligible expenditures within this sub-measure are:

- a. Expenditures for provider's fees (including accommodation, meals and transportation);
- b. Expenditures for the implementation of actions, as follows:
 - Accommodation, meals, transportation for the participants, as applicable;
 - Teaching materials and consumables;
 - Renting of the required equipment;
 - Renting of rooms to carry out the training actions.
- c. Other expenditures strictly related to the implementation of vocational training actions.

All these expenditures shall be reasonable, justified and shall correspond to the principles of sound financial management, in particular in terms of price-quality ratio and cost-effectiveness.

8.2.1.3.1.7. Eligibility conditions

The eligibility conditions for the beneficiaries of this sub-measure are:

- The applicant shall fall under the category of eligible beneficiaries;
- The applicant shall be a legal person incorporated in compliance with the legislation in force in Romania;
- The applicant's object of activity shall include activities specific to the vocational training field;
- The applicant shall have in-house or collaborating staff qualified in the fields related to the provided topics, such as:
 - The applicant has enough permanent staff, university graduates in relevant fields of the measure;
 - The applicant ensures at least 1/3 of the staff involved in the project;
 - 50% of the staff involved in the project benefited from vocational training courses for skills upgrading in the last 7 years, or have a master/PHG/academic degree.
- The applicant has access to the logistics for the specific training activity;
- The applicant has the technical and financial capacity required to carry out the specific training activities;
- The applicant shall not be in financial difficulty.

The participants in the training courses shall be individuals who are active in the agricultural, agri-food and/or environmental protection commitments sectors, including biodiversity protection, as well as mitigation actions of climate changes, for whom the actions provided under this sub-measure are free.

Training services which are part of the educational programmes are not eligible.

8.2.1.3.1.8. Principles with regards to the setting of selection criteria

The selection principles are defined in order to select the beneficiaries (service providers) who are likely to better implement the measure, as follows:

- Principle of the quality and technical levels in terms of course curricula, experience and/or trainers 'qualification';
- Principle of partnership with nationwide representative associations with educational institutions and/or research and development institutes;

- Principle of topics and target-group;

The selection process of the beneficiaries shall be carried out by the Ministry of Agriculture and Rural Development and shall be subject to the provisions of the national legislation in force on public procurement.

The selection principles shall be detailed in the subsequent national legislation and shall consider the provisions under art. 49 of Regulation (EU) No.1305/2013, aiming to ensure equal treatment of applicants, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development.

8.2.1.3.1.9. (Applicable) amounts and support rates

The public aid granted under this measure shall be 100% of the total eligible expenditures.

The financial allocation for sub-measure 1.1 „Support for vocational training and skills acquisition actions” shall be 70% of the total allocation for the measure.

The value of the project shall be established proportionally to the level (territorial area, target group, topics) of the project implementation (national, regional or county level).

8.2.1.3.1.10. Verifiability and controllability of the measures and/or types of operations

8.2.1.3.1.10.1. Risk(s) in the implementation of the measures

Considering the measure addresses public and/or private beneficiaries in the programming period 2014-2020, who are selected based on the public procurement regulations, it is estimated that there may be a series of specific risks, among which:

- **Process of public procurement**

8.2.1.3.1.10.2. Mitigating actions

Among the steps taken and envisaged to improve measure implementation and reduce risks, there are:

- Improvement of public procurement awarding documentation requirements, through the contribution of wider working groups;
- Improvement of the vocational training of the staff preparing and monitoring the vocational training activity in the field of public procurement;
- Strengthening the transparency of public procurement procedures before and after awarding the public procurement contracts;
- Monitoring and evaluation by using specific tools, such as: periodic progress reports; on the spot verification/direct observation of the activity performed by the provider of knowledge transfer and information actions; filling-in questionnaires on the quality of the provided service, by the trained farmers; analysis of the documents prepared/elaborated (reports, recommendations, etc., according to the topics of the training/information session) within the project/activity carried-out, etc.
- Providing a systematic and efficient monitoring of contract execution in view of a better correlation with the payment applications.

8.2.1.3.1.10.3. Overall assessment of the measure

The measure creates the premises to fulfil the priorities specified in the strategy, thereby contributing to the achievement of all envisaged focus areas, as a cross-cutting measure with contributions to different focus areas.

The measure provides for a balanced and sustainable development in NRDP preparation and aims to ensure the demarcation and complementarity between EAFRD and other funds.

Also, the measure aims equal treatment of applicants, better use of financial resources, and targeting in accordance with the Union priorities for rural development.

8.2.1.3.1.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.1.3.1.12. Information specific to the operation

Definition of appropriate capacities of bodies providing knowledge transfer services to carry out their tasks in the form of staff qualifications and regular training

Definition of appropriate capacities for the qualification of staff and skills of training, qualification and competencies;

- University studies proven by a university diploma with a specialization according to the course topics;
- Professional experience according to the course topics.

Specification of minimum qualifications of the bodies providing knowledge transfer.

The bodies providing knowledge transfer must fulfil the minimum requirements mentioned as eligibility conditions.

Definition of the duration and content of farm and forest exchange schemes and visits as referred to in Article 3 of [DA RD – C(2014)1460]

-

8.2.1.3.2. 1.2 Support for demonstration projects/information actions

8.2.1.3.2.1. Sub-measure:

- 1.2 - support for demonstration activities and information actions

8.2.1.3.2.2. Description of the type of operation

Under this sub-measure the target is to improve farmers' competencies and basic knowledge, such as individuals who are active in the agri-food sector by extending the scope and supporting the short actions, such as demonstration projects and information actions. Therefore, other techniques for acquiring knowledge – besides traditional courses – will be promoted.

The aim of the support is to increase the awareness level of individuals involved in the agricultural and food sectors, regarding: specific fields where they carry out their activities and other fields such as the environmental protection or other fields of general interest by providing demonstration projects and information actions.

Operations/Actions eligible for support:

- **demonstration projects** to be carried out by practical sessions aiming to demonstrate new technologies, use of new machineries and equipment, new methods for protection of crops or specific production techniques. The project can take place in a farm or in other locations, such as: research centres, exhibitions, profile fairs, etc.
- **information actions:** information dissemination actions regarding agriculture, environment, agri-environment sector, in order to make the target group aware on the relevant knowledge for the activity carried out at the work place.

8.2.1.3.2.3. Type of support

Expense reimbursement.

8.2.1.3.2.4. Links to other legislation

Regulation (EU) no 1310/2013;

Regulation (EU) no 1336/2013;

8.2.1.3.2.5. Beneficiaries

The beneficiaries are public and/or private bodies, including their associations who have in their activity object information/demonstration and/or dissemination actions.

8.2.1.3.2.6. Eligible costs

The eligible expenditures within this sub-measure are:

- a. Expenditures for provider's fees (including accommodation, meals and transportation);
- b. Expenditures for the implementation of actions, as follows:
 - Accommodation, meals, transportation for the participants, as applicable;
 - Teaching materials and consumables;
 - Information and promotion materials;
 - Renting of the required equipment;
 - Renting of rooms to carry out the information and demonstration actions.
- c. Other expenditures strictly related to the implementation of information and demonstration actions.

All these expenditures shall be reasonable, justified and shall correspond to the principles of sound financial management, in particular in terms of price-quality ratio and cost-effectiveness.

8.2.1.3.2.7. Eligibility conditions

- The applicant shall fall under the category of eligible beneficiaries;
- The applicant shall be a legal person incorporated in compliance with the legislation in force in Romania;
- The applicant's object of activity shall include activities specific to the field;
- The applicant shall have in-house or collaborating staff qualified in the fields related to the provided topics;
- The applicant has access to the logistics for the specific activity;
- The applicant has the technical and financial capacity required to carry out the specific information actions;
- The applicant shall not be in financial difficulty.

The participants in the information actions and demonstration projects shall be individuals who are active in the agricultural, agri-food and environmental protection sectors.

8.2.1.3.2.8. Principles with regards to the setting of selection criteria

The selection principles are defined in order to select the beneficiaries (service providers) who are likely to better implement the measure, as follows:

- Principle of topics and of the target-group
- Principle of partnership with nationwide representative associations with educational institutions and/or research bodies;
- Principle of the quality and technical levels

The selection process of the beneficiaries shall be carried-out by the Ministry of Agriculture and Rural Development and shall be subject to the provisions of the national legislation in force on public procurement.

The selection principles shall be detailed in the subsequent national legislation and shall consider the

provisions under art. 49 of Regulation (EU) No.1305/2013 aiming to ensure equal treatment of applicants, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development.

8.2.1.3.2.9. (Applicable) amounts and support rates

The non-refundable public aid granted under this measure shall be 100% of the total eligible expenditures.

The financial allocation for sub-measure 1.2 „Support for demonstration projects/information actions” shall be 30% of the total allocation for the measure.

The value of the project shall be established proportionally to the level (territorial area, target group, topics) of the project implementation (national, regional or county level).

8.2.1.3.2.10. Verifiability and controllability of the measures and/or types of operations

8.2.1.3.2.10.1. Risk(s) in the implementation of the measures

Considering the measure addresses public and/or private beneficiaries in the programming period 2014-2020, who are selected based on the public procurement regulations, it is estimated that there may be a series of specific risks, among which:

- **Process of public procurement**

8.2.1.3.2.10.2. Mitigating actions

Among the steps taken and envisaged to improve measure implementation and reduce risks, there are:

- Improvement of public procurement awarding documentation requirements, through the contribution of wider working groups;
- Improvement of the vocational training of the staff preparing and monitoring the vocational training activity in the field of public procurement;
- Strengthening the transparency of public procurement procedures before and after awarding the public procurement contracts;
- Monitoring and evaluation by using specific tools, such as: periodic progress reports; on the spot verification/direct observation of the activity of the provider; filling-in questionnaires on the quality of the provided service, by the trained farmers; analysis of the documents prepared/elaborated (reports, recommendations, etc., according to the topics of the training/information session) within the project/activity carried-out, etc.

Providing a systematic and efficient monitoring of contract execution in view of a better correlation with the payment applications.

8.2.1.3.2.10.3. Overall assessment of the measure

The measure creates the premises to fulfil the priorities specified in the strategy, thereby contributing to the achievement of all envisaged focus areas, as a cross-cutting measure with contributions to different focus

areas.

The measure provides for a balanced and sustainable development in NRDP preparation and aims to ensure the demarcation and complementarity between EAFRD and other funds.

Also, the measure aims equal treatment of applicants, better use of financial resources, and targeting in accordance with the Union priorities for rural development.

Following the analyses carried out by the Managing Authority and the Paying Agency based on the experience in the period 2007-2013, it can be concluded it is ensured the verifiability and controllability of the measure in terms of vocational training as well as improvement of work procedures, so that the financial interests of the European Union are not compromised.

8.2.1.3.2.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.1.3.2.12. Information specific to the operation

Definition of appropriate capacities of bodies providing knowledge transfer services to carry out their tasks in the form of staff qualifications and regular training

Definition of mandatory criteria

The bodies providing information actions and demonstration projects must comply with the minimum requirements mentioned as eligibility criteria.

Definition of the duration and content of farm and forest exchange schemes and visits as referred to in Article 3 of [DA RD – C(2014)1460]

-

8.2.1.4. Verifiability and controllability of the measures and/or types of operations

8.2.1.4.1. Risk(s) in the implementation of the measures

-

8.2.1.4.2. Mitigating actions

-

8.2.1.4.3. Overall assessment of the measure

-

8.2.1.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.1.6. Information specific to the measure

Definition of the duration and content of farm and forest exchange schemes and visits as referred to in Article 3 of [DA RD – C(2014)1460]

-

Definition of appropriate capacities of bodies providing knowledge transfer services to carry out their tasks in the form of staff qualifications and regular training

-

8.2.1.7. Other important remarks relevant to understand and implement the measure

-

8.2.2. M02 - Advisory services, farm management and farm relief services (art 15)

8.2.2.1. Legal basis

Regulation (EU) no 1305/2013

Implementing Act (EU) no ...for setting up the application rules of the Regulation (EU) no 1305/2013

Delegated Act (EU) no completing Regulation (EU) no 1305/2013

Regulation (EU) no 1303/2013

Delegated Act (EU) no 480/2014 completing Regulation (EU) no 1303/2013.

8.2.2.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Human capital development strongly influences competitiveness. This is a cross-cutting theme for approaching competitiveness-related needs, determined by the high share of population employed in agriculture, but having a low training level, on the one hand, and by the need to qualify farmers, on the other hand. The priority needs for human capital development were expressed in the SWOT analysis in three priority directions: advisory services, vocational training and a better integration of research results.

The share of population employed in agriculture has been high, while the training level is still low, the rate of enrolment in the agricultural technological education is also low at all education levels. Therefore, the human potential active in agriculture and agri-food industry obviously needs to be adapted by providing individual advisory services.

Farm advisory services should help farmers evaluate the performance of their agricultural holdings and identify the necessary improvements in terms of statutory management requirements for the management of the holdings, as laid down in Regulation (EU) no. 1307/2013 and in the holding-level measures in the rural development programme aiming at farm modernization, enhancing competitiveness, sectorial integration, innovation, market orientation, as well as promotion of entrepreneurship.

Farm advisory services should support small farmers and young farmers, individuals setting up non-agricultural activities in the rural area and producer groups in developing and managing the implementation, as well as in preparing the business plan for development and market-orientation, but also in terms of practicing a sustainable and environment-friendly agriculture and health, environment safety and protection and diversification of the activity.

Therefore, this measure shall complete the need for free services provided by the public advisory system, especially for small and medium farms, young farmers, producer groups and small entrepreneurs in the rural area, potential beneficiaries of the investment measures in PNDR 2014-2020, who do not have the necessary resources to purchase the private services provided for a fee by the private system. The advisory services shall be granted both for the preparation of the business plans and for their implementation, in good conditions, during the entire period of implementation.

Contribution of each sub-measure to the focus areas

Sub-measure 2.1. Advisory services for farmers, young farmers, micro-enterprises and small enterprises in rural areas

FA 2A Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

The advice of small farmers on the modernization of farms and viability of agricultural businesses, on the result of research activities in the technological, economic, environmental protection, adaptation to climate changes fields and on cooperation actions for short supply chains.

FA 2B Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal

Young farmers will benefit from individual advisory services, technical support (business plans for setting up), information and dissemination of the results of research activities in the technological, economic, environmental protection, adaptation to climate changes fields. Young farmers can participate to cooperation actions for short supply chains.

FA 3A Improving competitiveness of primary producers by better integrating them into the agri-food chain

Farmer groups need support in terms of setting up and organization, as well as technical support (access to advice in the technological, economic, environmental protection, adaptation to climate changes fields and cooperation actions within short supply chains).

FA 6A Facilitating diversification, creation and development of small enterprises, as well as job creation;

Advice for small entrepreneurs in the rural areas target the preparation of the business plan, information on the specificity of the area activities and opportunities provided by the market.

Contribution to cross-cutting objectives

Advice has a central role in the transfer of knowledge, ideas and good practices to farmers. Through their role of intermediaries between research and practice, the advisors can make the last discoveries and news in the agri-food field accessible to a wider public. The advisory measure is all the more important for the agri-food sector in Romania, as the knowledge transfer between the academic world and the agricultural production is poor and is not based on a systematic process of communication and dissemination. As beneficiaries of professional and quality advisory services, young and small farmers will have privileged access to the latest news in the agri-food sector, to the examples and good practices from other Member States, thus becoming better informed and more anchored in current realities. Also, the producer groups will be more prepared to face internal and external challenges, having access to the latest information about competition, market, marketing strategies, new promotion channels, etc. Advice will have a decisive role also in the development non-agricultural businesses in the rural area by fostering the innovation capacity and entrepreneurial skills, as well as facilitating innovative practices.

8.2.2.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.2.3.1. 2.1 Advisory services for farmers, young farmers, micro-enterprises and small enterprises in rural areas

8.2.2.3.1.1. Sub-measure:

- 2.1 - support to help benefiting from the use of advisory services

8.2.2.3.1.2. Description of the type of operation

The target of the measure is to advise farmers and producer groups in the qualitative reorientation of the production, the application of competitive production practices, meeting community standards, but also acquiring the necessary advice to manage a viable holding in terms of economy and performances related to environment and climate.

Support target

The advisory services target the access of small and young farmers to advice in order to prepare the business plans and to manage their implementation to develop their agricultural holdings to orient on the market and to improve the management in compliance with community standards.

Also, the advisory services will prepare the business plans in order to set up the micro-enterprises and the small enterprises in the rural area in non-agricultural activities.

Operations supported

Under the sub-measure, the support will be granted for advisory services, for:

- (a) holding modernization, strengthening competitiveness, sectorial integration, innovation and market-orientation, as well as promotion of entrepreneurship;
- (b) accomplishment of national and community standards;
- (c) preparation and management of the business plan implementation, including the management of aspects related to environment protection, for:
 - small farms;
 - setting up of young farmers;
 - setting up of non-agricultural microenterprises and small enterprises;
 - setting-up and recognition of producer groups;
- (d) advisory and animation activities of operational groups PEI

8.2.2.3.1.3. Type of support

Expense reimbursement.

8.2.2.3.1.4. Links to other legislation

Regulation (EU) no 1310/2013;

Regulation (EU) no 1336/2013;

8.2.2.3.1.5. Beneficiaries

- Advisory services providers, public and/or private entities set-up according to the legislation in force who have competencies in the field covered by the sub-measure;
- Innovation brokers

8.2.2.3.1.6. Eligible costs

The eligible expenditures under this sub-measure are:

- (a) Expenditures for provider's fees (including accommodation, meals and transportation);
- (b) Expenditures for the premises for provision of advisory services;
- (c) Other justified expenditures related to the advisory services supported.

All these expenditures shall be reasonable, justified and shall be compliant with the principles of sound financial management, in particular in terms of price-quality ratio and cost-effectiveness.

8.2.2.3.1.7. Eligibility conditions

The minimum eligibility conditions for the providers of advisory services:

- The applicant shall fall under the category of eligible beneficiaries;
- The applicant shall be a legal person incorporated in compliance with the legislation in force in Romania;
- The applicant's object of activity shall include activities specific to the field;
- The applicant shall have in-house or collaborating staff qualified in the fields related to the provided topics, such as:
 - The applicant has enough permanent staff, university/specialty graduates in agricultural, economic, food and environment fields;
 - At least 50% of the staff involved in the project benefited from training courses for professional skills upgrading in the last 5 years, or have a master/PHD/academic degree.
- The applicant has access to the logistics for the specific advisory activity;
- The applicant has the technical and financial capacity required to carry out the specific advisory activities;
- The applicant shall not be in financial difficulty.

The participants to the advisory services courses are individuals who are active in the agricultural and agri-food sectors or are newly set-up enterprises in the non-agricultural sector, as well as producer groups and

organizations.

8.2.2.3.1.8. Principles with regards to the setting of selection criteria

The selection criteria will be defined in order to select the beneficiaries (advisory service providers) who are likely to better implement the measure:

- Principle of partnership with nationwide representative associations and educational institutions and/or research bodies;
- Principle of previous experience;
- Principle of topics and target-group;

The selection process of the beneficiaries shall be carried out by the Ministry of Agriculture and Rural Development and shall be subject to the provisions of the national legislation in force on public procurement.

The selection principles shall be detailed in the subsequent national legislation and shall consider the provisions under art. 49 of Regulation (EU) No.1305/2013, aiming to ensure equal treatment of applicants, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development.

8.2.2.3.1.9. (Applicable) amounts and support rates

The public aid granted under this measure shall be 100% of the total eligible expenditures.

The support granted under this measure cannot go beyond the maximum eligible amount of 1500 Euro/advisory service.

8.2.2.3.1.10. Verifiability and controllability of the measures and/or types of operations

8.2.2.3.1.10.1. Risk(s) in the implementation of the measures

Considering the measure addresses public and/or private beneficiaries who are selected based on the public procurement regulations, it is estimated that there may be a series of specific risks, among which:

- **Process of public procurement**

8.2.2.3.1.10.2. Mitigating actions

Among the steps taken and envisaged to improve measure implementation and reduce risks, there are:

- Improvement of public procurement awarding documentation requirements, through the contribution of wider working groups;
- Improvement of the vocational training of the staff preparing and monitoring the advisory activity in the field of public procurement;
- Strengthening the transparency of public procurement procedures before and after awarding the

public procurement contracts;

- Monitoring and evaluation by using specific tools, such as: periodic progress reports; on the spot verification/direct observation of the activity performed by the advisory services provider; filling-in questionnaires on the quality of the provided service, by the farmers advised; analysis of the documents prepared/elaborated (reports, recommendations, etc., according to the topics of the advice) within the project/activity carried-out, etc.
- Providing a systematic and efficient monitoring of contract execution in view of a better correlation with the payment applications.

8.2.2.3.1.10.3. Overall assessment of the measure

The measure creates the premises to fulfil the priorities specified in the strategy, thereby contributing to the achievement of all envisaged focus areas, as a cross-cutting measure with contributions to different focus areas.

Also, the measure aims at equal treatment of applicants, better use of financial resources, and targeting in accordance with the Union priorities for rural development.

Following the analyses carried out by the Managing Authority and the Paying Agency based on the experience in the period 2007-2013, it can be concluded it is ensured the verifiability and controllability of the measure in terms of vocational training as well as improvement of work procedures, so that the financial interests of the European Union are not compromised.

8.2.2.3.1.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.2.3.1.12. Information specific to the operation

General principles to ensure appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the field of advice. Identification of the elements that the advice will cover

- General principles that ensure the appropriate resources for carrying out the advisory activity under normal conditions, materialized in the qualification and the experience of the staff carrying out these activities.
- The bodies that provide advice must accomplish the minimum requirements mentioned as eligibility criteria.

Under the sub-measure, the support shall be granted for advisory services, for:

- (a) holding modernization, strengthening competitiveness, sectorial integration, innovation and market orientation, as well as promotion of entrepreneurship;
- (b) accomplishment of national and community standards;
- (c) the preparation and the management of the business plan implementation, including the management of the aspects related to the environment protection, for:
 - small farms;
 - setting up of young farmers;

- setting up of non-agricultural micro-enterprises and small enterprises;
 - setting-up, recognition of producer groups;
- (d) advisory and animation activities of the operational groups PEI

In the context of the preparation of the business plans and the support provided by the consultant during their implementation period, the specific elements will be also covered, related to:

- **farm individual assessment** and necessary measures in order to increase competitiveness, sectorial integration, promotion of innovation and market-orientation, organic farming, crops, production technics with high added value as well as promotion of entrepreneurship spirit
- **management and/or standards for good agricultural and environment conditions** organic/bio farming, crops, production technics with high added value,
- **solutions at farm level** for the mitigation and adaptation to climate changes effects, biodiversity, water protection,
- **risk management** in farms related to the unfavourable meteorological conditions, pest infestations, plant and animal diseases.

8.2.2.4. Verifiability and controllability of the measures and/or types of operations

8.2.2.4.1. Risk(s) in the implementation of the measures

-

8.2.2.4.2. Mitigating actions

-

8.2.2.4.3. Overall assessment of the measure

-

8.2.2.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.2.6. Information specific to the measure

General principles to ensure appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the field of advice. Identification of the elements that the advice will cover

-

8.2.2.7. Other important remarks relevant to understand and implement the measure

-

8.2.3. M04 - Investments in physical assets (art 17)

8.2.3.1. Legal basis

Regulation (EU) no 1305/2013

Implementing Act (EU) no ...for setting up the application rules of the Regulation (EU) no 1305/2013

Delegated Act (EU) no completing Regulation (EU) no 1305/2013 and introducing transitional provisions

Regulation (EU) no 1303/2013

Delegated Act (EU) no 480/2014 completing Regulation (EU) no 1303/2013.

Commission Implementing Regulation (EU) No 215/2014 completing Regulation (EU) no 1303/2013.

8.2.3.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The support provided in compliance with Art. 17 in **Regulation (EU) no 1305/2013** by **measure 4 „Investments in physical assets”** refers to:

- improvement of the overall performance and sustainability of agricultural holdings;
- processing, and/or development of agricultural products, except fishery products;
- infrastructure needed for the development, modernisation or adaptation of agriculture and forestry, including access to farm and forest land, land consolidation and improvement, and energy and water supply and saving.

The relatively low level of endowment and the outdated technologies used in most specialised units reflect in the reduced sector labour productivity and product quality. The number of processing units is still declining due to the dismantling of large vertically-integrated production chains and high costs for ensuring compliance with the European standards.

New jobs need to be created to assimilate the excess labour in the (semi) subsistence agriculture, by promoting investments for the diversification of on-farm activities (including processing, packaging and marketing of agricultural products) and investments in processing units.

A better market integration of agri-food producers is needed, as well as a better integration at the level of short supply chains. For small producers, the focus will be on fostering association, while large actors require investments for modernisation and compliance with the EU requirements especially towards the sectors with the highest added value and export potential.

The excessive fragmentation of agricultural and forestry properties and holdings led to the situation that the infrastructure serving the agricultural and forestry systems (access road network, land improvement and irrigation systems, flood prevention systems, etc.), most of it designed during the planned economy period, is no longer adapted to the new operation structures resulted thereof (eg: irrigation arrangements or access roads). The large number of small and very small holdings makes their association process cumbersome; therefore in 2012 the irrigated area represented approx. 50% of the area irrigated in 2007, which is highly

insufficient to cover the needs.

Climate changes manifested by draught impact on the existing water resources, especially in the rural area. The competitiveness of the agricultural and forestry sectors is largely affected by the poor adaptation of the existing infrastructure to the new agricultural and forestry structures, and therefore the sectors remain vulnerable to climate conditions (alternation of draught and frequent floods), with significant economic effects on the economic viability of farms. This problem becomes much more acute in the context of global warming.

Agriculture is endowed with a wide range of renewable energy resources, but the use and capitalisation level of these resources is low due to technological limitations, economic efficiency and environmental restrictions.

Inappropriate manure management methods are an important risk factor not only in terms of greenhouse gas emissions (GHG) but also in terms of water point pollution. In order to maintain the actual greenhouse gas emissions from agriculture, in the context of agricultural intensification, there is also a need to reduce the GHG footprint of machinery used in agriculture, to use technologies and equipment ensuring a good fertiliser use management as well as to use good soil management practices.

Contribution of each sub-measure to focus areas

Sub-measure 4.1. „Investments in agricultural holdings”

FA 2A*Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification*

This sub-measure aims at investments leading to the increase of the technical endowment level of holdings with potential to implement viable investment projects, that ensure the continuation of the modernization process of agricultural holdings by modernizing farm constructions, technical equipment and machinery, improving assets quality, adopting Community standards, improving energy efficiency, a better soil management and aiming at the diversification of agricultural production.

FA 5D*Reducing green house gas and ammonia emissions from agriculture*

The investments in livestock farms aim at the achievement of an appropriate level of endowment and modern facilities for the storage and application of manure and purification slurry, biogas facilities, machinery used in agriculture to reduce the GHG footprint, as well as technologies contributing to supporting a low carbon economy.

Sub-measure 4.2. „Investments for processing/marketing of agricultural products”

FA 3A*Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, increase of the added value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations*

This sub-measure will support individual and/or collective investments in developing and modernizing processing and marketing capacities of agricultural products, in compliance with Community standards, including modern technologies, innovations and new ideas, as well as facilities to increase efficiency and productivity of enterprises and added value of agricultural products. Facilities for storage, packaging, certification and environment-friendly systems, labelling, promotion and marketing for short supply chains can be accomplished.

FA 6A*Facilitating diversification, creation and development of small enterprises, as well as job creation*

The direct outcome of setting up new processing units of local agricultural products and of promoting short supply chains will be the creation of jobs and the increase of rural population income, contributing to the promotion of employment.

Sub-measure 4.3. „Investments in infrastructure related to development, modernization of and adaptation of agriculture and forestry”

FA 2A*Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification*

Improving accessibility of agricultural and forestry holdings by modernizing and adapting accesses will have an impact on holding competitiveness, ensuring a good supply and a more easy access to consumers and markets.

FA 5A*Increasing efficiency in water use by agriculture*

Investments in irrigation secondary infrastructure will promote new, modern technologies contributing to water saving in agriculture and decrease of costs related to water consumption.

Contribution to cross-cutting objectives

Environment and climate

This measure will foster investments targeting streamlining/saving of water consumption, use of renewable energy in the agri-food sector, waste and residue treatment as well as reducing green gas emissions and ammonia in agriculture. Investments in irrigation systems will be carried out according to the provisions of management plans of hydrographic basins according to the Water Framework Directive, ensuring the metering and streamlining water and energy consumption.

Investments in processing industry will aim at reducing the footprint on environment - by fostering new methods for maintaining agri-food production in order to increase food safety -at products better adapted to market requirements, methods for waste use and water epuration for environmental protection, building enveloping.

Innovation

The support for making investments in innovative physical assets in the field of agricultural production, processing and agricultural and forestry infrastructure will improve the economic performance of holdings and will lead to the obtention of high value processed products. In agriculture, the support will aim in particular the use of plant varieties better adapted to draught, more productive animal breeds, efficient and modern technologies, innovative installations. In the processing sector of agri-food products, the innovative technologies and equipment leading to the wide use of modern technologies will be fostered.

Fruit-growing thematic sub-programme

The support granted through the fruit-growing thematic sub-programme relates to:

- a. improvement of overall performance and sustainability of fruit-growing holdings;
- b. treatment and/or development of products from the fruit-growing sector, covered by Annex I to the Treaty.

The socio-economic analysis of the rural development in Romania and the analysis of the fruit-growing sector highlight a series of aspects underlying the need for restructuring and investments in agriculture and agri-food industry in order to improve the overall performance of the agricultural holdings and to enhance the competitiveness of enterprises involved in increasing the added value of agricultural products and in creation of jobs.

- The analysis on the condition of fruit-growing plantations based on the criteria on the evolution of the occupied area, the replacement and set-up rate, the age and the production potential showed the need to make investments in order to recover fruit-growing areas by setting up plantations and by the reconversion of existing plantations, in order to increase sector competitiveness, protect soil from erosion, landslides, etc. and increase the quantity of sequestered carbon;
- In order to ensure the need for quality seedlings, adapted to pedoclimatic conditions in Romania, the increase of areas occupied with fruit nurseries and the diversification of cultivated species and varieties are needed;
- At the level of fruit-growing holdings there are old and outdated technological endowments, which has a negative effect on the productivity, profitability, competitiveness of these holdings and on environment and climate. The lack of resources in order to make investments makes the existing plantations have a reduced access to modern equipments for cultivation, maintenance and harvest. In order to capitalize the potential of these holdings, modernization investments are needed such as constructions, equipment, machinery, etc. Therefore, cost efficiency, income diversification, increase of work productivity and achievement of quality standards will be improved;
- The processing of fruit production leads to the increase of the share of high value added processed products and can create jobs for different population categories with high possibilities to efficiently

capitalize both raw materials and human resources. This branch is insufficiently developed as it needs investments to increase economic efficiency and productivity that consist of modernization/construction/purchase of production places and modern technologies, collection systems, selection, sizing, storage, storage, conditioning, packaging, marketing, but also development of new local products and brands;

- Supporting actions for marketing and improvement of strategic planning of businesses and management of resources leads to the increase of economic efficiency and productivity.

Contribution of each sub-measure to the focus areas

Sub-measure 4.1a „Investments in fruit-growing holdings”

FA 2A

The support granted through this sub-measure aims at increase of competitiveness and viability of fruit-growing holdings both through investments such as equipment, machinery, on-farm irrigation systems and processing and investments leading to the increase of the area occupied with fruit-growing plantations and/or reconversion of existing plantations.

Sub-measure 4.2a „Investments in processing/marketing of products in fruit-growing sector”

FA 3A

This sub-measure contributes to fostering the marketing of products through short supply chains and a better integration of farmers on the market by the support granted for the modernization and extension of collection and conditioning systems and processing units, corroborated with marketing activities and the increase in products quality.

FA 6A

This sub-measure contributes to the increase in the number of jobs in fruit-growing areas by the support granted for the set-up of fruit processing units at local level.

Contribution to cross-cutting objectives

Innovation

Investments made through this measure contribute to the promotion of innovation in the fruit-growing sector by renewal of machinery fleet, modernization of processing units, and development of new varieties of trees and shrubs and new products in food industry.

Environment and climate

This measure supports the modernization of agricultural machinery fleet, processing units, increase of

energy efficiency of the buildings in the fruit-growing holdings, fostering energy production from renewable sources in fruit-growing holdings and in processing units and the use of irrigation systems with low water consumption, which will contribute to the reduction of energy and water consumption and implicitly to the reduction of GHG emissions, respectively reduction of the pressure on the hydrographical basins.

The support granted for the set-up of fruit-growing plantations has an important contribution in protecting soil from desertification, in preventing landslides, but also in carbon sequestration, both in soil and in wood.

8.2.3.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.3.3.1. 4.1 Investments in agricultural holdings

8.2.3.3.1.1. Sub-measure:

- 4.1 - support for investments in agricultural holdings

8.2.3.3.1.2. Description of the type of operation

This sub-measure will support investments aiming at increasing competitiveness of agricultural holdings by endowment with competitive machinery and equipment related to the current agricultural structure, as well as investments for farm modernisation (especially for medium-sized farms and associations of small and medium-sized farms) and at improving the quality of fixed assets.

The purpose of the support granted through this sub-measure will contribute to:

- Improve the overall performance of agricultural holdings by increasing the competitiveness of agricultural activity, diversification of agricultural production and the quality of products obtained;
- Restructure the small and medium-sized holdings and turning them into commercial holdings;
- Comply with Community standards applicable to all types of investments;
- Increase the added value of agricultural products by on-farm processing of products and their direct marketing in view to create and promote short chains.

Operations/actions eligible for support:

- Investments in the set-up, extension and/or modernization of livestock farms, including efficient technologies for reducing pollution and compliance with the standards;
- Investments in the set-up, extension and/or modernization of vegetal farms, including capacities for storage, conditioning, selection, packaging of vegetal production for the increase of product added

value;

- Investments for compliance with Community standards;
- Set-up and/or modernization of farm accesses, including utilities and connections;
- Investments in on-farm processing of agricultural products, as well as investments in marketing;
- Investments in the set-up and/or modernization of on-farm irrigation installations;
- Investments in production and on-farm use of energy from renewable sources, including investments in energy efficiency as a component of an investment project.

8.2.3.3.1.3. Type of support

Reimbursement of eligible expenditure.

8.2.3.3.1.4. Links to other legislation

Regulation (EU) no 1307/2013

Regulation (EU) no 1310/2013

Recommendation 2003/361/CE of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises

Regulation (EC) no 1242/2008 establishing a Community typology for agricultural holdings.

8.2.3.3.1.5. Beneficiaries

Within this sub-measure the beneficiaries are:

- farmers, except non-authorized natural persons;
- cooperatives and producer groups created based on the national legislation in force, serving members' interests.

8.2.3.3.1.6. Eligible costs

Specific eligible expenditure:

Eligible expenditure will meet the provisions of the art. 46 in R (EU) no 1305/2013 and art. 13 in Delegated Regulation (EU) and relate to:

- a. Construction, extension, modernization and endowment of on-farm buildings, dedicated to productive activity, including farm accesses, on-farm irrigations and farm connection to utilities;
- b. The organisation and the endowment of outlets, within a short supply chain;
- c. Purchase - including by leasing new machinery and equipment - within the limit of the market value of that good;
- d. Purchase - including by leasing –of compact, cold transportation means, including specialized trailers and semitrailers for agricultural products marketing within a short supply chain;

- e. Expenditure generated by the set-up of plantations for table grapes and other perennial plantations, except eligible plantations within the fruit-growing sub-programme;
- f. Expenditure generated by meeting the standards and compliance with new standards imposed by the European legislation.

Specific non-eligible expenditure:

- a. Purchase of lands and buildings;
- b. Purchase of rights of agricultural production, of payment rights, animals, annual plants and their planting.

8.2.3.3.1.7. Eligibility conditions

- The investment must be made in a farm with a minimum economic size of 8,000 SO (standard output value);
- The investment must fall under at least one of the eligible actions provided in the sub-measure;
- The applicant must fall under the category of eligible beneficiaries;
- The applicant must ensure the co-financing of investment;
- The investment must prove economic viability;
- The investment must be compliant with the provisions in the European legislation regarding the effects on the environment;
- Investments in on-farm irrigation systems must be compliant with the provisions in art. 46 in R(EU) no 1305/2013;
- Investments in energy efficiency and renewable energy must be compliant with the provisions in the art. 13 in Delegated Regulation (EU);
- Investments needed to adapt to EU standards, applicable to the agricultural production carried out by young farmers setting up for the first time in an agricultural holding will be made for a maximum of 24 months from the date of setting up (*according to art. 17, paragraph 5 in R(EU) no 1305/2013*);
- Investments needed to adapt to new requirements imposed on farmers by the European legislation will be made for a maximum of 12 months from the date on which they become mandatory for the agricultural holding(*according to Art. 17, paragraph 6 in R(EU) no 1305/2013*).

8.2.3.3.1.8. Principles with regards to the setting of selection criteria

- Principle of holding size aiming at medium-sized holdings;
- Principle of agricultural potential of the area aiming at areas with potential determined based on specialty studies;
- Principle of priority sector according to socio-economic analysis such as: livestock sector (swine, bovines, poultry, sheep and goats) and vegetal (field crops, vegetables, nurseries and vineyard plantations for table grapes);
- Principle of creation of short supply chains;
- Principle of association of farmers holding small and/or medium-sized holdings, within cooperatives or producer groups created based on the national legislation in force or the principle of adherence to

inter-branch organisations for agri-food products;

- Principle of qualification level in agriculture of the agricultural holding manager;
- Principle of use of traditional genetic resources;

The selection principle shall be detailed in the subsequent national legislation and shall consider the provisions laid down in the art. 49 of R(EU) no 1305/2013 aiming to ensure equal treatment of applicants, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development.

The selection principles shall also ensure the balanced development of agriculture in Romania, the share of selection criteria is carried out according to the evolution of the programme and the development level of priority sectors identified in programme strategy.

8.2.3.3.1.9. (Applicable) amounts and support rates

Non-refundable public support

The share of non-refundable public support will be **50% of total eligible expenditure and shall not exceed:**

- **in case of projects providing simple purchases** – maximum EUR 500,000, respectively EUR 100,000 for small farms;
- **in case of projects providing constructions-mounting** – maximum EUR 1,000,000 for vegetal sector, respectively EUR 200,000 for small farms in vegetal sector and maximum EUR 1,500,000 for vegetables in protected places (greenhouses) and livestock sector, respectively EUR 300,000 for small farms in livestock sector;
- **in case of projects providing for the creation of short supply chains** – maximum EUR 2,000,000, respectively EUR 400,000 for small farms;
- **in case of projects carried out by cooperatives and producer groups** – maximum EUR 2,000,000 – whatever type of investment.

The non-refundable support rate and amount may be increased by 20 additional percentage points, but the maximum combined support rate can not exceed 90%, in the case of:

- Investments carried out by young farmers, aged under 40, on the date of submitting the financing application (as laid down in art.2 of R (EU) no 1305/2013);
- Collective investments carried out by farmer associations (cooperatives and producer groups created based on the national legislation in force);
- Integrated projects leading to the creation of a short chain (production, processing, marketing);
- Operations supported by the EIP;
- Investments related to operations laid down in Art. 28 (Agri-environment-climate) and art. 29 (Organic farming) in R(EU) no1305/2013;
- Investments in areas facing natural and other specific constraints, as laid down in Art. 32 R(EU) no

1305/2013.

For family farms, within the calls for this sub-measure, a distinct allocation shall be provided that shall be communicated to beneficiaries at the same time with the publication of the call notification.

8.2.3.3.1.10. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.1.10.1. Risk(s) in the implementation of the measures

- Cost reasonableness;
- Appropriate verification and control systems;
- Applicants' selection;
- IT system.

8.2.3.3.1.10.2. Mitigating actions

The actions that will be considered in order to improve measure implementation and to reduce risks are:

- Introduction of a system to verify cost reasonableness at the Paying Agency by creating a database with reference prices for simple purchases of machinery;
- Streamlining control systems in all the stages of a project verification by: preparation of procedures with checklists for all the actions that contribute to project payment - evaluation, selection, contracting, purchases and authorization of payments, overcontrol sampling of territorial and delegated structures, on the spot control, appeal system enabling a verification of the application of procedures, sampling controls both during project implementation period and ex-post;
- Project online submission, simplification of documentations submitted by the beneficiaries, verification of authorizations, approvals, technical documentation after project selection stage before contracting stage;
- Carrying out maximum three verifications related to project implementation in conjunction with project implementation stages;
- Irregularities due to beneficiaries will be avoided by informing applicants on the expenditure eligibility through guides, flyers, websites and information actions;
- Setting up - based on selection principles - clear, transparent and verifiable criteria for beneficiaries selection and information of potential beneficiaries on these criteria;
- The current IT system of the Paying Agency will be updated and optimized with the new administrative flows and measures of NRDP 2014-2020 and control keys will be introduced such as: beneficiary code, beneficiary denomination.

8.2.3.3.1.10.3. Overall assessment of the measure

The verifiability and controllability of the measure is based on the recommendations from the audit missions and on the improvement of working procedures of the Paying Agency.

In the period 2007-2013, the main issues identified were determined by the procedures of private purchases and creation of artificial conditions.

Based on protocol concluded between the Ministry of Justice/ONRC and APDRP, free access was granted to users from APDRP to data of companies registered at the trade register through the online RECOM service and APDRP procedures were modified in order to strengthen controls and verification of the SME status.

Regarding the creation of artificial conditions, there were included verification and prevention elements of the conditions that determined the creation of artificial situations. At the same time, the selection criteria leading to the creation of artificial conditions were eliminated.

The calculation of the support was determined starting from the experience of the previous financial exercise and the target group of farms targeted by the sub-measure.

8.2.3.3.1.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.3.3.1.12. Information specific to the operation

Definition of non productive investments

Not applicable.

Definition of collective investments

Investments carried out by cooperatives or producer groups related to ensuring cooperation between producers, by promotion of more efficient and profitable investments in common facilities, such as equipment, infrastructure and other.

These investments shall be carried out for members' interests by cooperatives and producer groups created according to legislation in force.

Definition of integrated projects

Projects that combine at least two operations leading to the creation of a short supply chain (ex. production, processing, marketing).

Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas

Not applicable.

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

Agricultural holdings targeted for support through this sub-measure have a minimum economic size of 8,000 SO (standard production value) potentially viable for investments, medium-sized agricultural holdings and farmer associations holding small and/or medium-sized holdings, in cooperatives or producer groups are prioritized.

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

Minimum standards for protection of laying hens*

EU legislation

Council Directive no 1999/74/EC

National legislation

Order no 136 of 16 June 2006 for the approval of sanitary-veterinary rule on minimum standards for the protection of laying hens, with subsequent amendments and completions.

Date when the standard becomes mandatory

31.12.2011

Date when the transition period ends

31.12.2014

Types of investments

- a. Construction and/or modernization of buildings used for protection of laying hens, including those used for environmental protection.
- b. Purchase of new machinery and equipment for protection of laying hens, including those used for environmental protection.

Points a) and b) apply for:

- alternative breeding system;
- improved cage system.

Accomplishment of standards for raw milk*

EU legislation

(EC) Regulation no 852/2004

(EC) Regulation no 853/2004

(EC) Regulation no 854/2004

(EC) Regulation no 2074/2005

(EC) Regulation no 1664/2006

Decision 2009/852/EC

National legislation

Regulations (EC) no852/2004, 853/2004, 854/2004, 2074/2005, 1664/2006 apply directly in the national legislation starting on 01.01.2007.

Order no 67/2009 regarding the approval of the Plan of measures for the improvement of raw cow milk quality

Date when the standard becomes mandatory

31.12.2011

Date when the transition period ends

31.12.2014

Types of investments

a. Construction and/or modernization of buildings for the production and/or storage of cow milk, including those used for environmental protection.

b. Purchase of new machinery, equipment, accessories for production and/or storage of cow milk, for transportation, including those used for environmental protection.

* Compliance with the standards above is mandatory for the calls organized based on transitional provisions in Regulation (EU) no 1310/2013, where under Art.3 there are specifications related to the possibility of organizing calls before the approval of the new rural development programme 2014-2020.

Justification regarding the need for support for newly introduced Community standards

1. According to paragraph (6) of the art. 17 in the Regulation (EU) no 1305/2013 in case the Union law imposes new requirements on farmers, support may be granted for investments to comply with those requirements, for a maximum of 12 months from the date on which they become mandatory for the agricultural holding.

2. According to paragraph (5) of the art.17 in the Regulation (EU) no 1305/2013 only young farmers setting up for the first time in an agricultural holding as head of the holding will benefit from a transitional period of 24 months from the date of setting up in respect of investments to comply with Union standards applying to agricultural production, including occupational safety.

3. In case of modernization projects with investments on the compliance with Community standards, the date on which the investment on the standard is made is the date when the transition period of the

standards or the date of project finalization, whichever comes first.

4. After the expiry of the transition period for point 1 above when standards are considered to be newly introduced Community standards, they become mandatory as existing standards.

5. Investments financed for the accomplishment of standards must be finalized until the end of the transition period, but the payment can be done afterwards.

6. For the accomplishment of standards a significant financial source is needed, that involves carrying out economic activities without obtention of income, and this is what farmers can not afford to make investments.

8.2.3.3.2. 4.1a Investments in fruit-growing holdings

8.2.3.3.2.1. Sub-measure:

- 4.1 - support for investments in agricultural holdings

8.2.3.3.2.2. Description of the type of operation

The purpose of investments supported within this sub-measure is to increase competitiveness of the fruit-growing holdings by endowment with machinery and equipment, set-up, modernization of and/or extension of processing units, set-up of fruit-growing plantations, reconversion of existing plantations and increase of areas occupied with fruit nurseries.

The support granted through this sub-measure will contribute to:

- increase of competitiveness, production diversification, increase in quality of products obtained and the improvement of general performance of fruit-growing holdings;
- increase of added value of products by supporting on-farm fruit processing and direct marketing of the products obtained;
- development of short supply chains;
- streamlining production costs by promotion of production and on-farm use of energy from renewable sources and by reduction of energy consumption.

8.2.3.3.2.3. Type of support

Non-refundable support, granted in tranches, according to project execution stages and payment applications submitted by the beneficiary.

8.2.3.3.2.4. Links to other legislation

Regulation (EU) no 1307/2013

Regulation (EU) no 1310/2013

Recommendation 2003/361/CE of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises

8.2.3.3.2.5. Beneficiaries

The support is granted to:

- farmers, except natural persons;
- producer groups and cooperatives who are active in the fruit-growing sector, provided that investments carried out serve own members' interests;

8.2.3.3.2.6. Eligible costs

Specific eligible expenditure:

- a) Reconversion of existing plantations, including costs for deforestation, planting materials, support systems, soil preparation, planting works, protection systems against hail and rain, irrigation systems at holding level and exploitation roads;
- b) Set-up of fruit-growing plantations, including costs for planting materials, support systems, soil preparation, planting works, protection systems against hail and rain and exploitation roads.
- c) Set-up of nurseries for propagating material and fruit planting material including costs for planting materials, support systems, soil preparation, planting works, anti-hail nets, exploitation roads.
- d) Set-up, extension and/or modernization of storage systems, conditioning, selection and packaging and on-farm processing units.
- e) Purchase - including by leasing – of new machinery and equipment, within the limit of market value of that good;
- f) Purchase - including by leasing – of compact, cool transportation means, for the marketing of products within short chains;
- g) Organization, construction and endowment of outlets in the holding;
- h) Investments aiming at the improvement of environmental performances of the fruit-growing holdings (increase in energy efficiency of buildings, purchase of production installations and use of renewable energy at holding level);
 - * investments under points (a), (b), (c) will be based on standard costs and contributions in kind.
 - ** in case of investments in irrigation systems, only investments meeting the conditions laid down in article 46-R1305/2013 are considered eligible expenditure.

Specific non-eligible expenditure:

- a. Purchase of rights of agricultural production, payment rights, animals, annual plants and their planting;
- b. Purchase of lands and buildings.

8.2.3.3.2.7. Eligibility conditions

- The applicant must fall under the category of eligible beneficiaries;
- The applicant must ensure the co-financing of the investment;

- The investment must prove economic viability;
- The investment shall meet the requirements on the compliance with the standards imposed by the European legislation;
- The investment shall meet the provisions in the European legislation regarding the effects on the environment;
- The applicant must not be in difficulty, according to legislation in force;
- The investment must be made only in the territorial-administrative units covered by Annex II, and must be compliant with the zoning of the species covered by the Annex above mentioned;
- In case of set-up and/or reconversion, the applicant must use only the fruit material from the certified biological category;
- In case of nurseries, the applicant commits that the material resulted will be fruit material from the certified biological category;
- Investments in energy efficiency and renewable energy must be compliant with the provisions laid down in Art. 13 in the Delegated Regulation (EU);
- Investments in on-farm irrigation systems must be compliant with the provisions laid down in Art. 46 in R(EU) no 1305/2013;
- The investment must be compliant with viable economic sizes. The minimum size of fruit-growing areas, under ownership or use an agricultural holding must be of minimum EUR 12,000 SO in case of simple investments, that do not involve reconversion and set-up of fruit-growing plantations and in case of production of fruit material. In case of investments that involve reconversion and set-up of fruit-growing plantations, the economic size of the agricultural holding must be minimum EUR 8,000 SO.
- The investment must be compliant with minimum economic sizes for set-up and reconversion. In case of set-up of fruit-growing plantations and reconversion, the area set-up/replanted must be equivalent to minimum EUR 3,000 SO), in case of production of propagating material and fruit planting material EUR 6,000 SO, and in case of strawberry crop in the field and in protected places EUR 7,000 SO.

8.2.3.3.2.8. Principles with regards to the setting of selection criteria

- Principle of priority fruit species (peach, nectarine, apple, shrubs);
- Principle of size (small farms);
- Principle of priority crop system (intensive, superintensive, organic, nurseries, crops in protected areas);
- Principle of supply chains (investments covering the entire food chain: production-processing-marketing);
- Principle of association (investments carried out by producer groups and cooperatives in the fruit-growing sector);
- Principle of property (agricultural holdings which hold the fruit-growing plantations under reconversion and the land on which the set-up of the fruit-growing plantations is done);
- Principle of qualification level (university studies in the project field; secondary education in the project field);
- Principle of age (young farmers aged under 40);
- Principle of reconversion (investments that involve reconversion).

The selection principle shall be detailed in the subsequent national legislation and shall consider the provisions laid down in the art. 49 of R(EU) no 1305/2013 aiming to ensure equal treatment of applicants, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development.

8.2.3.3.2.9. (Applicable) amounts and support rates

The non-refundable support will be granted as follows:

In case of small farms:

- support rate is **50% in total eligible expenditure** and it shall not exceed:
- EUR300,000 in case of production activity (set-up and reconversion);
- EUR 450,000 for investments covering the entire food chain (production, processing, marketing).

The non-refundable support rate may be increased by 20 percentage points, but the maximum combined support rate shall not exceed 90%, in the following cases:

- Investments carried out by young farmers, aged under 40, on the date of submitting the financing application (as laid down in art. 2 in Regulation 1305/2013);
- Collective investments carried out by cooperatives and producer groups and integrated projects;
- Operations supported by the EIP.
- Investments related to operations as laid down in Art. 28 (Agri-environment-climate) and Art. 29 (Organic farming) in the Regulation (EU) no 1305/2013;
- Investments in less favoured areas.

In case of medium-sized farms:

- the support rate is **50% in total eligible expenditure** and it shall not exceed:
- EUR 600,000 in case of production activity (set-up and reconversion);
- EUR 900,000 for investments covering the entire food chain (production, processing, marketing).

The non-refundable support rate may be increased by 20 percentage points, but the maximum combined support rate shall not exceed 80%, in the following cases:

- Investments carried out by young farmers, aged under 40, on the date of submitting the financing application (as laid down in art. 2 in Regulation 1305/2013);
- Collective investments carried out by cooperatives and producer groups and integrated projects;
- Operations supported by the EIP.
- Investments related to operations as laid down in Art. 28 (Agri-environment-climate) and Art. 29 (Organic farming) in the Regulation (EU) no 1305/2013;
- Investments in less favoured areas.

In case of large farms:

- the support rate is **50% in total eligible expenditure** and it shall not exceed:

- EUR 750,000 in case of production activity (set-up and reconversion);
- EUR 1,050,000 for investments covering the entire food chain (production, processing, marketing).

The non-refundable support may be increased by 20 percentage points, in the following case:

- Operations supported by the EIP.

8.2.3.3.2.10. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.2.10.1. Risk(s) in the implementation of the measures

- Cost reasonableness;
- Appropriate verification and control systems;
- Applicants' selection;
- IT system.

8.2.3.3.2.10.2. Mitigating actions

The actions that will be considered in order to improve measure implementation and to reduce risks are:

- Introduction of a system to verify cost reasonableness at the Paying Agency by creating a database with reference prices for simple purchases of machinery;
- Introduction of a payment system based on standard costs in case of set-up and reconversion of fruit-growing plantations;
- Streamlining control systems in all the stages of a project verification by: preparation of procedures with checklists for all the actions that contribute to project payment - evaluation, selection, contracting, purchases and authorization of payments, overcontrol sampling of territorial and delegated structures, on the spot control, appeal system enabling a verification of the application of procedures, sampling controls both during project implementation period and ex-post;
- Project online submission, simplification of documentations submitted by the beneficiaries, verification of authorizations, approvals, technical documentation after project selection stage before contracting stage;
- Carrying out maximum three verifications related to project implementation in conjunction with project implementation stages;
- Irregularities due to beneficiaries will be avoided by informing applicants on the expenditure eligibility through guides, flyers, websites and information actions;
- Setting up - based on selection principles - of clear, transparent and verifiable criteria for beneficiaries selection and information of potential beneficiaries on these criteria;
- The current IT system of the Paying Agency will be updated and optimized with the new administrative flows and measures of NRDP 2014-2020 and control keys will be introduced such as:

beneficiary code, beneficiary denomination.

8.2.3.3.2.10.3. Overall assessment of the measure

The verifiability and controllability is based on the recommendations from the audit missions and on the improvement of working procedures of the Paying Agency.

In the period 2007-2013, the main issues identified were determined by private procedures purchases and creation of artificial conditions.

Based on protocol concluded between the Ministry of Justice/ONRC and APDRP, free access was granted to users from APDRP to data of companies registered at the trade register through the online RECOM service and APDRP procedures were modified in order to strengthen controls and verification of the SME status.

Regarding the creation of artificial conditions, there were included verification and prevention elements of the conditions that determined the creation of artificial situations. At the same time, the selection criteria leading to the creation of artificial conditions were eliminated.

The calculation of the support was determined starting from the experience of the previous financial exercise and the target group of farms targeted by the sub-measure.

8.2.3.3.2.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.3.3.2.12. Information specific to the operation

Definition of non productive investments

Not applicable.

Definition of collective investments

Investments carried out by cooperatives or producer groups related to ensuring cooperation between producers, by promotion of more efficient and profitable investments in common facilities, such as: equipment, infrastructure and other.

Definition of integrated projects

Projects that combine at least two operations leading to achievement of investments on the entire food chain (ex. production, processing, marketing).

Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas

Not applicable.

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

The agricultural holdings aimed at for support by this sub-measure have a minimum economic size of 8,000 SO in case of reconversion and set-up of fruit-growing plantations and a minimum size of fruit-growing areas held/used of 12,000 SO in case of simple purchases. In order to increase sector competitiveness, small agricultural holdings, associative forms in the fruit-growing sector, young farmers and farmers schooled in the agricultural field are prioritized.

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

Not applicable.

8.2.3.3.3. 4.2 Support for investments in processing/marketing of agricultural products

8.2.3.3.3.1. Sub-measure:

- 4.2 - support for investments in processing/marketing and/or development of agricultural products

8.2.3.3.3.2. Description of the type of operation

The support by this sub-measure is granted to enterprises making tangible and intangible investments for processing and marketing of agricultural products covered by Annex I to the Treaty Establishing the European Community, except fishery products, for:

- set-up and/or modernization of processing and marketing units;
- introduction of new technologies for development of new products and processes;
- application of environmental protection actions, including energy efficiency;
- promotion of investments for the production and use of energy from renewable sources;
- increase of number of permanent jobs.

The result of agricultural product processing can be an Annex I product, as well as a non-Annex I product to the Treaty Establishing the European Community. In case the increase of the added value of agricultural products involves the obtention of non-Annex I products, it will be supported only the sectors mentioned in the State aid scheme according to regulations applicable to State aids and only from their date of entry into force.

Operations/actions eligible for support:

The support will be granted for the tangible and/or intangible investments in the agri-food products processing sector for:

- Set-up, extension and/or modernization and endowment of processing units, including investments in products marketing (labelling, packaging);
- Set-up, extension and/or modernization of the local networks of collection, reception, storage, conditioning, selection and packaging capacity;
- Investments for the improvement of internal quality control and meeting standards and compliance with the new standards imposed by the European legislation;
- Investments for production and use of energy from renewable sources in the processing unit, exclusively for own consumption and investments in energy efficiency, as operations within an investment project.
- Investments in processing agricultural products covered by Annex I to the Treaty Establishing the European Community in order to obtain non-Annex I products.

8.2.3.3.3.3. Type of support

Reimbursement of eligible expenditure

8.2.3.3.3.4. Links to other legislation

Recommendation 2003/361/CE of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises.

8.2.3.3.3.5. Beneficiaries

Under this sub-measure the beneficiaries are:

- enterprises

- cooperatives, producer groups created based on the national legislation in force, serving members' interests

8.2.3.3.3.6. Eligible costs

Specific eligible expenditure:

- a) Construction, extension, modernization and endowment of the buildings of the processing units;
- b) Purchase - including leasing - of new machinery, installations, equipment and specialized transportation means for the marketing of agri-food products within short chains;
- c) Expenditure generated by meeting standards and compliance with new standards imposed by the European legislation.

Specific non-eligible expenditure:

- a) Purchase of lands and buildings;

8.2.3.3.3.7. Eligibility conditions

Eligibility conditions:

- The investment must fall under at least one of the support types provided under the sub-measure;
- The applicant must fall under the category of eligible beneficiaries;
- The investment must prove economic viability;
- The applicant must ensure the co-financing of investment;
- The applicant must not be in difficulty, according to the legislation in force;
- The investment shall meet the provisions of the European legislation regarding the effects on the environment and food safety rules.

8.2.3.3.3.8. Principles with regards to the setting of selection criteria

- Principle of priority sector aiming at the connection with the priority agricultural sectors: milk and dairy products, meat and eggs, vegetables, cereals and bakery, oleaginous seeds, honey, wine;

- Principle of creation of short supply chains aiming at the collection, selection, storage, packaging, processing and marketing system;
- Principle of environmental protection (ex. low-pollution technologies)
- Principle of high added value product (ex. organic, traditional products, products participating to quality schemes recognized at EU level, etc.);
- Principle of association within cooperatives or producer groups, created based on the national legislation in force or principle of adherence to the inter-branch organisations for agri-food products;
- Principle of use of traditional genetic resources;

The selection principles shall be detailed in the subsequent national legislation and shall consider the provisions laid down in the art. 49 of R(EU) no 1305/2013 aiming to ensure equal treatment of applicants, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development.

The selection principles shall also ensure the balanced development of agriculture in Romania, the share of selection criteria is carried out according to the evolution of the programme and the development level of priority sectors identified in programme strategy.

8.2.3.3.3.9. (Applicable) amounts and support rates

Non-refundable public support.

The non-refundable public support share will be **50% of total eligible expenditure** for SMEs and producer groups/cooperatives and **40%** for other enterprises and shall not exceed:

- **EUR 1,000,000/project** for SME;
- **EUR 1,500,000/project** for other enterprises;
- **EUR 2,500,000/project** for investments leading to a local short supply chain, associative forms, cooperatives and producer groups (collection, selection, storage, packaging/processing and marketing);

The non-refundable support may be increased by 20 percentage points, in the following case:

- Operations supported by the EIP.

8.2.3.3.3.10. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.3.10.1. Risk(s) in the implementation of the measures

- Cost reasonableness
- Appropriate verification and control systems
- Applicants' selection

- IT system.

8.2.3.3.10.2. *Mitigating actions*

The actions that will be considered in order to improve measure implementation and risk reduction are:

- Introduction of a system to verify cost reasonableness at the Paying Agency by creating a database with reference prices for simple purchases of machinery;
- Streamlining control systems in all the stages of a project verification by: preparation of procedures with checklists for all the actions that contribute to project payment - evaluation, selection, contracting, purchases and authorization of payments, overcontrol sampling of territorial and delegated structures, on the spot control, appeal system enabling a verification of the application of procedures, sampling controls both during project implementation period and ex-post;
- Project online submission, simplification of documentations submitted by the beneficiaries, verification of authorizations, approvals, technical documentation after project selection stage before contracting stage;
- Carrying out maximum three verifications related to project implementation in conjunction with project implementation stages;
- Irregularities due to beneficiaries will be avoided by informing applicants on the expenditure eligibility through guides, flyers, websites and information actions;
- Within the verifications, it will be checked if the conditions that were at the basis of project prioritization are met according to relevant selection principles, respectively maintenance/annual registration - as the case may be - in the system and maintaining relevant certifications in case of high added value products;
- Setting up - based on selection principles - of clear, transparent and verifiable criteria for beneficiaries selection and information of potential beneficiaries on these criteria;
- The current IT system of the Paying Agency will be updated and optimized with the new administrative flows and measures of NRDP 2014-2020 and control keys will be introduced such as: beneficiary code, beneficiary denomination.
- The improvement of evaluators' professional training

8.2.3.3.10.3. *Overall assessment of the measure*

The verifiability and controllability is based on the recommendations from the audit missions and on the improvement of working procedures of the Paying Agency.

In the period 2007-2013, the main issues identified were determined by the procedures for private purchases and creation of artificial conditions.

Based on protocol concluded between the Ministry of Justice/ONRC and APDRP, free access was granted to users from APDRP to data of companies registered at the trade register through the online RECOM service and APDRP procedures were modified in order to strengthen controls and verification of the SME

status.

Regarding the creation of artificial conditions, there were included verification and prevention elements of the conditions that determined the creation of artificial situations. At the same time, the selection criteria leading to the creation of artificial conditions were eliminated. At the verification of the creation of artificial conditions, the additional points that can be obtained within the selection criteria will also be considered.

In the evaluation procedure, the risks regarding the creation of artificial conditions will be detailed, based on the experience in the programming 2007-2013.

8.2.3.3.3.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.3.3.3.12. Information specific to the operation

Definition of non productive investments

Not applicable.

Definition of collective investments

Investments carried out by cooperatives or producer groups related to ensuring cooperation between producers, by promotion of more efficient and profitable investments in common facilities, such as: equipment, infrastructure and other.

These investments shall be carried out for members' interests by cooperatives and producer groups created according to legislation in force.

Definition of integrated projects

Projects that combine at least two operations leading to the creation of a short supply chain (ex. collection, processing, marketing).

Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas

Not applicable.

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

Not applicable. Sub-measure 4.2 contributes to the priorities 3 and 6.

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

Not applicable.

8.2.3.3.4. 4.2a Investments in processing/marketing products in the fruit-growing sector

8.2.3.3.4.1. Sub-measure:

- 4.2 - support for investments in processing/marketing and/or development of agricultural products

8.2.3.3.4.2. Description of the type of operation

Under this sub-measure the support is granted for tangible and intangible investments within enterprises for treatment and marketing of fruits and fruit products for:

- set-up, extension and/or modernization of units processing the raw material from the fruit-growing sector covered by Annex I to the TFEU;
- set-up, extension and/or modernization of local networks for collection, reception, storage, conditioning, selection and packaging;
- marketing actions;
- production and use of energy from renewable sources in own unit;
- energy efficiency.

The support granted through this sub-measure will contribute to:

- modernization and creation of processing and marketing units;
- introduction of new technologies for developing new products and technological processes;
- increase of the added value of products in the fruit-growing sector;
- improvement of internal quality control;
- increase in number of permanent jobs;
- decrease of energy consumption and GHG emissions.

8.2.3.3.4.3. Type of support

Non-refundable support, granted in tranches, according to project execution stages and payment applications submitted by the beneficiary.

8.2.3.3.4.4. Links to other legislation

Recommendation 2003/361/EC

8.2.3.3.4.5. Beneficiaries

Under this sub-measure the beneficiaries are:

- micro, small, medium-sized and large enterprises;
- producer groups and cooperatives.

8.2.3.3.4.6. Eligible costs

Specific eligible expenditure:

- a) Set-up, extension and modernization of units collecting, conditioning and processing the raw material from the fruit-growing sector covered by Annex I to the TFEU
- b) Purchase - including in leasing – of new machinery, installations and equipment and specialized transportation means for the sale of fruit products within short chains
- c) Expenditure on marketing activities.
- d) Investments in renewable energy and/or energy efficiency, water saving systems and waste disposal technologies.

Specific non-eligible expenditure:

- a) Purchase of lands and buildings;
- b) Contribution in kind.

8.2.3.3.4.7. Eligibility conditions

- The applicant must fall under the category of eligible beneficiaries;
- The investment must prove economic viability;
- The applicant must ensure the co-financing of investment;
- The applicant must not be in difficulty, according to legislation in force;
- The investment must be done only in territorial-administrative units covered by Annex II;
- The investment shall meet the provisions of the European legislation regarding the effects on the environment and food safety rules.

8.2.3.3.4.8. Principles with regards to the setting of selection criteria

- Principle of high added value products (organic products from HNV areas, quality schemes);
- Principle of supply chains (investments covering the entire food chain: collection, storage, conditioning, processing and marketing);
- Principle of association (investments carried out by producer groups and cooperatives in the fruit-growing sector).

The selection principle shall be detailed in the subsequent national legislation and shall consider the provisions laid down in the art. 49 of R(EU) no 1305/2013 aiming to ensure equal treatment of applicants, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development.

8.2.3.3.4.9. (Applicable) amounts and support rates

The non-refundable support will be granted as follows:

Micro and small enterprises

- the support rate is **50% in total eligible expenditure** and it shall not exceed:

- EUR 600,000;
- EUR 900,000 for investments covering the entire food chain (collection, selection, storage, packaging, processing);

The non-refundable support may be increased by 20 percentage points in the following case:

- Operations supported by the EIP.

Medium-sized enterprises

- the support rate is **50% in total eligible expenditure** and it shall not exceed:

- EUR 800,000;
- EUR 1,100,000 for investments covering the entire food chain (collection, selection, storage, packaging, processing);

The non-refundable support may be increased by 20 percentage points in the following case:

- Operations supported by the EIP.

Large enterprises

- the support rate is **40% in total eligible expenditure** and it shall not exceed:

- EUR 1,000,000;
- EUR 1,500,000 for investments covering the entire food chain (collection, selection, storage, packaging, processing);

The non-refundable support may be increased by 20 percentage points in the following case:

- Operations supported by the EIP.

8.2.3.3.4.10. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.4.10.1. *Risk(s) in the implementation of the measures*

- Cost reasonableness
- Appropriate verification and control systems
- Applicants' selection
- IT system.

8.2.3.3.4.10.2. *Mitigating actions*

The actions that will be considered in order to improve measure implementation and risk reduction are:

- Introduction of a system to verify cost reasonableness at the Paying Agency by creating a database with reference prices for simple purchases of machinery;
- Streamlining control systems in all the stages of a project verification by: preparation of procedures

with checklists for all the actions that contribute to project payment - evaluation, selection, contracting, purchases and authorization of payments, overcontrol sampling of territorial and delegated structures, on the spot control, appeal system enabling a verification of the application of procedures, sampling controls both during project implementation period and ex-post;

- Project online submission, simplification of documentations submitted by the beneficiaries, verification of authorizations, approvals, technical documentation after project selection stage before contracting stage;
- Carrying out maximum three verifications related to project implementation in conjunction with project implementation stages;
- Irregularities due to beneficiaries will be avoided by informing applicants on the expenditure eligibility through guides, flyers, websites and information actions;
- Within the verifications, it will be checked if the conditions that were at the basis of project prioritization are met according to relevant selection principles, respectively maintenance/annual registration - as the case may be - in the system and maintaining relevant certifications in case of high added value products
- Setting up - based on selection principles - of clear, transparent and verifiable criteria for beneficiaries selection and information of potential beneficiaries on these criteria;
- The current IT system of the Paying Agency will be updated and optimized with the new administrative flows and measures of NRDP 2014-2020 and control keys will be introduced such as: beneficiary code, beneficiary denomination.
- The improvement of evaluators' professional training.

8.2.3.3.4.10.3. Overall assessment of the measure

The verifiability and controllability is based on the recommendations from the audit missions and on the improvement of working procedures of the Paying Agency.

In the period 2007-2013, the main issues identified were determined by the procedures of private purchases and creation of artificial conditions.

Based on protocol concluded between the Ministry of Justice/ONRC and APDRP, free access was granted to users from APDRP to data of companies registered at the trade register through the online RECOM service and APDRP procedures were modified, in order to strengthen controls and verification of the SME status.

Regarding the creation of artificial conditions, there were included verification and prevention elements of the conditions that determined the creation of artificial situations. At the same time, the selection criteria leading to the creation of artificial conditions were eliminated. At the verification of the creation of artificial conditions, the additional points that can be obtained within the selection criteria will also be considered.

In the evaluation procedure, the risks regarding the creation of artificial conditions will be detailed, based on the experience in the programming 2007-2013.

8.2.3.3.4.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.3.3.4.12. Information specific to the operation

Definition of non productive investments

Not applicable.

Definition of collective investments

Investments carried out by cooperatives or producer groups related to ensuring cooperation between producers, by promotion of more efficient and profitable investments in common facilities, such as: equipment, infrastructure and other.

These investments shall be carried out for members' interests by cooperatives and producer groups created according to legislation in force.

Definition of integrated projects

Projects that combine at least two operations leading to achievement of investments on the entire food chain (ex. collection, processing, marketing).

Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas

Not applicable.

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

Not applicable, sub-measure 4.2 contributes to priorities 3 and 6.

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

Not applicable.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of [DA RD – C(2014)1460]

They are regulated in the national legislation and will be detailed in the national implementation framework.

Where relevant, definition of the thresholds referred to in Article 13(e) of of [DA RD – C(2014)1460]

Not applicable.

8.2.3.3.5. 4.3 Investments for the development, modernization or adaptation of agricultural and forestry infrastructure

8.2.3.3.5.1. Sub-measure:

- 4.3 - support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry

8.2.3.3.5.2. Description of the type of operation

The reform process of the agricultural and forestry sectors must also include measures for restructuring the administration and use of access infrastructure. Infrastructure adaptation to the new agricultural and forestry structure, as well as streamlining the usable infrastructure need investments, in particular for modernization and development. Draughts, floods and other issues related to climate changes have a significant impact on production stability and national food safety, and the lack of an appropriate infrastructure contributes to the limitation of opportunities for economic development despite the available potential in agriculture.

The competitiveness of the agricultural and forestry sectors is mostly affected by the infrastructure underdevelopment, therefore the sectors are still vulnerable to climate conditions (alternation of draughts and frequent floods), with significant economic effects on the economic viability of farms. This problem becomes much more acute in the context of global warming.

Operations/Actions eligible for support:

Agricultural support

- Set-up, extension and modernization of agricultural farm access infrastructure;

Forestry support

- Set-up, extension and modernization of accesses to forestry fund;

Irrigations support

- Setting up, extension and modernization of irrigation infrastructure outside the holdings.

8.2.3.3.5.3. Type of support

- Assistance is granted to beneficiaries who are eligible for support within the submeasure, as non-refundable support; they are obliged to ensure the maintenance of the investment for a period at least equal with project monitoring period. If not, the public support granted will be paid back pro rata.

8.2.3.3.5.4. Links to other legislation

National management plans of the hydrographical basins.

8.2.3.3.5.5. Beneficiaries

Agricultural

- Administrative-territorial units and/or their associations;

Forestry

- Forrest holders and/or their associations;
- Administrative-territorial units and/or their associations, forrest holders;
- Administrators of the State forestry fund, Statepublic property.

Irrigations

- Organizations/federationsof water users, comprosingholders/users offarm lands, according to the legislation in force.

8.2.3.3.5.6. Eligible costs

Specific eligible expenditure:

Eligible expenditure are limited to:

- a. Constructionand/or modernization, includingendowment of secondary irrigations infrastructure (outside the holdings), including buildings and connection to utilities;
- b. Constructionand/or modernization of farm and forestry accessroads (access outside the holdings);

Specific non-eligible expenditure:

- a. Purchase of lands and buildings.

8.2.3.3.5.7. Eligibility conditions

Common conditions applicable to all types of support:

- The investmentmust fall under at least one of the types of support provided in the sub-measure;
- The applicant must fall under the category of eligible beneficiaries;
- The investment shall meet the provisions of the European legislation regarding the effects on the environment;
- The applicant will maintain the investitional objective.

Conditions specific to each type of support:

Agricultural access infrastructure

- Applicants must prove land ownership/administration where the investment is made;
- The investment must be connected to an available road.

Forestry access infrastructure

- The applicant requiring investments must prove ownership of the land/administration in case of State public land;
- The applicant must prove the investment falls under forestry management and in holder's inventory.

Irrigation infrastructure

- Investments must be compliant with the provisions of the Community framework in force (*Art.46 of R (EU) no 1305/2013*) and the national sector regulatory framework;
- The applicant must prove holding in use of the land/physical asset of the investment;
- The irrigation system provided in the project must be connected to an upstream functional system (main infrastructure), according to the technical solution.

8.2.3.3.5.8. Principles with regards to the setting of selection criteria

Agricultural access infrastructure

- Principle of multiple purpose of the investmental objective (ex: access for more economic operators, access to alternative roads or taking over traffic by agricultural machines on certain roads, agri-touristic purpose etc.);
- Principle of served agricultural areas;
- Principle of complementarity with the fruit-growing sub-programme.

Forestry access infrastructure

- Principle of accessibility of forest areas by new investments;
- Principle of area of forestry fund served;
- Principle of multiple purpose of the investmental objective (ex. for intervention in case of fires, hygiene works, maintenance and protection of shrubs, for touristic purposes, accessibility to economic operators, etc.);

Irrigations infrastructure

- Principle of complementarity with investments for the modernization of downstream irrigation systems;
- Principle of power directly from the source or gravitational system;
- Principle of served areas;

The selection principle shall be detailed in the subsequent national legislation and shall consider the provisions laid down in the art. 49 of R(EU) no 1305/2013 aiming to ensure equal treatment of applicants, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development.

The selection principles shall also ensure the balanced development of agriculture in Romania, the share of selection criteria is carried out according to the evolution of the programme and the development level of

priority sectors identified in programme strategy.

8.2.3.3.5.9. (Applicable) amounts and support rates

Non-refundable public support

The non-refundable public support will be **100% in total eligible expenditure** and shall not exceed:

- **EUR 1,000,000/project** for irrigation systems for pressurization stations and agricultural access roads;

EUR 1,500,000/project for the management of irrigation systems for the pumping and re-pumping stations as well as forest roads.

8.2.3.3.5.10. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.5.10.1. Risk(s) in the implementation of the measures

- Tender procedures for public beneficiaries
- Applicants' selection
- IT system

8.2.3.3.5.10.2. Mitigating actions

The actions that will be considered in order to improve measure implementation and to reduce potential risks are:

- the Paying Agency will prepare standard documentations on tender procedures for public beneficiaries use.
- Streamlining control systems in all the stages of a project verification by: preparation of procedures with checklists for all the actions that contribute to project payment - evaluation, selection, contracting, purchases and authorization of payments, overcontrol sampling of territorial and delegated structures, on the spot control, appeal system enabling a verification of the application of procedures, sampling controls both during project implementation period and ex-post;
- Project online submission, simplification of documentations submitted by the beneficiaries, verification of authorizations, approvals, technical documentation after project selection stage before contracting stage;
- Carrying out maximum three verifications related to project implementation in conjunction with project implementation stages;
- Irregularities due to beneficiaries will be avoided by informing applicants on the expenditure eligibility through guides, flyers, websites and information actions;
- Setting up - based on selection principles - of clear, transparent and verifiable criteria for beneficiaries selection and information of potential beneficiaries on these criteria;
- The current IT system of the Paying Agency will be updated and optimized with the new administrative flows and measures of NRDP 2014-2020 and control keys will be introduced such as:

beneficiary code, beneficiary denomination.

8.2.3.3.5.10.3. Overall assessment of the measure

The verifiability and controllability is based on the results of the ex-ante evaluation carried out by the Managing Authority and Paying Agency, taking into account the results of the controls made in the previous programming period.

Regarding the creation of artificial conditions, there were included verification and prevention elements of the conditions that determined the creation of artificial situations. At the same time, the selection criteria leading to the creation of artificial conditions were eliminated. At the verification of the creation of artificial conditions, the additional points that can be obtained within the selection criteria will also be considered.

In the evaluation procedure, the risks regarding the creation of artificial conditions will be detailed based on the experience in the programming 2007-2013.

8.2.3.3.5.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.3.3.5.12. Information specific to the operation

Definition of non productive investments

Not applicable.

Definition of collective investments

Investments carried out by the Federation of Irrigation Water Users Organisations, by making investments in the irrigation system, in members' interest.

Definition of integrated projects

Not applicable.

Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas

Not applicable.

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

Not applicable.

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

Not applicable.

8.2.3.4. Verifiability and controllability of the measures and/or types of operations

8.2.3.4.1. Risk(s) in the implementation of the measures

-

8.2.3.4.2. Mitigating actions

-

8.2.3.4.3. Overall assessment of the measure

-

8.2.3.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.3.6. Information specific to the measure

Definition of non productive investments

-

Definition and identification of the eligible Natura 2000 and other eligible High Nature Value Areas

-

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

-

Definition of integrated projects

-

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

-

Definition of collective investments

-

8.2.3.7. Other important remarks relevant to understand and implement the measure

Definition of family farm

Family farm is the holding belonging to an authorized person, individual enterprise, family enterprise, created according to the legislation in force, producing for own consumption and marketing the surplus, as well as legal persons whose associates are exclusively members of the same family.

Definition of small farm

Agricultural holding with an economic size between 8,000 -11,999 SO (standard output value).

Definition of medium-sized farm

Agricultural holding with an economic size between 12,000-250,000 SO (standard output value).

Definition of large farm

Agricultural holding with an economic size > 250,000 SO (standard output value).

Minimum standards forenergy efficiencyaccording to Art.13c in Delegated R (EU)

They are regulated in the national legislation and will be detailed in the national implementation framework, according to the type of investment.

Definition of the thresholds according to Art. 13e in the Delegated R (EU)

Maximum cereals shares and other crops used for productionof bioenergy/biofuels or othertypes of investments

Not applicable because agricultural holdings will obtain energy/biofuel from waste/by-products from own agricultural activity and from other sources of renewable energy (geothermal, wind, solar etc.) exclusively for own consumption.

8.2.4. M06 - Farm and business development (art 19)

8.2.4.1. Legal basis

Regulation (EU) no 1305/2013

Implementing Act (EU) no...*for setting up the application rules of the Regulation (EU) no 1305/2013*

Delegated Act (EU) no....*completing Regulation (EU) no 1305/2013 and introducing transitional provisions*

Regulation (EU) no 1303/2013

Delegated Regulation (EU) no 480/2014*completing Regulation (EU) no 1303/2013.*

EC Implementing Regulation (EU) no 215/2014*completing Regulation (EU) no 1303/2013.*

8.2.4.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The support granted, in compliance with Art. 19 in **Regulation (EU) no 1305/2013** through **measure 6 „Farm and business development”** covers:

a. business start-up aid for:

- (i) young farmers;
- (ii) non-agricultural activities in rural areas;
- (iii) development of small farms
- (iv) payments for farmers eligible for the small farmers scheme who permanently transfer their holding to another farmer

b. investments in creation and development of non-agricultural activities;

The analysis of available statistical data indicates that due to socio-economic factors and to the ageing phenomenon among farmers, Romanian agriculture is still characterized by an insufficient number of young farmers, which on medium and long term can affect the performance of the agricultural sector. Young farmers also promote a wide range of activities (rural tourism, conservation of traditions and of cultural heritage), participate in local associations and can be promoters of innovation.

However, such an action is difficult due to the lack of capital and to the scarce business management knowledge in a field other than agriculture.

Therefore, **generational renewal** of agricultural holdings heads with an adequate training has become a need of the agricultural sector, which, once solved, may result both in the improvement of its competitiveness and in the improvement of the social life of rural communities.

Considering the current economic slow-down, the difficult economic conditions and the limited access to capital, the support **to create new viable non-agricultural activities**, mainly provided to small farmers or to members of their families and, in general, to small entrepreneurs, is essential for the diversification of the rural economy, for the absorption of non-remunerated excess labour in agriculture and for the economic development of rural areas.

Considering the extended seasonality nature of agricultural activities, fostering employment and entrepreneurship, as well as reduction of seasonality fluctuation of jobs has become an important objective. Economic diversification provides for an increase in the agricultural households income and employment, contributing to a better socio-economic territorial balance and to a sustainable development in rural areas.

In Romania, most individual farms are characterized by a low economic power and are mainly oriented towards consumption from own production. Their opening to the market is relatively low, both in terms of inputs and outputs. These farms are characterized by a highly diversified production structure, determined by the household's needs, as well as by scarce and inappropriate technical equipment, which prevents a higher productivity and an excess production meant for sale. In this context, specific support is needed for the **development of market-oriented small farms**.

The orientation of these farms to the market requires a change in the production system and implicitly additional financial expenses which farmers cannot afford.

Considering the current situation characterizing the development of the business environment in the rural area, a sustained Community and national support is needed to **develop non-agricultural activities**, enabling job creation, an increase in the rural population's income and mitigation of disparities between the rural and the urban areas.

Contribution of each sub-measure to focus areas

Sub-measure 6.1. „Business start-up aid for young farmers”

FA 2B *Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal*

The support is granted to adequately skilled young farmers setting up for the first time in an agricultural holding as heads, in order to renew the generations of farmers and to increase the competitiveness of agricultural holdings. The support will cover, inclusively, the investments needed for compliance with the EU standards regarding the agricultural production and work safety rules, as well as the increase of agricultural activity efficiency by the diversification of production and promotion of innovation.

Sub-measure 6.2. „Business start-up aid for non-agricultural activities in rural areas”

FA 6A - *Facilitating diversification, creation and development of small enterprises, as well as job creation*

The support granted under this sub-measure will contribute to the FA through the diversification of activities towards new non-agricultural activities within agricultural holdings, micro-enterprises and small enterprises and, implicitly, by creating jobs, obtaining alternative income for the rural population and decrease of dependency on the agricultural sector.

Sub-measure 6.3 „Business start-up aid for development of small farms ”

FA 2A *Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification*

The support granted is directed towards the improvement of access to quality production means (fertilisers, crop protection, veterinary services, etc.) and to ensure the endowment needed in order to adapt to standards, streamlining costs and increasing income. The diversification of the agricultural production will also be supported for marketing and supply on the local markets.

Sub-measure 6.4. „Support for investments in creation and development of non-agricultural activities”

FA 5C *Facilitating the supply and use of renewable sources of energy, of by-products, wastes and residues*

and of other non food raw material, for the purposes of the bio-economy;

The support is granted for investments in the production of biofuel (pellets) from biomass, thus fostering the use of renewable energy sources.

FA 6A -*Facilitating diversification, creation and development of small enterprises, as well as job creation*

The support aims at existing farms, micro-enterprises and small enterprises developing productive non-agricultural activities, as well as diverse services contributing to the diversification of activities in rural areas and job creation.

Sub-measure 6.5. „Payments for farmers eligible for the small farmers scheme who permanently transfer their holding to another farmer”

FA 2B *Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal*

The support granted through this sub-measure completes the effort for farmer generational renewal and fosters the restructuring of the agricultural sector, thus contributing to the consolidation of agricultural holdings and reduction of holding fragmentation.

Contribution to the cross-cutting objectives

By its activities, Measure 6 contributes to the accomplishment of the following cross-cutting objectives:

Environment and climate

“Farm and business development” will contribute to preventing farm land abandonment by supporting young farmers, including with a view to accomplishing the active farmer status, the requirements in terms of cross-compliance and the greening actions, leading to a sustainable agricultural activity. The measure also promotes the investments for renewable energy production and use, waste and residue treatment as well as for reducing green house gas and ammonia emissions in agriculture. The support also aims at adapting small farms to climate changes and reducing their vulnerability by adopting resilient crops and minimum intervention on soil, water saving in agriculture, adopting heating sources based on biomass, reducing ammonia emissions by on-farm investments.

At the same time, the support granted to farmers, micro-enterprises and small enterprises for production and use of energy renewable sources, in particular, by using biomass within the sub-measure aiming at the development of non-agricultural activities contributes to reducing climate changes effects. The agri-tourist activities supported will aim at practicing a responsible tourism avoiding the degradation of sensitive natural areas and, moreover, promoting them, contributing also to the promotion of biodiversity and income generation for the inhabitants in the rural area.

Fostering the setting up of young farmers as heads of the agricultural holdings will facilitate the innovative processes in the agri-food sector, young farmers are more open to applying new technologies and processes. Young farmers also have an important role in disseminating good practices, new ideas and concepts, because they have a more easy access to new, innovative information. The support granted to small-sized agricultural holdings will facilitate their access to the market, and the adoption of new techniques and methods and innovative technologies, etc.

The diversification of the economic activities in the rural areas will open new opportunities and possibilities for adopting new methods and using innovative technologies, thus increasing the attractiveness of Romanian villages.

8.2.4.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.4.3.1. 6.1 Business start-up aid for young farmers

8.2.4.3.1.1. Sub-measure:

- 6.1 - business start up aid for young farmers

8.2.4.3.1.2. Description of the type of operation

This sub-measure will support the setting up for the first time of young farmers, as sole heads/managers of an agricultural holding.

The support granted will contribute to an improved management, an increased competitiveness of the agricultural sector and will support the modernisation process and the compliance with the requirements in terms of environmental protection, hygiene and animal welfare and occupational safety. The financial support will be granted based on a business plan for the development of the holding. The measure will enable resident young farmers, with minimum basic knowledge, to set up as holding heads/managers.

The intervention under this sub-measure will increase the number of young farmers starting for the first time an agricultural activity as heads/managers of the holding, who are encouraged to make investments, set up partnerships, participate in short supply chains.

This sub-measure is aimed at the full takeover of agricultural holdings from older farmers, at the increase of the income of holdings managed by young farmers, and fostering young families to stay in the rural area, which will have a positive effect on the overall rural economy.

8.2.4.3.1.3. Type of support

The support will be granted as a flat-rate, for the implementation of the objectives provided in the business plan in order to facilitate the young farmer to start agricultural activities.

8.2.4.3.1.4. Links to other legislation

Regulation (EU) no 1307/2013

Regulation (EU) no 1310/2013

Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises

Regulation (EC) no 1242/2008 establishing a Community typology for agricultural holdings

8.2.4.3.1.5. Beneficiaries

Under this sub-measure the beneficiaries are:

- **the young farmer** in compliance with the the definition laid down in Art. 2 in R(EU) no 1305/2013, setting up as sole head of the agricultural holding;
- **the legal person** whereayoung farmer in compliance with Art. 2 in R(EU) no 1305/2013 has an effective long term control in terms of decisions regarding the management, benefits and financial risks.

8.2.4.3.1.6. Eligible costs

The support is granted with a view tofacilitating the setting up of the young farmer based on the business plan. All relevant expenditure and activities for theimplementationin good conditions of the**business planapproved** may be eligible,including the purchase of farm land andlivestock. The detailsrelated to the share of investments in the business plan will be specified in the national legislation.

8.2.4.3.1.7. Eligibility conditions

a. Applicable to all the beneficiaries

- The applicant must fall under the category of small and medium enterprises (SME).
- The applicant holds an agricultural holding with an economic size between 12,000 and 50,000 SO (standard output value);
- The applicant presents a business plan he/she will implement according to the requirements in the regulationsin terms of support for rural development granted from EAFRD.
- The applicant has the stable domicile in one of the administrative-territorial units where the holding is;
- The applicant becomes an active farmer within 18 months from the date of setting up;
- Before the second payment tranche, the applicant provesthe improvement of holding economic performances, by own production marketed in a proportion of minimum 20% of the value of the first payment tranche;
- In case the agricultural holding aims at the increase in livestock, the business plan will mandatorily target investments/minimum improvements for manure management, according to environmental rules.

b. Applicable to the applicant-legal person:

- The associates participating to the capital orlegal person managementwill meet the quality of young farmer in compliance with Art. 2 in R (EU) no 1305/2013;

c. Applicable to the young farmer setting up as sole head of the holding and the young farmer having effective control on the legal person

- He/she does not have simultaneously a job outside the territorial-administrative unit where the holding is, or in the surrounding area;
- He/she has professional competencies meeting at least one of the following conditions:
 - i. He/she has secondary/university studies in the agricultural/veterinary/agricultural economy

field

ii. He/she has knowledge in the agricultural field acquired by participation to training programmes

- He/she acquires appropriate professional competencies in a grace period of maximum 36 months from the date of adoption of the individual decision for granting the aid.

8.2.4.3.1.8. Principles with regards to the setting of selection criteria

- Principle of consolidation of holdings, taking into account the number of holdings fully taken over;
- Principle of qualification level in the agricultural field;
- Principle of priority sector aiming at the animal husbandry sector (swine, bovines, poultry, beekeeping, sheep and goats) and vegetal (field crops, vegetables, nurseries and vineyard plantations for table grapes);
- Principle of agricultural potential aiming at the areas with potential, determined based on specialty studies;
- Principle of use of traditional genetic resources;

The selection principles shall be detailed in the subsequent national legislation and shall consider the provisions laid down in the Art. 49 of R(EU) no 1305/2013 aiming to ensure equal treatment of applicants, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development.

The selection principles shall also ensure the balanced development of agriculture in Romania, the share of selection criteria is carried out according to the evolution of the programme and the development level of priority sectors identified in programme strategy.

8.2.4.3.1.9. (Applicable) amounts and support rates

The non-refundable public support granted for a maximum period of five years.

The maximum support rate is up to **EUR 50,000**.

The support for the setting up of young farmers is of minimum EUR 15,000 for an agricultural holding with a minimum size of EUR 12,000 (standard output value), and over this size, the support for setting up will increase proportionally with the holding size, but it can not exceed EUR 50,000/holding.

The support for the setting up of young farmers will be granted as a premium in two tranches, as follows:

- 80% of the maximum support amount when receiving the financing decision;
- 20% of the maximum support amount in maximum three years from receiving the financing decision.

The implementation of the business plan must start within nine months from the date of the decision granting the aid.

The second tranche is granted conditional on the correct implementation of the objectives set-up in the business plan.

In case of non-observance of the business plan, the first tranche is recovered proportionally to the objectives carried out.

8.2.4.3.1.10. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.1.10.1. *Risk(s) in the implementation of the measures*

Considering the measure addresses private beneficiaries, among potential risks identified, there are:

- procurement procedure for private beneficiaries;
- Cost reasonableness;
- Appropriate verification and control systems;
- Applicants' selection;
- IT system.

8.2.4.3.1.10.2. *Mitigating actions*

The actions that will be considered in order to improve measure implementation and to reduce risks are:

- Introduction of a system for verification of the cost reasonableness at EAFRD level. Updating the procurement instructions applicable to private beneficiaries with new provisions in terms of verification of the cost reasonableness by the expert evaluators;
- Streamlining control systems in all project verification stages by verifying the shareholding, the location, the financing source, the kin level and other specific verifications, for the identification of the artificial conditions created in order to obtain the support.
- In order to avoid the problems resulted from the non-observance of the business plan, at the second tranche it will be followed up the verification of the accomplishment of the objectives in the business plan and the first tranche will be recovered proportionally and subsequently beneficiaries will be requested progress reports.
- In setting up the selection principles specific to the sub-measure, it was taken into account the setting up of clear, transparent and verifiable criteria for the selection of the beneficiaries and the notification of potential beneficiaries on these criteria, for example in case of selection principle in terms of consolidation of holdings it will be followed up the disappearance of the (taken over) holding code in IACS and in the agricultural register.
- Carrying out maximum three verifications related to project implementation in conjunction with project implementation stages
- Irregularities due to beneficiaries will be avoided by informing applicants on the expenditure eligibility through guides, flyers, websites and information actions;
- The current IT system of the Paying Agency will be updated and optimized with the new administrative flows and the measures of NRDP 2014-2020 and control keys will be introduced such as: beneficiary code, beneficiary denomination.

8.2.4.3.1.10.3. Overall assessment of the measure

In the period 2007-2013, the main issues identified were determined by private procurement procedures and the creation of artificial conditions.

Based on protocol concluded between the Ministry of Justice/ONRC and the Paying Agency, free access was granted to users from the agency to data of companies registered at the trade register through the online RECOM service and agency procedures were modified in order to strengthen controls and verification of the SME status.

Regarding the creation of artificial conditions, there were included verification and prevention elements of the conditions that determined the creation of artificial situations, among which we mention detailing and clarifying procedures, staff training in terms of verification and identification of artificial conditions.

Following the analysis carried out by the Managing Authority and the Paying Agency based on experience in the period 2007-2013, it can be concluded that the verifiability and the controllability of the measure are ensured both in terms of vocational training and improvement of working procedures, so that the financial interests of the European Union are not prejudiced.

8.2.4.3.1.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.4.3.1.12. Information specific to the operation

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

Not applicable.

Definition of upper and lower thresholds as foreseen in Article 19(4) of Regulation (EU) No 1305/2013

Holding with a size between 12,000 SO and 50,000 SO (standard output value).

Specific conditions for support for young farmers where not setting up as a sole head of the holding in accordance with Article 2(1) and (2) of [DA RD – C(2014)1460]

Applicable to the applicant legal person:

- The associates participating to the capital or the legal person management will meet the quality of young farmer in compliance with art. 2 in R (EU) no 1305/2013;

Applicable to the young farmer setting up as sole head of the holding and the young farmer having effective control on the legal person:

- He/she does not have simultaneously a job outside the territorial-administrative unit where the holding is, or in the surrounding area;

- He/she has professional competencies meeting at least one of the following conditions:
 - He/she has secondary/university studies in the agricultural/veterinary/agricultural economy field;
 - He/she has knowledge in the agricultural field, acquired by participation to training programmes.

Information on the application of the grace period referred to in Article 2(3) of [DA RD – C(2014)1460]

The grace period when the young farmer acquires appropriate professional competencies is of maximum 36 months from the date of adoption of the individual decision for granting the aid.

Summary of the requirements of the business plan

The business plan will include at least the following:

- i. Presentation of the initial situation of the agricultural holding;
- ii. Presentation of the stages and objectives proposed for the development of the agricultural holding;
- iii. Presentation of the details in terms of actions, including those related to the environmental sustainability and efficient use of resources needed for the development of agricultural holding, such as the on-farm investments, training or advice.

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

Not applicable.

Domains of diversification covered

Not applicable.

8.2.4.3.2. 6.2 Business start-up aid for non-agricultural activities in rural areas

8.2.4.3.2.1. Sub-measure:

- 6.2 - business start up aid for non-agricultural activities in rural areas

8.2.4.3.2.2. Description of the type of operation

This sub-measure will grant support for facilitation of diversification by the setting up and the development of micro-enterprises and small enterprises in the non-agricultural sector in the rural areas, for sustainable economic development, job creation and poverty reduction in the rural area.

The support will aim at the **creation of new non-agricultural activities**, in particular for small farmers or their family members and, in general, for small entrepreneurs in the rural area.

This sub-measure aims at:

- diversification of rural economy by increasing the number of micro-enterprises and small enterprises in non-agricultural sector, developing services and job creation in the rural area;
- fostering the maintenance and the development of traditional activities.

8.2.4.3.2.3. Type of support

Support will be granted as a flat-rate for the setting up of non-agricultural activities in the rural area based on a business plan.

Support is granted to start-up units for non-agricultural activities in the rural area, for example:

Investments for the production and marketing of own non-agricultural products – such as:

- Manufacture of textile products, cloths, leather articles, paper and board articles;
- Production of chemical, pharmaceutical products;
- Activities of forest exploitation and processing of wood products;
- Metallurgical industry, production of metal constructions, machinery and equipment;
- Production of electrical, electronic products.

Investments for craft activities, such as:

- Activities of handicraft and other traditional non-agricultural activities (pottery, embroidery, manual processing of iron, wool, wood, leather)

Investments for services and agro-tourism, such as:

- Agri-tourism accommodation services, recreational tourism and public food services;
- Medical, social, sanitary-veterinary services;
- Machinery, houseware repair services;
- Advisory, accounting, legal, audit services;
- Service activities in information technology and information services;
- Technical, administrative services, etc.

8.2.4.3.2.4. Links to other legislation

Recommendation 2003/361/EC of 6 May 2003 *concerning the definition of micro, small and medium-sized enterprises.*

8.2.4.3.2.5. Beneficiaries

The financial support provided for this sub-measure is granted for:

- farmers or members of an agricultural holding diversifying the activity by setting up a non-agricultural activity for the first time;
- start-up micro-enterprises and small enterprises.

8.2.4.3.2.6. Eligible costs

The support is granted for the activities provided for the accomplishment of the objectives in the business plan, including the purchase of land, and detailing the eligible costs will be done in the national legislative framework. All relevant expenditure and activities for the implementation in good conditions of the business plan approved may be eligible.

Non-eligible expenditure:

Expenditure for procurement of agricultural machinery and equipment for activities of agricultural services are not eligible.

8.2.4.3.2.7. Eligibility conditions

- The applicant must present a business plan containing at least the mandatory elements provided in the rural development regulations;
- The applicant must fall under the category of eligible beneficiaries;
- The investment must fall under at least one of the types of activities supported by this sub-measure;
- The registered office and the working point/points must be situated in the rural area;
- The activity must be carried out in the rural area and at least 80% of the new employees must have the stable domicile in the rural area;
- Before the second payment tranche, the applicant proves he/she carried out commercial activities through the marketed production or the activities realized, in a percentage of minimum 30% of the value of the first payment tranche.

8.2.4.3.2.8. Principles with regards to the setting of selection criteria

- Principle of diversification of the agricultural activity of the farmers/members of the agricultural holding towards non-agricultural activities;
- Principle of prioritization of the activity field, in compliance with the prioritization of productive activities (including crafts) and primary services for the population (medical, social, sanitary-veterinary services);
- Principle of fostering tourist activities in compliance with the prioritization of the agri-tourist activities carried out in areas with high touristic potential/eco-touristic destinations/protected natural areas.

The selection principles shall be detailed in the subsequent national legislation and shall consider the provisions laid down in the Art. 49 of R(EU) no 1305/2013 aiming to ensure equal treatment of applicants, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development.

8.2.4.3.2.9. (Applicable) amounts and support rates

The non-refundable public support granted for a period of maximum five years.

The minimum support rate is **EUR10,000**.

The maximum support rate is:

- **EUR 70,000/project** in case of productive activities, medical and sanitary-veterinary services, agri-touristic accommodation services, recreational touristic and public food services;
- **EUR 50,000/project** in case of other activities.

The support for the setting up non-agricultural activities in rural areas will be granted as a premium in two tranches as follows:

- 70% of the maximum support amount when receiving the financing decision;
- 30% of the maximum support amount in maximum three years from receiving the financing decision.

The implementation of the business plan must start within nine months from the date of the decision granting the aid.

The second tranche is granted conditional on the implementation of objectives set-up in the business plan.

In case of non-observance of the business plan, the first tranche is recovered proportionally to the objectives carried out.

8.2.4.3.2.10. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.2.10.1. Risk(s) in the implementation of the measures

The verifiability and controllability of the sub-measures mentioned are based on the results of the ex-ante evaluation carried out by the Managing Authority and the Paying Agency, taking into account the results of the controls made in the previous programming period.

Considering the measure addresses private beneficiaries, among potential risks identified, there are:

- Cost reasonableness, in particular related to the procurement of equipment and machinery;
- Incorrect application of the procurement procedure for private beneficiaries;
- Inappropriate verification and control systems;
- Unclear, difficult to evaluate selection criteria;
- Inappropriate IT system.

8.2.4.3.2.10.2. Mitigating actions

The actions that will be considered in order to improve measure implementation and to reduce risks are:

- Introduction of a system for verification of the cost reasonableness at EAFRD level;
- Updating the procurement instructions applicable to private beneficiaries in compliance with the legislation in force;
- Streamlining control systems in all project verification stages;
- Setting up clear, transparent and verifiable criteria for the selection of the beneficiaries and the notification of beneficiaries on these criteria;
- The current IT system of the Paying Agency will be updated and optimized with the new administrative flows and measures of NRDP 2014-2020.

8.2.4.3.2.10.3. Overall assessment of the measure

In the period 2007-2013, the main problems identified were determined by the private procurement procedures and creation of artificial conditions.

Based on protocol concluded between the Ministry of Justice/ONRC and APDRP, free access was granted to users from the APDRP to data of companies registered at the trade register through the online RECOM service and APDRP procedures were modified in order to strengthen controls and verification of the SME status.

In terms of deficient application of the procurement procedure by private beneficiaries, the procedures were modified for a better information of the beneficiaries (portal for the publication of the procurement notifications for private beneficiaries), introduction of obligativity for private beneficiaries (publication of the participation invitations, the application of the procedure for selecting tenders starting from EUR 15,000), as well as introduction of additional verification points for the identification of the formal/non-authentic tenders.

Regarding the creation of artificial conditions, there were included verification and prevention elements of the conditions that determined the creation of artificial situations, among which we mention the detailing and clarifying procedures, staff training in terms of verification and identification of artificial conditions.

Therefore, following the control activities of the measure 312 – ”*Support for the creation and the development of micro-enterprises*” artificial conditions were identified in case of equipment procurement for agricultural services. In order to avoid the creation of artificial conditions in this case, the CAEN (classification of economic activities) codes for agricultural services will not be eligible for financing within this sub-measure.

Based on the experience in the previous period, in terms of creating artificial conditions by the beneficiaries for the accomplishment of selection criteria on job creation and renewable energy, in the period 2014-2020 principles aiming these aspects were not provided.

Following the analysis carried out by the Managing Authority and the Paying Agency based on experience in the period 2007-2013, it can be concluded that the verifiability and the controllability of the measure are ensured both in terms of vocational training and improvement of working procedures, so that the financial interests of the European Union are not prejudiced.

8.2.4.3.2.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.4.3.2.12. Information specific to the operation

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

Not applicable.

Definition of upper and lower thresholds as foreseen in Article 19(4) of Regulation (EU) No 1305/2013

Not applicable.

Specific conditions for support for young farmers where not setting up as a sole head of the holding in accordance with Article 2(1) and (2) of [DA RD – C(2014)1460]

Not applicable.

Information on the application of the grace period referred to in Article 2(3) of [DA RD – C(2014)1460]

Not applicable.

Summary of the requirements of the business plan

Content of the business plan – minimum elements:

- initial economic situation of the farmer/member of the holding, micro-enterprise or small enterprise requesting for support;

- stages and objectives for the development of new activities of the farmer/member of the holding, micro-enterprise or small enterprise;
- the details in terms of actions needed for developing the activities of the farmer/member of the holding, micro-enterprise or small enterprise, such as investments, training or advice.

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

Not applicable.

Domains of diversification covered

The domains of diversification covered within the sub-measure are:

- productive activities (ex. manufacture of textile products, cloths, leather articles, paper and board articles; production of chemical, pharmaceutical products; activities for the processing of wood products; metallurgic industry, production of metal constructions, machinery and equipment; production of electrical, electronic products, etc.)
- craft activities (activities of handicraft and other traditional non-agricultural activities (pottery, embroidery, manual processing of iron, wool, wood, leather etc.)
- tourist activities (agri-tourist accommodation services, recreational tourist and public food services);
- services (ex: medical, social, sanitary-veterinary; machinery, houseware repair; advice, accounting, legal, audit; information technology and information; technical, administrative, etc.)

8.2.4.3.3. **6.3 Business start-up aid for development of small farms**

8.2.4.3.3.1. Sub-measure:

- 6.3 - business start up aid for the development of small farms

8.2.4.3.3.2. Description of the type of operation

The support granted for small farms is a tool meant to determine mainly the structural transformation and opening to market of the small farms and the increase of their capacity to identify new opportunities for the capitalization of the production.

The purpose of this sub-measure is:

- Improvement of the agricultural holding management;
- Market-orientation of the small-sized agricultural holdings.

8.2.4.3.3.3. Type of support

Support will be granted as a flat-rate for the implementation of the objectives provided in the business plan.

8.2.4.3.3.4. Links to other legislation

Regulation (EC) no 1242/2008 *establishing a Community typology for agricultural holdings.*

8.2.4.3.3.5. Beneficiaries

The financial support provided for this measure is granted to farmers who hold in property and/or use an agricultural holding that falls under the category of small farm according to the definition.

8.2.4.3.3.6. Eligible costs

The support is granted for small farm with a view to ensuring economic and environmental activities, based on the investments and activities proposed in the business plan. All relevant expenditure and activities for the implementation in good conditions of the **business plan approved** may be eligible, including the purchase of farm land and livestock. The details related to the share of investments in the business plan will be specified in the national framework.

8.2.4.3.3.7. Eligibility conditions

- The applicant must fall under the category of small and medium enterprises (SME);
- The applicant holds an agricultural holding with an economic size between EUR 8,000 – 11,999 euro

(standard output value);

- The agricultural holding is registered, according to the national legal provisions, at least 24 months before applying for support;
- The applicant presents a business plan for the development of agricultural activities within the holding;
- The applicant has the stable domicile in one of the administrative-territorial units where the holding is;
- Before the second payment tranche, the applicant proves the improvement of holding economic performances, by own production marketed in percentage of minimum 20% of the value of the first payment tranche;
- The applicant does not have another job outside the territorial-administrative unit where the holding is, or in the surrounding area;
- The applicant has not benefited from support by this sub-measure;
- An agricultural holding may receive support only once within this sub-measure (the holding can not be transferred among two or more farmers, beneficiaries of the support by this sub-measure);
- In case the agricultural holding aims at the increase in livestock, obligatorily the business plan will aim at investments/improvements specific to manure management, according to the specific environmental rules.

8.2.4.3.3.8. Principles with regards to the setting of selection criteria

- Principle of qualification level in the agricultural field (according to the education level and/or qualification in the agricultural field);
- Principle of priority sector, such as animal husbandry, horticulture;
- Principle of agricultural potential aiming at areas with potential, determined based on the specialty studies;
- Principle of family farms;
- Principle of traditional genetic resources use.

8.2.4.3.3.9. (Applicable) amounts and support rates

The non-refundable public support is granted for a period of maximum five years.

The non-refundable public support is up to **EUR15,000** for an agricultural holding.

Support will be granted as a premium in two tranches as follows:

- 80% of the maximum support amount when receiving the financing decision;
- 20% of the maximum support amount in maximum three years from receiving the financing decision.

The implementation of the business plan must start within nine months from the date of the decision granting the aid.

The second tranche is granted conditional on the correct implementation of objectives set-up in the business plan.

In case of non-observance of the business plan, the first tranche is recovered proportionally to the objectives carried out.

8.2.4.3.3.10. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.3.10.1. Risk(s) in the implementation of the measures

Considering the measure addresses private beneficiaries, among potential risks identified, there are:

- Procurement procedure for private beneficiaries
- Cost reasonableness
- Appropriate verification and control systems
- Applicants' selection
- IT system.

8.2.4.3.3.10.2. Mitigating actions

The actions that will be considered in order to improve measure implementation and to reduce risks are:

- Introduction of a system for verification of the cost reasonableness at EAFRD level. Updating the procurement instructions applicable to private beneficiaries with new provisions in terms of verification of the cost reasonableness by the expert evaluators;
- Streamlining control systems in all project verification stages by verifying the shareholding, the location, the financing source, the kin level and other specific verifications, for the identification of the artificial conditions created in order to obtain the support;
- In order to avoid the problems resulted from the non-observance of the business plan, at the second tranche it will be followed up the verification of the accomplishment of the objectives in the business plan and the first tranche will be recovered proportionally and subsequently beneficiaries will be requested progress reports;
- In setting up the selection principles specific to the sub-measure, it was taken into account the setting up of clear, transparent and verifiable criteria for the selection of the beneficiaries and the notification of potential beneficiaries on these criteria;
- Carrying out maximum three verifications related to project implementation in conjunction with project implementation stages;
- Irregularities due to beneficiaries will be avoided by informing applicants on the expenditure eligibility through guides, flyers, websites and information actions;
- The current IT system of the Paying Agency will be updated and optimized with the new administrative flows and measures of NRDP 2014-2020 and control keys will be introduced such as: beneficiary code, beneficiary denomination.

8.2.4.3.3.10.3. Overall assessment of the measure

In the period 2007-2013, the main problems identified were determined by private procurement procedures and creation of artificial conditions.

Based on protocol concluded between the Ministry of Justice/ONRC and the Paying Agency, free access was granted to users from the agency to data of companies registered at the trade register through the online RECOM service and agency procedures were modified in order to strengthen controls and verification of the SME status.

Regarding the creation of artificial conditions, there were included verification and prevention elements of

the conditions that determined the creation of artificial situations, among which we mention detailing and clarifying procedures, staff training in terms of verification and identification of artificial conditions.

Following the analysis carried out by the Managing Authority and the Paying Agency based on experience in the period 2007-2013, it can be concluded that the verifiability and the controllability of the measure are ensured both in terms of vocational training and improvement of working procedures, so that the financial interests of the European Union are not prejudiced.

8.2.4.3.3.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.4.3.3.12. Information specific to the operation

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

Agricultural holding with an economic size between EUR 8,000-11,999 Standard Output (SO).

Definition of upper and lower thresholds as foreseen in Article 19(4) of Regulation (EU) No 1305/2013

Lower and upper threshold enabling an agricultural holding to access support by this sub-measure is included between 8,000 Standard Output (SO) and 11,999 Standard Output (SO).

Specific conditions for support for young farmers where not setting up as a sole head of the holding in accordance with Article 2(1) and (2) of [DA RD – C(2014)1460]

Not applicable.

Information on the application of the grace period referred to in Article 2(3) of [DA RD – C(2014)1460]

Not applicable.

Summary of the requirements of the business plan

Content of the business plan – minimum elements:

- Initial situation of the agricultural holding;
- The details in terms of actions, including those related to the environmental sustainability and efficient use of resources, that may contribute to the accomplishment of the economic viability, such as investments, training or cooperation.

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

Not applicable.

Domains of diversification covered

Not applicable.

8.2.4.3.4. 6.4 Support for investments in creation and development of non-agricultural activities

8.2.4.3.4.1. Sub-measure:

- 6.4 - support for investments in creation and development of non-agricultural activities

8.2.4.3.4.2. Description of the type of operation

This sub-measure grants support for the micro-enterprises and small enterprises in the rural area, setting up or developing new activities in the rural areas.

The aim of the support granted under this measure is to foster the rural business environment, contributing to an increased number of non-agricultural activities carried-out in rural areas as well as to the development of the existing non-agricultural activities, job creation, increase in rural population income and mitigation of disparities between the rural and the urban areas.

The support also aims at farmers or members of their agricultural households who want to diversify their economic activities by practicing non-agricultural activities with a view to increasing their income and creating occupational alternatives.

8.2.4.3.4.3. Type of support

Support is granted for investments for existing micro-enterprises and small enterprises for non-agricultural activities in the rural area, for example:

Investments for production and marketing of own non-agricultural products, **such as:**

- Manufacture of textile products, cloths, leather articles, paper and board articles;
- Production of chemical, pharmaceutical products;
- Processing activities of wood products;
- Metallurgical industry, production of metal constructions, machinery and equipment;
- Production of electrical, electronic products etc.

Investments for craft activities, **such as:**

- Handicraft activities and other traditional non-agricultural activities (pottery, embroidery, manual processing of iron, wool, wood, leather etc.).

Investments for services, **for example:**

- Medical, social, sanitary-veterinary services;
- Machinery, houseware repair services;
- Advisory, accounting, legal, audit services;
- Service activities in information technology and information services;
- Technical, administrative services, etc.

Investments for the infrastructure in tourism units of agri-tourism type, projects for recreational activities;
Production of fuel from biomass (manufacture of pellets) for marketing.

The assistance within the sub-measure is granted as a non-refundable support (grant) and financial guarantee instruments for the accomplishment of investments above mentioned.

8.2.4.3.4.4. Links to other legislation

Recommendation 2003/361/EC of 6 May 2003 *concerning the definition of micro, small and medium-sized enterprises.*

Regulation (EU) no 1407/2013 *on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid*

Commission Notice 2008/C155/02 *on the application of Articles 87 and 88 of the EC Treaty to State aid in the form of guarantees.*

8.2.4.3.4.5. Beneficiaries

The financial support provided for this sub-measure is granted to:

- existing micro-enterprises and small enterprises, in the rural area;
- farms diversifying their basic activity by setting up or developing a non-agricultural activity within an already existing enterprise that falls under micro-enterprise and small enterprise.

8.2.4.3.4.6. Eligible costs

- Construction, extension and/or modernization and endowment of buildings;
- Procurement - including in leasing – of new machinery, installations and equipment, costs for setting up;

Non-eligible expenditure:

- The activity of agricultural services will be excluded from financing by declaring relevant CAEN codes as non-eligible.

8.2.4.3.4.7. Eligibility conditions

- The applicant must fall under the category of eligible beneficiaries;
- The investment must fall under at least one of the support types provided by the sub-measure;
- The applicant must carry out the activity in the rural area;
- The activity must be carried out in the rural area and at least 80% of the new employees must have the stable domicile in the rural area;

- The applicant must ensure the co-financing of investment;
- The jobs for the new employees must be full-time jobs;
- The applicant must prove the economic viability of the investment;
- The enterprise must not be in difficulty in compliance with the legislation in force;
- The applicant meets *de minimis* rules.

8.2.4.3.4.8. Principles with regards to the setting of selection criteria

- Principle of diversification of agricultural activities of existing farms to non-agricultural activities;
- Principle of prioritization of the activity field, in compliance with prioritization of the productive activities (including handicrafts) and primary services for the population (medical, social, sanitary-veterinary services);
- Principle of fostering tourist activities in compliance with the prioritization of the agri-tourist activities carried out in areas with high tourism potential/eco-tourism destinations/protected natural areas;
- Principle of previous experience as general activity of the company for a better management of the economic activity;

The selection principles shall be detailed in the subsequent national legislation and shall consider the provisions laid down in the Art. 49 of R(EU) no 1305/2013 aiming to ensure equal treatment of applicants, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development.

8.2.4.3.4.9. (Applicable) amounts and support rates

The non-refundable public support will meet the provisions of the Regulation 1407/2013 related to *de minimis* support and shall not exceed **EUR 200,000/beneficiary** for 3 fiscal years.

The non-refundable public support rate – maximum 90%.

8.2.4.3.4.10. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.4.10.1. Risk(s) in the implementation of the measures

Verifiability and controllability are based on the results of the ex-ante evaluation carried out by the Managing Authority and the Paying Agency, taking into account the results of the controls made in the previous programming period.

Considering the measure addresses the private beneficiaries, among potential risks identified, there are:

- Cost reasonableness, in particular related to the procurement of equipment and machinery;
- Incorrect application of the procurement procedure for the private beneficiaries;
- Inappropriate verification and control systems;
- Unclear, difficult to evaluate selection criteria;
- Inappropriate IT system.

8.2.4.3.4.10.2. Mitigating actions

The actions that will be considered in order to improve measure implementation and to reduce risks are:

- Introduction of a system for the verification of cost reasonableness at EAFRD level;
- Update of procurement instructions applicable for private beneficiaries in compliance with the legislation in force;
- Streamlining the control systems in all project verification stages;
- Setting up clear, transparent and verifiable criteria for the selection of beneficiaries and notification of the applicants on these criteria;
- The existing IT system at the Paying Agency will be updated and optimized with the new administrative flows and the measures of NRDP 2014-2020.

8.2.4.3.4.10.3. Overall assessment of the measure

In the period 2007-2013, the main problems identified were determined by private procurement procedures and creation of artificial conditions.

Based on protocol concluded between the Ministry of Justice/ONRC and APDRP, free access was granted to users from APDRP to data of companies registered at the trade register through the online RECOM service and APDRP procedures were modified in order to strengthen controls and verification of the SME status.

In terms of deficient application of the procurement procedure by private beneficiaries, the procedures were modified for a better information of the beneficiaries (portal for the publication of the procurement notifications for private beneficiaries), introduction of obligativity for private beneficiaries (publication of the participation invitations, the application of the procedure for selecting tenders starting from EUR 15,000), as well as introduction of additional verification points for the identification of the formal/non-authentic tenders.

Regarding the creation of artificial conditions, there were included verification and prevention elements of the conditions that determined the creation of artificial situations, among which we mention detailing and clarifying procedures, staff training in terms of verification and identification of artificial conditions.

Therefore, following the control activities of the measure 312 – *”Support for the creation and the development of micro-enterprises”* artificial conditions were identified in case of equipment procurement for agricultural services. In order to avoid the creation of artificial conditions in this case, the CAEN codes for agricultural services will not be eligible for financing within this sub-measure.

Based on the experience in the previous period, in terms of creating artificial conditions by the beneficiaries for the accomplishment of selection criteria on job creation and renewable energy, in the period 2014-2020 principles aiming these aspects were not provided.

Following the analysis carried out by the Managing Authority and the Paying Agency based on experience in the period 2007-2013, it can be concluded that the verifiability and the controllability of the measure are ensured both in terms of vocational training and improvement of working procedures, so that the financial interests of the European Union are not prejudiced.

8.2.4.3.4.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.4.3.4.12. Information specific to the operation

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

Not applicable.

Definition of upper and lower thresholds as foreseen in Article 19(4) of Regulation (EU) No 1305/2013

Not applicable.

Specific conditions for support for young farmers where not setting up as a sole head of the holding in accordance with Article 2(1) and (2) of [DA RD – C(2014)1460]

Not applicable.

Information on the application of the grace period referred to in Article 2(3) of [DA RD – C(2014)1460]

Not applicable.

Summary of the requirements of the business plan

Not applicable.

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

Not applicable.

Domains of diversification covered

The domains of diversification covered within the sub-measure are:

- productive activities (ex. manufacture of textile products, cloths, leather articles, paper and board articles; production of chemical, pharmaceutical products; activities for the processing of wood products; metallurgic industry, production of metal constructions, machinery and equipment; production of electrical, electronic products, etc.)
- craft activities (activities of handicraft and other traditional non-agricultural activities (pottery, embroidery, manual processing of iron, wool, wood, leather etc.)

- tourist activities (agri-tourist accomodation services, recreational tourist and public food services);
- services (ex: medical, social, sanitary-veterinary; machinery, houseware repair; advice, accounting, legal, audit; information technology and information; technical, administrative, etc.)

8.2.4.3.5. 6.5 Scheme for small farmers

8.2.4.3.5.1. Sub-measure:

- 6.5 - payments for farmers eligible for the small farmers scheme who permanently transfer their holding to another farmer

8.2.4.3.5.2. Description of the type of operation

The sub-measure considers supporting small farmers having participated to the small farmers scheme in Pillar 1 for at least one year and committing to permanently transfer to another farmer their entire holding and the corresponding payment rights.

The sub-measure covers the need in terms of small farm restructuring and modernization into market-oriented farms, and generational renewal, Priority **2B**.

The aim of this measure is the consolidation of small farms and generational renewal in agriculture, by permanent transfer of the land held in property.

8.2.4.3.5.3. Type of support

The support granted within the sub-measure will be provided as an annual single payment for eligible farmers within the scheme for small farmers, according to Regulation 1307/2013, who permanently transfer their holding to another farm.

8.2.4.3.5.4. Links to other legislation

Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009

Regulation (EC) no 1242/2008 establishing a Community typology for agricultural holdings.

8.2.4.3.5.5. Beneficiaries

They commit to permanently transfer their entire holding to another farmer.

8.2.4.3.5.6. Eligible costs

They will be single payments for eligible farmers within the small farmer scheme, according to Regulation 1307/2013, who permanently transfer their holding to another farm.

8.2.4.3.5.7. Eligibility conditions

- The applicant must fall under the category of eligible beneficiaries;
- The applicant must hold a holding with an area between 1 and 5 ha;
- The applicant is 60 year old accomplished on the date of transfer;
- The applicant transfers definitively his/her entire holding to another farmer.

8.2.4.3.5.8. Principles with regards to the setting of selection criteria

- Principle of the age of the farmer transferring the holding;
- Principle of the size of the farm transferred;
- Principle of consolidation of holdings aiming at transferring the farm to whom has the pre-emption right according to the law.

8.2.4.3.5.9. (Applicable) amounts and support rates

The support rate will be 120% of the support amount granted according to Art. 63 in the **Regulation (EU) no 1307/2013** of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009.

8.2.4.3.5.10. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.5.10.1. Risk(s) in the implementation of the measures

The verifiability of this measure will be ensured by the integration of the database of the paying and intervention agency for agriculture, for the verifiability of the main eligibility requirement, respectively that the small farmer scheme under Pillar I was carried out for at least one year.

Non-updated IT system.

8.2.4.3.5.10.2. Mitigating actions

The actions that will be considered in order to improve measure implementation and to reduce risks are:

The existing IT system at the Paying Agency will be updated and optimized with the new administrative flows and measures of the NRDP 2014-2020.

8.2.4.3.5.10.3. Overall assessment of the measure

-

8.2.4.3.5.11. Methodology for calculation of the amount or support rate, where relevant

-

8.2.4.3.5.12. Information specific to the operation

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

Not applicable.

Definition of upper and lower thresholds as foreseen in Article 19(4) of Regulation (EU) No 1305/2013

Not applicable.

Specific conditions for support for young farmers where not setting up as a sole head of the holding in accordance with Article 2(1) and (2) of [DA RD – C(2014)1460]

Not applicable.

Information on the application of the grace period referred to in Article 2(3) of [DA RD – C(2014)1460]

Not applicable.

Summary of the requirements of the business plan

Not applicable.

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

Not applicable.

Domains of diversification covered

Not applicable.

8.2.4.4. Verifiability and controllability of the measures and/or types of operations

8.2.4.4.1. Risk(s) in the implementation of the measures

-

8.2.4.4.2. Mitigating actions

-

8.2.4.4.3. Overall assessment of the measure

-

8.2.4.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.4.6. Information specific to the measure

Definition of upper and lower thresholds as foreseen in Article 19(4) of Regulation (EU) No 1305/2013

-

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

-

Summary of the requirements of the business plan

-

Specific conditions for support for young farmers where not setting up as a sole head of the holding in accordance with Article 2(1) and (2) of [DA RD – C(2014)1460]

-

Domains of diversification covered

-

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

-

Information on the application of the grace period referred to in Article 2(3) of [DA RD – C(2014)1460]

-

8.2.4.7. Other important remarks relevant to understand and implement the measure

Relevant information for sub-measure 6.2:

Start-up enterprise – enterprise that is set up in the year of the submission of the financing application or that has not registered any activity until the moment of its submission, but no more than 3 fiscal years.

8.2.5. M07 - Basic services and village renewal in rural areas (art 20)

8.2.5.1. Legal basis

Regulation (EU) no 1305/2013

Implementing Act (EU) no ...for setting up the application rules of the Regulation (EU) no 1305/2013

Delegated Act (EU) no completing Regulation (EU) no 1305/2013

Regulation (EU) no 1303/2013

Commission Implementing Regulation (EU) no. 215/2014 of March 7th 2014 for enforcement of Regulation (EU) no. 1303/2013

Delegated Act (EU) no 480/2014 completing Regulation (EU) no 1303/2013.

8.2.5.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Rural areas in Romania present a specific importance both in socio-economic terms as well as in terms of their size, diversity, natural and human resources.

For the purposes of NRDP 2014-2020, from the administrative standpoint, the Romanian rural area comprises 2,861 communes. The sustainable economic and social development of the rural area is indispensably linked to the improvement of the existing rural infrastructure and of the basic services. Inappropriate infrastructure and basic services are the main element perpetuating the intense gap between Romanian rural and urban areas and which, moreover, is a barrier to equal opportunities and to the socio-economic development of rural areas.

The following aspects of relevance for the development of the Romanian rural area were identified in the Needs Analysis:

- development of the basic infrastructure and of services in rural areas;
- creation of employment in the rural area;
- preservation of the rural heritage and of local traditions;
- alleviation of the poverty level and of the risk of social exclusion.

In order to alleviate the still persisting gaps between the rural and urban area and to create decent living conditions among the rural population, the measure will support the following types of operations:

- (a) investments in the creation and upgrade of small-scale basic infrastructure in the rural area;
- (b) investments associated with the protection of the cultural heritage in the rural area;

The operations envisaged under this measure target the main objectives to: create, improve and diversify the economic development facilities, the physical infrastructure and the basic services; increase the attractiveness of rural areas and reduce the migration of population, in particular of young people; improve the social, economic and environmental conditions; protect and preserve the rural cultural heritage.

Development of the basic infrastructure

The creation and modernisation **of the local roads infrastructure and of the water supply and sewage systems** are basic elements for the rural community, required to ensure health conditions, protection of environment, accessibility and, in general, optimum living conditions. Infrastructure also creates the premises for the development of a competitive rural economy.

The current situation in Romania shows a need to develop the basic infrastructure and services in the rural areas. In 2011, Romania had a communal roads network (with a length of 31,639 km), out of which paved roads accounted for 48% and dirt roads (many times impracticable during rainfall intervals) accounted for 29%.

The access to water supply and sewage networks is still reduced (according to NIS, only 13.6% of rural localities were connected to the drinking water supply network in 2012).

Despite the support granted in the last years from national and European funds to the basic infrastructure in rural areas (roads, water supply and sewage infrastructure), this infrastructure is still under-developed and hampers economic development and employment.

The needs identified for the new programming period target the creation or, as the case may be, the improvement/expansion of the water supply and sewage/wastewater treatment networks and of the local-interest roads network, as these elements, together, can contribute to the joint efforts to provide for a sustainable development of rural communities.

These investments will result in an improved local-interest roads infrastructure and water/wastewater infrastructure contributing to the decrease of social and economic decline trends and to an improved standard of living in rural areas.

At the same time, the access to education and an increased level of education among the rural population play an important role in the process of reducing poverty and social exclusion in the rural area.

The educational infrastructure lacks the capacity to support a decent standard of living. In this context, ante-pre-school (nurseries) and pre-school (kindergartens) education is facing a major infrastructure-related deficit. Consequently, in 2011, from a total of 295 nurseries, only 1% were located in the rural area, whereas 45.5% of children under the 0-4 year age group were enrolled in the rural area. As regards the percentage of kindergartens coverage in the rural area, this was only 7.44% of the number registered at national level in the school year 2012-2013.

The number of trained farmers in Romania is low in comparison with the high number of farms, and this state of facts is intensely influenced by the decreasing number of graduates from agricultural-profile education units. Consequently, the number of agricultural high-schools has decreased by over 80% in the last 15 years, with a number of 34 agricultural high-schools operating in the rural area in 2011. Lack of specialised education in rural area farming leads to a non-performing management of agricultural holdings and to a deepened poverty in rural areas already confronted with this phenomenon.

All the above justify the need for continued efforts to support the development and upgrade of the educational infrastructure in the rural area, so as to facilitate the access to education and childcare services, as well as the access to the agricultural-profile educational infrastructure in the rural areas.

The support granted for these investments will result in an improved educational infrastructure, in accordance with the educational infrastructure development strategy, and in an education system of higher

attractiveness and performance, in correlation with the labour market requirements, therefore contributing to inclusion and to economic development.

Healthcare services infrastructure. Provision of and access to medical services is a key-problem for ensuring a better quality of life in rural communities. The status of medical clinics in Romania, both in terms of their number and in terms of corresponding human resources, has shown a negative trend in the period 2005-2011. Consequently, the number of medical clinics has decreased by 16.5% since 2005, with 187 such units in 2011 at national level, while the negative trend is even stronger in the rural area, with a decrease by 38.9% in the same period. In terms of the number of rural area inhabitants serviced by one physician, it was 1,722 in 2011, which means almost 7 times more than in the urban area.

Investments associated with the protection of the cultural heritage or/and investments to preserve local-interest heritage, including monastic settlements.

The cultural identity of the Romanian village is an important source of local development and is characterised by a diverse tangible and intangible cultural heritage.

Monastic settlements are an integral component of the cultural heritage. They have become over time centres for accumulation and dissemination of cultural values, preserving culture and passing it on to future generations. The specificity of Romanian monastic settlements consists in the fact that they preserve the national identity and traditions by means of handicraft, culinary and agricultural practices, but also by preserving the regional-specific architectural styles of their regions. From the total number of cult units in Romania (18,439), only 1.9% are represented by monasteries (1.5%), respectively hermitages (0.4%), while almost half of the Romanian monasteries (49.3%) and over 56% of the hermitages are historical monuments.

In the current context, the establishment and restoration of monastic settlements are identified in the 2014-2020 programming period with actions for the protection of the local community's cultural heritage.

With the aim to keep rural heritage and national identity unaltered, the next programming period will support actions aimed to protect the local-interest cultural heritage, including monastic settlements.

Contribution of each sub-measure to focus areas

Sub-measure 7.2. Investments in the creation and upgrade of small-scale infrastructure

FA 6B- *Fostering local development in rural areas* – the support granted to investments for the creation, expansion and improvement of the local roads infrastructure in rural areas, for the creation, expansion and improvement of the water/wastewater infrastructure in rural localities within agglomerations below 10,000 i.e., for the ante and pre-school and secondary agricultural educational infrastructure, as well as for the health care service infrastructure in the rural areas (medical clinics) will contribute to the improvement of the living conditions among the rural population and will stop the depopulation phenomenon in the rural area, by reducing the gap between rural and urban areas.

7.6. Investments associated with the protection of cultural heritage

FA 6B- *Fostering local development in rural areas* – the support granted under the sub-measure to investments for the restoration, preservation and accessibility to the local-interest intangible cultural heritage, including monastic settlements, contributes to the valorisation of the local cultural heritage, to the

promotion of the rural tourism and therefore leads to an increased living standard in the rural area and to a sustainable local development.

Contribution to cross-cutting themes

Through its activities, Measure 7 contributes to the achievement of the following cross-cutting objectives:

Environment and climate

Investments in water/wastewater infrastructure under a centralised system will contribute to the improvement of drinking water quality and to the reduction of pollution caused by the bio-degradable organic load from rural holdings.

As well, the investments supported under the Measure aim at the sustainable development of rural communities, including within the meaning of a better understanding and uptake of environment commitments and of climate change challenges.

Innovation

The support provided for the development of the basic infrastructure - in particular of the roads infrastructure and of the water supply and sewage system infrastructure is essential to the economic development of rural areas. An improved infrastructure enables the development of businesses in the rural area and fosters entrepreneurship and innovative actions. A functional educational infrastructure also enables the development of young generations with a proper education, open to new opportunities and able to bring innovation and development to the rural areas.

8.2.5.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.5.3.1. 7.2 Investments in the creation and upgrade of small-scale infrastructure

8.2.5.3.1.1. Sub-measure:

- 7.2 - Investments in the creation and upgrade of small-scale infrastructure

8.2.5.3.1.2. Description of the type of operation

This sub-measure will support investments for improvement of the small-scale basic infrastructure, with a view to ensure a sustainable economic development and to reduce the poverty in the rural area.

The purpose of the support granted under the measure is to:

- increase the number of rural area inhabitants benefiting from an improved basic infrastructure.

8.2.5.3.1.3. Type of support

The support under the sub-measure will be granted to tangible and intangible investments for:

- Creation, expansion and improvement of the local-interest roads network;
- Creation, expansion and improvement of the public water supply network;
- Creation, expansion and improvement of the public wastewater network;
- Investments in the creation, upgrade or expansion of the educational/care infrastructure, namely:
 - Creation and upgrade (including endowment) of kindergartens and nurseries;
 - Creation and upgrade (including endowment) of after-school units;
 - Expansion and upgrade of secondary agricultural-profile education institutions;
- Investments in medical and social services
 - creation and /or upgrade of rural medical clinics and of community care centres

8.2.5.3.1.4. Links to other legislation

Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000

Directive 91/271/EEC concerning urban waste water treatment

Directive 98/83/EC concerning the quality of water intended for water consumption

Regulation (EU) no. 1407/2013 on the application of article 107 and 108 of the Treaty on the functioning of the European Union to de minimis aid.

8.2.5.3.1.5. Beneficiaries

The beneficiaries under this sub-measure are:

- Communes and their associations.
- NGOs – for investments in the educational (kindergartens) and social (afterschool units) infrastructure

8.2.5.3.1.6. Eligible costs

For **local-interest roads infrastructure and water/wastewater infrastructure** projects, the specific

eligible expenditures refer to:

- (a) construction, expansion and/or upgrade of the public water supply network;
- (b) construction, expansion and/or upgrade of the public wastewater network;
- (c) construction, expansion and/or upgrade of the local-interest roads network;

For **educational/social (care) infrastructure** projects the specific eligible expenditures refer to:

- (a) construction, upgrade and endowment of buildings, including demolition if recommended by technical expertise;
- (b) purchase, including by leasing of school transportation vehicles;

For **healthcare infrastructure** projects, the specific eligible expenditures refer to:

- (a) construction, expansion and/or upgrade of medical clinics buildings;

8.2.5.3.1.7. Eligibility conditions

- The applicant shall fall under the category of eligible beneficiaries;
- The investment shall fall under at least one of the support types foreseen by the measure;
- The applicant shall not be under insolvency or payment incapacity;
- The investment shall be implemented in the rural area;
- The investment shall fall under a relevant regional/county/local development strategy;
- The investment shall comply with the General Urban Planning Programme;
- The investment in water/wastewater infrastructure shall comply with the water/wastewater Masterplans or with the county strategy when the Masterplans are not updated;
- The investment in water supply system shall mandatorily be carried-out together with the wastewater network, if this is lacking;
- The investment in water/wastewater infrastructure shall be carried-out in rural localities that are part of agglomerations under 10,000 i.e., with the mention that investments in water/wastewater infrastructure in agglomerations below 2,000 i.e. will only be eligible after the fulfilment of country commitments;
- The investment shall demonstrate its necessity, appropriateness and socio-economic potential;
- The applicant shall commit to ensure the maintenance of the investment.

8.2.5.3.1.8. Principles with regards to the setting of selection criteria

General principles

- Principle of investment type prioritization, meaning priority shall be given to water/wastewater investments;
- Principle of served population coverage level;

Specific principles for roads investments

- Connectivity principle, aiming to provide the link to the main roads and other transportation ways;
- Multi-role principle, aiming to provide accessibility to economic operators, tourism areas, social investments, other investments financed from European funds;

Specific principles for investments in water/wastewater infrastructure

- Principle of prioritization of investments supplementing the ones financed under SOP Environment and/or POIM (Large Infrastructure Operational Programme);

Specific principles for investments in medical, educational, social infrastructure

- Principle of investment type prioritization, as follows: medical, educational, social infrastructure;

The selection principles will be detailed in the subsequent national legislation and will take into account the provisions of art.49 of Regulation (EU) no. 1305/2013 aiming to provide for equal opportunities for applicants, a better use of financial resources and targeting those resources according to rural development priorities of the Union.

8.2.5.3.1.9. (Applicable) amounts and support rates

The public non-refundable support granted under this sub-measure will be **100% of the total eligible expenditures** for **non-profit generating** projects applied for by local public authorities and NGOs and shall not exceed:

- 1,000,000 Eur/commune for investments targeting a single type of support (roads, water or wastewater infrastructure);
- 2,500,000 Eur/commune for investments targeting the creation of the water and wastewater infrastructure and 1,500,000 Eur for the expansion of this infrastructure;
- 500,000 Euro for educational/social/healthcare infrastructure projects;
- 4.000.000 euro, for collective projects (ADI – Inter-community development association – comprising communes) (projects targeting several communes) without exceeding the maximum value/commune/type of support.

The non-refundable public support granted under this sub-measure will be of max. **80% of the total eligible expenditures** for **income-generating** projects applied for by NGOs and targeted to the educational (kindergartens) and social (afterschool units) infrastructure and shall not exceed Eur 100,000.

The financial allocation for sub-measure 7.2. Investments in creation and upgrade of small-scale basic infrastructure accounts for 85% of the total allocation of the measure, with distinct allocations and specific sessions by types of infrastructure.

8.2.5.3.1.10. Verifiability and controllability of the measures and/or types of operations

8.2.5.3.1.10.1. *Risk(s) in the implementation of the measures*

The possibility to verify and control the measure is based on the results of the ex-ante evaluation, including the results of controls carried-out during the previous programming period, performed by the Managing Authority and the paying agency.

Given that the measure is addressed to both public and private beneficiaries, there can be risks occurring during the 2014-2020 programming period, among which:

- Awarding documentations which are insufficiently relevant in terms of efficacy of procurement procedures for public and private beneficiaries
- Selection criteria difficult to be assessed to enable an adequate selection of applicants
- Inadequate IT system

8.2.5.3.1.10.2. *Mitigating actions*

The measures taken to improve the measure implementation and to reduce risks are:

- The Paying Agency will elaborate standard documentation for use by public beneficiaries. Awarding documentation templates will be developed, with predetermined qualification requirements, evaluation factors and relevant weights. For the private beneficiaries, the procurement procedures were revised in terms of clarifications on the elements required to be included in the awarding documentation, on the need to publish them in the computerised system and on a better information in regard to these requirements.
- Establishment of clear and transparent applicant selection criteria and information of potential beneficiaries thereof;
- The existing IT system of the Paying Agency will be updated and optimised with the new administrative flows and measures under NRDP 2014-2020.

8.2.5.3.1.10.3. *Overall assessment of the measure*

Through the improvement of the small-scale basic infrastructure in the rural area, the measure creates the premises for the fulfilment of priorities mentioned in the description of the strategy.

The main problems identified during 2007-2013 were related to:

- public procurement procedures, namely the complexity of this process, which led to delays in the implementation of projects;

- project selection;
- correlation between investment types in case of integrated projects.

The following measures were taken for the 2014-2020 programming period based on the results of the control carried-out on Measure 322 "Village renovation and development and valorisation of rural heritage", so as to avoid reoccurrence of problems:

- public procurement procedures for public beneficiaries were revised – namely by requesting clear requirements in the awarding documentation and in terms of controls carried-out by PARDF aiming to increase the efficacy of the public procurement process; similar actions were also undertaken for private beneficiaries.
- the selection criteria to be detailed in the national legal framework (guides, procedures) will have a higher accuracy, better clarity and increased verifiability;
- the possibility to apply for integrated projects (including investments in several types of operations: for example roads infrastructure and water/wastewater infrastructure) was removed;

Demarcation from and complementarity between EAFRD and other funds was pursued on one hand to achieve a better territorial coverage in terms of action types and potential beneficiaries and to facilitate their access to different funds, and, on the other hand, to ensure an effective implementation system leading to a sound management and ultimately to a balanced and sustainable development during the NRDP elaboration process.

The measure also envisages the equal treatment of applicants, a better use of financial resources and an orientation of the support in accordance with the for rural development priorities of the Union.

Following the analysis carried-out by the Managing Authority and the paying agency, based on the experience acquired during the 2007-2013 programming period, it can be concluded that the measure verifiability and controllability is ensured, both in terms of vocational training and in terms of improved working procedures at the level of the agencies, so that the financial interests of European Union shall not be prejudiced.

8.2.5.3.1.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.5.3.1.12. Information specific to the operation

Definition of small scale infrastructure, including small scale tourism infrastructure as referred to in Article 20(1)(e) of Regulation (EU) No 1305/2013

Small-scale infrastructure: is defined as an investment in the rural area local infrastructure, classified based on field and applicability, as follows:

- roads infrastructure: local-interest roads (communal roads, local roads, streets within localities) defined

according to the national legislation in force.

- water/wastewater infrastructure: public water/wastewater network in the rural localities that are part of agglomerations under 10,000 i.e. (inhabitant equivalent).
- educational infrastructure: infrastructure with direct impact onto the rural area population, on different educational segments (ante-pre-school-nurseries, preschool-kindergartens, agricultural secondary education –high-schools, colleges, professional schools).
- healthcare services-related infrastructure: medical clinics in rural area

If applicable, specific derogation allowing to support bigger scale infrastructure for investments in broadband and renewable energy

Support is not granted under this measure for investments in broadband infrastructure and for investments in the production of energy from renewable resources, therefore no derogations from the small-scale infrastructure definition are required.

The minimum standards for energy efficiency referred to in Article 13(c) of [DA RD – C(2014)1460]

Support is not granted under this sub-measure for investments in infrastructure for renewable resources energy which consume or produce energy in accordance with art. 13, letter (c) of the delegated Act no.completing Regulation 1305/2013, therefore the provisions of this article do not apply.

Definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Support is not granted under this sub-measure for investments in bioenergy production, including biofuels in accordance with art. 13, letter (e) of the delegated Act no.completing Regulation 1305/2013, therefore the provisions of this article do not apply.

8.2.5.3.2. 7.6 Investments associated with the protection of cultural heritage

8.2.5.3.2.1. Sub-measure:

- 7.6 - Investments associated with the protection of cultural heritage

8.2.5.3.2.2. Description of the type of operation

This sub-measure will provide financial support for the protection of local-interest cultural heritage objects, including for monastic settlements. The investments will generate a positive impact onto the local tourism and will stimulate the development of the local business environment.

The support granted for the preservation of local heritage and of traditions is aimed to foster rural tourism activities as well as to maintain the traditions and spiritual heritage, therefore contributing to the attractiveness of rural areas.

8.2.5.3.2.3. Type of support

Under the sub-measure, the support will be granted to tangible and intangible investments for:

- Restoration, preservation and improving access to local-interest intangible cultural heritage (class B);
- Restoration, preservation and improving accessibility to monastic settlements;

8.2.5.3.2.4. Links to other legislation

LAW no. 422 of 18 July 2001 *on protection of historical monuments*, with subsequent amendments and additions;

Order 2260 of 18 April 2008 *on approval of methodological standards on classification and inventory of historical monuments*;

LAW no. 489 of 28 December 2006 *on religious freedom and general regime of cults* with subsequent amendments and additions;

8.2.5.3.2.5. Beneficiaries

The beneficiaries under this sub-measure are:

- Communes or their associations
- NGOs

- Cult entities
- Authorised individuals and trade companies which hold, for administration purposes, public utility class B cultural heritage objects

8.2.5.3.2.6. Eligible costs

The eligible expenditures specific to this types of investments refer to:

- (a) restoration, preservation and endowment of buildings/monuments included in the local-interest cultural tangible heritage of class B, including placement of the objective under emergency operations preservation;
- (b) construction, expansion and/or upgrade of access roads to monastic settlements and/or to local-interest heritage objects;
- (c) restoration, preservation and/or endowment of monastic settlements;

8.2.5.3.2.7. Eligibility conditions

- The applicant shall fall under the category of eligible beneficiaries;
- The applicant shall not be under insolvency or payment incapacity;
- The applicant shall commit to ensure the maintenance of investment;
- The investment shall fall under at least one of the support types provided under the measure;
- The investment shall be carried-out in the rural area;
- In regard to the local-interest cultural intangible heritage, the investment shall be included in the list of class B local-interest heritage objects, according to the national legislation in force;
- Upon completion, the investments shall be included in the tourism circuit.

8.2.5.3.2.8. Principles with regards to the setting of selection criteria

For investments in the restoration and preservation of class B local-interest cultural heritage

- Principle of cultural value;
- Principle of tourism potential, meaning priority shall be given to projects in rural localities with tourism development potential;
- Principle of population servicing level;

For investments in maintenance of traditions and of cultural and spiritual heritage

- Principle of priority given to investments falling under the class B local-interest cultural heritage;
- Principle of population servicing level;
- Principle of tourism potential, meaning priority shall be given to projects in rural localities with tourism development potential;
- Principle of cult unit representativeness;

The selection principles will be detailed in the subsequent national legislation and will take into account the provisions of art.49 of Regulation (EU) no. 1305/2013 aiming to provide for equal opportunities for applicants, a better use of financial resources and targeting those resources according to rural development priorities of the Union.

8.2.5.3.2.9. (Applicable) amounts and support rates

The non-refundable public support granted within this sub-measure shall be **100% of the total eligible expenditures** for public utility **non-profit generating projects** and shall not exceed **Eur 500,000**.

The non-refundable public support granted within this sub-measure shall be **85% of the total eligible expenditures** for **income-generating projects** and shall not exceed **Eur 200,000**.

The financial allocation for sub-measure 7.6. Investments associated with the protection of cultural heritage accounts for 15% of the total measure allocation.

8.2.5.3.2.10. Verifiability and controllability of the measures and/or types of operations

8.2.5.3.2.10.1. Risk(s) in the implementation of the measures

Given that the measure is addressed to both public and private beneficiaries, there can be risks occurring during the 2014-2020 programming period, among which:

- Awarding documentations which are insufficiently relevant in terms of efficacy of procurement procedures for public and private beneficiaries
- Selection criteria difficult to be assessed to enable an adequate selection of applicants
- Inadequate IT system

8.2.5.3.2.10.2. Mitigating actions

The measures to be taken to improve the measure implementation and to reduce risks are:

- The Paying Agency will elaborate standard documentation for use by public beneficiaries. Awarding documentation templates will be developed, with predetermined qualification requirements, evaluation factors and relevant weights. For the private beneficiaries, the procurement procedures were revised in terms of clarifications on the elements required to be included in the awarding

documentation, on the need to publish them in the computerised system and on a better information in regard to these requirements.

- Establishment of clear and transparent applicant selection criteria and information of potential beneficiaries thereof;
- The existing IT system of the Paying Agency will be updated and optimised with the new administrative flows and measures under NRDP 2014-2020

8.2.5.3.2.10.3. Overall assessment of the measure

Through the protection of the local-interest cultural patrimony and of the cultural heritage in the rural area, the sub-measure creates the premises for the fulfilment of priorities mentioned in the strategy description.

The main problem identified following the analysis of the control carried-out during the 2007-2013 period on measure 322 ” *Village renovation and development and valorisation of rural heritage*”, in regard to issues related to investments for the protection of local-interest cultural heritage, was related to the non-correlation between the scoring given for the selection criteria related to projects promoting investments for the preservation of local specificity and cultural heritage and the value of this type of investments.

Another approach has been chosen for the 2014-2020 period, namely to support this type of investments through a separate sub-measure with a specific allocation.

The measure also envisages the equal treatment of applicants, a better use of financial resources and an orientation of the support in accordance with the for rural development priorities of the Union.

Following the analysis carried-out by the Managing Authority and the paying agency, based on the experience acquired during the 2007-2013 programming period, it can be concluded that the measure verifiability and controllability is ensured, both in terms of vocational training and in terms of improved working procedures at the level of the agencies, so that the financial interests of European Union shall not be prejudiced.

8.2.5.3.2.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.5.3.2.12. Information specific to the operation

Definition of small scale infrastructure, including small scale tourism infrastructure as referred to in Article 20(1)(e) of Regulation (EU) No 1305/2013

Not applicable.

If applicable, specific derogation allowing to support bigger scale infrastructure for investments in broad band and renewable energy

Not applicable.

The minimum standards for energy efficiency referred to in Article 13(c) of [DA RD – C(2014)1460]

Not applicable.

Definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Not applicable.

8.2.5.4. Verifiability and controllability of the measures and/or types of operations

8.2.5.4.1. Risk(s) in the implementation of the measures

-

8.2.5.4.2. Mitigating actions

-

8.2.5.4.3. Overall assessment of the measure

-

8.2.5.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.5.6. Information specific to the measure

Definition of small scale infrastructure, including small scale tourism infrastructure as referred to in Article 20(1)(e) of Regulation (EU) No 1305/2013

-

The minimum standards for energy efficiency referred to in Article 13(c) of [DA RD – C(2014)1460]

-

Definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

-

If applicable, specific derogation allowing to support bigger scale infrastructure for investments in broad band and renewable energy

8.2.5.7. *Other important remarks relevant to understand and implement the measure*

Upgrade: includes construction-installing and fitting works to rehabilitate the infrastructure and/or consolidate buildings, refurbishment/endowment, expansion (if needed) corresponding to investment types supported by the measure, carried-out on existing locations, with no alteration of the initial destination/function.

Class B local-interest intangible heritage – is defined in the national legislation (Law 422/2001) as comprising the historical monuments representative for the local cultural heritage and, if under public property, may be declared - according to legal provisions – as public or local interest, depending on the case, by Government Decision initiated by the Ministry of Culture and Cults, respectively by decision of local, county or Bucharest General Council, based on an endorsement from the Ministry of Culture and Cults.

8.2.6. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

8.2.6.1. Legal basis

Regulation (EU) No. 1305/2013

Implementing Act (EU) no ...for setting up the application rules of the Regulation (EU) no 1305/2013

8.2.6.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The forests in Romania are managed based on 11 basic principles defined in the Forest Code, which have in view the adherence to the six sustainable forest management criteria defined by the Ministerial Conference on the Protection of Forests in Europe, as well as to the three directing principles established at European level through the new strategy of the European Union on forests and the forestry sector, which are also the basis of the new forestry strategy in Romania that is in the final stage of preparation.

To increase the area occupied by forests is one of the objectives of the *National Strategy for the Sustainable Development of Romania, Horizons 2013-2020-2030*, and of *Romania's National Strategy on Climate Changes 2013-2020*, as well as a national obligation and priority defined in the Forest Code.

The total area of the National Forest Fund (NFF) and of the Forest Vegetation Outside the National Forest Fund (FVONFF) was maintained constant in time; thus, in 2012 it was 6,746,906 ha (NSI), i.e. approximately 28.3% of the total area of the national forest fund, pretty much below the European average of 37.6%, and with approximately 7,800 ha less than in 2006.

According to the analyses performed by the Forest Research and Management Institute, an area occupied by forests of approximately 35% of the total NFF is considered the “optimum” value for the Romanian geographical area to ensure the sustainable use and management of the land.

As compared with the relatively equal proportional distribution of the main forms of relief over the national land fund, an obvious unbalance is noted within the NFF and FVONFF in terms of their distribution over the main forms of relief, as the large majority of forests are in the mountains (52%) and hills (37%), with a clear deficit of forest areas in the plains (11%). In accordance with the provisions of the Forest Code, the counties where the area of forests is less than 16% of the total area of the land fund are considered *forest deficit areas*. Thus, based on the statistical information regarding the *area of the land fund by category of use* (NSI – 2011), 14 counties are considered as forest deficit areas (see Annex 8.2M.8.1-1).

Increasing the forest areas is and will remain a significant national objective, particularly given the global climate changes. According to the climate scenarios, Romania's annual average temperature is expected to increase, by the end of the 21st century, by approximately 4 – 4.5°C, by contrast with most of the temperate continental climate area where an average increase of 3 – 4°C is expected. Moreover, the temperature increase and precipitation decrease tendency in Romania can already be seen in the developments recorded over the past years. The top 5 warmest and driest months of July in the past 61 years were recorded in the past 2 decades (see Appendices 8.2M.8.1-2 and 8.2M.8.1-3).

The afforestation of agricultural and non-agricultural lands is a measure mainly intended to contribute to the reduction of greenhouse gas emissions by CO₂ sequestration, as well as to the adjustment of the Romanian agriculture to the expected climate changes. Thus, the forest stands, shelter-belts or windbreaks newly

created on agricultural and non-agricultural lands, particularly in the plain areas, will positively impact the local climate by contributing to the mitigation of the extreme droughts effects, improving the local climate and the water and soil regime, reducing plant transpiration and evaporation. In the mountain and hill areas, the settlement of forest areas contributes to the reduction of soil erosion, to the improvement of the water retention capacity, and to the mitigation of the floods risk, and the negative impact of high floods. In addition to the positive effects on climate conditions, the newly created forests also contribute to the local biodiversity increasing by restoring habitats and ecosystems and creating transition areas favourable to the development of insect, bird and mammal populations. By their ecological, social and economic functions, forests also provide other goods and services to society, such as wood and non-wood materials, recreation areas, landscape improvement, adding to the rationale of the intervention by this measure.

The requirements of the sub-measure fiche *Afforestation and creation of woodland* regarding afforestation, plantation maintenance and stands tending have in view the creation of forest areas adapted to the local environmental conditions, aiming thus to apply the sustainable forest creation and management principles and criteria established at European and national level.

In order to support the objectives related to the preservation of local biodiversity in the newly created forest areas, the aid granted within the framework of this measure could be cumulated with the aid granted by the payments for forest environmental commitments, under the cumulative conditions stipulated by the provisions in the fiches of the two measures.

Contribution to Focus Areas (FA)

FA 5E – *Fostering carbon conservation and sequestration in agriculture and forestry*

By creating forest stands and shelter-belts, carbon storage in vegetal biomass (in the ground and above ground), in dead organic matter, as well as in the soil will be fostered.

Contribution to cross-cutting objectives “environment” and “climate”

The forest areas created based on the financial aid provided by this measure contribute to the fostering of carbon sequestration, the adjustment to the climate change effects, the reduction of soil erosion, the improvement of the water retention capacity, as well as to the restoration of local biodiversity. The aid granted by this measure helps to achieve the objective of allocating 30% of the total EAFRD contribution of the rural development programme to the mitigation of the climate changes and to the adjustment to the climate changes, as well as to the environmental protection.

Pos.	Forest deficit area-County	Percentage of the NFF and FVONFF area of the total area of the county
1	Călărași	4.4%
2	Teleorman	5.1%
3	Constanța	5.4%
4	Ialomița	5.9%
5	Brăila	6.0%
6	Galați	9.8%
7	Giurgiu	10.8%
8	Olt	10.9%
9	Dolj	11.5%
10	Botoșani	11.7%
11	Tulcea	12.0%
12	Timiș	12.5%
13	Vaslui	15.1%
14	Ilfov	15.9%

Annex 8.2M.8.1-1

Driest months of JULY/ 1961-2012	
I	July 1989 / 30.5 l/sqm
II	July 2012 / 40.5 l/sqm
III	July 2007 / 43.2 l/sqm
IV	July 1985 / 43.5 l/sqm
V	July 1992 / 44.3 l/sqm
<i>Source: National Weather Agency, 2012</i>	

Annex 8.2M.8.1-2

Warmest months of JULY/1961-2012	
I	July 2012 / 23.7°C, 4.5°C departure
II	July 2007 / 23.0°C, 3.8°C departure
III	July 2002 / 22.0°C, 2.8°C departure
IV	July 1987 / 21.9°C, 2.7°C departure
V	July 1999 / 21.6°C, 2.4°C departure
<i>Source: National Weather Agency, 2012</i>	

Annex 8.2M.8.1-3

8.2.6.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For

each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.6.3.1. 8.1 Afforestation and creation of woodland

8.2.6.3.1.1. Sub-measure:

- 8.1 - support for afforestation/creation of woodland

8.2.6.3.1.2. Description of the type of operation

Sub-measure 8.1, carried out based on Art. 22 of Regulation (EU) No. 1305/2013, aims to increase the forest area countrywide, that will contribute to fostering carbon sequestration, to the effects adjustment of climate changes, the reduction of soil erosion, the improvement of the water retention capacity, as well as to the restoration and preservation of local biodiversity.

The aid granted considers the covering of costs related to plantation settlement operations, and plantation maintenance works for a period of maximum 6 years until the end of the close crop, the costs incurred by carrying out two stands tending works after the end of the close crop and covering the losses of agricultural income for a period of 12 years for the woodland.

The afforestation works until the dense stand achievement (the first 6 years at the most) are performed based on a technical design that shall observe *Technical RulesNo. 1* (in case of creation of forest stands) or *Technical RulesNo. 2* (in case of creation of shelter-belts) and it shall be prepared by specialized natural persons or legal entities certified by the national forestry authority for the design and/or performance of land improvement works in the forestry field.

The afforestation formulas and schemes will take into account the tree species from the *List of tree and shrub species used in afforestation works* under chapter “*Other information specific to the measure*” in Annex 8.2M.8.1-5.

The two stands tending carried out after the end of the dense stand will be performed so that the canopy closing index does not fall below 0.7. The first stand tending will be performed in the 7th or 8th year, and the second stand tending shall be performed in the 10th or 11th year, according to the technical design.

The forestry material used for the afforestation works has to comply with the present legal requirements, with regard to the production, marketing and import of forestry reproduction materials.

The settlement of forestry operation will be carried out in maximum 2 years, since of the signing of the funding contract.

Until the last year of granting of the grant associated to plantations running maintenance, the lands exceeding or equal to 100 ha, that are objects of the afforestation projects creating forest stands, shall be included in the national forest fund.

The forest plantation created under this sub-measure shall be maintained on the area that is the object of the project at least throughout the implementation of the funding contract period, in compliance with the conditions on the afforestation performance, plantation maintenance and stands tending provided in the

measure fiche. Throughout the period between the end of the last plantation running maintenance and the end of the funding contract the canopy closing index shall not fall under 0.7.

The beneficiaries of the measure which are eligible for any component of *Grant 2* must observe the rules on eco-conditionality provided under Title VI of Regulation (EU) No. 1306/2013, set by the national legislation, on all the agricultural lands of the holding and throughout the period of the funding contract.

8.2.6.3.1.3. Type of support

The support granted by this measure is represented by standard costs related to:

- The grant for the first settlement of forestry plantations (hereinafter referred to as *Grant 1*), also covering the costs related to the preparation of the technical design for afforestation.
- The annual grant per unit area (hereinafter referred to as *Grant 2*), for a period of 12 years, to cover the forest plantation maintenance and tending costs and to compensate the agricultural income losses as a result of afforestation.

8.2.6.3.1.4. Links to other legislation

EU legislation:

- Regulation (EU) No. 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No. 352/78, (EC) No. 165/94, (EC) No. 2799/98, (EC) No. 814/2000, (EC) No. 1290/2005 and (EC) No. 485/2008
- Regulation (EU) No. 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No. 637/2008 and Council Regulation (EC) No. 73/2009
- Guidelines on state aid for rescuing and restructuring companies in difficulty (published in OJ C244, 1.10.2004, p. 2)

National legislation:

- Order No. 1648 of 31 October 2000 of the Minister of Waters, Forests and Environmental Protection, approving the *Technical rules regarding compositions, schemes and technologies for the regeneration of forests and the afforestation of degraded lands* (hereinafter referred to as Technical Rules No. 1)
- Order No. 636 of 23 December 2002 of the Minister of Agriculture, Food and Forests approving the *Forest technical directions for setting up, tending and managing forest vegetation in the shelter belts* (hereinafter referred to as Technical Rules No. 2)
- Order No. 1672 of 7 November 2000 of the Minister of Waters, Forests and Environmental Protection approving the *Technical rules for forest improvement* (hereinafter referred to as Technical Rules No. 3)

- Law No. 107 of 15 June 2011 *on the marketing of forestry reproduction materials, as amended and complemented*.

8.2.6.3.1.5. Beneficiaries

The beneficiaries of the support granted by this measure are public and private holders of agricultural and non-agricultural lands and their associations.

8.2.6.3.1.6. Eligible costs

The applicants will receive support for the afforestation of agricultural and non-agricultural lands, consisting of the two types of grants provided. The eligible costs for the two types of grants are as follows:

Eligible costs for the calculation of **Grant 1**:

- Necessary costs for the preparation of the technical design for afforestation (variable depending on the afforested area, which covers expenses incurred before the contract conclusion). The calculation formula (*formula 1*) for the value of the expenses related to the technical design is presented below under title “*Amounts and support rates*”;
- Costs related to the plantation setting up works (standard costs for the three types of forms of relief: plains, hills, mountains, and the two categories of land: agricultural, non-agricultural).

Eligible costs for the calculation of **Grant 2**:

- Costs related to the plantation running maintenance for a period of maximum 6 years (the period for carrying out the plantation running maintenances are set in the technical design for afforestation), associated to the period until the end of the dense stand (standard costs for each year of plantation maintenance and the three types of forms of relief: plain, hill, mountain);
- Costs necessary for the performance of the two stands tending carried out after the end of the thicket stage (standard costs for the two arboreta tending works for the three types of forms of relief: plain, hill, mountain);
- Compensations to cover the losses of agricultural income as a result of the afforestation of the agricultural lands.

The holders of agricultural and non-agricultural lands owned by the State and the holders of agricultural and non-agricultural lands owned by the territorial and administrative units (UAT) or associations thereof shall benefit only of the support provided based on *Grant 1*.

Only the holders of agricultural lands considered as active farmers (on the grounds of Art. 9 of Regulation (EU) 1307/2013, according to the provisions of the national legislation) at the moment of submitting the application may benefit of the compensations for covering the losses of agricultural income as a result of the land afforestation (component of *Grant 2*).

8.2.6.3.1.7. Eligibility conditions

The eligible **land** is agricultural and non-agricultural land (according to the definitions provided in the technical fiche of the measure).

The area of the land proposed for afforestation in order to create **shelter -belts** shall be of at least 0.5 ha, and the minimum compact woodland shall be of at least 0.1 ha.

The area of the land proposed for afforestation in order to create **forest stands** shall be of at least 1 ha, and the minimum compact woodland shall be of at least 0.5 ha

The following categories of land are not eligible for support through this measure:

- encumbered lands with dispossession in favour of third parties, according to the local cadastral records;
- lands that are the object of disputes;
- lands mentioned in national or local spatial planning programs or plans as serving a major public interest;
- permanent natural grasslands, except for those affected by soil degradation (according to the technical design);
- agricultural lands with ongoing agri-environment and climate commitments.

In case of lands owned by the State, the support may only be granted if the authority managing those lands is a private body or an administrative territorial unit (UAT) of LAU 2 level.

The holders of agricultural and non-agricultural land must not benefit of other forms of support from the ESI Funds or from other public funds for the same area of land during the period the support under sub-measure 8.1 is granted, except, as the case may be, for the direct payments (Pillar I of CAP) or the compensation payments granted per area through the rural development measures. If the beneficiary starts the plantation settlement operations, with October 1st, he could benefit of the direct payments per area under Regulation (EU) No. 1307/2013 for that year. If the afforestation works are started prior to October 1st, such plots may no longer benefit of payments granted per area within other schemes during that year of submission of the single area payment applications.

No support is granted for planting trees from species with a short production cycle, Christmas trees or fast-growing trees used for energy production.

Legal entities in difficulty, as defined in compliance with the provisions of the Community guidelines on state aid for rescuing and restructuring firms in difficulty, are not eligible.

The afforestation projects for the lands located on Natura 2000 sites must correspond to the objectives established for these areas.

8.2.6.3.1.8. Principles with regards to the setting of selection criteria

Principles with regards to the setting of selection criteria:

- The land location principle (the lands proposed for afforestation which are situated in the forest deficit areas shall have priority);
- The plantation size principle (the lands proposed for afforestation which have a larger surface shall have priority);
- The protection function principle (the creation of shelter belts shall have priority);
- The land rehabilitation function principle (the afforestation of lands impacted by soil degradation, such as erosion, desertification, etc., shall have priority);
- The species diversity principle (the afforestation works proposing at least 2 basic species shall have priority).

The selection principles shall be detailed in the subsequent national legislation and shall consider the provisions under Art. 49 of Regulation (EU) No. 1305/2013 aiming to ensure the equal treatment of the applicants, a better use of the financial resources and their targeting in compliance with the rural development priorities of the Union.

8.2.6.3.1.9. (Applicable) amounts and support rates

Amounts and support rates:

The values of the annual grants provided for afforestation works are shown in Annex 8.2M.8.1-4. The details of the grant calculation methodology are presented under chapter “*Methodology for support calculation.*”

The formula for calculating the cost of preparation of the technical design for afforestation is as follows:

Design cost = $VB + n \cdot VM \cdot 2\%$, (hereinafter referred to as *formula 1*)

where

- VB – minimum cost needed to prepare a design of afforestation on the minimum surface allowed – 590 (EUR);
- n (ha) – total hectares proposed for afforestation in the design;
- VM (EUR) – national average cost for the afforestation of one hectare of agricultural and non-agricultural land (setting up and maintenance of the plantations) – 8,889 EUR.

In case of force majeure, determined in accordance with the legal provisions, in the year when the plantation settlement is completed, if the plantation is damaged, the maintenance costs calculated for the first year shall be supplemented to restore the plantation (up to maximum 75% of the standard cost for the plantation setting up works), in order to achieve the proposed objectives.

	Agricultural land			Non-agricultural land		
	Plains	Hills	Mountains	Plains	Hills	Mountains
Grant 1	EUR/ha	EUR/ha	EUR/ha	EUR/ha	EUR/ha	EUR/ha
Technical design	According to formula 1	According to formula 1	According to formula 1	According to formula 1	According to formula 1	According to formula 1
Setting up	3994	2528	2619	4393	2639	2730
Grant 2	EUR/ha	EUR/ha	EUR/ha	EUR/ha	EUR/ha	EUR/ha
Maintenance 1 st year	1138	1443	487	1138	1443	487
Maintenance 2 nd year	2423	1923	1295	2423	1923	1295

Maintenance 3 rd year	1671	1438	1198	1671	1438	1198
Maintenance 4 th year	899	834	109	899	834	109
Maintenance 5 th year	632	465	109	632	465	109
Maintenance 6 th year	632	465	55	632	465	55
Tending 7 th /8 th year	191	191	191	191	191	191
Tending 10 th /11 th year	157	157	262	157	157	262
Standard net margin	190	190	190	-	-	-
Single area payment	PD*	PD	PD	-	-	-

* PD – Single area payment granted, associated to the campaign year

Annex 8.2M8.1-4

8.2.6.3.1.10. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.1.10.1. Risk(s) in the implementation of the measures

Risk(s) in the implementation of the measures:

The verifiability and controllability of the measure are based on the results of the ex-ante evaluation realised by MA and the Payment Agencies; this evaluation takes into account the results of the controls performed including over the previous programming period, as stipulated under Article 62 of Regulation (EU) No. 1305/2013.

During the programming period 2014-2020 a number of specific risks are likely to occur, among which:

- incomplete declaration of the areas within the holding, where this is required,
- correct identification of agricultural parcels,
- period of submission of the payment applications (delayed submission),
- non-compliance with the eco-conditionality standards at farm level for beneficiaries which are to comply with the criteria,
- establishing the conformity with respect to the compliance with the provisions of the technical design for afforestation regarding the tree composition and the planting scheme,
- establishing the canopy closing index after performing the arboreta tending works,
- extreme climate conditions, such as droughts and very high temperatures during summer, in areas with a high forest deficit, which can influence plantation development.

Risk mitigating actions

Among the measures taken to improve the implementation of the measure and the mitigation risk, we point out:

- electronic identification of the agricultural parcels,
- annually promoting major campaigns for the information of beneficiaries, to disseminate information regarding the correct implementation of the funding contract,
- defining clear procedures to control the compliance with the planting composition and schemes and with the canopy closing index,
- the sanction system developed for the measure regarding afforestation and creation of woodlands shall be a progressive system, and the level of the penalties applied to the beneficiaries shall be correlated with the impact resulting from the non-compliance with the various requirements in the technical design for afforestation or in the fiche of the measure,
- supplementation of the maintenance costs calculated for the first year (by up to maximum 75% of the standard cost for the plantation setting up works), in order to restore the plantation to ensure the proposed objectives are achieved, in case of force majeure, if the plantation is damaged (ascertained according to the legal provisions).

In addition, the experience gained during the programming period 2007-2013 has shown that the existing control system ensured the verification of the compliance with the conditions and commitments assumed by the beneficiaries. Moreover, the sanction system developed for the measure regarding the afforestation of agricultural land (M.221) is a progressive system, the level of the penalties applied to the beneficiaries being correlated with the impact resulting from the non-compliance with the various kinds of requirements specific to the measure. This system shall be taken over and adjusted to the specificity of Measure 8.

The commitments assumed by the beneficiaries within the framework of this measure shall be verified by administrative methods and on site, ensuring their effectiveness and efficiency by the specific procedure provisions. The administrative verifications shall have in view all ongoing commitments, based on the information recorded in the funding application management computer system and on cross-verifications with other relevant databases (including the Integrated Administration and Control System (IACS) and the Land Parcel Information Systems (LPIS)). The verifications on site shall be carried out ensuring the representativeness and the appropriate level of control samples per eligible commitments, by visual and documentary verification to confirm the compliance with the requirements. The commitments selected for on-site control shall be verified when most of the requirements and standards for the selected control purposes can be verified.

The procedure manuals associated to the stages of the procedural flow (promotion of the measures and information of the beneficiaries, submission and administration of the payment applications, risk analysis and sampling, control on site and overcontrol, authorisation of payments, monitoring and reporting) shall be drawn up by the Payment Agency (or another delegated entity, if applicable), and approved by the Managing Authority before the approval within the Ministry.

Following the analysis performed by the Managing Authority and the Payment Agencies, based on the experience during 2007-2013, we can conclude that the verifiability and controllability of the measure are ensured in terms of both professional training and improvement of the operational procedures, so that the

financial interests of the European Union are not prejudiced.

8.2.6.3.1.10.3. Overall assessment of the measure

This measure contributes to the increase of the forest area, having good effects for the environmental factors and on the local climate.

The verifiability and controllability of the measure shall be ensured in terms of both professional training and continuous improvement of the operational procedures within the agencies responsible for implementing the measure, so that the financial interests of the European Union are not prejudiced. In order to provide the technical expertise needed to provide efficient verifications, agreements to delegate specific functions or protocols of cooperation with specialised institutions may be concluded.

On this line, procedures shall be drawn up for all stages of the technical implementation flow, paying special attention to administrative controls (including cross-verifications with IACS and LPIS databases) and on-site controls.

8.2.6.3.1.11. Methodology for calculation of the amount or support rate, where relevant

Methodology for support calculation

The methodology for calculating the standard costs used for forest plantations setting up, maintenance and tending works was prepared by the expertise of the Forest Research and Management Institute (ICAS). The data were quantified for the main afforestation compositions and geographical areas (plains, hills, mountains) and took into account the provisions of *Technical Rules No. 1*, the *Consolidated time and production rules for forestry works*, the time rates corresponding to the manual work value for workers according to the National Statistics Institute, as well as the average prices used by the National Forest Administration for the sale of saplings and for the performance of afforestation works. The afforestation formulas for which the cost estimates have been calculated are the ones occurring with the highest frequency in the *Technical Rules No. 1*.

For the calculation of the standard costs related to the plantation setting up works, ICAS used costs for the preparation of the land (mowing, scarifying, ploughing, disc harrowing, butt trimming, materials handling and transportation) and costs for setting up the plantations (purchasing of seedlings, cost of transportation of the materials necessary for the afforestation works to and within the site, unloading the materials and handling the seedlings by carrying them directly, digging the sapling storage ditches, pegging out the land in view of afforestation, planting the seedlings in prepared or unprepared land, cutting the sapling stem after planting, disease and pest prevention and fighting operations, cost of the chemicals used, materialisation of trial markets).

The calculation formula (*formula 1*) of the cost for preparing the technical design for afforestation was proposed by ICAS and adjusted by MARD. Thus, the percentage of 2% in *formula 1* was assimilated to the percentage of 3% in Government Decision No. 363/2010 *approving the cost standards for investment objectives financed from public funds*, representing the percentage allocated for expenses for design and engineering from the value of the basic investment.

For the calculation of the standard costs related to plantation running maintenance , ICAS used costs for the

plantation verification , purchasing seedlings necessary for the completion works, the cost for the completion works, manual and mechanic loosening of soil, transportation of the materials necessary for the afforestation works to and within the site, unloading the materials and handling the seedlings by direct carrying, digging the seedlings storage ditches, pegging out the land in view of afforestation, cutting off the seedlings stem after planting, removal of herbaceous and wood vegetation from forest species, manual treatment with chemical substances of the saplings or the planting holes, fighting pests by spraying, protecting the seedlings against damages caused by game by applying repellent substances, cost of the chemicals used.

For the calculation of the standard costs related to the forest stands tending carried out after the end of the dense stands, ICAS used costs for the removal of vegetation from, liberation and pruning of stands.

The calculation methodology for the loss of income was based on the data provided by the National Institute of Research and Development in Pedology, Agrochemistry and Environmental Protection (ICPA).

The value of the compensation for the loss of income for agricultural lands represents the sum of the single area payment granted in the campaign year and 80% of the value of the standard net margin resulting from deducting from the value of the average standard gross margin set at national level for arable lands (for the purpose of the calculation only the average standard gross margins for the first 7 main crops in terms of weight within the cultivated agricultural area shall be used) the fixed expenses related to fuels and labour force associated to agricultural works specific to arable lands. To avoid overcompensation, from the calculated value of the standard net margin the value of the possible income the beneficiary could have in the 10th or 11th year from carrying out the last arboreta tending work shall be deducted, estimated as 20% of the value of the standard net margin throughout the funding contract implementation period.

Detailed information on how to calculate the standard costs and the income losses specific to this sub-measure are found in **Annex 8.2.M8 of NRDP – Methodology for the calculation of standard costs and income losses.**

In compliance with the provisions under Art. 62 in Regulation (EU) No. 1305/2013, in Annexes 8.2.M8.1-6.1 and 8.2.M8.1-6.2 are found the *certifications of the calculations* by independent bodies.



NATIONAL FOREST ADMINISTRATION – ROMSILVA
FOREST RESEARCH AND MANAGEMENT INSTITUTE
Trade Register J 40/450/1991 – Taxpayer identification number: RO
2607964/1992
Voluntari, 128 Eroilor Boulevard, 077190, Ilfov County



Phone: 3503238; 3503239; 3503240; 3503241; 3503242; 3503243;

3503244; Fax: 3503245

E-mail: icas@icas.ro <http://www.icas.ro>

Bucharest, June 25th, 2014

Registration No. 2146

***STATEMENT ON THE ADEQUACY OF THE METHODOLOGY (STUDY)
AND ACCURACY OF THE CALCULATIONS,***

On the grounds of Article 62 of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No. 1698/2005

In compliance with Article 62, Verifiability and controllability of measures, under Regulation (EU) No. 1305/2013, stipulating: “... *To this end, a body that is functionally independent from the authorities responsible for the programme implementation and possesses the appropriate expertise shall perform the calculations or confirm the adequacy and accuracy of the calculations. A statement confirming the adequacy and accuracy of the calculations shall be included in the rural development programme,*”

We,

THE FOREST RESEARCH AND MANAGEMENT INSTITUTE (ICAS),

as the author of the **component**

**“COST ESTIMATES FOR THE AVERAGE COSTS OF THE AFFORESTATION WORKS
FOR AGRICULTURAL AND NON-AGRICULTURAL LANDS OBJECT OF MEASURE 8.1
IN NRDP 2014-2020,”**

Within the

“Study on the average costs of the afforestation works for agricultural and non-agricultural lands and on the losses of income for agricultural lands to be afforested (elements related to Measure 8.1 of NRDP 2014-2020)”

(Carried out within the framework of the programming process for NRDP 2014-2020)

Acknowledge by this statement the adequacy of the methodology (study) and the accuracy of the calculations carried out within the above-mentioned component, as well as the reasonability of the assumptions, of the cost and income values used, as well as of the indicators used within the methodology.

Romică TOMESCU,

Director,

Forest Research and Management Institute (ICAS)

[Illegible signature]

[Stamp]

Annex 8.2.M8.1-6.1



**NATIONAL INSTITUTE OF RESEARCH AND DEVELOPMENT IN
PEDOLOGY, AGROCHEMISTRY AND ENVIRONMENTAL PROTECTION**

Romania, Bucharest, 1st District, 61 Mărăști Boulevard, 011464

Account: RO72RZBR0000060000671307 – Raiffeisen Bank, Dorobanți Agency

Account: RO30TREZ7015069xxx006353 – ATP Bucharest

Taxpayer identification number: RO 18107639 Trade Register: J40/18719/2005

Phone: +40-0213184458, 0213184349; Fax: +40-0213184348

Web: <http://www.icpa.ro> E-mail: office@icpa.ro

PO BOX 71, POST OFFICE 32



Bucharest, June 25th, 2014

Registration No. 1480/25 June 2014

**STATEMENT ON THE ADEQUACY OF THE METHODOLOGY (STUDY)
AND ACCURACY OF THE CALCULATIONS,**

On the grounds of Article 62 of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No. 1698/2005

In compliance with Article 62, Verifiability and controllability of measures, under Regulation (EU) No. 1305/2013, stipulating: “... *To this end, a body that is functionally independent from the authorities responsible for the programme implementation and possesses the appropriate expertise shall perform the calculations or confirm the adequacy and accuracy of the calculations. A statement confirming the adequacy and accuracy of the calculations shall be included in the rural development programme,*”

We,

**THE NATIONAL INSTITUTE OF RESEARCH AND DEVELOPMENT IN PEDOLOGY,
AGROCHEMISTRY AND ENVIRONMENTAL PROTECTION – ICPA BUCHAREST,**

as the author of the component

“LOSSES OF INCOME FOR THE AGRICULTURAL LANDS TO BE AFFORESTED,”

Within the

“Study on the average costs of the afforestation works for agricultural and non-agricultural lands and on the losses of income for agricultural lands to be afforested (elements related to Measure 8.1 of NRDP 2014-2020)”

(Carried out within the framework of the programming process for NRDP 2014-2020)

Acknowledge by this statement the adequacy of the methodology (study) and the accuracy of the calculations carried out within the above-mentioned component, as well as the reasonability of the assumptions, of the cost and income values used, as well as of the indicators used within the methodology.

Cătălin SIMOTA,

Managing Director,

National Institute of Research and Development in Pedology, Agrochemistry and Environmental Protection

[Illegible signature]

[Stamp]

Annex 8.2.M8.1-6.2

8.2.6.3.1.12. Information specific to the operation

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument in line with sustainable forest management

According to the Romanian legislation, forest landscaping documents for managing forests are required only for land with forest destination included in the National Forest Fund (NFF).

Areas under 100 hectares which are to be afforested within this sub-measure keep their agricultural purpose (both lands defined as agricultural within the meaning of this measure and lands defined as non-agricultural); they are not included in NFF.

For areas spanning more than or equal to 100 hectares, which, under the requirements of the measure, will be included in NFF, the owners shall draw up forest landscaping documents in compliance with the legislation in the field. The 100 hectares limit set within the fiche of the sub-measure took into account the minimum area needed to make a production unit, so that the continuity principle defined in *Technical Rules No. 3* is complied with, i.e. continuously providing wood and other products, as well as protection and social services as vast as possible and of high quality.

Definition of an "equivalent instrument"

For areas spanning less than 100 hectares afforested under sub-measure 8.1 until the end of the funding contract, the beneficiary shall have to comply with the forest plantation management conditions provided in the measure fiche, i.e. the provisions of the technical design for afforestation until the end of the dense stand, the requirement stipulating that the canopy closing index shall not fall below 0.7 when carrying out the stand tending works, as well as the requirement that throughout the period between the end of the last plantation running maintenance and the end of the funding contract the canopy closing index shall not fall below 0.7.

[Afforestation and creation of woodlands] Identification of species, areas and methods to be used to avoid inappropriate afforestation as referred to in Article 6(a) of [DA RD – C(2014)1460], including the description of the environmental and climatic conditions of the areas in which afforestation is foreseen as referred to in Article 6(b) of the same Regulation

The afforestation projects under this measure shall be carried out according to the *Technical Rules Nos. 1 and 2*. Within this measure, species adapted to the local conditions shall be used and they will be used within the afforestation formulas in compliance with the provisions of the two technical rules. According to the specifications in the measure fiche, the afforestation projects carried out on pieces of land situated in Natura 2000 sites have to correspond to the objectives set for these areas. Moreover, permanent natural grasslands, except for those impacted by soil degradation (according to the technical design) are not eligible for funding, in compliance with the specifications in the fiche of the measure. At the same time, agricultural lands under agri-environmental and climate commitments cannot be afforested through this measure.

The number of seedlings per hectare used for afforestation is specified in the technical design, in compliance with the requirements in the technical rules for afforestation. The species used within the technical designs are the ones specified under chapter "*Other additional information specific to the measure.*" The list of species is the result of an adjustment based on the list existing in the two technical rules. The non-native species and the hybrids used in the afforestation works in Romania have been

excluded (e.g. *Quercus rubra*, *Populus euramericana*). But non-native species adjusted to local conditions have been kept nevertheless, because they are very important to the ecologic reconstruction works or to the afforestation of the areas affected by desertification (e.g. *Robinia pseudoacacia*).

The lands proposed for afforestation situated in the forest deficit areas shall have priority within this measure.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of [DA RD – C(2014)1460]

The creation of forests adapted to the local climate and soil conditions is aimed through the technical rules for afforestation. Thus, when selecting the species, the creation of forest cultures appropriate to the stational conditions and the ecologic and social and economic functions assigned in advance is taken into account. To this end, in the first stage the reference optimum target composition is established for each area to be afforested. The reference optimum target composition means the association and proportion of species within a forest stand which mix most favourably the ecologic requirements of the species from the most valuable proveniences with the social and economic requirements, in the final moment of its existence. As a result, the technical rules require that, for establishing the afforestation species and formulas and technologies, an eco-systemic analysis of the stational conditions (soil and climate) and of the existing vegetation (natural or introduced, or even herbaceous vegetation) is performed within each technical design for afforestation, completed by drawing up the stational fiche specific to each design. The latter shall also be accompanied, within the technical design for afforestation, by a large-scale stational mapping of the area to be afforested. In order to ensure the correspondence between the requirements of the forest species used in the afforestation works and the specificity of the natural conditions, the technical rules provide the possibility to choose the afforestation species, compositions, schemes and technologies from a total of 257 combinations (ecologic groups and stational groups). Thus, the ecologic specificity of each area to be afforested is represented by one of the combinations of ecologic groups or stational groups.

[Establishment of agro-forestry systems] Specification of minimum and maximum number of trees to be planted and, when mature, to be retained, per hectare and forest species to be used as referred to in Article 23(2) of Regulation (EU) No 1305/2013

Not applicable to sub-measure 8.1.

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

Not applicable to sub-measure 8.1.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Where relevant, list of species of organisms harmful to plants which may cause a disaster

Not applicable to sub-measure 8.1.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Identification of forest areas classified as being at medium to high risk of forest fire according to the relevant forest protection plan

Not applicable to sub-measure 8.1.

[Prevention and restoration of damage to forest fires and natural disasters and catastrophic events] In case of preventive actions concerning pests and diseases, description of a relevant disaster occurrence, supported by scientific evidence, including, where relevant, recommendations on dealing with pests and diseases made by scientific organisations

Not applicable to sub-measure 8.1.

[Investments improving the resilience and environmental value of forest ecosystems] Definition of types of eligible investment and their expected environmental outcome and/or public amenity value

Not applicable to sub-measure 8.1.

8.2.6.4. *Verifiability and controllability of the measures and/or types of operations*

8.2.6.4.1. Risk(s) in the implementation of the measures

See the description of the similar chapter under sub-measure 8.1.

8.2.6.4.2. Mitigating actions

See the description of the similar chapter under sub-measure 8.1.

8.2.6.4.3. Overall assessment of the measure

See the description of the similar chapter under sub-measure 8.1.

8.2.6.5. *Methodology for calculation of the amount or support rate, where relevant*

See the description of the similar chapter under sub-measure 8.1.

8.2.6.6. *Information specific to the measure*

[Investments improving the resilience and environmental value of forest ecosystems] Definition of types of eligible investment and their expected environmental outcome and/or public amenity value

The specific sub-measure is not applicable.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of [DA RD – C(2014)1460]

See the description of the similar chapter under sub-measure 8.1.

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

The specific sub-measure is not applicable.

[Prevention and restoration of damage to forest fires and natural disasters and catastrophic events] In case of preventive actions concerning pests and diseases, description of a relevant disaster occurrence, supported by scientific evidence, including, where relevant, recommendations on dealing with pests and diseases made by scientific organisations

The specific sub-measure is not applicable.

Definition of an "equivalent instrument"

See the description of the similar chapter under sub-measure 8.1.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Identification of forest areas classified as being at medium to high risk of forest fire according to the relevant forest protection plan

The specific sub-measure is not applicable.

[Afforestation and creation of woodlands] Identification of species, areas and methods to be used to avoid inappropriate afforestation as referred to in Article 6(a) of [DA RD – C(2014)1460], including the description of the environmental and climatic conditions of the areas in which afforestation is foreseen as referred to in Article 6(b) of the same Regulation

See the description of the similar chapter under sub-measure 8.1.

[Establishment of agro-forestry systems] Specification of minimum and maximum number of trees to be planted and, when mature, to be retained, per hectare and forest species to be used as referred to in Article 23(2) of Regulation (EU) No 1305/2013

The specific sub-measure is not applicable.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Where relevant, list of species of organisms harmful to plants which may cause a disaster

The specific sub-measure is not applicable.

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument in line with sustainable forest management

See the description of the similar chapter under sub-measure 8.1.

8.2.6.7. Other important remarks relevant to understand and implement the measure

Relevant definitions for Measure 8, *Investments in forest area development and improvement of the viability of forests*

Agricultural land means an area of land from the use categories of arable land, permanent grassland and permanent crops, which has been used for agricultural purposes in the past 2 years. The eligible agricultural land for afforestation should have been declared to the Agency for Payments and Interventions in Agriculture (APIA) at least 2 years ago (at least 2 full campaigns of receiving single area payment applications), and during this period the relevant eco-conditionality standards should have been observed with regard to this land.

Non-agricultural land means an area of land not used for agricultural purposes (included in the physical blocks identified in LPIS – Land Parcel Identification System) or which is used for agricultural purposes and falls into the use categories of arable land, permanent grassland and permanent crops, being identified in LPIS, but for which a minimum level of maintenance in compliance with the relevant eco-conditionality standards was not provided in the past 2 years (at least 2 full campaigns of receiving single area payment applications).

Forest means an area of land spanning more than 0.25 ha, with trees higher than 5 m and a canopy cover of more than 10%. (According to the definition in the Forest Code (L46/2008 – Art. 2 (1)), adjusted by including a canopy cover of 10% according to R1305/2013 – Art.2 (1) (r).)

Shelter-belts are forest vegetation located at a certain distance from one another or from an objective, intended to protect it against the effects of harmful factors and/or to improve the climate, economic and esthetical-sanitary conditions of the land. Windbreaks fall also into the category of shelter belts.

Dense stand is the stage in which regeneration can develop independently, due to the fact that its components form a density that mutually ensures their growth and development, without requiring further supplementation and maintenance works.

Forest landscaping document is the basic document in forest management, having a technical and organisational and economic content and being ecologically substantiated, prepared for a period of 10 (5) years and approved by the central public authority responsible for forestry.

Unit of production and/or protection is the area of forest fund for which a forest landscaping document is prepared.

The list of tree and shrub species used in afforestation works is shown in Annex 8.2M.8.1-5.

List of tree and shrub species used in afforestation works	
List of tree and shrub species used in afforestation works for creating forest stands	
Trees	
<ul style="list-style-type: none"> - Pedunculate oak (<i>Quercus robur</i>) - Pubescent oak (<i>Quercus pubescens</i>) - Greyish oak (<i>Quercus pedunculiflora</i>) - Turkey oak (<i>Quercus cerris</i>) - Hungarian oak (<i>Quercus frainetto</i>) - Sessile oak (<i>Quercus petraea</i>) - Common beech (<i>Fagus sylvatica</i>) - European wild pear (<i>Pirus pyraeaster</i>) - Wild cherry (<i>Prunus avium</i>) - Crab apple (<i>Malus sylvestris</i>) - Common walnut (<i>Juglans regia</i>) 	<ul style="list-style-type: none"> - White willow (<i>Salix alba</i>) - Goat willow (<i>Salix caprea</i>) - Crack willow (<i>Salix fragilis</i>) - Black locust (<i>Robinia pseudoacacia</i>) - Thorny locust (<i>Gleditsia triacanthos</i>) - Common hornbeam (<i>Carpinus betulus</i>) - Oriental hornbeam (<i>Carpinus orientalis</i>) - Sweet chestnut (<i>Castanea sativa</i>) - Silver poplar (<i>Populus alba</i>) - Black poplar (<i>Populus nigra</i>) - Norway maple (<i>Acer platanoides</i>)

<ul style="list-style-type: none"> - Silver birch (<i>Betula pendula</i>) - Field elm (<i>Ulmus minor</i>) - Turkestan elm (<i>Ulmus pumila</i>) - Wych elm (<i>Ulmus glabra</i>) - Silver lime (<i>Tilia tomentosa</i>) - Small-leaved lime (<i>Tilia cordata</i>) - Large-leaved lime (<i>Tilia platyphyllos</i>) - Black alder (<i>Alnus glutinosa</i>) - Grey alder (<i>Alnus incana</i>) - Manna ash (<i>Fraxinus ornus</i>) - Common ash (<i>Fraxinus excelsior</i>) - Narrow-leaved ash (<i>Fraxinus angustifolia</i>) - Pallis' ash (<i>Fraxinus pallisiae</i>) 	<ul style="list-style-type: none"> - Sycamore maple (<i>Acer pseudoplatanus</i>) - Tatar maple (<i>Acer tataricum</i>) - Field maple (<i>Acer campestre</i>) - Mountain-ash (<i>Sorbus aucuparia</i>) - Wild service tree (<i>Sorbus torminalis</i>) - European spruce (<i>Picea abies</i>) - Silver fir (<i>Abies alba</i>) - European larch (<i>Larix decidua</i>) - Scots pine (<i>Pinus sylvestris</i>) - Black pine (<i>Pinus nigra</i>) - Swiss stone pine (<i>Pinus cembra</i>) - Common juniper (<i>Juniperus communis</i>)
Shrubs	
<ul style="list-style-type: none"> - Common hazel (<i>Corylus avellana</i>) - Turkish hazel (<i>Corylus colurna</i>) - Common hawthorn (<i>Crataegus monogyna</i>) - Cornelian cherry (<i>Cornus mas</i>) - Blackcurrant (<i>Ribes nigrum</i>) - Dog rose (<i>Rosa canina</i>) - Guelder rose (<i>Viburnum opulus</i>) - Common lilac (<i>Syringa vulgaris</i>) - Common sea-buckthorn (<i>Hippophae rhamnoides</i>) 	<ul style="list-style-type: none"> - Wild privet (<i>Ligustrum vulgare</i>) - Smoke tree (<i>Cotinus coggyria</i>) - Silver berry (<i>Eleagnus angustifolia</i>) - Common dogwood (<i>Cornus sanguinea</i>) - Salt cedar (<i>Tamarix ramosissima</i>) - Alder buckthorn (<i>Rhamnus frangula</i>) - Mountain pine (<i>Pinus mugo</i>) - Sour cherry (<i>Prunus cerasus</i>)
List of tree and shrub species used in afforestation works for creating shelter belts	
<ul style="list-style-type: none"> - Pedunculate oak (<i>Quercus robur</i>) - Pubescent oak (<i>Quercus pubescens</i>) - Greyish oak (<i>Quercus pedunculiflora</i>) - Turkey oak (<i>Quercus cerris</i>) - Black locust (<i>Robinia pseudoacacia</i>) - Thorny locust (<i>Gleditsia triacanthos</i>) - Turkestan elm (<i>Ulmus pumila</i>) - Black pine (<i>Pinus nigra</i>) - Common walnut (<i>Juglans regia</i>) - Crab apple (<i>Malus sylvestris</i>) - Norway maple (<i>Acer platanoides</i>) - Sycamore maple (<i>Acer pseudoplatanus</i>) - Silver lime (<i>Tilia tomentosa</i>) - Small-leaved lime (<i>Tilia cordata</i>) 	<ul style="list-style-type: none"> - Large-leaved lime (<i>Tilia platyphyllos</i>) - Staghorn sumac (<i>Rhus typhina</i>) - Silver berry (<i>Eleagnus angustifolia</i>) - Field maple (<i>Acer campestre</i>) - Tatar maple (<i>Acer tataricum</i>) - Mahaleb cherry (<i>Prunus mahaleb</i>) - Tree of heaven (<i>Ailanthus altissima</i>) - Black elderberry (<i>Sambucus nigra</i>) - Osage orange (<i>Maclura pomifera</i>) - Common hawthorn (<i>Crataegus monogyna</i>) - Common dogwood (<i>Cornus sanguinea</i>) - Smoke tree (<i>Cotinus coggyria</i>) - Common lilac (<i>Syringa vulgaris</i>) - Salt cedar (<i>Tamarix ramosissima</i>)
Annex 8.2M.8.1-5	

8.2.7. M09 - Setting-up of producer groups and organisations (art 27)

8.2.7.1. Legal basis

Regulation (EU) no. 1305/2013

Implementing Act (EU) no ...for setting up the application rules of the Regulation (EU) no 1305/2013

Delegated Regulation (EU) no. of the Commission, completing Regulation (EU) No. 1305/2013 and introducing certain transitional provisions

Regulation (EU) no. 1303/2013

Delegated Act (EU) no 480/2014 completing Regulation (EU) no 1303/2013. Implementing Commission Commission Implementing Regulation (EU) no. 215/2014 for enforcement of Regulation (EU) no. 1303/2013

8.2.7.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

In the case of the fruit-growing sector, the main factor which led to the sector decline consists in the excessive fragmentation of lands, mainly in the hilly area which is favourable to fruit growing. The average fruit-tree area held by agricultural holdings in 2010 was 0,38 ha, far below the minimum area required for a fruit-growing holding to become viable (according to the crop and the crop system used: minimum 0.3 ha-5 ha).

The poor level of association and cooperation for the production, but specifically for the joint capitalisation of fruit production, is another important factor that negatively influenced the capitalization of production, the quality of products, the input supply and implicitly the income of fruit growers.

Due to the structural problems that the fruit-growing sector is facing (small sized and fragmented holdings, large number of small-sized holdings etc.), but also due to climate change effects and to the reduced level of adaptation to market requirements, the association and cooperation between producers are essential for strengthening the negotiation power, for the procurement of agricultural machinery and technologies, for improving the access to credits, as well as for the introduction of innovation and of new management ideas.

The main objective of this type of structures is represented by the capitalization of products obtained by members, therefore relieving the producer of the production marketing burden, which contributes directly to a better integration of agri-food producers on the market and at the level of short supply chains.

The support under this measure will be granted for the establishment of producer groups with the aim to provide the link to the market, to improve and adjust production both to market demands (including in terms of quantity, quality and continuity of supply and in terms of food safety) and to consumers' preferences.

Contribution of the measure to focus areas

FA 3A

The support granted under this measure will contribute to the creation of short supply food chains and it is needed so as to open market opportunities for farmers, through the joint promotion and marketing of

products, close to the production source.

Contribution to cross-cutting objectives

Innovation

Cooperation among small farmers enables innovative actions, which cannot be achieved in the absence of some form of association, such as: development of new methods for agri-food production storage for an increased food safety; development of products better adapted to market requirements and development of waste use and water treatment methods aimed at environment protection.

Environment and climate

Good environmental practices and efficient resource management are, as well, fundamental to the sustainable development of fruit-growing holdings. The approach level in regard to environmental issues and to relevant specific actions will depend on factors such as: zoning and environmental-related problems; sensitive problems related to the group members' holdings; and the extent to which these problems are reflected in the business plans.

Producer groups may bring an important contribution to the mitigation of and adaptation to climate changes, through practical actions directed towards the achievement of agreed targets. Those can be described in the business plans and can be revised regularly in order to take into account changes occurred as compared to the initial conditions.

An improved access to information and results dissemination actions as well as to advisory services will be complementarily ensured through a better transfer – facilitated by Operational Groups - of research and innovation results to the fruit-growing sector.

8.2.7.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.7.3.1. 9a. Establishment of producer groups in the fruit-growing sector

8.2.7.3.1.1. Sub-measure:

- 9.1 - setting up of producer groups and organisations in the agriculture and forestry sectors

8.2.7.3.1.2. Description of the type of operation

This measure will support the establishment of producer groups in the fruit-growing sector.

The support granted under the measure will contribute to:

- Improvement of the overall performance of fruit-growing holdings;
- A better integration of primary producers on the market;

- Increased producers' income, due to joint marketing of the production;
- Creation and promotion of short supply chains;
- Compliance with the Community environment and climate, food safety etc. standards;

8.2.7.3.1.3. Type of support

The support is paid as regressive flat rate, in annual instalments, for a period not exceeding five years from the date of the producer group recognition.

The support is calculated based on the production marketed annually through the group.

A support calculated based on the annual average value of production sold through its members in the last three years before the adhesion to the group may be paid to the producer group in the first year.

The support will be granted as percentage of the production marketed through the group, as follows:

- **Year I - 10%**
- **Year II - 8%**
- **Year III - 6%**
- **Year IV - 5%**
- **Year V - 4%**

8.2.7.3.1.4. Links to other legislation

-

8.2.7.3.1.5. Beneficiaries

Producer groups in the fruit-growing sector, falling under the definition of SMEs and which were officially recognized by the competent authority after January 1st 2014 and before applying for support.

8.2.7.3.1.6. Eligible costs

The eligible expenditures are limited to those deriving from the establishment and operation of producer groups in the fruit-growing sector, foreseen in the business plan, while the detailed eligible costs shall be foreseen in the national implementation framework.

Expenditures for the merger of existing producer groups shall not be eligible under this measure.

8.2.7.3.1.7. Eligibility conditions

- The applicant shall fall under the category of eligible beneficiaries;
- The applicant shall submit a Business Plan which shall be implemented according to the requirements of Regulations on support for rural development by EAFRD;
- The producer groups members shall have their domicile/social headquarters in the administrative-territorial units listed in Annex II and shall be active in the fruit-growing sector.

The minimum specific requirements on the contents of the business plan will be detailed in the national implementation framework.

8.2.7.3.1.8. Principles with regards to the setting of selection criteria

- Principle of cooperation (groups that are part of an Operational Group);
- Principle of group's representativeness (number of members);
- Principle of product quality (groups marketing organic products or products participating in quality schemes).

The selection criteria will be detailed in the subsequent national legislation and shall consider the provisions under art. 49 "Selection of operations" of Regulation (EU) no. 1305/2013, aiming to assure equal treatment of applicants, a better use of financial resources and their orientation in compliance with the rural development priorities of the European Union.

8.2.7.3.1.9. (Applicable) amounts and support rates

The support granted is 100% public and may not exceed, annually, 10% of the value of the production marketed in the first 5 years and 100.000 Eur/year.

The last instalment shall be only paid upon verification on the correct implementation of the business plan.

In the case of non-compliance with the business plan, the support granted shall be recovered proportionally to the accomplished objectives.

8.2.7.3.1.10. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.1.10.1. Risk(s) in the implementation of the measures

The possibility to verify and control the measure is based on the results of the ex-ante evaluation, including the results of controls carried-out during the previous programming period (art. 62 „*Verifiability and controllability of measures*” of Regulation (EU) no. 1305/2013), performed by the Managing Authority and the Paying Agency.

Given that this measure is addressed, during the 2014-2020 programming period, to private beneficiaries whose selection is based on a competitive process, it is foreseen that a series of specific risks might occur,

such as:

Selection of applicants;

IT system.

8.2.7.3.1.10.2. Mitigating actions

The measures taken to improve the measure implementation and to reduce risks are:

Establishment of clear, transparent and verifiable beneficiary selection criteria and information of potential beneficiaries thereof.

The existing IT system of the PARDF will be updated and optimised with the new administrative flows and measures under NRDP 2014-2020, with the aim to reduce risks and improve measure verifiability and controllability.

8.2.7.3.1.10.3. Overall assessment of the measure

The measure creates the basis to achieve the priorities mentioned in strategy, contributing to the fulfilment of all targeted focus areas, through an improved competitiveness in the agricultural sector, but specifically in the fruit-growing sector, due to the sub-programme.

Producer groups can also play an important role in the settlement of management issues faced by forest farms/holdings and in building methods for increasing their income, with a positive impact on the farm/forest viability as well as on communities in general.

Specialized support is required to inform and stimulate agricultural producers and forest holders to get involved in these structures/groups and to make them efficiently operational to the benefit of their members. At the same time, this need shall also be addressed by a fiscal policy targeted in the same direction, in order to foster the development and operation of associative forms in agriculture and forestry.

Also, the measure aims at ensuring equal treatment of applicants, better use of the financial resources and orientation of the support according to the rural development priorities of the European Union.

Following the analysis carried-out by the Managing Authority and the Paying Agency, based on the experience acquired during the 2007-2013 programming period, it can be concluded that the measure verifiability and controllability is ensured, both in terms of vocational training and in terms of improved working procedures, so that the financial interests of European Union shall not be prejudiced.

8.2.7.3.1.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.7.3.1.12. Information specific to the operation

Description of the official procedure for recognising the groups and organisations

According to the legislation in force, producer groups recognition is done by the Ministry of Agriculture and Rural Development, which is responsible for:

- a) analysis and decision on the recognition of the producer group;
- b) regular verification of the recognition conditions;
- c) issuing and registration of the producer group recognition notice, in a special register created for this purpose;
- d) withdrawing the producer group recognition notice, in case the notice was obtained following the presentation of data non-compliant with the reality, as well as in case of non-compliance with the producer group members' obligations, as stipulated in the constitution document.

The legislation in force (Ordinance no. 37 of July 14 2005, approved with amendments and additions by Law no. 338/2005) mainly foresees the following producer group recognition criteria:

1. The producer group shall be a legal entity established at the initiative of the producers, with the aim to jointly market the members' products, in order to achieve the following objectives:

- a) planning and adjustment of production according to the market demand, especially according to quality and quantity conditions;
- b) promotion of supply concentration and placement on the market of products obtained by its members;
- c) decrease of production costs and setting the producer prices;
- d) promoting the use of environmental-friendly cultivation practices, of production and waste management techniques, with the specific aim to protect the quality of water, soil and natural landscape but also to maintain and/or promote biodiversity.

2. other conditions for recognition stipulate:

- shall be made of minimum 5 members;
- shall market minimum 75% of its own production through the producer group;
- shall prove, by book-keeping records, a minimum value of the marketed production for the product group subject to recognition, of minimum the equivalent in lei of Eur 10,000;
- shall hold a centralised book-keeping, invoicing, quantitative-qualitative-value recording and monitoring system of members' production;
- producer group members shall pay the financial contributions foreseen in the constitution document for the development and operation of the producer group.

3. The obligations of members and of the producer group shall be foreseen in the constitution document or

in the statutes;

4. The group disposes of management bodies and technical means enabling the commercial and financial management required for the operation of the producer group.

8.2.7.4. Verifiability and controllability of the measures and/or types of operations

8.2.7.4.1. Risk(s) in the implementation of the measures

-

8.2.7.4.2. Mitigating actions

-

8.2.7.4.3. Overall assessment of the measure

-

8.2.7.5. Methodology for calculation of the amount or support rate, where relevant

-

8.2.7.6. Information specific to the measure

Description of the official procedure for recognising the groups and organisations

-

8.2.7.7. Other important remarks relevant to understand and implement the measure

-

8.2.8. M10 - Agri-environment-climate (art 28)

8.2.8.1. Legal basis

Regulation (EU) no. 1305/2013

Implementing Act (EU) no. ...for the application of Regulation (EU) No. 1305/2013

8.2.8.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Agri-environment payments are required to support the sustainable development of rural areas and to comply with the increasing demand of society for environmental services. Payments granted by this measure shall encourage farmers to serve the society as a whole, by introducing or continuing to apply ***agricultural methods compatible with the protection and enhancement of the environment, of the landscape and its features, of natural resources, of soil and of genetic diversity***. Promotion of extensive traditional agricultural practices, based on a reduced use of inputs, is required to support the sustainable development of rural areas.

The measure is implemented along four main directions:

- ***Maintaining and enhancing the biodiversity and the environmental value of agricultural lands (Need 12)***. The action represents an extension for the 2014-2020 period of Packages 1 and 2 under Measure 214 “Agri-environment payments” implemented under NRDP 2007-2013 and it mainly envisages the High Nature Value areas assimilated to the high share of lands used as permanent pastures and traditional orchards under extensive farming. Moreover, encouraging the maintenance and stabilisation of local animal breeds adapted to environment and climate conditions, contributes to the preservation of genetic resources in agriculture.
- Protecting priority species, by continuing the implementation of Packages 3, 6, and 7 under Measure 214 “Agri-environment payments” of NRDP 2007-2013, in regard to the special management conditions for pastures or agricultural lands which are representative for birds or butterflies (Need 12).
- ***Protection of soil (Need 16) and water (Need 15)*** by continuing the application of Package 4 – green crops on arable land throughout the national territory, in particular in the areas most vulnerable to erosion and to other degradation processes, including in areas affected by natural constraints,
- ***Adaptation to climate change effects*** by promoting technologies and management practices at farm level, under Package 5 (Need 17),

Due to the wide variety of species associated to agricultural lands used as permanent pastures, by traditional mowing or grazing activities, Romania benefits from one of the richest resources of lands which may be classified as having ***High Nature Value (HNV)***. Based on criteria proposed by the European Forum for Nature Conservation and Pastoralism (<http://www.efncp.org/policy/indicators-high-nature-value-farming/>) this category may include:

- natural and semi-natural pastures, especially the ones in mountain and hilly area,
- extensive traditional orchards where the stock of old hayfields resources is almost entirely preserved,

turning hayfields into one of the most valuable and best conserved traditional habitats in the Carpathian, Transilvania and Peri-Carpathian areas. Furthermore, in most cases, those traditional orchards preserve old local varieties of fruit trees representing an ancestral cultural genofund, currently endangered and which must not perish,

- permanent pastures generally associated with a great floristic diversity in Romania, which implicitly provides for a the wide faunistic diversity (birds, insects, small and big animals),

Initially applied for the designation of administrative-territorial units (ATUs) at LAU2 level (municipalities, cities and communes) which could fall under the category of High Nature Value (2007-2013) were the land-use criteria, using the databases Corine Land Cover and FAO-LCCS. Under the previous designation, the eligible area of pastures located under the 1,038 ATUs falling under HNV areas was of approx. 2.169 million hectares.

Under the new designation, an administrative-territorial unit is classified as an area with High Nature Value if more than 50% of its agricultural area complies with one of the HNV definition conditions as listed above. The area of agricultural lands utilised as permanent pastures, located on the territory of the 958 administrative-territorial units defined as high nature value area, is of approx. 2 million ha (according to LPIS 2013 – PIAA).

In case of extensively-used traditional orchards, the lack of heavy machinery mechanization and the avoidance of chemical fertilizers, together with the use of traditional agricultural techniques (which are mainly consisting of non-intensive grazing and mowing) will favour the full maintenance of those habitats, of the traditional cultural fund, of biodiversity, as well as of the edaphic cover.

Worthwhile to be mentioned is also the fact that a great part of important protected areas in Romania (of national, but also of Community and international interest) are covered (approximately 43.38 % of the SPAs area and 55.76 % of the SCIs area) by High Nature Value areas (HNV), while this package, although focussed on the preservation of plant species associated to semi-natural pastures, has also the potential to bring an indirect contribution to the protection of other important wild species or priority habitats. As an overall assessment, the eligible area proposed for Packages 1 and 2 of the agri-environment and climate measure covers approximately 51.37 % of the area of sites designated as Natura 2000 in Romania.

An adequate management of pastures within the Special Avifaunistic Protection Areas (SPA) is required for the **preservation of bird species important at European level**. Given the need to effectively manage the financial resources allocated to environment measures from EAFRD and the need to target the high value elements from the perspective of natural resources (especially biodiversity) preservation, a re-designation process was carried-out for areas important for protection of birds of which habitat is represented by permanent pastures. The species envisaged for the continuation of actions developed under the last programme are *Crex crex*, *Lanius minor* and *Falco vespertinus*. These species are largely present in a high number in Romania, while in other European regions their population is declining or the species are extinct. Romania held approximately 97% of the European population of *Lanius minor* (Lesser Grey Shrike), approximately 58% of the European population of *Falco vespertinus* (Red-footed Falcon) and approximately 28% of the European population of *Crex crex* (Corn Crane) – according to Birds in Europe 2004.

Romania is in its 7th implementation year of Natura 2000 European Network of Protected Areas, following the official designation, by GD 1284/2007, respectively GD 971/2011, of Special Avifaunistic Protection Areas and of the Sites of Community Importance. Consequently, for the 2014-2020 programming period, the principle of representativeness was used to select certain SPAs that were overlapping with the IBAs

which were the basis for the previous designation of areas eligible for Package 3 under Measure 214 – agro-environment payments. One difference is noticed for the designation of the eligible area addressing the preservation of pastures important for *Crex crex*, where there is no direct correspondence between IBAs selected in the 2007-2013 period and the SPAs selected for the 2014-2020 period in terms of representativeness in regard to the number of bird pairs estimated in the standard forms used as basis for the designation of the sites. In order to ensure consistency, other data was also used apart from the data included in the standard forms elaborated for the designation of SPAs important for *Crex crex* și *Lanius minor*, such as: data obtained from the report on distribution of species, according to article 12 of the Bird Directive; data obtained following the implementation of certain projects; and data resulted from census operations on *Falco vespertinus*. The selected IBAs are:

- *Crex crex* – ROSPA0028, ROSPA0033, ROSPA0114 and ROSPA0138 (first 4 sites in terms of representativeness, by establishing a threshold above 215 pairs of birds based on standard forms).
- *Falco vespertinus* – ROSPA0001, ROSPA0015, ROSPA0031, ROSPA0047, ROSPA0067, ROSPA0103, ROSPA0126, ROSPA0135, ROSPA0142, ROSPA0144 (first 10 sites in terms of representativeness, by establishing a threshold above 30 pairs of birds) and ROSPA0013, ROSPA0016, ROSPA0019, ROSPA0022, ROSPA0024, ROSPA0036, ROSPA0039, ROSPA0042, ROSPA0048, ROSPA0061, ROSPA0066, ROSPA0070, ROSPA0071, ROSPA0072, ROSPA0074, ROSPA0076, ROSPA0078, ROSPA0090, ROSPA0094, ROSPA0095, ROSPA0097, ROSPA0101, ROSPA0102, ROSPA0106, ROSPA0108, ROSPA0111, ROSPA0113, ROSPA0118, ROSPA0120, ROSPA0121, ROSPA0127, ROSPA0128, ROSPA0130, ROSPA0137, ROSPA0145, ROSPA0148 (based on representativeness, using the data resulted following the 2014 reporting under article 12 of the Birds Directive and the census data).
- *Lanius minor* – ROSPA0001, ROSPA0002, ROSPA0015, ROSPA0016, ROSPA0017, ROSPA0019, ROSPA0029, ROSPA0073, ROSPA0100, ROSPA0119 (first 10 sites in terms of representativeness, by establishing a threshold above 125 pairs of birds based on standard fiches) and ROSPA0004, ROSPA0006, ROSPA0008, ROSPA0040, ROSPA0049, ROSPA0068, ROSPA0069, ROSPA0135 (based on standard fiches and on the repartition provided by the reporting under art. 12 of the Birds Directive).

Due to the representativeness of bird species envisaged by package 3 of the agro-environment and climate measure, some of the targeted sites, although located in the HNV-eligible area during 2007-2013, were included for the 2014-2020 programming period in the area eligible for the package addressed to *Crex crex* (ROSPA0028, ROSPA0033, ROSPA0114 and ROSPA0138) or the package addressed to *Lanius minor* (ROSPA0029).

The area of permanent pastures located in the 567 eligible ATUs (out of which 83 eligible for Package 3.1 – *Crex crex* and 484 eligible for *Lanius minor* and *Falco vespertinus*) is of approximately 565 thousand hectares (out of which 155 thousand ha eligible for Package 3.1 – *Crex crex* and 410 thousand ha eligible for *Lanius minor* and *Falco vespertinus*). Overall, the eligible area selected under this package covers approximately 44.31 % of the total area of SPAs designated at national level (out of which 7.09 % in areas eligible for Package 3.1 and 37.22 % in areas eligible for Package 3.2). At the same time, the designated area will contribute to the achievement of preservation objectives established for priority species and important habitats located on 28.02 % of the total area of SCIs designated in Romania (out of which 3.11 % in areas eligible for Package 3.1 and 24.91 % in areas eligible for Package 3.2). As an overall assessment, the eligible area proposed for Package 3 of the agri-environment and climate measure covers approximately 32.95 % of the area of Natura 2000 sites designated in Romania (out of which 5.64 % in areas eligible for Package 3.1 and 27.31 % in areas eligible for Package 3.2). According to the standard forms, the selected areas include approximately 35.51 % of the *Crex crex* populations, approx. 87.4 % of the *Falco vespertinus*

populations and approx. 60.86 % of the *Lanius minor* populations, estimated as being present in the SPAs designated in Romania. *Falco cherrug*, *Coracias garrulus* and *Lanius collurio* represent a series of species with unfavourable status at global level which will indirectly benefit from the implementation of this package.

The assessment of **populations in the species of the genus *Maculinea*** on the permanent pastures in the Cluj area and on those located in Obcinele Bucovinei revealed that in those locations, depending on the species, one can find up to 3% of the Community-level population, as these areas cumulate up to 40% of the populations at national level. The most representative species in these areas are *Maculinea nausithous*, *Maculinea telejus*, *Maculinea alcon* and *Eriogaster catax*. Due to their specifically complex vulnerability, biology and ecology, the species of butterflies in the genus *Maculinea* have benefited in the last 20 years from many studies and generous financing from the EU budget. Knowing their biology and ecology, highly-scientific based management plans could be prepared. The vulnerability of these species is due to the fragmentation and to reduction of the habitat and also due to the manner in which pastures with *Sanguisorba officinalis* are used. Mowing with a frequency of 3-5 times, as a practice specific for certain low areas, or of 2-3 times in high areas, but in periods unfavourable for the development of butterflies of genus *Maculinea*, represents a practice which is incompatible with the maintenance of these species populations. Given the fact that the time period between mid-June and mid-August corresponds to the flying period for *M. telejus* and *M. nausithous*, in this period the females lay eggs in the flowers of the host plant (*Sanguisorba officinalis-sorbestrea*), and also in this period the larvae are located inside the plant's flower. Only after mid-August most larvae already left the flowers, being carried by certain species of host ants in their anthills in order to be fed and to continue their life cycle. Certain *M. nausithous* larvae continue to be located in the flowers even after mid-August, until mid-September, but their percentage is low or even insignificant for the population (Timus et al. 2011). Taking into account the above-mentioned biological cycle, very well studied in the Cluj areas, as well as in the Bucovina area, it is recommended that mowing should start only after August 25th every year. It is worth mentioning that the implementation of this package will indirectly contribute to the conservation of important habitats specific for natural and semi-natural pastures, but also of certain priority species whose ecology is connected to these types of habitats. The areas selected as eligible under this package, since the 2007-2013 period, are located in Cluj county and in Suceava county, on the territory covered by 26 ATUs, of which the permanent pastures area is of approx. 23,000 ha.

The spatial distribution of areas eligible under the packages addressed to high nature value areas (HNV) (P1,P2) and those addressing the protection of various bird (P3.1 and P3.2) and butterfly (P6) species is reflected in the map included in Annex 8.2.M.10.1-1.

The main goose species wintering on the Romanian territory are: Greylag Goose (*Anser anser*), Greater White-fronted Goose (*Anser albifrons*), Lesser White-fronted Goose (*Anser erythropus*), and **Red-breasted Goose (*Branta ruficollis*)**. Lesser White-fronted Geese and Red-breasted Geese are included on the Red List in Romania, and they are endangered species at global level. Other species, such as Bean Goose (*Anser fabalis*), Snow Goose (*Anser cearulescens*), Canada Goose (*Branta canadensis*), Barnacle Goose (*Branta leucopsis*) and Brent Goose (*Branta bernicla*) are rare in Romania. They may be seen in wintering areas only rarely and in low numbers. These arguments mainly refer to goose species within the Romanian territory, which are influenced by the agricultural practices used in their habitat areas. Red-breasted Goose is the goose species most endangered all over the world and its population is declining: from 60,444 individuals in the 1998-2001 census down to 45,000 individuals estimated in 2003-2005. The deterioration of feeding habitats in the wintering areas is among the main reasons generating the decline of its population. In Romania, the first goose may be seen at the end of October, beginning of November, but significant concentrations of geese are usually formed at the end of November. Geese remain on the Romanian territory until the end of February, but small groups may be seen also as late as the beginning of April. The main

sites for Red-breasted Goose in Romania are located in Dobrogea. In the Northern part of Dobrogea, the main roost area is located on the banks of Razim Lake. In the central part, important sites have been noticed on the Golovița Lake and in the Southern part of Sinoe Lake. In the Southern part of Dobrogea there are two important sites, and along the Black Sea coast, there is a main overnight area, in particular, the South-West part of Techirghiol Lake. Along the Danube River, nearby Călărași, another main shelter for this species is located on the Iezeru Lake (Dan Hulea 2002). The data collected during the monitoring operations on the Red-breasted Goose, carried-out through the Common Research and Monitoring Program (observations done beginning with the winter of 2000/2001 up to now) show that this species uses for feeding a large part of the agricultural area in Dobrogea (www.brantaruficollis.org). Furthermore, the data supplied by geese equipped with radio transmitters during the period 2010/2014 showed that they also prefer, in addition to historical sites, also the vast areas of agricultural land in the Swamp of Ialomița and the Small Island of Brăila and Balta Albă. Geese are herbivore species. The main food resources for the species in our country are winter wheat and barley. They may also feed on maize grains and newly germinated rapeseed plants. Both food types provide a much higher nutrient intake than winter wheat, however, they may be found and eaten by geese only in early winter. The main feeding areas for this species consist of extended lands cultivated with cereals, in particular winter wheat, but also barley, rye or triticale. Therefore, the main agricultural practice and land use category capable to ensure the long-term protection of the species consists in cultivating such crops on large areas in Dobrogea and in arrangement of maize grains feeding points. The overlapping between geese feeding areas and arable lands used for intensive cereal production leads to the occurrence of a significant controversy in regard to the maintenance of feeding areas under good quantity and quality conditions on one hand, and to the losses caused by geese to these crops, on the other. Another important matter refers to the change of crops traditionally used in Dobrogea with technical plants - which would deprive the geese of their feeding resources. Therefore, maintaining the winter wheat-covered lands and the maize feeding points near the roost areas for geese, represents a measure which may ensure the survival of this species at global level.

The eligible area designated for the period 2007-2013 will be kept for the period 2014-2020 under Package 7, as Romania, for this species, has included the Special Avifaunistic Protection Areas (IBAs) in the eligible areas, mainly covering the roosting territories. The feeding areas are only found at the level of Avifaunistic Importance Area (SPAs). In order to ensure consistency and homogeneity of eligible areas, other territories will be also included in the next programming period, apart from previously proposed areas (2007-2013), based on data obtained from geese equipped with satellite transmitters installed by the Romanian Ornithological Society and by other Member States partners. The area of arable lands located in the 126 ATUs included in the eligible areas is of approximately 926 thousand ha. At the same time, the selected area cover more than 19% of the area of SPAs designated in Romania. Collaterally, the implementation of the package will support the actions related to protection of species and habitats, as the eligible area covers approximately 14.19 % of the area of SCIs designated in Romania. Overall, Package 7 covers approx. 13.24 % of the area of Natura 2000 sites designated in Romania. The eligible areas are presented in Annex 8.2.M.10.1-2.

An important threat consists in the agricultural intensification in these areas and in a possible conversion of High Nature Value lands or of pastures important for birds into arable land or intensively-used pastures. There are some changes indicating the potential of an increased intensification level, the most visible of these changes consisting in the increased use of mechanised equipment for the execution of agricultural works. The average level of fertiliser and plant protection substances use is still relatively low, but it can be expected that this level will increase significantly in tight correlation with the trend of increased performance in the agricultural sector. Besides mechanisation, an increased use of inputs would be implicitly associated with the significant decrease of diversity for spontaneous plant species and wild animal species, as well as with the degradation of certain priority habitats – as proven by numerous studies. Given the socio-economic changes expected to occur in the rural area in the following period, the challenge is to

maintain this reach resource of agricultural lands. To succeed, it is needed that the extensive agriculture systems be sufficiently supported to be able to cope with the competition against both the intensive agricultural systems and, in a wider context, against other emerging economic activities that agriculture could compete against.

Soil erosion, in particular soil erosion caused water, is a widely-spread phenomenon in Romania, of which long-term manifestation reduces farm viability and damages the environment. The promotion of Good Agricultural and Environmental Conditions (GAEC) relevant for preventing soil erosion is a key step in the removal of this threat, but it is also needed that all farmers be encouraged to go beyond the compliance with GAEC, by adopting *agri-environmental practices aiming at soil and water preservation*. Erosion risk is also increased by the fact that many lands are left uncovered during winter, therefore one of the simplest soil conservation measure is to foster the use of the so-called green crops. These crops are sowed immediately after harvesting and protect the soil during winter by ensuring its cover with vegetation. This water and soil conservation package is available throughout the country, and it has also the potential to mitigate the risk of nutrient leakage, especially of nitrogen, during winter. The package can therefore contribute to the achievement of the Water Framework Directive objectives in regard to ensuring a good ecological and chemical state of all waters.

The relation between the farmer community and *climate change* is bi-directional: on one hand, farmers are affected by climate change due to the modification of the production outputs, while, on the other hand, farmers, by their activities, influence the greenhouse effect gases balance. Farmers' behaviour is generally influenced by the current climate conditions but also has a strong component based on tradition / knowledge resulted from activities carried-out in the past. To reduce vulnerability to the forecasted effects of climate change onto crops, it is required that farmers change their current behaviour namely to make the crop structure more flexible so as to counteract the climate change-generated effects. For this purpose, the analysis of field crops output in the last decade – obtained from the ASAS network of research units – and the studies based on the use of the agri-soil-climate models for forecasting different crops under different climate scenario, indicate a trend whereby the varieties and hybrids for semi-late and late spring crops (maize, sunflower, soy) which currently represent the main percentage, lead to lower yields (as multi-annual average) than the early and semi-early varieties and hybrids. This situation is due to the fact that periods of great water and thermal stress in the flowering period – that will be more and more frequent as per the climate change forecasts – will be avoided. Under the current climate context, the production of early and semi-early hybrids is approximately 15% lower than the one for semi-late and late hybrids (as multiannual average). This ratio will be reversed in the future - to be able to cope with the forecasted changes, farmers need to adjust their farm management by introducing varieties and hybrids with different vegetation periods in their crop structure. Agricultural activities influence the greenhouse effect gas flows. For this purpose, an active carbon sequestration measure is represented by minimum tillage works which, additionally, contributes to the preservation of water in the soil. The yield drops under the minimum-tillage system, as compared to the conventional system, is 15% while the fuel consumption represents 90% against the fuel consumption under the conventional system.

The selection of areas for the application of Package 5 “Climate change adaptation” was carried-out by overlapping two layers of data, the values of each layer being established as average for the agricultural land in each ATU:

- quantity of water accessible in the soil, calculated from the pedo-transfer function extension of the Romanian Soil Map 1:200.00, in digital format (SIGSTAR-200),
- number of growing days (growing-degree days) defined as the number of days in a year with an average air temperature above 5⁰C and a ratio between actual and potential evapotranspiration above

0,5. This indicator was calculated using the ROMIMPEL simulation model for the first case study on the set of bio-physical indicators proposed by JRC for the designation of areas with constraints for the agricultural activities (2012), the SIGSTAR-200 soil database and the climate data for the 1991-2000 time series.

The threshold value of indicators, as resulted after the exclusion of the ATU insulation and after addition of other neighbouring ATUs with the aim to homogenise the selected areas, are:

- 65 mm of water on the root soil profile, for the quantity of water accessible in the soil (except for one ATU recording a value above the established threshold, namely 92 mm) and
- 106 growing days (except for one ATU with a recorded value of 111).

The validation of the assumption used for the selection of areas is done by the ATU-level analysis of the ESAI indicator (Environmentally Sensitive Area Index) on area sensitivity to desertification, calculated based on soil, climate and agricultural management data, using the methodology proposed by the MEDALUS project. All selected areas record values indicating the inclusion in the “critical” class.

As a result, it is considered that the ATUs most appropriate for the application of measures included in Package 5 are those that simultaneously comply with certain conditions (by establishing the threshold mentioned above) referring to the climate influence onto the practice of agricultural activities:

- the quantity of water accessible in the soil falls under the classes “very low”.
- reduced number of growing days.
- exposure class to the effects of climate change is reflected by the ESAI indicator.

The Romanian desertification risk map, indicating the “critical” areas where the climate change effects onto the agri-eco-systems could be significant, was drawn up by using the MEDALUS methodology on the assessment of areas sensitive to desertification, based on specific indicators for the quality of soil, climate and vegetation.

The farmers in the most sensitive areas in relation to risks associated to climate change effect, who generally have a conservative thinking, shall be encouraged to make changes in the agricultural management system so as to make the transition from the current practices to an agriculture adjusted to the climate change context.

The area where the pilot package addressed to adaptation of agriculture to climate change effects will be applied covers the administrative territory of a number of 71 ATUs, while the estimated area of agricultural land is of approx. 900 thou. ha (Annex 8.2.M.10.1-2).

The classification of eligible area, under each package of sub-measure 10.1, at the level of the administrative-territorial unit, is shown in Annex 8,2,M.10-M.13 – eligible areas.

Genetic diversity is an indispensable factor for the development of agricultural production and of rural areas. Consequently, measures need to be taken to ensure the restoration, preservation and development of the genetic diversity. The national priorities of policies related to preservation, development and use of genetic diversity of domestic animals are targeted towards the production and sustainable use of certain species and breeds with a high production potential and to the in situ or ex situ preservation of genetically important breeds on the verge of extinction. The National Agency for Amelioration and Reproduction in

Animal Husbandry “Prof. Dr. G. K. Constantinescu” – ANARZ, as the competent national authority in the animal husbandry field, approves preservation and use programmes for breeds in danger of abandonment. The methodology for the preservation of animal genetic resources is implemented by the animal breeders’ associations. In Romania, at present, the adult female reproductive livestock is recorded and updated in the genealogic records of breeds established and maintained by the animal breeders’ associations authorised and accredited by ANARZ. The preservation of local animal breeds on the verge of extinction provides for a valuable source of genes, well-adapted to the environmental conditions, that can provide a continuous progress basis for an increased animal productivity, can contribute to the diversification of existing populations at a certain time, can contribute to the restoration of selected lines vitality and of the resistance to disease. Fostering animal husbandry with animals of traditional breeds preserves the local identity and their cultural-historical value.

The compliance, by the beneficiaries of agri-environment and climate measure, with the ***cross-compliance standards*** established under Title VI Chapter I of Regulation (EU) no. 1306/2013, will enable the premises required for the implementation of agricultural practices cumulatively contributing to a sustainable management of natural resources (biodiversity, soil, water), as well as to a decrease in the GHG emissions from agriculture. At the same time, the promotion of adequate agricultural methods will provide for a better adaptation to climate change effects- more and more often manifested as extreme phenomena.

By ***ensuring the competencies required to implement the commitments***, following participation in information actions or in vocational training courses or by access to advisory services, the measure beneficiaries provide the premises to achieve the established objectives and to maximise the impact of the budgetary effort corresponding to agri-environment and climate commitments.

Contribution to the focus area

The implementation of these packages contributes to:

- **Priority 4** - Restoring, preserving and enhancing ecosystems related to agriculture and forestry

FA 4A - Restoration, conservation and development of biodiversity, including Nature 2000 areas, areas with natural constraints or other specific constraints and agricultural activities of high nature value as well as of European landscape status (Sub-measure 10.1 - P1, P2, P3, P6, P7 and Sub-measure 10.2)

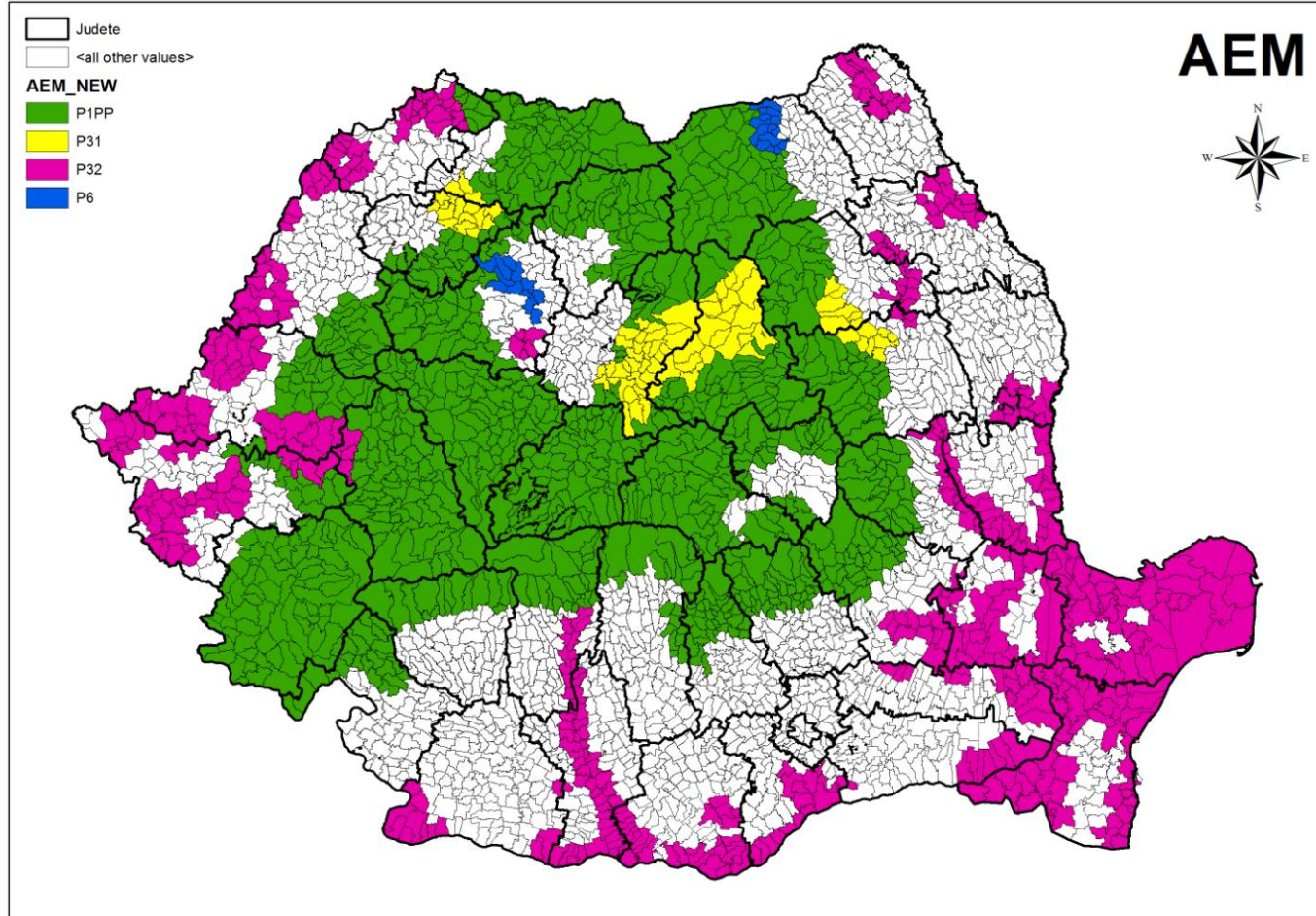
FA 4C - Soil erosion prevention and soil management amelioration (Sub-measure 10.1 - P4)

- **Priority 5** – Promoting the efficient use of resources and support of transition to an economy with low carbon emissions and resistant to climate changes in agricultural, food and forest sectors

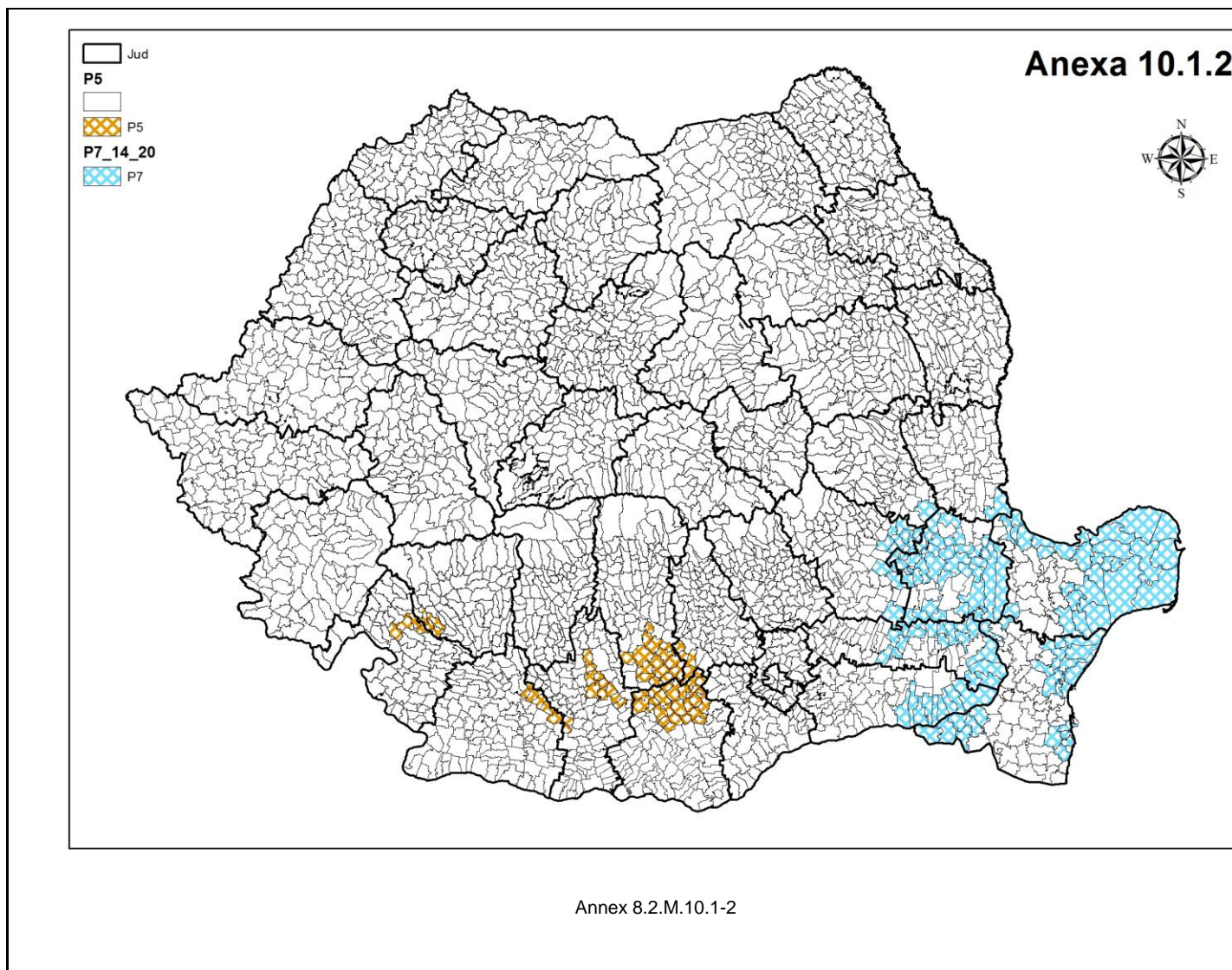
DI 5A – Water use efficiency in agriculture (Sub-measure 10.1 - P5)

Contribution to cross-cutting objectives

Based on the issues presented above, it is self-understood that the support provided under the measure to encourage the adoption of extensive agricultural activities with a low impact onto the environment and to restore, preserve and develop the genetic biodiversity, addresses the cross-cutting objectives on **Environment and Climate**.



Annex 8.2.M.10.1-1



8.2.8.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.8.3.1. 10.1 Agri-environment and climate payments

8.2.8.3.1.1. Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.1.2. Description of the type of operation

The agri-environment payments will be granted to farmers voluntarily undertaking agri-environment commitments.

The initial commitments concluded by farmers starting with 2015 cover a period of 5 years from their signature. Following the signature of the initial commitments, these may be extended on an annual basis, up to the limit of financial allocations, without exceeding the implementation period of NRDP 2014-2020.

Commitments under Packages 1, 2, 3, 6 and 7 apply at agricultural parcel level, without the possibility of changing the parcels during the period of commitments. Commitments concluded for Packages 4 and 5 are conditional upon maintaining the value of the area throughout the commitment period, while the parcels on which the requirements are applied may be changed from one year to another.

A revision clause is foreseen to adjust the commitments in case the basic requirements are modified (including greening measures). A revision clause is foreseen for commitments going beyond the current programming period, in order to ensure their adjustment to the legal framework of the following programming period. If the beneficiary does not accept the adjustment, then the commitment is terminated without a request to the beneficiary to reimburse the amounts paid up to that moment.

The Measure beneficiaries shall commit to keep records of agricultural activities correlated to the implementation of agri-environment and climate commitments (basic records at the level of the entire farm and advanced records at the level of areas under the commitment).

The Measure beneficiaries shall comply with the cross-compliance standards foreseen under Title VI Chapter I of Regulation (EU) no. 1306/2013, at the level of the entire farm.

Measure beneficiaries shall prove the possession of required competencies or shall commit to prove the compliance under the relevant conditions foreseen in the Measure fiche.

The package-specific requirements are as follows:

1. Package 1 – pastures with high natural value

- Use of chemical fertilizers and pesticides is forbidden,
- Traditional use of livestock manure is only allowed up to the equivalent of maximum 40 kg. N s.a./ha (1 LSU/ha),
- Mowing may only start after July 1st (for lands located in ATUs with average altitudes equal to or higher than 600 m) or after June 15th (for lands located in ATUs with average altitudes lower than 600 m),
- Grazing shall be performed with maximum 1 LSU per hectare.

2. Package 2 – Traditional agricultural practices (Package 2 may only be applied additionally, in combination with Package 1)

variant 2.1 – manual works on permanent pastures used as hayfields

- Works by mechanised equipment are forbidden on the area of pastures and traditional orchards under commitment, except for animal-operated equipment.

variant 2.2 – works by light equipment on permanent pastures used as hayfields

- Mowing may only be performed with small-capacity mechanized equipment, while the use of heavy

machinery is forbidden.

3. Package 3 – pastures important for birds

variant 3.1 – Crex crex

- Use of chemical fertilizers and pesticides is forbidden,
- Traditional use of livestock manure is only allowed up to the equivalent of maximum 40 kg. N s.a./ha (1 LSU/ha),
- Mowing may only be executed after July 31st,
- Mowing shall be executed from the inside of the parcel towards its boundaries,
- A 3-meter wide strip shall be left un-mowed on the boundaries of each parcel (it may be mowed after September 1st),
- Grazing shall be performed with maximum 0.7 LSU per hectare,
- Works by mechanised equipment are forbidden on the area of pastures under commitment, except for animal-operated equipment.

variant 3.2 – Lanius minor and falco vespertinus

- Use of chemical fertilizers and of pesticides is forbidden,
- Traditional use of livestock manure is only allowed up to the equivalent of maximum 40 kg. N s.a./ha (1 LSU/ha),
- Mowing shall be executed by July 1st at the latest,
- A 3-meter wide strip shall be left un-mowed on the boundaries of each parcel (it may be mowed after September 1st),
- Grazing shall be performed with maximum 1 LSU per hectare,
- Works by mechanised equipment are forbidden on the area of pastures under commitment, except for animal-operated equipment and for small-capacity mechanised equipment.

4. Package 4 – Green crops

- Green crops shall be sowed until September 30th, using: pees, vetch, rape, mustard, lupine, sweet clover,
- Use of chemical fertilizers is forbidden, only organic fertilizers may be used before the setting-up of green crops,
- Formed biomass shall be incorporated into the soil by March 31st at the latest.

5. Package 5 – Adaptation to climate change effects

- Cultivation of at least 2 hybrids/varieties with different precocity on the committed area,
- Adaptation of the sowing schedule to the modified climate requirements,

- Use of minimum tillage methods,
- Application of livestock manure in composted form.

6. Package 6 – Pastures important to butterflies (*Maculinea sp.*)

- Use of chemical fertilizers and pesticides is forbidden,
- Traditional use of livestock manure is allowed up to an equivalent of a maximum 30 kg N s.a./ha,
- Mowing may only start after August 25th,
- Mowing may be executed manually or by low-capacity mechanized equipment, the use of heavy machinery is forbidden,
- Grazing shall be performed with maximum 0,7 LSU per hectare,
- Actions leading to an accelerated natural drainage of pastures under commitment are forbidden.

7. Package 7 – Arable lands important as feeding points for Red-breasted Goose (*Branta ruficollis*)

- A crop of autumn cereals (wheat, barley, rye, triticale) or rape shall be set-up after September 15th, in each year of the commitment,
- Sowing of autumn cereals (wheat, barley, rye, triticale) or rape shall be finalised before October 15th,
- Parcels under commitment may be sowed with maize, but not later than May 15th, and the maize shall not be harvested before September 15th,
- During the maize yield harvesting, an area of minimum of 5% and maximum 10% shall be left unharvested or, if no maize crop is sowed, the farmer, for that commitment year, shall provide a quantity of 100 kg of maize grains per ha, in at least in one feeding point located on the area of each parcel under commitment,
- In case a maize crop is sowed, in that year, on the committed parcel, the autumn crop shall be incorporated into the soil until the end of March at the latest,
- During the 5-year period of commitments, the sowing of maize crop during summer is mandatory for at least 2 years,
- Pesticides and phyto-stimulators (natural fertilizers) may not be used in the period between the sowing of the autumn crop and March 15th,
- Agricultural works and/or grazing are forbidden between October 15th – March 15th,
- Use of chasing away methods between October 15th - March 31st is forbidden.

In order to avoid any overlapping with the GAEC standard on soil protection during winter, Packages 4 and 7 may only apply on maximum 80% of the arable land area belonging to a farm.

In order to ensure the consistency of commitments, mowing or disking of pastures existing within farms with ongoing commitments is forbidden.

To ensure consistency of commitments signed for packages 1, 2, 3 and 6:

- mowed vegetal mass shall be gathered from the area of the pasture under commitment no later than

two weeks from the execution of mowing,

- flooded pastures shall not be grazed earlier than two weeks from the withdrawal of waters,
- no surface sowing or over-sowing shall be carried-out (sowing with species from the local flora is allowed only in cases when certain areas are accidentally affected).

8.2.8.3.1.3. Type of support

Sub-measure 10.1 envisages the promotion of the following packages and variants under those packages:

1. package 1 – pastures with high natural value (HNV) (focus areas **4A**, 4B and 5D)

2. package 2 – traditional agricultural practices (focus areas **4A** and 5D)

variant 2.1 – manual works on permanent pastures used as hayfields

variant 2.2 – works by light equipment on permanent pastures used as hayfields

3. package 3 – pastures important for birds (focus areas **4A**, 4B and 5D)

*variant 3.1 – *Crex crex**

*variant 3.2 – *Lanius minor* and *falco vespertinus**

4. package 4 – green crops (focus areas 4B, **4C**, 5D and 5E)

5. package 5 – adaptation to climate change effects (focus areas 4C and **5A**)

6. packages 6 – pastures important for butterflies (*Maculinea sp.*) (focus areas **4A**, 4B and 5D)

7. package 7 – arable lands important as feeding areas for Red-breasted Goose (*Branta ruficollis*) (focus areas **4A** and 4B)

The support granted under this measure is of compensatory type.

The agri-environment and climate compensatory premium is paid on annual basis, as a fixed amount, granted per surface unit (hectare) and it represents a compensation for the income foregone and additional costs incurred by farmers signing voluntary commitments.

8.2.8.3.1.4. Links to other legislation

EU legislation:

- Regulation (EU) no. 1305/2013
- Title VI Chapter I in Regulation (EU) no. 1306/2013

- Regulation (EU) no. 1307/2013
- Implementing Regulation of Regulation (EU) no. 1305/2013

National legislation:

- GEO no. 125/2006 with subsequent amendments and additions,
- MARD Order no. 246/2008 with subsequent amendments and additions,
- Joint order of MARD/MEF no. 30/147/2010 with subsequent amendments and additions – on the approval of GAECs in Romania
- Joint order of MADR/MEF/NSVFSA no. 187/2155/42/2011 with subsequent amendments and additions – on the approval of SMRs in Romania
- Minimum relevant requirements on the use of fertilisers and of plant protection products foreseen by the national legislation (MEWM Order no. 1234/2006 – code of good agricultural practices, GO no. 4/1995, GO 1559/2004 – legislative acts, with subsequent amendments and additions).

8.2.8.3.1.5. Beneficiaries

The beneficiaries of compensatory payments granted under the agri-environment and climate sub-measure are farmers, users of agricultural lands.

8.2.8.3.1.6. Eligible costs

The eligible costs under this measure are made of standard costs, calculated per each package/variant, based on the assessment of additional costs and income foregone beyond the mandatory non-remunerated level of the basic requirements, incurred by farmers following the uptake of voluntary agri-environment and climate commitments.

The basic requirements are made up of:

- Relevant mandatory standards established in accordance with title VI Chapter I of Regulation (EU) no. 1306/2013,
- Relevant criteria and minimum activities established in accordance with article 4 paragraph (1) letter (c) items (ii) and (iii) of Regulation (EU) no. 1307/2013,
- Relevant minimum requirements for the use of fertilizers and plant protection products stipulated in the national legislation,
- Other relevant mandatory requirements stipulated in the national legislation.

Transactional and investment costs are not included in the standard costs calculated for the agri-environment and climate measure.

8.2.8.3.1.7. Eligibility conditions

Lands:

- Package 1 – agricultural lands with high nature value – is targeted to agricultural lands located in areas with high nature value, delimited in the Programme at the level of administrative-territorial unit (ATU) LAU2, used as permanent pastures, as well as to areas covered by traditional orchards extensively used as pastures by mowing and/or grazing.
- Package 2 – traditional agricultural practices - is targeted to agricultural lands located in areas with high nature value, delimited in the Programme at the level of ATU LAU2, under the category of use permanent pastures, used by mowing (hayfields), as well as to areas covered by traditional orchards used extensively as hayfields, by mowing (variant 2.1 and 2.2). The package applies only additionally to a commitment signed under Package 1.
- Package 3 – pastures important for birds – is targeted to agricultural lands located in SPAs (Special Protection Areas) representative for the species *Crex crex* (variant 1), *Lanius minor* and *Falco vespertinus* (variant 2), used as permanent pastures, located in the areas delimited in the Programme at ATU LAU2 level.
- Package 4 – green crops – is available for arable located on the entire national territory.
- Package 5 – adaptation to climate change effects – is targeted to arable lands located in areas with an increased desertification risk, delimited in the Programme at ATU LAU2 level.
- Package 6 – pastures important for butterflies (*Maculinea sp.*) – is targeted to agricultural lands used as permanent pastures, located in areas where representative populations of certain priority species of butterflies *Maculinea sp.* type were identified, delimited in the Programme at ATU LAU2 level.
- Package 7 – arable lands important as feeding areas for the Red-breasted Goose (*Branta ruficollis*) – is targeted to arable lands representative for *Branta ruficollis*, located in SPAs (Special Protection Areas), delimited in the Programme at ATU LAU2 level.

The beneficiary:

- shall be the user of an agricultural area located on the Romanian territory, identifiable in the Integrated Administration and Control System (IACS), situated in the eligible areas and having an eligible category of use,
- shall hold a farm with a minimum area of 1 ha, while the eligible parcels have a minimum size of 0.3 ha (0.1 ha for vineyards and orchards, fruit bushes, hop, tree and vine nurseries),
- shall undertake to maintain the agri-environment commitment for a period of minimum 5 years, from the date of its signature,
- shall undertake to comply with the relevant basic requirements on the entire farm area,
- shall undertake to comply with the specific requirements applicable to the agri-environment packages applied for,
- shall undertake to keep records of agricultural activities correlated with the implementation of agri-environment requirements (basic records at the level of the entire farm and advanced records at the level of areas under commitment),
- shall prove the possession of competencies required to implement the commitments or shall undertake to obtain the required knowledge and information or to provide the required expertise in

relation to the implementation of agri-environment and climate commitments through advisory or consulting services, at least for issues related to identification of agricultural parcels, filling-in and submission of commitments and of payment applications, management measures applicable at farm level and required for compliance with the basic requirements and with the specific requirements under the commitments,

- shall have implemented and concluded in due time a similar commitment in the previous year or shall make a solemn statement on the non-use of chemical fertilizers and pesticides in the past 5 years (or during the previous period when the farmer actually used those areas, in case these areas have been used for less than 5 years) on the areas intended for the application of package 1, package 3 and/or package 6.

The list of areas eligible for Package 1 and 2, 3, 5, 6 and 7 is presented in Annexes 8.2.M.10.1-1 and 8.2.M.10.1-2.

8.2.8.3.1.8. Principles with regards to the setting of selection criteria

The application of all types of commitments proposed under the agri-environment and climate measure contributes to the achievement of the proposed environment objectives. The establishment of eligible areas took account of the demarcation of the packages' applicability areas per agricultural lands categories of use, except for Package 4 – green crops, whose objectives are different from those of the other packages of the agri-environment and climate measure. In this context, a differentiation between the impact of different packages is impossible, as their application contributes to the national-level harmonization in terms of promotion of sustainable agricultural practices, based on the reduced use of inputs, with impact onto the improvement of the environment factors quality. Therefore, no selection criteria are established for sub-measure 10 – agri-environment and climate.

The initial commitments concluded by farmers starting with 2015 cover a period of 5 years from their signature. Following the signature of the initial commitments, these may be extended on an annual basis, up to the limit of financial allocations, without exceeding the implementation period of NRDP 2014-2020. If financial resource insufficiency is identified as compared to the signed commitments following the implementation of Measure 10 – agri-environment and climate, then no new commitments shall be concluded starting with the following payment applications reception year. The applicable rule for the annual extension of commitments under a payment application reception campaign, in case of funds insufficiency, is the “first come first served” rule.

8.2.8.3.1.9. (Applicable) amounts and support rates

Given that this is a compensatory payment, the support granted under this measure has a 100% intensity, as it consists of public costs. The compensatory payments, calculated as standard costs for each package/variant are as follow:

1. package 1 – pastures with high nature value (HNV) – **139 €/ha/year**
2. package 2 – traditional agricultural practices

variant 2.1 – manual works on permanent pastures used as hayfields – 107 €/ha/an

variant 2.2 – works by light equipment on permanent pastures used as hayfields – 21 €/ha/year

3. package 3 – pastures important for birds

*variant 3.1 – *Crex crex* – 244 €/ha/year*

*variant 3.2 – *Lanius minor* and *falco vespertinus* – 171 €/ha/year*

4. package 4 – green crops – **126 €/ha/year**

5. package 5 – adaptation to climate change effects – **126 €/ha/year**

6. package 6 – pastures important for butterflies (*Maculinea sp.*) – **263 €/ha/year**

7. package 7 – arable lands important as feeding areas for Red-breasted Goose (*Branta ruficollis*) – **288 €/ha/year**

The calculation methodologies are validated by a functionally independent body according to the provisions of art. 62(2) of Regulation (EU) no. 1305/2013 (Annex 8.2.M10.1-3).

Payments granted under this measure may be cumulated, on the same area, with the direct payments granted to farmers and with the payments granted to areas facing natural constraints (art. 31), and there are no similar requirements that could lead to the double financing of certain actions. Only packages 4 or 5 of the agri-environment and climate measure (article 28) may be combined with packages 1 and 2 of each organic farming sub-measure (11.1 and 11.2 - art. 28).

Under this measure, payments granted under package 5 may be cumulated with the payments granted under package 4 or package 7, and there are no similar requirements that could lead to the double financing of certain actions. Payments granted under package 4 may not be cumulated with the payments granted under package 7, due to the different requirements applicable on arable lands during winter. No other combination of packages on the same parcels is possible, as the eligible areas are different.



**INSTITUTUL NAȚIONAL DE CERCETARE-DEZVOLTARE PENTRU
PEDOLOGIE AGROCHIMIE ȘI PROTECȚIA MEDIULUI – ICPA București**

Bd. Mărăști nr. 61, 011464 sect. 1 București, ROMÂNIA
Cont: RO72RZBR0000060000671307 – Raiffeisen BANK Agenția Dorobanți,
Cont: RO30TREZ7015069xxx006353 – ATP București
Cod fiscal nr.: RO 18107639 Reg. Comerțului: J40/18719/2005
Tel.: +40-0213184458, 0213184349; Fax: +40-0213184348
Web: <http://www.icpa.ro> E-mail: office@icpa.ro
CP nr. 71 OFICIUL POȘTAL 32



Bucharest, 25.06.2014
registration no. 1481/25.06.2014

**STATEMENT ON THE ADEQUACY OF THE METHODOLOGY AND ON ACCURACY OF
CALCULATIONS,**

Pursuant to Article 62 in Regulation (EU) no. 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) no. 1698/2005

Pursuant to Article 62 *Verifiability and controllability of measures* within Regulation (EU) no. 1305/2013, stipulating: „*To this end, a body that is functionally independent from the authorities responsible for the programme implementation and possesses the appropriate expertise shall perform the calculations or confirm the adequacy and accuracy of the calculations. A statement confirming the adequacy and accuracy of the calculations shall be included in the rural development programme*”

we,

**The National Research and Development Institute For Soil Science, Agro-Chemistry and
Environment – ICPA Bucharest,**

as the author of the study

**„STUDY ON THE CALCULATION OF COMPENSATIONS FOR AGRI-ENVIRONMENT AND CLIMATE
MEASURE”**

carried-out under the programming process for NRDP 2014-2020,

hereby ***certify the adequacy of the methodology (study) and the accuracy of the calculations made,
as well as the reasonability of assumptions, of cost and income values used, as well as of the
indicators used within the methodology.***

Director General,

Cătălin SIMOTA

National Research and Development Institute For Soil Science, Agrochemistry and Environment

8.2.8.3.1.10. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.1.10.1. *Risk(s) in the implementation of the measures*

The possibility to verify and control the measure is based on the results of the ex-ante evaluation, including the results of controls carried-out during the previous programming period, according to the provisions of art. 62 of Regulation (EU) no. 1305/2013, performed by the MA and the Paying Agencies.

There is a series of specific risks that are estimated to occur during the 2014-2020 programming period, among which:

- the payment applications submission period (delayed submission),
- failure to declare all areas,
- correct identification of agricultural parcels,
- failure to comply with eligibility criteria on the area under commitment,
- failure to comply with cross-compliance standards at farm level,
- failure to comply with the measure-specific requirements on the areas under commitment,
- records kept on commitment-relevant agricultural activities.

8.2.8.3.1.10.2. *Mitigating actions*

The measures taken to improve the measure implementation and to reduce risks include:

- identification of agricultural parcels by electronic means,
- annual promotion of comprehensive information campaigns intended for the beneficiaries, to disseminate information on the correct execution of commitments.

Additionally, the experience acquired during the 2007-2013 programming period has revealed that the existing control system has provided for the verification of compliance with the conditions and commitments undertaken by beneficiaries. As well, the sanctioning system developed for the agri-environment measures (M.214) is a progressive one, and the level of sanctions applied to farmers is correlated with the impact resulted from the failure to comply with various types of measure-specific conditions.

The commitments undertaken by farmers under this measure will be checked by administrative and on-the-spot methods, the efficacy and efficiency of these methods being provided for in specific procedural provisions. The administrative checks will take account of all ongoing commitments and will be based on the information recorded in the single area payment applications management and control computerised system and on cross-checks with other relevant databases. The on-the-spot checks will be carried-out on premises of representativeness and adequate level of control samples, as compared to the eligible commitments, by means of visual checks and documentary checks confirming the compliance with the requirements. The commitments selected for on-the-spot check will be controlled at a time when most of the requirements and standards falling under the control purpose can be checked.

The procedure manuals corresponding to the procedural flow phases (promotion of measures and beneficiary information, submission and management of payment applications, risk analysis and sampling, on-spot control and supervisory control, payment authorisation, monitoring and reporting) will be elaborated by the Paying Agency (or by another delegated entity, if needed) and will be endorsed by the Managing Authority, prior to their approval at Ministry level.

To create the premises required for achieving the proposed objectives, the measure beneficiaries shall demonstrate either that they possess the relevant knowledge and information required to implement the commitments or that they benefit from the technical expertise required the implementation of commitments, before the submission of the last payment request under the commitments.

Following the analysis carried-out by the MA and the Paying Agencies, based on the experience acquired during the 2007-2013 programming period, it can be concluded that the measure verifiability and controllability is ensured, both in terms of vocational training and in terms of improved working procedures, so that the financial interests of European Union shall not be prejudiced.

8.2.8.3.1.10.3. Overall assessment of the measure

The measure creates the premises for achievement of objectives established under the targeted priorities, contributing to the maintenance of eco-systems linked to the application of sustainable agricultural practices, while promoting the effective use of natural resources and supporting the transition to a reduced-emissions economy, adapted to the climate change effects, in parallel with promoting a sustainable and balanced development of the rural area. The proposed packages aim to continue the efforts made in the 2007-2013 period in relation to environment protection, by promoting agricultural practices intended to maintain the areas with high nature value (HNV), promote traditional/extensive agricultural practices, promote the protection of habitats of priority bird and butterfly species and protect water and soil resources against erosion and pollution, through the setting-up of green crops on arable lands during winter. Moreover, a pilot project is proposed to promote certain adaptation methods, so as to provide responses to climate-change challenges.

The measure also envisages the equal treatment of applicants and of different types of commitments and an efficient and effective use of financial resources, to the highest extent possible, in accordance with the Union priorities for rural development, so as to ensure the maximisation of the expected impact.

8.2.8.3.1.10.4. Agri-environment-climate commitments

8.2.8.3.1.10.4.1. Package 1 – Pastures with High Nature Value (HNV)

8.2.8.3.1.10.4.1.1. Verification methods of commitments

The commitments will be checked by administrative and on-the-spot methods, the efficacy and efficiency of these methods being provided for in specific procedural provisions. The administrative checks will take account of all ongoing commitments and will be based on the information recorded in the single area payment applications management and control computerised system and on cross-checks with other relevant databases. The on-the-spot checks will be carried-out on premises of representativeness and adequate level of control samples, as compared to the eligible commitments, by means of visual checks and documentary checks confirming the compliance with the requirements. The commitments selected for on-the-spot check

will be controlled at a time when most of the requirements and standards falling under the control purpose can be checked.

The procedure manuals corresponding to the procedural flow phases (promotion of measures and beneficiary information, submission and management of payment applications, risk analysis and sampling, on-spot control and supervisory control, payment authorisation, monitoring and reporting) will be elaborated by the Paying Agency (or by another delegated entity, if needed) and will be endorsed by the Managing Authority, prior to their approval at Ministry level.

8.2.8.3.1.10.4.2. Package 2 – Traditional agricultural practices – variant 1 – manual works on permanent pastures

8.2.8.3.1.10.4.2.1. Verification methods of commitments

The commitments will be checked by administrative and on-the-spot methods, the efficacy and efficiency of these methods being provided for in specific procedural provisions. The administrative checks will take account of all ongoing commitments and will be based on the information recorded in the single area payment applications management and control computerised system and on cross-checks with other relevant databases. The on-the-spot checks will be carried-out on premises of representativeness and adequate level of control samples, as compared to the eligible commitments, by means of visual checks and documentary checks confirming the compliance with the requirements. The commitments selected for on-the-spot check will be controlled at a time when most of the requirements and standards falling under the control purpose can be checked.

The procedure manuals corresponding to the procedural flow phases (promotion of measures and beneficiary information, submission and management of payment applications, risk analysis and sampling, on-spot control and supervisory control, payment authorisation, monitoring and reporting) will be elaborated by the Paying Agency (or by another delegated entity, if needed) and will be endorsed by the Managing Authority, prior to their approval at Ministry level.

8.2.8.3.1.10.4.3. Package 2 – Traditional agricultural practices – variant 2 – works by light equipment on permanent pastures

8.2.8.3.1.10.4.3.1. Verification methods of commitments

The commitments will be checked by administrative and on-the-spot methods, the efficacy and efficiency of these methods being provided for in specific procedural provisions. The administrative checks will take account of all ongoing commitments and will be based on the information recorded in the single area payment applications management and control computerised system and on cross-checks with other relevant databases. The on-the-spot checks will be carried-out on premises of representativeness and adequate level of control samples, as compared to the eligible commitments, by means of visual checks and documentary checks confirming the compliance with the requirements. The commitments selected for on-the-spot check will be controlled at a time when most of the requirements and standards falling under the control purpose can be checked.

The procedure manuals corresponding to the procedural flow phases (promotion of measures and beneficiary information, submission and management of payment applications, risk analysis and sampling,

on-spot control and supervisory control, payment authorisation, monitoring and reporting) will be elaborated by the Paying Agency (or by another delegated entity, if needed) and will be endorsed by the Managing Authority, prior to their approval at Ministry level.

8.2.8.3.1.10.4.4. Package 3 – Pastures important for Birds – variant 1 – *Crex crex*

8.2.8.3.1.10.4.4.1. Verification methods of commitments

The commitments will be checked by administrative and on-the-spot methods, the efficacy and efficiency of these methods being provided for in specific procedural provisions. The administrative checks will take account of all ongoing commitments and will be based on the information recorded in the single area payment applications management and control computerised system and on cross-checks with other relevant databases. The on-the-spot checks will be carried-out on premises of representativeness and adequate level of control samples, as compared to the eligible commitments, by means of visual checks and documentary checks confirming the compliance with the requirements. The commitments selected for on-the-spot check will be controlled at a time when most of the requirements and standards falling under the control purpose can be checked.

The procedure manuals corresponding to the procedural flow phases (promotion of measures and beneficiary information, submission and management of payment applications, risk analysis and sampling, on-spot control and supervisory control, payment authorisation, monitoring and reporting) will be elaborated by the Paying Agency (or by another delegated entity, if needed) and will be endorsed by the Managing Authority, prior to their approval at Ministry level.

8.2.8.3.1.10.4.5. Package 3 – Pastures important for birds – variant 2 – *Lanius minor* and *Falco vespertinus*

8.2.8.3.1.10.4.5.1. Verification methods of commitments

The commitments will be checked by administrative and on-the-spot methods, the efficacy and efficiency of these methods being provided for in specific procedural provisions. The administrative checks will take account of all ongoing commitments and will be based on the information recorded in the single area payment applications management and control computerised system and on cross-checks with other relevant databases. The on-the-spot checks will be carried-out on premises of representativeness and adequate level of control samples, as compared to the eligible commitments, by means of visual checks and documentary checks confirming the compliance with the requirements. The commitments selected for on-the-spot check will be controlled at a time when most of the requirements and standards falling under the control purpose can be checked.

The procedure manuals corresponding to the procedural flow phases (promotion of measures and beneficiary information, submission and management of payment applications, risk analysis and sampling, on-spot control and supervisory control, payment authorisation, monitoring and reporting) will be elaborated by the Paying Agency (or by another delegated entity, if needed) and will be endorsed by the Managing Authority, prior to their approval at Ministry level.

8.2.8.3.1.10.4.6. Package 4 – Green crops

8.2.8.3.1.10.4.6.1. Verification methods of commitments

The commitments will be checked by administrative and on-the-spot methods, the efficacy and efficiency of these methods being provided for in specific procedural provisions. The administrative checks will take account of all ongoing commitments and will be based on the information recorded in the single area payment applications management and control computerised system and on cross-checks with other relevant databases. The on-the-spot checks will be carried-out on premises of representativeness and adequate level of control samples, as compared to the eligible commitments, by means of visual checks and documentary checks confirming the compliance with the requirements. The commitments selected for on-the-spot check will be controlled at a time when most of the requirements and standards falling under the control purpose can be checked.

The procedure manuals corresponding to the procedural flow phases (promotion of measures and beneficiary information, submission and management of payment applications, risk analysis and sampling, on-spot control and supervisory control, payment authorisation, monitoring and reporting) will be elaborated by the Paying Agency (or by another delegated entity, if needed) and will be endorsed by the Managing Authority, prior to their approval at Ministry level.

Due to the specificity of this package, the verifications will require 2 on-the-spot visits (one quick visit to confirm the compliance with the requirements applicable in autumn and the on-spot verification of compliance with the other specific requirements in spring).

8.2.8.3.1.10.4.7. Package 5 – Adaptation to climate change effects

8.2.8.3.1.10.4.7.1. Verification methods of commitments

The commitments will be checked by administrative and on-the-spot methods, the efficacy and efficiency of these methods being provided for in specific procedural provisions. The administrative checks will take account of all ongoing commitments and will be based on the information recorded in the single area payment applications management and control computerised system and on cross-checks with other relevant databases. The on-the-spot checks will be carried-out on premises of representativeness and adequate level of control samples, as compared to the eligible commitments, by means of visual checks and documentary checks confirming the compliance with the requirements. The commitments selected for on-the-spot check will be controlled at a time when most of the requirements and standards falling under the control purpose can be checked.

The procedure manuals corresponding to the procedural flow phases (promotion of measures and beneficiary information, submission and management of payment applications, risk analysis and sampling, on-spot control and supervisory control, payment authorisation, monitoring and reporting) will be elaborated by the Paying Agency (or by another delegated entity, if needed) and will be endorsed by the Managing Authority, prior to their approval at Ministry level.

8.2.8.3.1.10.4.8. Package 6 – Pastures important for butterflies (*Maculinea* sp.)

8.2.8.3.1.10.4.8.1. Verification methods of commitments

The commitments will be checked by administrative and on-the-spot methods, the efficacy and efficiency of these methods being provided for in specific procedural provisions. The administrative checks will take account of all ongoing commitments and will be based on the information recorded in the single area payment applications management and control computerised system and on cross-checks with other relevant databases. The on-the-spot checks will be carried-out on premises of representativeness and adequate level of control samples, as compared to the eligible commitments, by means of visual checks and documentary checks confirming the compliance with the requirements. The commitments selected for on-the-spot check will be controlled at a time when most of the requirements and standards falling under the control purpose can be checked.

The procedure manuals corresponding to the procedural flow phases (promotion of measures and beneficiary information, submission and management of payment applications, risk analysis and sampling, on-spot control and supervisory control, payment authorisation, monitoring and reporting) will be elaborated by the Paying Agency (or by another delegated entity, if needed) and will be endorsed by the Managing Authority, prior to their approval at Ministry level.

8.2.8.3.1.10.4.9. Package 7 – Arable lands important as feeding areas for Red-breasted Goose (*Branta ruficollis*)

8.2.8.3.1.10.4.9.1. Verification methods of commitments

The commitments will be checked by administrative and on-the-spot methods, the efficacy and efficiency of these methods being provided for in specific procedural provisions. The administrative checks will take account of all ongoing commitments and will be based on the information recorded in the single area payment applications management and control computerised system and on cross-checks with other relevant databases. The on-the-spot checks will be carried-out on premises of representativeness and adequate level of control samples, as compared to the eligible commitments, by means of visual checks and documentary checks confirming the compliance with the requirements. The commitments selected for on-the-spot check will be controlled at a time when most of the requirements and standards falling under the control purpose can be checked.

The procedure manuals corresponding to the procedural flow phases (promotion of measures and beneficiary information, submission and management of payment applications, risk analysis and sampling, on-spot control and supervisory control, payment authorisation, monitoring and reporting) will be elaborated by the Paying Agency (or by another delegated entity, if needed) and will be endorsed by the Managing Authority, prior to their approval at Ministry level.

8.2.8.3.1.11. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the

relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

-

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

-

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

Due to compliance with the specific requirements of P1, farmers incur losses of income as compared to the conventional agricultural practices. The interdiction to use chemical fertilisers leads to a decrease in production by 25%, while the delayed mowing leads to a loss of 33% of the value of obtained hay. There are also differences in costs, due to works for manual control of invasive plants. Savings are obtained due to the non-procurement of chemical fertilisers and pesticides.

The works by small-size mechanised equipment on the areas of extensively-used pastures and traditional orchards under commitment within P2 or the interdiction to use mechanised works, lead to higher costs incurred by farmers. Works such as manual mowing or hay turning require intensive labour and are more costly than the modern mechanised practices. The use of small-size mechanised equipment, although more economical than the use of manual practices, is more costly than the conventional mechanised practices.

Due to compliance with the specific requirements of P3, farmers incur losses of income as compared to the conventional agricultural practices. The interdiction to use chemical fertilisers leads to a decrease in production by 30%. The delayed mowing, in case of variant 3.1, leads to a loss of 50% of the value of obtained hay. There are also differences in costs, due to works for manual control of invasive plants. Savings are obtained due to the non-procurement of chemical fertilisers and pesticides.

Due to compliance with the practices under P4, farmers incur higher costs. These costs are related to higher fuel consumption for the performance of additional works and to the price of seeds.

Under the current climate context, farmers signing commitments under P5, although obtaining some savings due to the minimum tillage works (15% as compared to the conventional system), also incur losses of income due to the use of early and semi-early hybrids (output approx. 15% lower than for semi-late and late hybrids).

Due to compliance with the specific requirements of P6, farmers incur losses of income as compared to farmers using conventional agricultural practices. The interdiction to use chemical fertilisers leads to a decrease in production by 25%, while the delayed mowing leads to a loss of 75% of the value of obtained hay. There are also differences in costs, as the farmers need to work more to manually control invasive plants. Savings are as well obtained due to the non-procurement of chemical fertilisers and pesticides. Overall, the agri-environment practice is not as profitable as the conventional practice, and therefore a compensatory payment is granted.

The setting-up of the winter crop under P7 induces costs associated to the land preparation works, to the procurement of seeds, as well as to the incorporation of crop into the soil, the loss being total in 2 of the 3 years. If farmers chose to maintain the autumn crop in order to capitalise the obtained production, then they incur a decrease in production due to the interdiction to use crop protection methods during winter. Consequently, losses caused by birds feeding lead to a production loss by 25% in case of cereals or even to a fully-compromised crop in case of rape crops. These losses, cumulated with lower productions due to the interdiction to use pesticides and phyto-stimulators during winter, lead to an average decrease in production of 40%. Additional expenditures is incurred due to procurement of maize grains and to their spreading at the feeding points (3 years) and due to the non-harvesting of production on 5% of the area of parcels under the commitment (2 years). The payment was calculated for a crop rotation system based on successive crops, applied during the 5-year period. The costs were established as average costs for the 5 years of the commitment. The setting-up of the winter crop is mandatory for the simplification of the implementation system, in case the commitments are extended annually after the initial period, and the level of payment will be calculated as an average of the scheme applied in the first 5 years.

8.2.8.3.1.11.1. Agri-environment-climate commitments

8.2.8.3.1.11.1.1. Package 1 – Pastures with High-Natural Value (HNV)

8.2.8.3.1.11.1.1.1. Baseline

Relevant GAEC and/or SMR

Use of chemical fertilisers is forbidden

- SMR1 – art. 4 and 5 in Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources (OJ L 375, 31.12.1991, p. 1)

Traditional use of livestock manure is only allowed up to the equivalent of maximum 40 kg N s.a./ha (1 LSU/ha)

- SMR1 – art. 4 and 5 in Council Directive 91/676/EEC of 12 December 1991 concerning the

protection of waters against pollution caused by nitrates from agricultural sources (OJ L 375, 31.12.1991, p. 1)

Use of pesticides is forbidden

- GAEC3 – protection of ground water against pollution: prohibition of direct discharge into groundwater and measures to prevent indirect pollution of groundwater through discharge on ground and percolation through the soil of dangerous substances, as listed in Annex to the Directive 80/68/EEC in its version in force on the last day of its validity, as far as it is related to agricultural activity.
- SMR10 - article 55 first two theses to Regulation (EC) no. 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC (OJ L 309, 24.11.2009, p. 1)

Mowing may only start after July 1st (for lands located in administrative-territorial units with average altitudes above or equal to 600 m) or after June 15th (for lands located in administrative-territorial units with average altitudes below 600 m).

- GAEC5 – minimum land management reflecting site specific conditions to limit erosion
- SMR2 - article 3 paragraph (1), article 3 al. (2) letter (b), article 4 paragraphs (1), (2) and (4) in Directive 2009/147/EC of the European Parliament and European Council of 30 November 2009 on the preservation of wild birds (JO L 20, 26.1.2010, p. 7)

Minimum requirements for fertilisers and pesticides

Use of fertilisers – Joint Order 1182/1270/2005 277/983/2014- Interdiction to use fertilisers not authorised for sale.

Phyto-sanitary - GO 1559/2004 4/1995, with subsequent amendments and additions – The use of plant protection products is allowed only for the plant protection products authorised for sale and only in compliance with the instructions for use.

Requirements on the protection of water against pollution with nitrates from agriculture – Joint Order 1182/1270/2005 – Applied natural fertilisers may not contain more than 170 kg of nitrogen (N) as pure ingredient per 1 ha of agricultural lands. Farmers shall comply with the periods when the use of fertilisers is forbidden. Farmers shall follow a fertilisation plan.

Other relevant national/regional requirements

-

Minimum activities

The relevant criteria and the minimum requirements established on the basis of article 4 paragraph (1) letter

(c) items (ii) and (iii) in Regulation (EU) no. 1307/2013 to be established in Romania.

8.2.8.3.1.11.1.2. Relevant usual farming practices

Use of permanent pastures: intensive or extensive. Risk of intensification.

8.2.8.3.1.11.1.2. Package 2 – Traditional agricultural practices – variant 1 – manual works on permanent pastures

8.2.8.3.1.11.1.2.1. Baseline

Relevant GAEC and/or SMR

Works by mechanised equipment is forbidden on the area of extensively-used pastures and traditional orchards under the commitment, except for animal –driven equipment.

- GAEC5 – minimum land management reflecting site specific conditions to limit erosion

Minimum requirements for fertilisers and pesticides

-

Other relevant national/regional requirements

-

Minimum activities

The relevant criteria and the minimum requirements established on the basis of article 4 paragraph (1) letter (c) items (ii) and (iii) in Regulation (EU) no. 1307/2013 to be established in Romania.

8.2.8.3.1.11.1.2.2. Relevant usual farming practices

Use of permanent pastures: intensive or extensive. Risk of intensification.

8.2.8.3.1.11.1.3. Package 2 – Traditional agricultural practices – variant 2 – works by light equipment on permanent pastures

8.2.8.3.1.11.1.3.1. Baseline

Relevant GAEC and/or SMR

Mowing may only be performed with small-capacity mechanised equipment, while the use of heavy machinery is forbidden

- GAEC5 – minimum land management reflecting site specific conditions to limit erosion

Minimum requirements for fertilisers and pesticides

-

Other relevant national/regional requirements

-

Minimum activities

The relevant criteria and the minimum requirements established on the basis of article 4 paragraph (1) letter (c) items (ii) and (iii) in Regulation (EU) no. 1307/2013 to be established in Romania.

8.2.8.3.1.11.1.3.2. Relevant usual farming practices

Use of permanent pastures: intensive or extensive. Risk of intensification.

8.2.8.3.1.11.1.4. Package 3 – Pastures important for birds – variant 1 – *Crex crex*

8.2.8.3.1.11.1.4.1. Baseline

Relevant GAEC and/or SMR

Use of chemical fertilisers is forbidden and the traditional use of livestock manure is only allowed up to the equivalent of maximum 40 kg Nitrogen s.a./ha (1 LSU/ha)

- SMR1 – art. 4 and 5 in Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources (OJ L 375, 31.12.1991, p. 1)

Use of pesticides is forbidden

- GAEC3 – protection of ground water against pollution: prohibition of direct discharge into groundwater and measures to prevent indirect pollution of groundwater through discharge on ground and percolation through the soil of dangerous substances, as listed in Annex to the Directive 80/68/EEC in its version in force on the last day of its validity, as far as it related to agricultural activity.
- SMR10 - article 55 first two theses to Regulation (EC) no. 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC (OJ L 309, 24.11.2009, p. 1)

Mowing may only be executed after July 31st and a 3-meter wide shall be left un-mowed on the boundaries of each parcel. This strip may be mowed after September 1st.

- GAEC5 – minimum land management reflecting site specific conditions to limit erosion
- SMR2 - article 3 paragraph (1), article 3 al. (2) letter (b), article 4 paragraphs (1), (2) and (4) in Directive 2009/147/EC of the European Parliament and European Council of 30 November 2009 on the preservation of wild birds (JO L 20, 26.1.2010, p. 7)

Works by mechanised equipment are forbidden on the area of pastures under commitment, except for the ones operated by animals or for the small-capacity mechanised equipment.

- GAEC5 – minimum land management reflecting site specific conditions to limit erosion

Minimum requirements for fertilisers and pesticides

Use of fertilisers – Joint Order 1182/1270/2005 277/983/2014- Interdiction to use fertilisers not authorised for sale.

Phyto-sanitary - GO 1559/2004 4/1995, with subsequent amendments and additions – The use of plant protection products is allowed only for the plant protection products authorised for sale and only in compliance with the instructions for use.

Requirements on the protection of water against pollution with nitrates from agriculture – Joint Order 1182/1270/2005 – Applied natural fertilisers may not contain more than 170 kg of nitrogen (N) as pure ingredient per 1 ha of agricultural land. Farmers shall comply with the periods when the use of fertilisers is forbidden. Farmers shall follow a fertilisation plan.

Other relevant national/regional requirements

-

Minimum activities

The relevant criteria and the minimum requirements established on the basis of article 4 paragraph (1) letter (c) items (ii) and (iii) in Regulation (EU) no. 1307/2013 to be established in Romania.

8.2.8.3.1.11.1.4.2. Relevant usual farming practices

Use of permanent pastures: intensive or extensive. Risk of intensification.

8.2.8.3.1.11.1.5. Package 3 – Pastures important for birds – variant 2 – *Lanius minor* and *Falco vespertinus*

8.2.8.3.1.11.1.5.1. Baseline

Relevant GAEC and/or SMR

Use of chemical fertilisers is forbidden and traditional use of livestock manure is only allowed up to the equivalent of maximum 40 kg N s.a./ha (1 LSU/ha)

- SMR1 – art. 4 and 5 in Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources (OJ L 375, 31.12.1991, p. 1)

Use of pesticides is forbidden

- GAEC3 - protection of ground water against pollution: prohibition of direct discharge into groundwater and measures to prevent indirect pollution of groundwater through discharge on ground and percolation through the soil of dangerous substances, as listed in Annex to the Directive 80/68/EEC in its version in force on the last day of its validity, as far as it related to agricultural activity;
- SMR10 - article 55 first two theses to Regulation (EC) no. 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC (OJ L 309, 24.11.2009, p. 1)

A 3-meter wide strip shall be left un-mowed on the boundaries of each parcel. This strip may be mowed after September 1st.

- GAEC5 – minimum land management reflecting site specific conditions to limit erosion
- SMR2 - article 3 paragraph (1), article 3 al. (2) letter (b), article 4 paragraphs (1), (2) and (4) in Directive 2009/147/EC of the European Parliament and European Council of 30 November 2009 on the preservation of wild birds (JO L 20, 26.1.2010, p. 7)

Works by mechanised equipment are forbidden on the area of pastures under commitment, except for the ones operated by animals or for the small-capacity mechanised equipment

- GAEC5 – minimum land management reflecting site specific conditions to limit erosion

Minimum requirements for fertilisers and pesticides

Use of fertilisers – Joint Order 1182/1270/2005 277/983/2014- Interdiction to use fertilisers not authorised

for sale.

Phyto-sanitary - GO 1559/2004 4/1995, with subsequent amendments and additions –The use of plant protection products is allowed only for the plant protection products authorised for sale and only in compliance with the instructions for use.

Requirements on the protection of water against pollution with nitrates from agriculture – Joint Order 1182/1270/2005 – Applied natural fertilisers may not contain more than 170 kg of nitrogen (N) as pure ingredient per 1 ha of agricultural lands. Farmers shall comply with the periods when the use of fertilisers is forbidden. Farmers shall follow a fertilisation plan.

Other relevant national/regional requirements

-

Minimum activities

The relevant criteria and the minimum requirements established on the basis of article 4 paragraph (1) letter (c) item (ii) and (iii) in Regulation (EU) no. 1307/2013 to be established in Romania.

8.2.8.3.1.11.1.5.2. Relevant usual farming practices

Use of permanent pastures: intensive or extensive. Risk of intensification.

8.2.8.3.1.11.1.6. Package 4 – Green crops

8.2.8.3.1.11.1.6.1. Baseline

Relevant GAEC and/or SMR

Formed biomass shall be incorporated into the soil by the end of March at the latest.

The agricultural works required for the next crop may only start after this action was completed

- GAEC5 – minimum land management reflecting site specific conditions to limit erosion
- GAEC6 – maintenance of soil organic matter level through appropriate practices including ban on burning arable stubble, except for plant health reasons

Minimum requirements for fertilisers and pesticides

-

Other relevant national/regional requirements

-

Minimum activities

The relevant criteria and the minimum requirements established on the basis of article 4 paragraph (1) letter (c) items (ii) and (iii) in Regulation (EU) no. 1307/2013 to be established in Romania.

8.2.8.3.1.11.1.6.2. Relevant usual farming practices

Use of arable lands: intensive or extensive. Current practices do not have an anti-erosion character.

8.2.8.3.1.11.1.7. Package 5 – Adaptation to climate change effects

8.2.8.3.1.11.1.7.1. Baseline

Relevant GAEC and/or SMR

-

Minimum requirements for fertilisers and pesticides

Requirements on the protection of water against pollution with nitrates from agriculture – Joint Order 1182/1270/2005 – Applied natural fertilisers may not contain more than 170 kg of nitrogen (N) as pure ingredient per 1 ha of agricultural lands. Farmers shall comply with the periods when the use of fertilisers is forbidden. Farmers shall follow a fertilisation plan.

Other relevant national/regional requirements

-

Minimum activities

The relevant criteria and the minimum requirements established on the basis of article 4 paragraph (1) letter (c) item (ii) and (iii) in Regulation (EU) no. 1307/2013 to be established in Romania.

8.2.8.3.1.11.1.7.2. Relevant usual farming practices

Use of arable lands: intensive or extensive. Commonly-used practices are not adapted to the climate change effects, therefore the efficacy of Romanian agriculture is strictly dependant on the manifestation of climate

conditions.

8.2.8.3.1.11.1.8. Package 6 – Pastures important for butterfly (Maculinea sp.)

8.2.8.3.1.11.1.8.1. Baseline

Relevant GAEC and/or SMR

Use of chemical fertilisers is forbidden

- SMR1 – art. 4 and 5 in Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources (OJ L 375, 31.12.1991, p. 1)

Traditional use of livestock manure is only allowed up to the equivalent of maximum 30 kg. N s.a./ha

- SMR1 – art. 4 and 5 in Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources (OJ L 375, 31.12.1991, p. 1)

Use of pesticides is forbidden

- GAEC3 - protection of ground water against pollution: prohibition of direct discharge into groundwater and measures to prevent indirect pollution of groundwater through discharge on ground and percolation through the soil of dangerous substances, as listed in Annex to the Directive 80/68/EEC in its version in force on the last day of its validity, as far as it related to agricultural activity
- SMR10 - article 55 first two theses to Regulation (EC) no. 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC (OJ L 309, 24.11.2009, p. 1)

Mowing may only start after August 25th

- GAEC5 – minimum land management reflecting site specific conditions to limit erosion
- SMR2 - article 3 paragraph (1), article 3 al. (2) letter (b), article 4 paragraphs (1), (2) and (4) in Directive 2009/147/EC of the European Parliament and European Council of 30 November 2009 on the preservation of wild birds (JO L 20, 26.1.2010, p. 7)

Mowing may only be performed with small-capacity mechanised equipment, while the use of heavy machinery is forbidden

- GAEC5 – minimum land management reflecting site specific conditions to limit erosion

Minimum requirements for fertilisers and pesticides

Use of fertilisers – Joint Order 1182/1270/2005 277/983/2014- Interdiction to use fertilisers not authorised

for sale.

Phyto-sanitary - GO 1559/2004 4/1995, with subsequent amendments and additions – The use of plant protection products is allowed only for the plant protection products authorised for sale and only in compliance with the instructions for use.

Requirements on the protection of water against pollution with nitrates from agriculture – Joint Order 1182/1270/2005 – Applied natural fertilisers may not contain more than 170 kg of nitrogen (N) as pure ingredient per 1 ha of agricultural lands. Farmers shall comply with the periods when the use of fertilisers is forbidden. Farmers shall follow a fertilisation plan.

Other relevant national/regional requirements

-

Minimum activities

The relevant criteria and the minimum requirements established on the basis of article 4 paragraph (1) letter (c) points (ii) and (iii) in Regulation (EU) no. 1307/2013 to be established in Romania.

8.2.8.3.1.11.1.8.2. Relevant usual farming practices

Use of permanent pastures: intensive or extensive. Risk of intensification.

8.2.8.3.1.11.1.9. Package 7 – Arable lands important as feeding areas for Red-breasted goose (*Branta ruficollis*)

8.2.8.3.1.11.1.9.1. Baseline

Relevant GAEC and/or SMR

During the maize yield harvesting, an area of minimum 5% and maximum 10% shall be left un-harvested upon the harvesting of the maize crop or, if no maize crop is sowed, the farmer, for that commitment year, shall provide a quantity of 100 kg of maize grains/ha, in at least one feeding point located on the area of each parcel under the commitment.

- SMR2 - article 3 paragraph (1), article 3 al. (2) letter (b), article 4 paragraphs (1), (2) and (4) in Directive 2009/147/EC of the European Parliament and European Council of 30 November 2009 on the preservation of wild birds (JO L 20, 26.1.2010, p. 7)

In case a maize crop is sowed, in that year, on the committed parcel, the autumn crop shall be incorporated in the soil until the end of March at the latest

- GAEC5 – minimum land management reflecting site specific conditions to limit erosion

- GAEC6 – maintenance of soil organic matter level through appropriate practices including ban on burning arable stubble, except for plant health reasons

The GAEC requirement specifies that: „during winter, the arable land shall be covered with autumn crops or shall be left unworked on at least 20% of the arable land of the farm”. In order to avoid any overlapping with this GAEC, and, implicitly, an overcompensation of farmers signing commitments under this package, Package 7 may only apply on maximum 80% of the arable land area belonging to a farm.

- GAEC 4 – minimum soil cover

Minimum requirements for fertilisers and pesticides

Use of fertilisers – Joint Order 1182/1270/2005 277/983/2014- Interdiction to use fertilisers not authorised for sale.

Phyto-sanitary - GO 1559/2004 4/1995, with subsequent amendments and additions – The use of plant protection products is allowed only for the plant protection products authorised for sale and only in compliance with the instructions for use.

Requirements on the protection of water against pollution with nitrates from agriculture – Joint Order 1182/1270/2005 – Applied natural fertilisers may not contain more than 170 kg of nitrogen (N) as pure ingredient per 1 ha of agricultural lands. Farmers shall comply with the periods when the use of fertilisers is forbidden. Farmers shall follow a fertilisation plan.

Other relevant national/regional requirements

-

Minimum activities

The relevant criteria and the minimum requirements established on the basis of article 4 paragraph (1) letter (c) item (ii) and (iii) in Regulation (EU) no. 1307/2013 to be established in Romania.

8.2.8.3.1.11.1.9.2. Relevant usual farming practices

Land use: predominantly intensive, sometimes extensive. Eligible areas are generally dominated by mono-crops applied on extended areas.

8.2.8.3.2. 10.2 Preservation or local animal genetic resources in danger or abandonment

8.2.8.3.2.1. Sub-measure:

- 10.2 - support for conservation and sustainable use and development of genetic resources in agriculture

8.2.8.3.2.2. Description of the type of operation

The payments for the preservation of local animal genetic resources in danger of abandonment will be granted to farmers or to other animal breeders who voluntarily undertake commitments for breeding adult female reproductive animals from local breeds in danger of abandonment, as foreseen by this sub-measure. Adult female reproductive animals committed under the sub-measure shall be registered in the genealogic registers of breeds, main section, and in the breed preservation programmes established and managed by associations of breeders accredited by ANARZ according to art. 2 paragraph 24v) in GD no. 834/2010 and in the breed preservation programmes.

The commitments undertaken by farmers or by other animal breeders starting with 2015 cover a period of 5 years from their signature.

The payments for the preservation of local animal genetic resources in danger of abandonment include only to those commitments going beyond the basic requirements, which are the mandatory non-remunerated reference level, considered as the starting point for the establishment of these compensatory payments.

The undertaken commitments are conditioned by the maintenance of the adult female reproductive animals foreseen at the beginning of the programme, for a period of 5 years, and by the maintenance of the female descendants needed to replace these animals until the end of the programme. If the committed livestock is reduced for reasons such as illness, slaughtering, death or sale, the beneficiary shall notify ANARZ and shall restore the adult female reproductive livestock, through movements from young animals or by purchase, immediately after the reduction of the livestock. If not possible immediately, the livestock of adult animals shall be restored no later than in 6 months.

Measure beneficiaries shall keep records of animal husbandry-relevant activities correlated to the implementation of commitments as compared to the baseline.

8.2.8.3.2.3. Type of support

The breeding of animals kept for farming purposes from local breeds in danger of abandonment aims to support the reproduction of animals kept for farming purposes of traditional breeds, adapted to the local conditions, of which livestock has been reduced over the years. Their reproduction contributes to a diversification of breeds that are frequently kept in a certain region.

The support granted under this sub-measure is of compensatory type, representing a compensation for losses of income incurred by beneficiaries undertaking voluntary commitments. The compensatory premium granted for compliance with the voluntary commitments on the breeding of adult female reproductive local breeds of animals in danger of abandonment foreseen under this sub-measure is paid on an annual basis, as a

fixed amount, per head of pure bred adult reproductive female animal.

8.2.8.3.2.4. Links to other legislation

EU legislation:

- Regulation (EU) no. 1306/2013
- Regulation (EU) no. 1307/2013
- Delegated Regulation (EU) n. .../... of the Commission completing Regulation (EU) no. 1305/2013
- Implementing Regulation (EU) no. .../... of the Commission establishing the implementing standards for Regulation (EU) no. 1305/2013

National legislation:

- Government Decision no. 834/2010 on the reorganisation and functioning of the National Agency for Amelioration and Reproduction in Animal Husbandry „Prof. Dr. G. K. Constantinescu", with subsequent amendments and additions
- GEO no.113/2002 on the identification and registration of bovine animals in Romania
- MARD Order no.765/2009 on the approval of standards for reproductive animals from the bovine species
- GEO no.23/2010 on the identification and registration of pigs, ovine and caprine animals, establishing amendments and additions to certain legal acts
- Order no. 20/2006 approving the standards for reproductive animals from ovine and caprine species, with subsequent amendments and additions
- Law on animal husbandry no. 72/2002, with subsequent amendments and additions
- Horse Law no.389/2005, with subsequent amendments and additions
- GEO no. 23/2010 on the identification and registration of swine, ovine and caprine species animals, amending and establishing additions to other legal acts
- MAFRD Order no. 13/2006 on the approval of standards for reproductive animals from the swine species, with subsequent amendments and additions
- GD no.1156/2013 approving the programmes on surveillance, prevention, control and eradication of animal diseases, on diseases transmissible from animals to humans and on environment protection, for the identification and registration of bovine, pig, equidae, ovine and caprine animals

8.2.8.3.2.5. Beneficiaries

The beneficiaries of compensatory payments for compliance with commitments on the breeding of local breeds of animals kept for farming purposes in danger of abandonment are farmers or other animal breeders, holding adult local breeds of female reproductive animals of the breeds foreseen under this submeasure that

are registered in the genealogic breed registers – main section and in the breed preservation programmes.

Animals included in the commitment shall be registered and updated in the genealogic records of breeds, created and maintained by the authorised associations accredited by ANARZ. The animals shall be as well registered in the preservation programme of the breed they belong to.

8.2.8.3.2.6. Eligible costs

The eligible costs under this sub-measure are made of standard costs, calculated based on the assessment of income foregone beyond the mandatory non-remunerated level of the basic requirements, incurred by beneficiaries following the uptake of voluntary commitments on the breeding of adult female reproductive animals from local breeds in danger of abandonment.

The basic requirements are made of:

- Relevant mandatory standards established according to Title VI Chapter I in Regulation (EU) no. 1306/2013,
- Relevant criteria and minimum activities established according to art. 4 paragraph (1) letter (c) items (ii) and (iii) in Regulation (EU) no.1307/2013,
- Other relevant mandatory requirements foreseen in the national legislation.

The transactional and investment costs are not included in the standard costs calculated for the sub-measure on the preservation of animal genetic resources of local animals in danger of abandonment.

8.2.8.3.2.7. Eligibility conditions

The compensatory payments for compliance with the voluntary commitments on the breeding of adult female reproductive animals of local breeds in danger of abandonment may be granted if:

- the beneficiary shall own the local pure bred reproductive female animals in danger of abandonment, of species foreseen under this sub-measure, registered in the breed genealogic register – main section and in the breed preservation programme;
- the beneficiary shall be the user of an agricultural area located on the Romanian territory, identifiable in the Integrated Administration and Control System (IACS), where the livestock density is of minimum 0.3 LSU/ha and of maximum 2.0 LSU/ha;
- the beneficiary shall undertake to comply, on the entire area of the farm, with the relevant basic requirements for sub-measure 10.2, as foreseen in the programme;
- the beneficiary shall undertake to keep records of activities carried-out within the farm, from the perspective of compliance with the commitments;
- the beneficiary shall undertake to comply with the specific requirements of voluntary commitments on the breeding of adult female reproductive animals of local breeds in danger of abandonment.

Specific requirements for the voluntary commitments on the breeding of adult female reproductive animals

of local breeds in danger of abandonment:

- the beneficiary shall undertake to comply with the breed preservation programme, approved by ANARZ, for the reproductive females of local pure-bred species in danger of abandonment, for the species foreseen by the this sub-measure, which the beneficiary holds and which are registered in the breed genealogic register – main section and in the breed preservation programme managed by associations accredited by ANARZ, based on art. 2(10 j) in GD no. 834/2010. The beneficiary aims at achieving the objectives on increasing the livestock numbers, as established in the preservation programme;
- the beneficiary shall undertake to maintain, for a period of 5 years, the number of animals foreseen upon the signature of the agreement. If the committed livestock is reduced for reasons such as illness, slaughtering, death or sale, the beneficiary shall notify ANARZ and shall restore the adult female reproductive livestock, through movements from young animals or by purchase, immediately after the reduction of the livestock. If not possible immediately, the livestock of adult animals shall be restored no later than in 6 months.

8.2.8.3.2.8. Principles with regards to the setting of selection criteria

According to the provisions of art.49 (2) in Regulation (EU) no.1305/2013, the sub-measure does not require the establishment of selection criteria. The application of commitments proposed under the sub-measure contributes to the achievement of the proposed environmental objectives.

If financial resource insufficiency are found, during the implementation of sub-measure 10.2, as insufficient compared to the financial resources allocated at measure level for commitments signed at national level, then no new commitments shall be concluded starting with the following payment applications reception year.

8.2.8.3.2.9. (Applicable) amounts and support rates

As this is a compensatory payment, the support granted under this sub-measure has an intensity of 100%.

The value of compensatory payments, calculated as standard costs to cover the income foregone due to undertaking voluntary commitments for breeding adult female reproductive animals of local breeds in danger of abandonment, are presented below:

- Bovine – **200 EUR/head**
- Ovine – **13 EUR/ head**
- Caprine – **6 EUR/ head**
- Equidae – **200 EUR/ head**
- Porcine – **88 EUR head**

8.2.8.3.2.10. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.2.10.1. Risk(s) in the implementation of the measures

The identified risks are as follows:

- Non-compliance with the eligibility criteria in regard to the animals of local breeds in danger of abandonments under the commitment;
- Non-compliance with the sub-measure relevant basic requirements on the area of the entire farm;
- Diseases and sanitary problems affecting the animals, mortality cases and necessity slaughtering – sanitary risk;
- Environmental/pollution incidents that may affect the animals – environmental risk.

8.2.8.3.2.10.2. Mitigating actions

The commitments undertaken by farmers under this sub-measure will be checked by administrative and on-the-spot methods, the efficacy and efficiency of these methods being provided for in specific procedural provisions. The administrative checks will take account of all ongoing commitments and will be based on the information recorded in the single area payment applications management and control computerised system and on cross-checks with other relevant databases. The on-the-spot checks will be carried-out on premises of representativeness and adequate level of control samples, as compared to the eligible commitments, by means of visual checks and documentary checks confirming the compliance with the requirements. The commitments selected for on-the-spot check will be controlled at a time when most of the requirements and standards falling under the control purpose can be checked.

The procedure manuals corresponding to the procedural flow phases (promotion of measures and beneficiary information, submission and management of payment applications, risk analysis and sampling, on-spot control and supervisory control, payment authorisation, monitoring and reporting) will be elaborated by the Paying Agency (or by another delegated entity, if needed) and will be endorsed by the Managing Authority, prior to their approval at Ministry level.

To create the premises required for achieving the proposed objectives, the measure beneficiaries shall demonstrate either that they possess the relevant knowledge and information required to implement the commitments or that they benefit from the technical expertise required the implementation of commitments, before the submission of the last payment request under the commitments.

Implementation of a comprehensive information campaign for beneficiaries, to inform and counsel them on the compliance with the conditions and commitments undertaken.

8.2.8.3.2.10.3. Overall assessment of the measure

The sub-measure creates the premises to achieve the objectives established under the targeted priority, contributing to the restoration, preservation and development of genetic diversity, by encouraging the breeding of animals of local breeds in danger of abandonment.

The sub-measure also aimed to:

- increase the number of animals of local breeds in danger of abandonment;
- organise animal reproduction according to the rules of the genealogic register;
- establish and administer primary records according to the organisational rules of the genealogic register;
- use breeding systems for bovine, ovine, caprine, equidae and porcine species;
- maintain pure bred female animals registered in the genealogic register – main section, held by accredited organisations and associations, according to the legislation in force. The breeds shall be identified and registered according to the official system and a preservation programme shall applied for each local breed in danger of abandonment.

8.2.8.3.2.10.4. Agri-environment-climate commitments

8.2.8.3.2.10.4.1. Preservation of local animal genetic resources in danger of abandonment

8.2.8.3.2.10.4.1.1. Verification methods of commitments

With the aim to ensure an effective verification, on-spot control duties will need to be delegated to a competent authority (eg. NSVFSA, ANARZ, etc.).

8.2.8.3.2.11. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

The relevant elements of the baseline are presented in section 8.2 Description by measure, M10 - Agri-environment-climate (art 28), c. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria, 10.2 Preservation of local animal genetic resources in danger of abandonment, 12 Agri-environment-climate commitments, Preservation of local animal genetic resources in danger of abandonment, Baseline.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking

of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

Not applicable.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Local animal breeds eligible for sub-measure 10.2, by species, are:

- Bovine - Taurine: Steppe Grey (Sura de stepă)
- Bovine - Bubaline: Romanian buffalo
- Ovine: Țigaie –ferruginous variety, Rațca (Valach with corkscrew-shaped horns), Karakul of Botoșani, Merinos of Palas, Merinos of Suseni, Merinos of Transilvania, Merinos of Cluj, Țigaie with black Teleorman head
- Caprine: Banat-white, Carpatina
- Equidae: Furioso North Star, Huțul, Gidran, Lipițan, Shagya Arabă, Nonius, Romanian semi-heady
- Porcine: Bazna, Mangalița

Based on the dynamics of the number of reproductive female animals of local breeds (registered in the breed genealogic register) in the 2008-2013 period (Annex 8.2.M.10.2-1), ANARZ has established the local breeds in danger of abandonment in Romania and the danger (risk level) corresponding to these animals, in 2014, acc. art. 7 (3) in the draft delegated Regulation of the Commission for additions to Regulation (EU) no. 1305/2013, as follows:

Bovine – Taurine and Bubaline

- *in danger of extinction*: Steppe Grey (312 heads) and Romanian buffalo (289 heads)

Ovine

- *in danger of extinction*: Merinos of Suseni (300 heads), Transylvanian Merinos (268 heads), Merinos of Cluj (203 heads)
- *vulnerable*: Țigaie –ferruginous variety (1120 heads), Rațca (Valach with corkscrew-shaped horns) (3888), Karakul of Botoșani (2694), Merinos of Palas (4364), Țigaie with black Teleorman head (2988)

Caprine

- *in danger of extinction*: Banat White (972 heads)
- *vulnerable*: Carpatina (1492 heads)

Equidae

- *in danger of extinction*: Lipizzan (350 heads), Arabian Shagya (111 heads)
- *in critical condition*: Furioso North Star (47 heads), Huțul (88 heads), Gidran (36 heads), Nonius (45 heads), Romanian semi-heavy (91 heads)

Pigs

- *in critical condition*: Bazna (22 cap), Mangalița (50 cap)

Annex 8.2.M.10.2 – *specific information on local breeds* contains specific information for local animal breeds in danger of abandonment supported under sub-measure 10.2.

SUMMARY TABLE OF GENETIC RESOURCES
ANIMAL LIVESTOCK IN THE
2008-2013 PERIOD

No.	Species		Breed	Year					
				2008*	2009*	2010**	2011**	2012**	2013***
1.	Bovine	Taurine	Steppe Grey	45	51	61	65	61	67
		Bubaline	Romanian buffalo	221	228	44	67	81	289
2.	Ovine	Tigaie- ferruginous variety		1151	1271	1521	1521	1120	1120
		Rațca (Valach with corkscrew-shaped horns)		2058	2371	3221	3108	3235	3680
		Karakul of Botoșani		3646	3669	1468	1382	1576	2342
		Merinos of Palas		4160	4415	4168	3588	4077	4364
		Merinos of Suseni		789	978	435	420	300	300
		Transylvanian Merinos		2163	2396	388	319	299	268
		Merinos of Cluj		202	202	202	197	192	203
		Tigaie with black Teleorman head		3654	4030	3455	3252	3119	3438
3.	Caprine	Banat White		603	603	581	712	1227	1002
		Carpatina		3011	3146	3535	2422	2179	1661
4.	Equidae	Furioso North Star		51	52	46	50	45	36
		Huțul		54	55	78	81	92	83
		Gidran		46	40	41	50	38	35
		Lipizzan		236	250	332	345	337	260
		Arabian Shagya		85	86	90	87	94	68
		Nonius		38	43	44	46	44	38
		Romanian semi-heavy		94	93	91	93	101	62
5.	Pigs	Bazna		65	79	31	30	30	22
		Mangalița		260	548	35	36	33	55

*) According to *MARD Order no.582/2008 and MARD Order no. 634/2009 on the development of the Lists of animal genetic resources in danger of disappearance and vulnerable*, subject to the preservation and use programmes in 2008, respectively in 2009;

**) According to the system data managed by the National Agency for Amelioration and Reproduction in Animal Husbandry "Prof.Dr.G.K.Constantinescu"(A.N.A.R.Z.) – only adult female reproductive animals;

***) According to *Government Decision no. 962/2013 approving the provision of de minimum aids for the preservation of local animal breeds in danger of abandonment*

Annex 8.2.M.10.2-1

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

The support granted to compensate the income foregone incurred due to the uptake of preservation programmes for local animal breeds in danger of abandonment is calculated based on the methodology elaborated by the Farm Accountancy Data Network (FADN) within MARD, according to the provisions of Regulation (EC) no. 1242/2008. The calculation base for the compensatory payments is the standard output (Standard Output - SO), specific to each animal species (Annex 8.2.M.10.2-4).

The SO calculation methodology was elaborated based on questionnaires-forms filled-in by animal breeders of local breeds in danger of abandonment in Romania, by sampling, on a sample representing minimum 50% of the livestock for each breed, with 2013 data.

The standard output per individual breeder (SO_{individual}) is the ratio between the total standard output (SO_{total}) and the average number of animals (average no.).

SO_{total} (RON) is the sum of all income obtained and is made of:

- value of the main output = income from sale of the main output (milk, wool, horse-riding classes etc.),
- values of another main output = value at births of obtained descendants,
- value of the secondary output = income from the additional value of the animal stock at the end of the year as compared to its value at the beginning of the year and the value of animals sold or consumed within the holding,
- value of subsidies = not applicable for the study period.

The average number of animals (expressed with one decimal) is calculated proportionally with the duration of the presence of animals within the holding, throughout the year.

The ratio between SO_{individual} (RON/head) and the value of the most recent exchange rate established by the Central European Bank before October 1st of the year when the support is granted acc. art. 45 of Regulation (EU) no. 1290/2005 (4.46 RON/EUR) generated the SO_{individual} expressed in EUR/head.

By multiplying the SO_{individual} (EUR/head) with the average number of animals within the farm, for each breeder, by breeds, we obtain the standard output for each farm included in the study, for each breed (SO_{farm} – intermediary data).

The ratio between all SO_{farm} to the total number of animals in those farms, generated the average standard output by species (SO_{average} by species), as a value attributed to all animals under the species.

The difference between the values of SOaverage by species obtained based on data collected for 2013 and the value of the standard output SO 2010, calculated by FADN, by animal species, as average value for five consecutive years (2008 - 2012) EUR/cap, gives the values of income foregone incurred by breeding animals of local breeds in danger of abandonment, expressed in EUR/head (Annex 8.2.M.10.2-2).

The value of the income foregone was compared to the maximum quantum of the support (EUR/head) established in accordance with Annex II in Regulation (EU) no.1305/2013 and the conversion coefficients of different categories of animals, in LSU (established in art. 9 and Annex II to the *Delegated Regulation (EU) no. of the Commission, establishing additions to Regulation (EU) No. 1305/2013 and introducing transitional arrangements*). If the value of the income foregone is below the maximum quantum of the support (EUR/head), then the value of the compensatory payment is equal to the value of the income foregone (rounded-up with no decimals). If the value of the income foregone is above the maximum quantum of the support (EUR/head), then the value of the compensatory payment is equal to the maximum quantum of the support (Annex 8.2.M.10.2-3).

According to the provisions of art. 62 (2) of Regulation (EU) no. 1305/2013, the Institute of Agrarian Economics, subordinated to the National Economic Research Institute under the Romanian Academy has validated and verified the level of compensatory premiums granted for income foregone due the uptake of genetic resources preservation programme, in terms of consistency and plausibility (Annex 8.2.M10.2-5).

No.	Species	Breed	Name and surname of the animal breeder	Average no. ^{*)}	Individual SO	Farm SO (intermediary data)	SO average/species	SO 2010 ^{**)}	Income loss value	Maximum amount of the support ^{***)}
				(head)	(EUR/head)	(EUR)	(EUR/head)	(EUR/head)	(EUR/head)	(EUR/head)
1	OVINE	Tigie with black Teleorman head	Bahoti Catalin Petrisor	35	34.08	1192.80				
2			Dinca Oprea	82	29.59	2426.38				
3			Dobre Petre	36	50.10	1803.60				
4			Dinca Ionel	33	37.91	1251.03				
5			Todorache Valentin	46	37.06	1704.76				
6			Murataea Marin	55	49.52	2723.60				
7			Nedeloiata Nicolae	57	34.10	1943.70				
8			Iosifescu Marian	190	26.56	5045.80				
9			Barabata Florin	94	48.27	4537.38				
10			Baltaretu Ionel	86	32.71	2813.06				
11			Garlea Cădălin	321	61.32	19683.72				
12			Ureche Adrian	282	44.52	12554.64				
13			Iosif Ieontie	109	46.32	5048.88				
14			Popica Ionut Marian	165	30.52	5035.80				
15			SC Agrofarm	266	24.50	6517.00				
16			Dulce Nicolae	125	38.27	4783.75				
17			Ofenscu Nicolae	169	42.12	7960.68				
18			Glac Constantin	109	50.62	5517.58				
19			Rainea Ioana	173	46.33	8015.09				
20			Bogaru Nicolae	109	27.57	3005.13				
21			Băduța Flinica	123	29.25	3597.75				
22			Ticu Diana	158	26.1	4123.80				
23			Barbu Dorin Tomi	69	52.21	3602.49				
24			Nicolescu marian	81	29.48	2386.26				
25			Popa Vasile	348	60.69	21120.12				
26			Tuck Ionel	108	52.92	5715.36				
27			Sava Alexandrina	53	26.00	1378.00				
				TOTAL	3442					
1	OVINE	Karaulul de Botoșani	Agăfiei Ioan	26	58.46	1519.96				
2			Apotu Gheorghe	13	43.80	569.40				
3			Băbuța Iulian	24	46.03	1565.02				
4			Băluș Mihai	11	49.93	549.23				
5			Bărdăreanu Vasile	18	49.97	791.46				
6			Boboșanu Constantin	16	47.34	757.44				
7			Boboșanu Mihai	10	46.86	468.60				
8			Boz Victor	16	46.37	741.92				
9			Busa Gheorghe	57	49.17	2802.69				
10			Donisan Irim Marian	33	46.27	1526.91				
11			Donofrei Ieremia	33	45.82	1512.06				
12			Donofrei Vasile	24	37.46	899.04				
13			Irimia Gheorghe	35	42.28	1479.80				
14			Macahon Constantin	35	40.80	1428.00				
15			Macahon Petru	33	48.37	628.81				
16			Moșea Dumitrel	18	46.02	828.36				
17			Munteanu Ion	70	39.52	2766.40				
18			Munteanu Ionut	73	42.20	3080.60				
19			Nachfor Claudia Ionela	283	36.04	10199.32				
20			SC Agrofruct Ploienii SA	364	33.44	12172.16				
21			SC DOCC Popăruș	1127	38.31	43175.37				
22			Văstămanu Rodica	57	46.80	2667.60				
				TOTAL	2366					
1	OVINE	Rățea (Valach with corkscurew-shaped horns)	Ayam Elena	17	33.56	570.52				
2			Bispa Cornelia Camelia	83	38.30	3178.90				
3			Blocbu Ioan	94	46.64	4384.16				
4			Bujin Iacobi	69	28.14	1941.66				
5			David Petru	320	40.30	12896.00				
6			Domaniant Migai	26	28.24	734.24				
7			Dragomir Adam	32	41.10	1315.2				
8			Fusien Cosmin Eugen	148	46.38	6864.24				
9			Gavagina Ionut	45	46.63	2098.35				
10			Gremb Ion	94	31.40	2951.40				
11			Ielin Gheorghe	190	53.50	10165.00				
12			Iorgovan petru	117	27.73	3244.41				
13			Iova Nicușor Ștefan	18	24.55	1433.90				
14			Marja Florin Mircea	124	28.84	3588.56				
15			Micu Ștefan	24	49.88	1197.12				
16			Micu Pavel	30	49.52	1485.60				
17			Pascu Gheorghe	140	46.86	6560.40				
18			Pascu Ionel	156	30.56	4767.36				
19			Paul Ioan	47	37.10	1743.70				
20			Rogu Ionel	194	24.95	4840.30				
21			SCDOCC Caransebeș	36	38.65	1391.40				
22			Ion Ion Gheorghe	11	17.18	188.80				
23			Stefan Iorgovan Ioan	369	29.45	10867.05				
24			Stoia Claudiu Ioan	79	23.09	1824.11				
25			Suplăreanu Ioan	469	21.27	9975.63				
26			Tăran Ionel	59	44.07	2600.13				
27			Avșag Tudor	21	45.04	945.84				
28			Bădicu Marian	50	28.45	1422.50				
29			Stoia Adina Anca	172	41.55	7146.60				
				TOTAL	3274					
1	OVINE	Merinos Suzeni	Agroind Berezeni	600	55.72	33432.00				
			TOTAL	600						
1	OVINE	Merinos of Transilvania	Schanell Heana	337	40.04	13493.48				
			TOTAL	337						
1	OVINE	Merinos Cluj	USAMV Cluj Napoca	146	41.57	6069.22				
			TOTAL	146						
1	OVINE	Merinos Palas	SC Agrichim SRL Fetești	118	19.72	2326.96				
2			Arimon Valentin	437	41.4	18091.80				
3			CCDCS Perieni Vaslui	426	30.51	12997.26				
4			Dulce Nicolae	438	38.85	17016.30				
5			Iancu Mircea	293	33.24	9739.32				
6			CCDCOC Palas	515	49.93	25713.95				
7			Lungu George	296	29.98	8874.08				
8			Nedelcu Valeriu	257	38.49	9891.93				
9			Oancea Aurelia	300	40.73	12219.00				
10			PIA Negrele Ionel	271	35.27	9558.17				
11			Polifronie Ecaterina	300	22.86	6858.00				
12			Polifronie Iancu	1080	33.21	35866.80				
13			Străpănuț Ion	291	30.78	8956.980				
14			Iucu Gheorghe	750	39.76	29820.00				
				TOTAL	5772					
1	OVINE	Tigie ferruginous variety	SCDA Turda	720	20.05	14436.00				
			TOTAL	720						
	TOTAL OVINE calculation base				16657	623700.02	37.4437	50.47	13.03	30
1	CAPRINE	Romanian buffalo	SCDB Sercăla	142	729	103518				
			TOTAL BUBALINE calculation base	142		103518	729	1033.43	304.43	200
1	CAPRINE	PIGS (Baia, Mangalita)	SCDA Turda	40	216.03	8641.2				
			TOTAL PIGS calculation base	40		8641.2	216.03	304.03	88	100
1	EQUIDAE	Furioso North Star	Hetel	40	651.6	26064.00				
2			Godran	65	773.57	50273.45				
3			ROMSILVA - National Forest	73	67.57	4932.61				
4			Semigreu	59	103.48	6105.56				
5			Chagee Arabă	68	152.6	10374.8				
6			Ronius	36	131.41	4730.76				
7			Lipiljan	75	293.51	22013.25				
			TOTAL EQUIDAE calculation base	436		139976.43	321.046886	1963.87	1642.82	200
1	CAPRINE	Carpătina	SCDOCC Caransebeș	48	58.39	5118.32				
2			Mocanu Nicușor Bebe	280	83.81	23466.80				
3			Bolcan Constantin	95	80.01	7600.95				
4			Dilescu Gheorghe	170	77.55	13183.50				
5			Cinca Dragoș	250	81.09	20272.50				
6			SCDOCC Reșin	108	58.33	6299.64				
7			Priemetalica SRL	300	116.41	34923.00				
8			SC Agrofarm Holding	300	120.07	36021.00				
		TOTAL	1591							
1	CAPRINE	Banat White	Remodet TMB SRL	380	121.48	46162.40				
2			SC Agrofarm Holding	250	81.05	20262.50				
3			SC CSC Agria SRL	309	73.71	22776.39				
			TOTAL	939						
	TOTAL CAPRINE calculation base				2530	236107.00	93.32	99.37	6.05	30
1	TAURINE	Steppe Grey	SCDB - Dancu Iepi	60	104.95	6297.00				
2			Calag Iatvean	9	448.43	4035.87				
3			Tecuci Albert Cuaba	27	269.05	7264.35				
4			SC Coenvolgie SRL	28	405.19	11345.32				
5			SC Kopo Henter	48	210.2	10089.60				
	TOTAL TAURINE calculation base				172	39032.14	226.93	1033.43	806.50	200

*) The average no. is established following the filling-in of questionnaire-forms, by the animal breeders, and comprises, besides the number of adult female reproductive animals eligible for sub-measure 10.2 (registered in the main section of the breed genealogic register), also the number of adult animals registered in the secondary section of the register, if needed.

**) Standard output calculated by FADN by animal species, for five consecutive years (2008 - 2012), based on Regulation (EC) no. 1242/2008 - (standard output 2010 - SO 2010).

***) The maximum amount of the support established in compliance with Annex II of Regulation (EU) no. 1305/2013 and LSU animal conversion coefficients.

Species	Total no. of adult reproductive female (ANARZ 2014)	Value of the compensatory payments	Total value of the compensatory payment
	(head)	(EURO/head)	(EUR)
Taurine	312	200	62400.00
Bubaline	289	200	57800.00
Ovine	15825	13	205725.00
Caprine	2464	6	14784.00
Pigs	72	88	6336.00
Equidae	768	200	153600.00
Total annual support (YEAR I OF THE COMMITMENT)			500645.00
Financial allocation sub-measure 10.2 (5 YEARS OF COMMITMENT) (public contribution)			2503225.00
Maximum contribution FEADR (85%)			2127741.25

Annex 8.2.M.10.2-3

FADN Codes	Name of animal species	SO 2010
		(EUR/head)
C_1	Equidae	1963.87
C_2_6	Cows for milk	1033.43
C_3_1_1	Sheep – inseminated	50.47
C_3_2_1	Caprine – inseminated sheep	99.37
C_4_1_2	Pigs – reproductive sows above 50 kg	304.03

Annex 8.2.M.10.2-4

ROMANIAN ACADEMY
NATIONAL INSTITUTE OF ECONOMIC RESEARCH
„COSTIN C. KIRIȚESCU”
INSTITUTE OF AGRARIAN ECONOMICS

**STATEMENT ON THE ADEQUACY OF THE METHODOLOGY AND ON ACCURACY OF
CALCULATIONS,**

Pursuant to Article 62 in Regulation (EU) no. 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) no 1698/2005

Pursuant to Article 62 *Verifiability and controllability of measures* within Regulation (EU) no. 1305/2013, stipulating: „*To this end, a body that is functionally independent from the authorities responsible for the programme implementation and possesses the appropriate expertise shall perform the calculations or confirm the adequacy and accuracy of the calculations. A statement confirming the adequacy and accuracy of the calculations shall be included in the rural development programme*’

we,

The Institute of Agrarian Economics

within the National Institute for Economic Research of the Romanian Academy

as functionally independent body from the authorities responsible for the implementation of
NDRP

hereby certify ***the adequacy of the methodology and the accuracy of the calculations made, as well as reasonability of assumptions, of income values used, as well as of the indicators used within the methodology on the calculation of compensatory payments for the uptake of commitments specific to sub-measure 10.2 Preservation of local animal genetic resources in danger of abandonment.***

Director,

Paun Ion OTIMAN

Signature and stamp

Calea 13 Septembrie no. 13, sector 5, code 050711, Bucharest, Romania
phone/fax: +4021 318 24 11; email: iea@ines.ro, <http://www.eadr.ro>
fiscal code 426685

Annex 8.2.M.10.2-5

8.2.8.3.2.11.1. Agri-environment-climate commitments

8.2.8.3.2.11.1.1. Preservation of local animal genetic resources in danger of abandonment

8.2.8.3.2.11.1.1.1. Baseline

Relevant GAEC and/or SMR

For animals:

BOVINE animals (TAURINE and BUBALINE)

- **SMR 1** - art. 4 and 5 in Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources
- **SMR 7** - art. 4 and 7 in Regulation (EC) no. 1760/2000 of the European Council and Parliament establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products and repealing Council Regulation (EC) No. 820/97.
- **SMR 13** - art. 4 in Council Directive 98/58/EC concerning the protection of animals kept for farming purposes

OVINE and CAPRINE animals

- **SMR 8** - art. 3, 4 and 5 in Council Regulation (EC) no. 21/2004 establishing a system for the identification and registration of ovine and caprine animals and amending Regulation (EC) No. 1782/2003 and Directives 92/102/EEC and 64/432/EEC.
- **SMR 13** - art. 4 in Council Directive 98/58/EC concerning the protection of animals kept for farming purposes

EQUIDAE animals

- **SMR 13** - art. 4 in Council Directive 98/58/EC concerning the protection of animals kept for farming purposes

PIGS

- **SMR 6** - art. 3, 4 and 5 in Council Directive 2008/71/CE on the identification and registration of pigs
- **SMR 12** - art. 3 and art. 4 in Council Directive 2008/120/CE laying down minimum standards for the protection of pigs
- **SMR 13** - art. 4 in Council Directive 98/58/CE concerning the protection of animals kept for farming purposes

For lands:

- **GAEC 6** - maintenance of soil organic matter level through appropriate practices including ban on burning arable stubble, except for plant health reasons
- **GAEC 7** – retention of landscape features, including where appropriate, hedges, ponds, ditches, trees in line, in group or isolated, field margins and terraces, and including a ban on cutting hedges and trees during the bird breeding and rearing season and, as an option, measures for avoiding

invasive plant species.

Minimum requirements for fertilisers and pesticides

Not applicable.

Other relevant national/regional requirements

1. Obligation to identify animals:

- **BOVINE animals:** according to art. 1 letter a in GEO no.113/2002 on the identification and registration of bovine animals in Romania
- **OVINE and CAPRINE animals:** art. 1 letter in GEO no. 23/2010 on the identification and registration of pigs, ovine and caprine animals, as well for the amendment and addition to certain legal acts
- **EQUIDAE animals:** art. 19 paragraph (1) in the Animal Breeding Law no. 72/2002, with subsequent amendments and additions
- **PIGS:** art. 1 letter a in GEO no.23/2010 on the identification and registration of pigs, ovine and caprine animals, as well for the amendment and addition to certain legal acts normative

2. Obligation to include animals in the programmes on surveillance, prevention, control and eradication of animal diseases, on diseases transmissible from animals to humans and on environment protection, for the identification and registration of bovine, pig, equidae, ovine and caprine animals, approved by GD no.1156/2013.

3. Obligation that the animals be of purebred, registered in the genealogic register of that breed – main section:

- **BOVINE:** according to art. 1 letter a and b in MAFRD Order no. 765/2009 on the approval of standards for reproductive animals of the bovine species
- **OVINE and CAPRINE animals:** art. 2 letter a and b in Order no. 20/2006 on the approval of standards for reproductive animals of the species ovine and caprine, with subsequent amendments and additions
- **EQUIDAE animals:** art. 6 letter a in Law no.389/2005, with subsequent amendments and additions
- **PIGS:** art. 1 letter a and c in MAFRD Order no. 13/2006 on the approval of standards for reproductive animals of the pig species, with subsequent amendments and additions

4. Obligation, within the population under preservation, that the reproduction be carried-out only with purebred male animals registered in the breed genealogic register, according to the Preservation programme of that breed.

Minimum activities

R 1305/2013, art. 4 para. (1) letter (c) item (ii)

Maintaining the agricultural area in a state that makes it adequate for grazing or for cultivation, with no preparatory action going beyond the usual agricultural methods and machinery, based on criteria defined by Member States in the framework set forth by the Commission.

R 1305/2013, art. 4 para. (1) letter (c) item (iii)

Performing a minimum activity, as defined by the Member States, on the agricultural areas naturally maintained in an adequate state for grazing or for cultivation.

8.2.8.3.2.11.1.1.2. Relevant usual farming practices

In Romania, the breeding of animals under preservation is done in semi-intensive and /or extensive system.

The extensive breeding system is practiced in the family holding where animals are bred for own consumption and only a limited quantity of products is capitalised on the organised market. Animals are bred in simple shelters, with no special technical endowment and grazed on pasture or, for some species, fed to a great extent with household leftovers to which bran, maize, barley, oats, root plants, pumpkin plants, potatoes, alfalfa, green mass are added. Under this system, the zootechnical performances are not special and the production has an intense seasonal nature, being mainly intended for own consumption.

The semi-intensive breeding system defines a holding with a larger livestock of animal heads. This animal breeding system requires modernised shelters and an adequate endowment with equipment for feeding, watering and micro-climate conditions.

8.2.8.4. *Verifiability and controllability of the measures and/or types of operations*

8.2.8.4.1. Risk(s) in the implementation of the measures

The specific risks identified are presented under each sub-measure.

8.2.8.4.2. Mitigating actions

The measures envisages to improve measure implementation and mitigate risks are presented under each sub-measure.

8.2.8.4.3. Overall assessment of the measure

The measure creates the premises for achievement of objectives established under the targeted priorities, contributing to the maintenance of eco-systems linked to the application of sustainable agricultural practices, while promoting the effective use of natural resources and supporting the transition to a reduced-emissions economy, adapted to the climate change effects, in parallel with promoting a sustainable and balanced development of the rural area. The proposed packages aim to continue the effort made in the 2007-2013 period in relation to environment protection, by promoting agricultural practices intended to maintain the areas with high nature value (HNV), promote traditional/extensive agricultural practices, promote the protection of habitats of priority bird and butterfly species and protect water and soil resources against erosion and pollution, through the setting-up of green crops on arable lands during winter. Moreover, a pilot

project is proposed to promote certain adaptation methods, so as to provide responses to climate-change challenges. Through the preservation of local animal breeds on the verge of extinction a valuable gene base will be established, adapted to the environment conditions and resistant to diseases, thus maintaining local identity and their cultural-historical value.

The measure also envisages the equal treatment of applicants and of different types of commitments and an efficient and effective use of financial resources, to the highest extent possible, in accordance with the Union priorities for rural development, so as to ensure the maximisation of the expected impact.

8.2.8.5. *Information specific to the measure*

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

-

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

-

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced under Directive 2009/128/EC, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

-

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

-

8.2.8.6. *Other important remarks relevant to understand and implement the measure*

To create the premises required for achieving the proposed objectives, the measure beneficiaries shall demonstrate either that they possess the relevant knowledge and information required to implement the commitments or that they benefit from the technical expertise required for the implementation of

commitments. For this purpose, the possession of needed knowledge and relevant information or the provision of needed expertise shall be proven:

- before the execution of the 2nd payment (until the end of the year 2 of the commitment) by farmers with commitments on areas above 300 ha,
- before the execution of the 3rd payment (until the end of the year 3 of the commitment) de by farmers with commitments on areas between 100 ha and 300 ha,
- before the execution of the 4th payment (until the end of the year 4 of the commitment) by farmers with commitments on areas between 50 ha and 100 ha,
- before the execution of the 5th payment (until the end of the year 5 of the commitment) by farmers with commitments on areas up to 50 ha.

To achieve these conditions, through support provided under the Programme, the beneficiaries of the agri-environment and climate measure can benefit from the provision of training services (Measure 1), under the specific conditions (including in regard to the selection of final beneficiaries) foreseen in the Programme.

The beneficiaries of agri-environment and climate payments who do not benefit from services provided under measure 1, shall demonstrate:

- the acquiring of knowledge and information required, by presenting documents attesting the participation in a training course on the implementation of agri-environment and climate commitments or
- the provision of expertise, through advisory or consulting services in regard to the implementation of agri-environment and climate commitments, focusing at least on issues related to the identification of agricultural parcels, filling-in and submission of commitments and of payment applications, management measures applicable at farm level and required for the compliance with the basic requirements and with the commitment-specific requirements.

The minimum applicable rules will be established by national standards.

Moreover, the information of commitments will be provided through information and publicity actions carried-out at Programme level.

8.2.9. M11 - Organic farming (art 29)

8.2.9.1. Legal basis

Regulation (EU) no 1305/2013

Implementing Act (EU) no ...for setting up the application rules of the Regulation (EU) no 1305/2013

8.2.9.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Organic farming provides environmental services by protecting biodiversity, reducing pollution, reducing carbon dioxide emissions, ensuring animal welfare conditions and developing local business activities. Overall, organic farming may be characterized as a basic standard for ensuring a sustainable food.

As a result, the support for organic farming has become an important element of the EU rural development policy. The public goods and environmental services which are provided by the organic farming (Cooper, T., Hart, K., Baldock, D. (2009) *The Provision of Public Goods Through Agriculture in the European Union, Report Prepared for DG Agriculture and Rural Development, Contract No 30-CE-0233091/00-28, Institute for European Environmental Policy: London*) may be summarized as follows:

- **Soil fertility and functionality** – Organic farming preserves soil fertility better than conventional farming because of the higher levels of organic matter content of the soil, the higher biological activity and a higher potential for erosion control. In addition, in organic farming there is no pollution of soil from synthetic pesticides. Better soil structure is maintained by implementing practices which are specific to organic farming, thus increasing the capacity to face the problems related to water resulting from climate change, floods and drought.
- **Water quality** - By avoiding the use of pesticides and by the strict management of manure, organic farming decreases pollution of water resources (surface watercourses and water bodies and also ground water).
- **Biodiversity** - Currently, it is unanimously accepted that organic farming methods are more favourable to biodiversity preservation than conventional farming. The main advantages of organic farming in terms of biodiversity come from the fact that chemical fertilizers, herbicides and synthetic pesticides are not used, from the low livestock density, the use of biological measures for pest control (e.g. green fences, marginal areas of agricultural lands and other uncultivated lands), maintenance of more intense soil biological activity closer to natural conditions, the use of diverse crops and mixed land use.
- **Reducing greenhouse gas emissions** - Among the few assessments regarding greenhouse gas and its cycles into the atmosphere which have been conducted in connection to organic farming, the comparative studies have demonstrated a greater reduction of greenhouse gas emissions per tonne of food produced by organic farming compared to conventional farming.

Moreover, in its position paper regarding the organic farming, FAO (FAO (2011) *Organic agriculture and climate change mitigation. A report of the Round Table on Organic Agriculture and Climate Change. December 2011, Rome, Italy*) emphasizes: "Organic farming contributes to the diminishing of greenhouse effect and global warming, by its capacity to sequester carbon into the soil. Many practices used in organic farming (for example, incorporation of crop residues into the soil, the use of green crops and crop rotation, the use of the capacity of vegetables and leguminous

plants for nitrogen fixation into soil), increase the efficiency of carbon return into the soil, increase the productivity and promote carbon storage".

- **Rural vitality** - The higher labour requirements for organic farms compared to conventional farming create better employment opportunities in rural areas.

In Romania, the support for maintaining the lands certified for organic farming were introduced in the PNDR 2007-2013 as a package of Measure 214, while the payments for the conversion period were granted according to Article 68 of Council Regulation (EU) No. 73/2009.

In the 2014-2020 NRDP Strategy, organic farming represents one of the main tools for minimizing water pollution within the frame of the sustainable land management systems aiming at appropriate management of fertilizers, crop protection, water resources and erosion control. The organic farming methods provided for in Article 29 can help protect natural resources, with positive effects on soil quality, contributing to eliminating the degradation processes.

In order to ensure consistency of implementation of this measure, the beneficiaries have to prove they have the necessary skills to implement the commitments or to commit:

- to acquire the knowledge and information needed for the implementation of the commitments or
- to ensure the necessary expertise in terms of the implementation of commitments, covering at least the issues related to the identification of agricultural parcels, filling in and submission of the commitments and payment applications, the management measures applicable at the farm level necessary for the compliance with the basic requirements and the specific requirements of the commitments, by advisory and consultancy services.

Contribution to Focus Areas

Given the reasons above, it is clear that the **organic farming** measure will contribute to the following rural development priorities:

- Priority 4 - Restoring, preserving and enhancing ecosystems related to agriculture and forestry

FA 4B - Improving water management, including fertiliser and pesticide management

Contribution to cross-cutting objectives "Environment" and "Climate"

The indicative actions aiming at the contribution of organic farming to the cross-cutting objectives of climate and environment target - in addition to the agricultural practices defined in the EU regulations on organic farming –also include supplementary activities, which may increase the efforts to mitigate climate change, such as “*in situ*” recycling of manure and composting of plant residues, maintaining and increasing soil fertility by inter-cropping etc. Organic farming is generally beneficial for climate change adaptation by adopting local traditional management solutions that are historically verified and which compensate, in the medium-to long-term, the disadvantage of lower productivity in comparison with conventional farming. Also fostered are agricultural practices favouring crop diversification and technological elements (according to season and available space), adaptation to local conditions (by local breeds and species, local techniques for improving the quantity and the quality of the organic matter in the soil), the integration of landscape elements as a mixed aesthetic measure as well as an environment protecting one.

This measure is included in the package of measures, which contributes to the compliance with Article 59 (6) Regulation (EU) 1305/2013 establishing that at least 30% of the total contribution of EAFRD to the rural development programme is to be assigned to measures that contribute to mitigation of and adaptation to climate change, as well as to reduced environmental issues.

8.2.9.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.9.3.1. 11.1 Support for the conversion to organic farming methods

8.2.9.3.1.1. Sub-measure:

- 11.1 - payment to convert to organic farming practices and methods

8.2.9.3.1.2. Description of the type of operation

The support provided for in this sub-measure is granted per unit of agricultural area to farmers who undertake on a voluntary basis to adopt practices and methods specific to organic farming, as defined in Regulation (EC) no 834/2007 and who are active farmers according to Article 9 of Regulation (EU) no 1307/2013.

The beneficiaries of the sub-measure commit to keep records of the agricultural activities correlated to the implementation of commitments (basic commitments for the entire farm and higher for the areas under commitment).

A revision clause is foreseen for the commitments concluded within this sub-measure in order to ensure their adjustment in case of the amendment of the basic requirements or the greening measures (Article 43 of Regulation (EU) no 1307/2013) the commitments have to top. A revision clause is foreseen for the commitments concluded within this sub-measure that go beyond the current programming period in order to ensure their adjustment to the legal framework of the following programming period. In case the adjustment is not accepted by the beneficiary, the commitment ends and the reimbursement is not claimed for the period in which the commitment produced effects.

8.2.9.3.1.3. Type of support

The support under this sub-measure can be provided for operations carried out for conversion to organic agriculture.

The sub-measure comprises 5 packages:

- Package 1 – Arable crops on arable land (including fodder crops);
- Package 2 – Vegetables;
- Package 3 – Orchards;
- Package 4 – Vineyards;
- Package 5 – Medicinal and aromatic plants.

All packages contribute to the focus areas 4A, **4B**, 4C and 5E.

The support is granted as fixed amount per area unit (hectare) and compensates the beneficiaries for income foregone and additional costs incurred by the beneficiaries who conclude voluntary commitments.

8.2.9.3.1.4. Links to other legislation

EU legislation:

- Title VI, Chapter I of Regulation (EU) no 1306/2013;
- Regulation (EU) No 1307/2013;
- Council Regulation (EC) No 834/2007 together with the Commission Regulation (EC) No 889/2008 and the Regulation (EU) on the implementation No 392/2013;

National Laws:

- Government Emergency Ordinance No 125/2006 with the subsequent amendments and completions;
- MARD Order no 246/2008 with the subsequent amendments and completions;
- MARD/MEF Joint Order no 30/147/2010 with the subsequent amendments and completions - for the approval of GAEC in Romania;
- MARD/MEF/ANSVSA Joint Order no 187/2155/42/2011 with subsequent amendments and completions - for the approval of SMR in Romania;

Minimum relevant requirements for the use of fertilizers and plant protection products provided for in the national laws (MEWM Order No 1234/2006 - Code of good practices in agriculture, Government Ordinance No 4/1995, Government Ordinance 1559/2004 - normative acts with the subsequent amendments and completions).

8.2.9.3.1.5. Beneficiaries

The support will be granted only to active farmers registered in the organic farming system.

8.2.9.3.1.6. Eligible costs

The eligible costs within this sub-measure include standard costs, calculated based on the assessment of additional costs and income foregone, which go beyond the mandatory non-paid level of basic requirements, recorded by farmers as a result of undertaking the voluntary commitments for organic farming.

The basic requirements include:

- The relevant mandatory standards established pursuant to Title VI of Chapter I of Regulation (EU) No 1306/2013;
- Relevant criteria and minimum activities established pursuant to Article 4 (1) (c) (ii) and (iii) of Regulation (EU) no 1307/2013;
- The minimum relevant requirements for the use of fertilizers and plant protection products provided for in the national laws;
- Other relevant mandatory requirements established by the national laws.

Standard costs calculated for this sub-measure do not include the transaction and investment costs.

8.2.9.3.1.7. Eligibility conditions

The compensatory payments for organic farming can be granted as part of the sub-measure, if:

- Beneficiaries are included in the **active farmer** category, within the meaning of Article 9 of Regulation (EU) no 1307/2013;
- The beneficiary is the user of an agricultural area under the land use category of arable land, vineyards or orchards, located in Romania, identifiable in the Integrated Administration and Control System (IACS);
- The minimum area of the farm is 1 ha, and the eligible parcels have the minimum size of 0.3 ha (0.1 ha for vineyards and orchards, soft-fruit shrub species, hops, fruit and vine nurseries);
- The beneficiary is registered in each year when support is requested, according to the legal provisions, as an organic farming operator;
- During the entire period of the commitment, the beneficiary concludes an agreement with an independent inspection and certification body, authorized according to the provisions of the national laws.

The beneficiaries of the sub-measure shall submit a supporting document (certificate) issued according to applicable laws.

The payment application will be submitted annually, for each year of commitment.

The period of commitment for conversion to organic farming methods is of maximum 2 years (for annual crops) or maximum 3 years (for perennial crops).

8.2.9.3.1.8. Principles with regards to the setting of selection criteria

The implementation of all the commitments provided by this sub-measure contributes to the achievement of the environmental objectives proposed. In this context, no differentiation can be made between the impacts of different commitments, because their implementation contributes to the promotion of sustainable agricultural practices at national level. Thus, for sub-measure 11.1 – *Support for the conversion to organic farming methods*, no selection criteria are established.

If, following the implementation of Measure 11 *Organic farming*, it is noted that there are insufficient financial resources allocated compared to the concluded commitments, no new commitments will be concluded starting with the year following the receipt of payment applications.

In case there are insufficient funds for the annual extension of the commitments within a call, the rule “first come, first served” shall be applied.

8.2.9.3.1.9. (Applicable) amounts and support rates

As it is a compensatory payment, the support granted within this sub-measure has 100% aid intensity.

The compensatory payments are calculated as standard costs for each of the 5 packages proposed:

- Package 1 - agricultural crops on arable lands (including fodder crops) - **295 euro/ha/year**,
- Package 2 - vegetables - **500 euro/ha/year**,
- Package 3 - orchards - **620 euro/ha/year**,
- Package 4 - vineyards - **532 euro/ha/year**,
- Package 5 - medicinal and aromatic plants - **460 euro/ha/year**.

At package level, financial support degressivity will be applied. In case of farms with agricultural areas sized more than 50ha, 100ha, 300ha, the payment value decreases for those agricultural areas that exceed those size values, according to Annex 8.2.M.11-1.

The payments granted within Article 29 may be cumulated with other types of payments granted per area: direct payments, payments granted based on Article 31 "*Payments for areas facing natural constraints or other specific constraints*". Only packages 1 and 2 of the sub-measure can be combined with packages 4 or 5 of the sub-measure 10.1 on agri-environment and climate (Article 28).

During the period of commitments, crop rotation is allowed on the same parcel from one year to the following one, between packages 1, 2 and 5.

Area (ha)	Payment value (Euro/ha)
1-50	100% of the payment value per each hectare
50,01-100	75% of the payment
100,01-300	50% of the payment
Over 300	35% of the payment

Annex 8.2.M.11-1

8.2.9.3.1.10. Verifiability and controllability of the measures and/or types of operations

8.2.9.3.1.10.1. Risk(s) in the implementation of the measures

As the risks identified are similar for both sub-measures, they are presented under letter d, point 1 in the chapter „*Verifiability and controllability*” of the sub-measure fiche.

8.2.9.3.1.10.2. Mitigating actions

As the measures undertaken to reduce risks are applied for both sub-measures, they are presented under letter d, point 2 in the chapter „*Verifiability and controllability*” of the sub-measure fiche.

8.2.9.3.1.10.3. Overall assessment of the measure

As the overall assessment of the measure is similar for all the sub-measures, they are presented under point „Risks in the implementation of the measures” of the sub-chapter „*Verifiability and controllability of the measure*” in the fiche of the Measure 11.

8.2.9.3.1.11. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

The identification of the relevant elements is under letter f „*Information specific to the operation*” in the fiche of the Measure 11.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

The calculation methodology is under letter f „*Information specific to the operation*” of the sub-measure fiche.

8.2.9.3.2. 11.2 Support for maintaining organic farming practices

8.2.9.3.2.1. Sub-measure:

- 11.2 - payment to maintain organic farming practices and methods

8.2.9.3.2.2. Description of the type of operation

The support provided for in this sub-measure is granted per hectare of agricultural area to farmers who undertake on a voluntary basis to adopt practices and methods specific to organic farming, as defined in Regulation (EC) no 834/2007 and who are active farmers according to Article 9 of Regulation (EU) no 1307/2013.

The support is granted only for commitments going beyond the basic requirements.

The beneficiaries of the sub-measure commit to keep records of the agricultural activities correlated to the implementation of commitments (basic commitments for the entire farm and higher commitments for the areas under commitment).

A revision clause is foreseen for the commitments concluded within this sub-measure in order to ensure their adjustment in case of the amendment of the basic requirements or the greening measures (Article 43 of Regulation (EU) no 1307/2013) the commitments have to top. A revision clause is foreseen for the commitments concluded within this sub-measure that go beyond the current programming period in order to ensure their adjustment to the legal framework of the following programming period. In case the adjustment is not accepted by the beneficiary, the commitment ends and the reimbursement is not claimed for the period in which the commitment produced effects.

8.2.9.3.2.3. Type of support

The support under this sub-measure can be provided for operations carried out in view of maintaining organic agriculture practices.

The sub-measure comprises 5 packages:

- Package 1 – Arable crops on arable land (including fodder crops);
- Package 2 – Vegetables;
- Package 3 – Orchards;
- Package 4 – Vineyards;
- Package 5 – Medicinal and aromatic plants.

All packages contribute to the focus areas 4A, **4B**, 4C and 5E.

The support is granted as a fixed amount per area unit (hectare) and compensates the beneficiaries for income foregone and additional costs borne by the beneficiaries who conclude voluntary commitments. **voluntare.**

8.2.9.3.2.4. Links to other legislation

EU legislation:

- Title VI, Chapter I of Regulation (EU) no 1306/2013;
- Regulation (EU) No 1307/2013;
- Council Regulation (EC) No 834/2007 together with the Commission Regulation (EC) No 889/2008 and the Regulation (EU) on the implementation No 392/2013;

National Laws:

- Government Emergency Ordinance No 125/2006 with the subsequent amendments and completions;
- MARD Order no 246/2008 with the subsequent amendments and completions;
- MARD/MEF Joint Order no 30/147/2010 with the subsequent amendments and completions - for the approval of GAEC in Romania;
- MARD/MEF/ANSVSA Joint Order no 187/2155/42/2011 with subsequent amendments and completions - for the approval of SMR in Romania;

Minimum relevant requirements for the use of fertilizers and plant protection products provided for in the national laws (MEWM Order No 1234/2006 - Code of good practices in agriculture, Government Ordinance No 4/1995, Government Ordinance 1559/2004 - normative acts with the subsequent amendments and completions).

8.2.9.3.2.5. Beneficiaries

The support will be granted only to active farmers registered in the organic farming system.

8.2.9.3.2.6. Eligible costs

The eligible costs within this sub-measure include standard costs, calculated based on the assessment of additional costs and income foregone, which go beyond the mandatory non-paid level of basic requirements, recorded by farmers as a result of undertaking the voluntary commitments for organic farming.

The basic requirements include:

- The relevant mandatory standards established pursuant to Title VI of Chapter I of Regulation (EU) No 1306/2013;
- Relevant criteria and minimum activities established pursuant to Article 4 (1) (c) (ii) and (iii) of Regulation (EU) no 1307/2013;
- The minimum relevant requirements for the use of fertilizers and plant protection products provided for in the national laws;
- Other relevant mandatory requirements established by the national laws.

Standard costs calculated for this sub-measure do not include the transaction and investment costs.

8.2.9.3.2.7. Eligibility conditions

The compensatory payments for maintaining organic farming practices can be granted as part of the sub-measure, if:

- Beneficiaries are included in the active farmer category, within the meaning of Article 9 of Regulation (EU) no 1307/2013;
- The beneficiary is the user of an agricultural area under the land use category of arable land, vineyards or orchards, located in Romania, identifiable in the Integrated Administration and Control System (IACS),
- The minimum area of the farm is 1 ha, and the eligible parcels have the minimum size of 0.3 ha (0.1 ha for vineyards and orchards, soft-fruit shrub species, hops, fruit and vine nurseries),
- The beneficiary is registered in each year when support is requested, according to the legal provisions, as an organic farming operator,
- During the entire period of the commitment, the beneficiary concludes an agreement with an independent inspection and certification body, authorized according to the provisions of the national laws.

The beneficiaries of the sub-measure shall submit a supporting document (certificate) issued according to the applicable laws.

The payment application will be submitted annually, for each year of commitment.

The commitments for maintaining the organic farming (including those that follow immediately after the initial conversion period) are concluded for a period of five years.

After the five-year period, the commitments for maintaining organic farming can be annually extended.

8.2.9.3.2.8. Principles with regards to the setting of selection criteria

The implementation of all the types of commitments proposed by this sub-measure contributes to the achievement of the environmental objectives proposed. In this context, no differentiation can be made between the impacts of different commitments, their implementation contributes to the promotion of sustainable agricultural practices at national level. Thus, for sub-measure 11.2 – *Support for maintaining organic farming methods*, no selection criteria are established.

If, following the implementation of Measure 11 *Organic farming*, it is noted that there are insufficient financial resources allocated compared to the concluded commitments, no new commitments will be concluded starting with the year following the reception of payment applications.

In case there are insufficient funds for the annual extension of the commitments within a call, the rule “first come, first served” shall be applied.

8.2.9.3.2.9. (Applicable) amounts and support rates

As it is a compensatory payment, the support granted within this sub-measure has 100% aid intensity.

The compensatory payments are calculated as standard costs for each of the 5 packages proposed:

- Package 1 - agricultural crops on arable lands (including fodder crops) - **220 euro/ha/year**,
- Package 2 - vegetables - **431 euro/ha/year**,
- Package 3 - orchards - **442 euro/ha/year**,
- Package 4 - vineyards - **480 euro/ha/year**,

- Package 5 - medicinal and aromatic plants - **427 euro/ha/year**.

At package level, financial support degressivity will be applied. In case of farms with agricultural areas sized more than 50ha, 100ha, 300ha, the payment value decreases for those agricultural areas that exceed those size values, according to Annex 8.2.M.11-1.

The payments granted within Article 29 may be cumulated with other types of payments granted per area: direct payments, payments granted based on Article 31 "*Payments for areas facing natural constraints or other specific constraints*". Only the packages 1 and 2 of the sub-measure can be combined with packages 4 or 5 of the sub-measure 10.1 on agri-environment and climate (Article 28).

During the period of commitments, crop rotation is allowed on the same parcel from one year to the following one, between packages 1, 2 and 5.

Area (ha)	Payment value (Euro/ha)
1-50	100% of the payment value per each hectare
50,01-100	75% of the payment
100,01-300	50% of the payment
Over 300	35% of the payment

Annex 8.2.M.11-1

8.2.9.3.2.10. Verifiability and controllability of the measures and/or types of operations

8.2.9.3.2.10.1. Risk(s) in the implementation of the measures

As the risks identified are similar for both sub-measures, they are presented under letter d, point 1 in the chapter „*Verifiability and controllability*” of the sub-measure fiche.

8.2.9.3.2.10.2. Mitigating actions

As the measures undertaken to reduce risks are applied for both sub-measures, they are presented under letter d, point 2 in the chapter „*Verifiability and controllability*” of the sub-measure fiche.

8.2.9.3.2.10.3. Overall assessment of the measure

As the overall assessment of the measure is similar for all the sub-measures, they are presented under point „Risks in the implementation of the measures” of the subchapter „*Verifiability and controllability of the measure*” in the fiche of the Measure 11.

8.2.9.3.2.11. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

The identification of the relevant elements is under letter f „*Information specific to the operation*” in the fiche of the Measure 11.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

The calculation methodology is under letter f „*Information specific to the operation*” of the sub-measure fiche.

8.2.9.4. Verifiability and controllability of the measures and/or types of operations

8.2.9.4.1. Risk(s) in the implementation of the measures

The possibility to verify and control the measure is based on the results of the ex-ante assessment performed by the Managing Authority and the Paying Agencies that takes into account the results of the controls performed, including during the previous programming period, pursuant to Article 62 of Regulation (EU) 1305/2013.

During the 2014-2020 programming period, it is estimated that a series of specific risks could emerge, such as:

- Period of submitting payment applications (delayed submission);
- Failure to declare all the areas;
- Inaccurate identification of agricultural parcels;
- Failure to comply with the eligibility criteria regarding the area under commitment;
- Failure to comply with the cross-compliance standards at farm level;
- Failure to observe the measure-specific requirements for the areas under commitment;

Failure to register the agricultural activities relevant with regard to the commitments.

8.2.9.4.2. Mitigating actions

Among the measures taken for the improvement of measure implementation and risk mitigation, the

following can be mentioned:

- Identification of the agricultural parcels by electronic means,
- Annual promotion of broad information campaigns for beneficiaries which disseminate information regarding the proper implementation of commitments.

Moreover, the experience acquired during the 2007-2013 programming period indicated that the available control system ensured the compliance with the requirements and commitments assumed by the beneficiaries. Also, the penalty system developed for the agri-environment measure (M214) is progressive, the level of penalties applied to farmers being correlated with the impact due to failure to comply with the different types of measure specific conditions. This system will be adopted and adapted to the specific features of Measure 11.

The verification and control mechanisms for the measure established for the current programming period 2014-2020 include the mandatory requirements regarding the records evidence of the authorized documents for the compliance of the beneficiary with the provisions of the Commission Regulation (EC) No 834/2007, established according to Annex XII of the Commission Regulation (EC) No 889/2008 (records of the documents supplied by the control bodies), as well as exchange of information between the control body and the competent authorities, according to Article 27 of the Commission Regulation (EC) No 834/2007 and the Commission Regulation (EU) No 392/2013 of 29 April 2013 amending Regulation (EC) No 889/2008 on the status of the beneficiary and the results of inspections and visits to the operator by the control body and the verifications performed on site by the competent authorities.

The commitments undertaken by farmers within this measure shall be verified through administrative methods and on the spot, ensuring their efficacy and efficiency by specific procedure provisions. The administrative checks shall target all the ongoing commitments, based on the information registered in the information administration and control system of the single area payment applications and cross-checks with other relevant databases. The checks on the spot shall be carried out by ensuring the representativeness and the appropriate level of control samplings related to the eligible commitments, by visual and documentation checks that confirm the requirements are met. The commitments selected for the on the spot control shall be checked when most requirements and standards for the selected control purposes can be checked.

The manuals of procedures for the stages of the procedural flow (the promotion of the measures and the information of the beneficiaries, the submission and the administration of the payment applications, the risk analysis and the sampling, the on-the-spot check and the supervision check, the authorization of payments, the monitoring and the reporting), shall be prepared by the Paying Agency (or another delegated entity, if the case may be) and approved by the Managing Authority, before the approval at the MARD level.

In order to ensure the premises necessary to accomplish the objectives proposed, the beneficiaries of the measure shall have to prove they possess the relevant knowledge and information or they benefit from technical expertise necessary to implement the commitments, before the submission of the last payment application within the commitments.

Following the analysis undertaken by the Managing Authority and the Paying Agencies based on experience in the period 2007-2013, it can be concluded that the verifiability and the controllability of the measure can be done also in terms of vocational training and improvement of working procedures, so that the financial interests of the European Union are not compromised.

8.2.9.4.3. Overall assessment of the measure

The measure creates the premises for accomplishing the objectives established within the targeted priorities, contributing to soil protection, preservation of the ecosystems which are related to the implementation of sustainable agricultural practices, promoting the efficient use of natural resources and supporting the shift toward a low-carbon economy, adapted to climate change, together with the promotion of a sustainable and balanced development of rural areas.

The packages proposed within the measure aim to continue the efforts made in the period 2007-2013 in terms of environment protection for the promotion of agricultural practices specific to organic farming that contribute to the preservation of biodiversity, soil fertility, reduction of water resources pollution and GHG emissions.

Also, in order to ensure the maximization of the expected impact, the measure targets the equal treatment both of the applicants and of the different types of commitments, and an efficient and effective use of financial resources - as much as possible – in compliance with the Union priorities for rural development.

8.2.9.5. Information specific to the measure

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

The agricultural lands for which the commitments are taken must be registered as lands certified under organic system by an authorized inspection and certification body, in compliance with the Regulation 834/2007. The areas for which the commitments are taken within this package must continue to be registered by an inspection and certification body during the entire period of commitment and to continue to be used according to the organic production methods in compliance with the relevant national legislation and the EC Regulation No 834/2007.

- relevant mandatory standards established pursuant to title VI chapter I in the Regulation (EU) no 1306/2013:

GAEC 6 - Maintenance of soil organic matter level through appropriate practices, including ban on burning arable stubble, except for plant health reasons

GAEC 7 – retention of landscape features, including, where appropriate, hedges, ponds, ditches, trees' alignments, grouped or isolated, field margins and terraces, including a ban on cutting hedges and trees during bird breeding and rearing season, and, as an option, measures for avoiding invasive plant species

- relevant and minimum criteria and activities established pursuant to the article 4 paragraph (1) letter (c) points (ii) and (iii) of the Regulation (EU) no 1307/2013

R (EU) no1305/2013, art. 4 paragraph (1) letter (c) point (ii) – Maintaining the agricultural area in an appropriate condition for grazing or cultivation, with no preparatory action that goes beyond the framework of methods and usual agricultural machineries, based on the criteria defined by the MS in the framework

established by the Commission.

R (EU) no1305/2013, art. 4 paragraph (1) letter (c) point (iii) – Carrying out a minimum activity defined by the Member States, on the agricultural areas maintained naturally in an appropriate condition for grazing or cultivation.

- relevant and minimum requirements for the use of fertilizers and plant protection products established by the national legislation,

Phytosanitary - GO 4/1995, with subsequent amendments and completions – It is allowed to use only the plant protection products authorized for sale and only in compliance with the use instructions.

Requirements on the water protection against nitrate pollution from agriculture – *Joint Order 1182/1270/2005* – Natural fertilizers applied cannot contain more than 170 kg of nitrogen (N) as pure ingredient per 1 ha of agricultural land. Farmers must comply with the periods where the fertilizer application is forbidden. Farmers must follow up a fertilization plan.

The use of fertilizers – *Joint Order 277/983/2014* – Ban the use of fertilizers unauthorized for sale.

- other relevant mandatory requirements foreseen in the national legislation.

Organic farming – *Order of MARD no 1253/2013* – Operators producing organic products or under conversion period are obliged to register this activity at the Ministry of Agriculture and Rural Development, through the specialized department, and to be subject to the control of an authorized inspection and certification body.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 28(3) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

The methodology for the calculation of compensation rates (CRs) is the same for all crops. It is based on the calculation of additional costs and income foregone resulting from the commitments to comply with organic farming practice. CRs are calculated for the crops and crops or production categories on the national level.

Compensation rates (CR) are first calculated for individual representative crops by the general formula:

$$\text{CR per ha} = \text{income foregone} + (\text{net}) \text{ additional cost}$$

where both income foregone and additional cost can be negative (due to additional income or cost savings by organic farming); but CR per ha must not be negative. This general formula for the calculation of CRs per ha mentioned above is applied to all individual representative crops either directly (for orchards, vineyards) or indirectly by comparing the gross margins (GM) per ha of representative crops produced conventionally and organically. The difference between these GMs is the CR per ha.

For arable crops, vegetables, and medicinal and aromatic plants, CRs of the respective individual representative crops are aggregated to CR for the respective crop categories, using the shares of the

representative crops in the area of the crop category (group) as weights. Different weights are applied for conventional and organic categories in order to reflect actual land use in the two types of production. The corresponding CRs establish equal profitability between the areas currently used organically with those currently used conventionally. Using the same weights for aggregation would produce CRs which establish equal profitability for a particular plot or farm.

The gross margin is equivalent to value added; it is the gap between value of output (V) and variable costs (C):

$$GM = V - C$$

$$V = \text{price} * \text{production}$$

Variable costs are the sum of:

- direct costs (seed, fertilizer, crop protection);
- variable machinery costs (fuel, machinery repair);
- hired labour costs.

Differences in the value of output of conventional vs. organic production ($V_c - V_o$) are equivalent to *income foregone*; differences in costs ($C_c - C_o$) are equivalent to *additional costs*:

$$\begin{aligned} GM_c - GM_o &= (V_c - C_c) - (V_o - C_o) \\ &= V_c - C_c - V_o + C_o \\ &= (V_c - V_o) + (C_o - C_c) \\ &= (\text{income foregone}) + (\text{net additional cost}) \text{ [indirectly, for agricultural crops, vegetables and medicinal and aromatic plants]} \\ &= \text{CR per ha} \end{aligned}$$

Differences of GM of any individual crop are taken into account only if they are positive. In the case of arable crops the differences in costs of crop-specific permanent labour is also taken into account as these are costs that are directly affected by the decision to operate a farm according to conventional or organic practices or to convert from the former to the latter practice.

Labour costs are evaluated using the average cost of labour per employee in the agriculture, forestry and fisheries sectors. Variable costs of a crop can be lower in organic farming due to the use of less or no fertilizer and plant protection products and due to not harvesting a crop in case it is used for fertilization.

The calculations of compensatory payments are based on national average yields, prices and variable costs which depend on yields. The amounts of compensatory payments depend very much on income foregone, i.e. differences in the value of output. These differences originate from differences in yield per hectare (ha) and producer price of conventional and organic products. Since data on yields and producer prices of organic production do not exist in Romania and hardly in other MS, they must be estimated on the basis of expert information, i.e. assumptions. However the calculations are based as far as possible on Romanian data and information sources. Transaction costs are not included.

The items considered in the calculation of compensation rates per crop per hectare are thus:

- yields;
- producer prices;
- seed costs (or plants);
- fertilizer costs;

- plant protection costs;
- fuel costs;
- machinery repair costs;
- hired labour costs;
- permanent labour costs (for “arable crops”);

The calculation of compensation payments for the adoption and practice of organic farming in PNDR 2014-2020 for arable crops and vegetables in Romania is based on the following assumptions:

- Conventional and organic production of main arable crops and vegetables, respectively, is carried out in commercial arable farms with up-to-date management methods.
- The reference conventional farm uses its arable (vegetable) land with the same shares as the national average land is used.
- The comparative organic farm uses its arable land with the same shares as the national average of organic land is used; it has no livestock and uses purchased organic certified compost for fertilization.
- During the conversion period from conventional to organic production, the commitments beyond the relevant mandatory standards, such as changing to organic crop rotation, applying no synthetic chemical fertilizers and pesticides, are met; variable costs and permanent labour costs are already at the level of organic farms.
- During the mid-period of the conversion the yield decreases due to less efficient use of nutrients (especially nitrogen) in organic fertilizers.
- During the conversion period organic products can be sold at a higher price than the conventional product.
- There is a competitive market within the EU which leads to similar relative prices between products and inputs; however absolute prices may differ between regions depending on demand and distance to supply.

Double compensation of income foregone and additional costs of organic farming is precluded if the costs of the reference (conventional) farm include the costs of compliance with the relevant mandatory (“greening”) standards. Compliance with these standards imposes costs on conventional farming and/or decreases the income obtainable in the absence of these standards. As long as income and costs of conventional farming are calculated considering these costs, the compensation rate does not include them.

Pursuant to Article 62 in the Regulation (EU) 1305/2013, in Annex 8.2.M.11-1 there is the certification of the calculations by ICPA, as independent body. In this statement it is confirmed the adequacy of the methodology and accuracy of the calculations made, as well as the reasonableness of the assumptions, of the income values used, as well as the indicators used within the methodologies applied for the calculation of the compensation rates that shall be granted following the undertaking of the voluntary commitments for organic farming.

Package	Unit of measure	Eligible land use category (INS)	Eligible land use category (APIA)
1. Arable crops on arable land (including fodder crops)	ha of UAA	Arable	Arable land
2. Vegetables	ha of UAA	Arable	Arable land
3. Orchards	ha of UAA	Orchards and tree nurseries	Permanent crops
4. Vineyards	ha of UAA	Vineyards and vine nurseries	Vineyard
5. Medicinal and aromatic plants	ha of UAA	Arable	Arable land

Table 1



INSTITUTUL NAȚIONAL DE CERCETARE-DEZVOLTARE PENTRU PEDOLOGIE AGROCHIMIE ȘI PROTECȚIA MEDIULUI – ICPA București
 Bd. Mărăști nr. 61, 011464 sect. 1 București, ROMÂNIA
 Cont: RO72RZBR0000060000671307 – Raiffeisen BANK Agenția Dorobanți,
 Cont: RO30TREZ7015069xxx006353 – ATPC București
 Cod fiscal nr.: RO 18107639 Reg. Comerțului: J40/18719/2005
 Tel.: +40-0213184458, 0213184349; Fax: +40-0213184348
 Web: <http://www.icpa.ro> E-mail: office@icpa.ro
 CP nr. 71 OFICIUL POȘTAL 32



Bucharest, 01.07.2014

NATIONAL RESEARCH AND DEVELOPMENT
 INSTITUTE FOR SOIL SCIENCE,
 AGROCHEMISTRY AND ENVIRONMENT –
 ICPA BUCHAREST
 IN/OUT no 1519
 2014 MONTH 07 DAY 01

STATEMENT OF THE ADEQUACY OF THE METHODOLOGY AND ACCURACY OF CALCULATIONS,

Pursuant to Article 62 in the Regulation (EU) no 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) no 1698/2005

Pursuant to Article 62 Verifiability and controllability of measures within the Regulation (EU) no 1305/2013, stipulating: 'To this end, a body that is functionally independent from the authorities responsible for the programme implementation and possesses the appropriate expertise shall perform the calculations or confirm the adequacy and accuracy of the calculations. A statement confirming the adequacy and accuracy of the calculations shall be included in the rural development programme'

we,
The National Research and Development Institute For Soil Science, Agrochemistry and Environment – ICPA Bucharest,
 as independant body pursuant to the Article 62 in the Regulation (EU) no 1305/2013

hereby certify the adequacy of the methodology and accuracy of the calculations made, as well as the reasonableness of the assumptions, of the income values used, as well as the indicators used within the methodology (study) on the calculation of the level of compensatory payments to be made under Article 29 of Regulation (EU) no 1305/2013 for 2014-2020 in Romania.

We also certify that the compensatory rates proposed ensure that double funding is excluded.

Director General,

Cătălin SIMOTA

National Research and Development Institute For Soil Science, Agrochemistry and Environment



8.2.9.6. *Other important remarks relevant to understand and implement the measure*

In order to ensure the premises necessary to accomplish the proposed objectives, the beneficiaries of the measure have to prove they have relevant knowledge and information or benefit from necessary technical expertise to implement the commitments. To this regard, the demonstration of the possession of necessary relevant knowledge and information or the ensureance of the necessary expertise shall be done:

- before making the 2nd payment (until the end of the year II of commitment) by the farmers with commitments on areas > 300 ha;
- before making the 3rd payment (until the end of the year III of commitment) by the farmers with commitments on areas between 100 ha-300 ha;
- before making the 4th payment (until the end of the year IV of commitment) by the farmers with commitments on areas between 50 ha-100 ha;
- before making the 5th payment (until the end of the year V of commitment) by the farmers with commitments on areas up to 50 ha.

In order to meet these conditions, through the support granted within the Programme, training services (Measure 1) can be granted to the beneficiaries of the organic farming measure under specific conditions (including those aiming at the selection of final beneficiaries) foreseen in the Programme.

The beneficiaries of the payment for organic farming measure who do not benefit from the service under Measure 1, must prove:

- the necessary knowledge and information by presenting documents certifying they attended a training course in the field of implementation of the organic farming commitments or
- expertise through advisory or consultancy services in the field of implementation of the organic farming commitments, aiming at least the aspects related to the identification of agricultural parcels, the completion and the submission of commitments and payment application, the management measures applicable at farm level necessary to comply with the basic and specific requirements of the commitments.

The minimum applicable rules shall be set up in the national rules. Moreover, the relevant information on commitments shall be provided through information and publicity actions carried out within NRPD.

8.2.10. M13 - Payments to areas facing natural or other specific constraints (art 31)

8.2.10.1. Legal basis

Regulation (EU) no 1305/2013

Implementing Act (EU) no ...for setting up the application rules of the Regulation (EU) no 1305/2013

8.2.10.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Wide areas of Romania present natural limitations in terms of agricultural productivity, caused by unfavourable climate and biophysical conditions, affecting the optimum implementation of agricultural activities, which leads to reduced agricultural outputs. These areas are especially found in the area of Carpathian Mountains and Danube Delta, but also in other areas with specific conditions in terms of climate, soil or land (Annex 8.2.M.13-1). At the same time, a large part of these areas is usually associated with a high biodiversity value, but it is threatened by the agricultural activity abandonment phenomenon, which might affect both the viability of rural areas and the local environment factors (biodiversity, soil or landscapes).

In the area designation process, specific focus is placed on the Carpathian Mountains – with high values in terms of altitude and slopes, on the Danube Delta – as an area cumulating a series of edaphic factors limiting the agricultural activity-, but also on other areas in the South and South-East part of the country or on less-extended areas (West of the country) – where the natural features lead to a decrease in the natural productivity. Due to altitude and slope-related conditions, an important part of the Carpathian Mountains is facing difficulties in the practice of agricultural activities, and these difficulties mainly consist of a shortened vegetation period and of additional costs associated with agricultural activities carried-out on slopes.

There are areas, apart from the mountain area, which are mainly characterized by a low productivity due to restrictive natural factors. In Romania, the main bio-physical factor leading to the appearance of areas with natural constraints is the draught-related climate factor. There are as well areas characterized by a series of edaphic features (clay or sand soils – causing either water stagnation or a very fast water drainage), of climate features (low rainfalls, high temperatures during summer - which amplify the scarcity of water), etc. The identification of areas facing significant natural constraints is based on the analysis of bio-physical criteria both in terms of intensity (threshold) and in terms of extent (share in the utilised agricultural area).

A lower level of the natural agricultural potential, as compared to the rest of the country, is recorded in the Danube Delta Biosphere, where the maintenance of agricultural activities is faced with additional difficulties, due to soil-related natural factors as well as to the low population density. The features of this area consist in the territory homogeneity and in the manifestation of certain restrictive factors causing difficulties in the performance of economic activities. Encouraging the continuation of agricultural activities in this area is important to preserve the environment, to maintain the rural landscape and to preserve the tourism potential of the area.

As part of the areas presenting a low agricultural potential consists of agricultural lands usable for a less intensive agriculture, being therefore characterized by a wider biological diversity, an analysis was carried-out onto these areas. This analysis revealed a series of overlaps with the HNV areas and with the areas important for certain priority wild bird species that fall under areas eligible for support under Measure 10 –

agri-environment and climate (Annex 8.2.M.13-2).

In this context, it was also identified that the mountain areas overlaps to a significant extent with the HNV areas, but also with a part of important areas designated as SPA, for the specie *Crex crex*, supported under Package 3.1 under the agri-environment and climate measure, while the rest of areas affected by significant or specific natural constraints coincide to a large extent with areas designated as SPA for the preservation of species *Lanius minor* and *Falco vespertinus* (Package 3.2 of the agri-environment and climate measure), but also for *Branta ruficollis* (Package 7 of the agri-environment and climate measure).

This support it is intended to compensate the disadvantages faced by farmers when carrying out the agricultural activities, namely the disadvantages related to low production capacity of agricultural lands and to the additional costs incurred for the maintenance of agricultural activities in these areas, so as to decrease the risk of agricultural activities abandonment (which is higher in these areas). Encouraging the continuation of agricultural activities in these area, in parallel with the enforcement of cross-compliance standards, will lead – at least – to the maintenance of minimum tillage works on agricultural lands, with beneficial impact onto soil protection. The areas affected by natural constraints represent an important share of the Romanian territory and overlap with large areas of lands associated with High Natural Value (HNV) lands or with areas important for biodiversity (species of priority animals or plants and habitats important for these species). In the areas identified as being affected by natural constraints, it is important to maintain the environment balance established between the agricultural practices and the natural conditions. The continuation of agricultural activity in these areas also plays an important role in the preservation of traditional landscapes, and can constitute the basis for economic development, through rural tourism. The contribution of the measure will be of essential nature, especially on short-term, while other measures, such as the agri-environment and climate measure, will support in the setting-up of a fully functional system able to respond to the objective related to the maintenance of environmental quality and implicitly of the rural area.

In order to address the difficulties faced by farmers in these areas, the support under this measure will be provided to encourage the maintenance of agricultural activities in the **mountain area**, in **areas facing significant natural constraints** and in areas **facing other specific constraints**.

Contribution to the Focus Areas

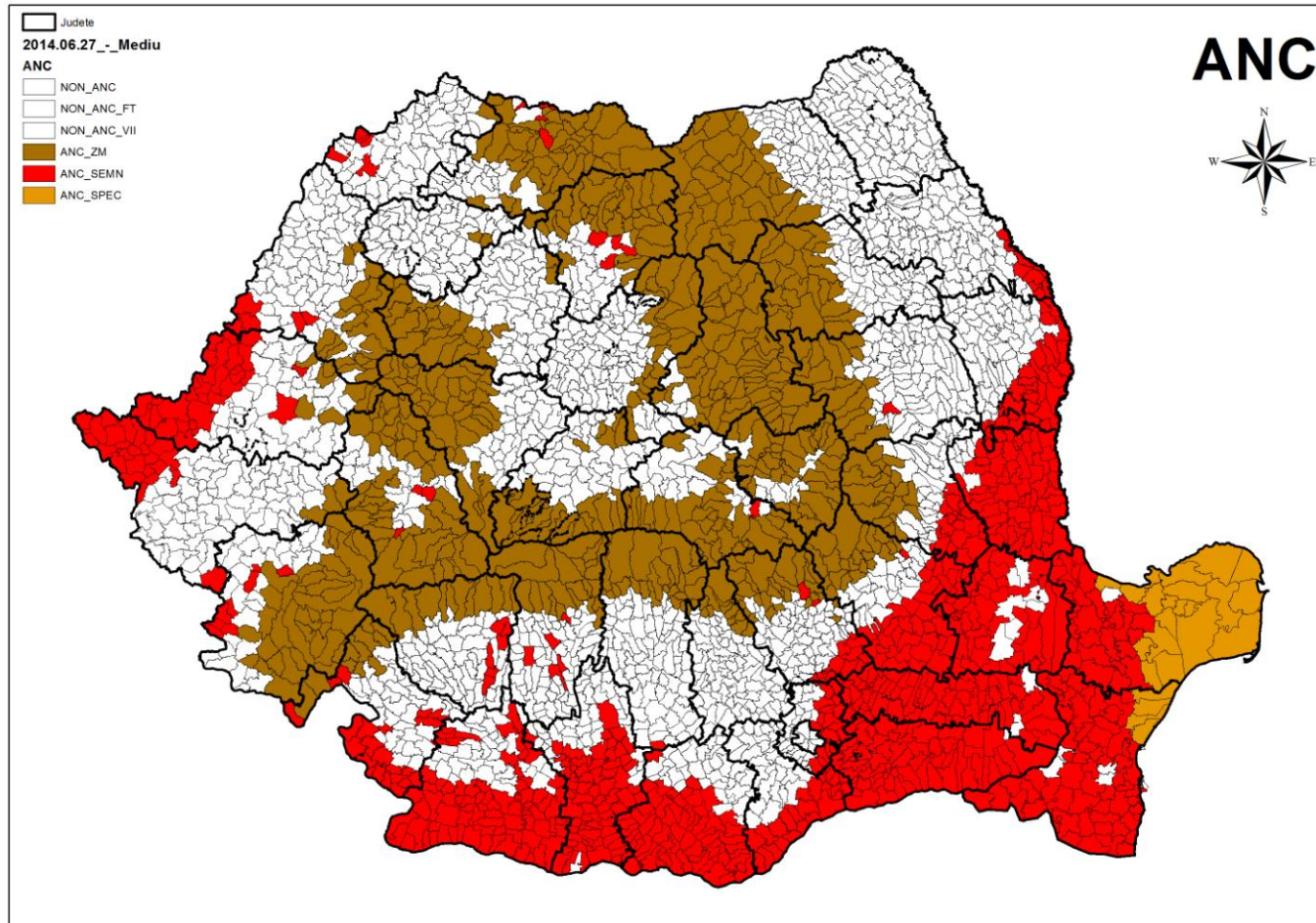
The Measure will contribute to the following rural development priority:

- Priority 4 – Restoring, preserving and enhancing ecosystems related to agriculture and forestry

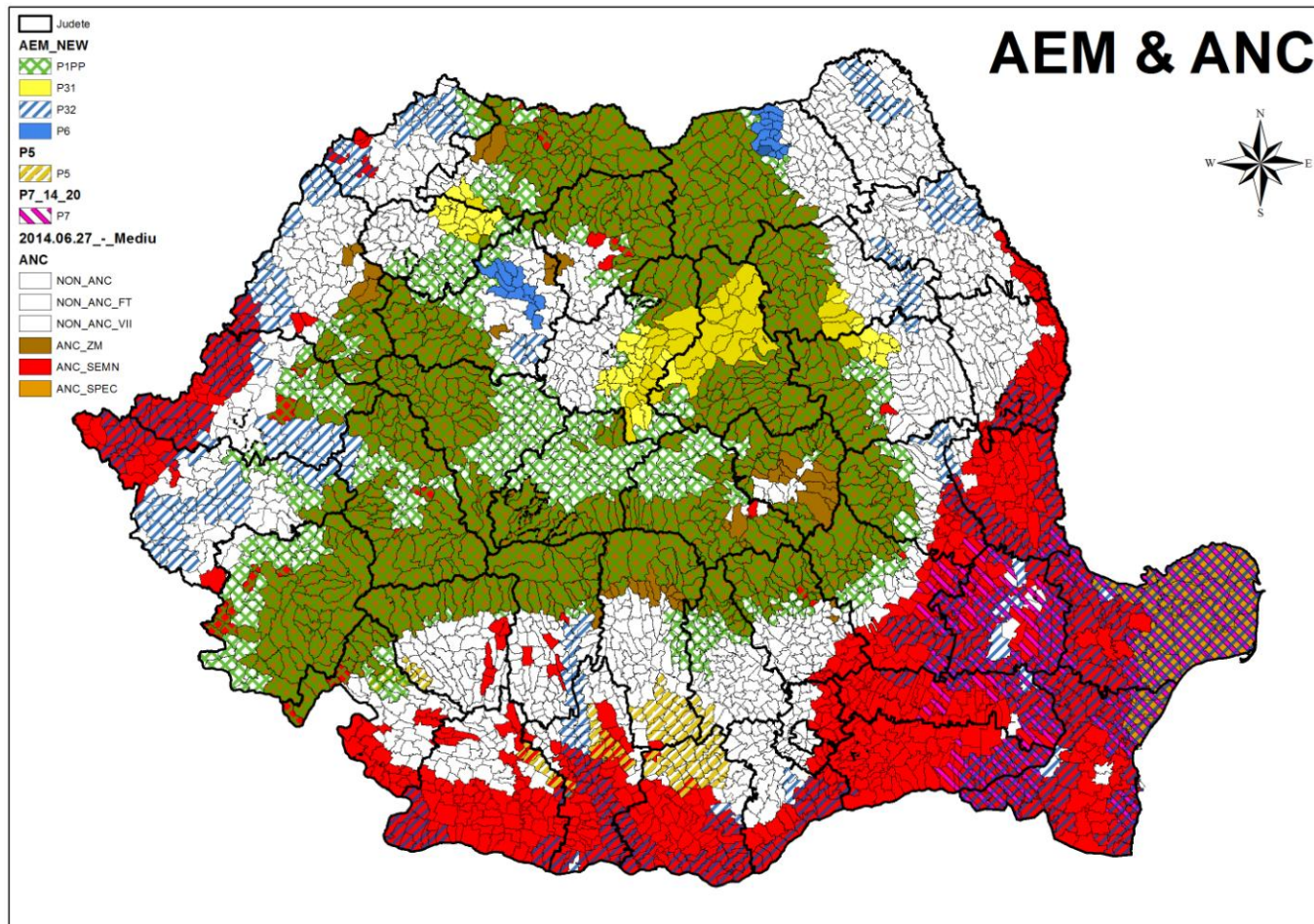
FA 4C – Preventing soil erosion and improving soil management.

Contribution to the "Environment" cross-cutting theme

The support provided under the measure for encouraging farmers to continue their agricultural activity on lands located in areas where the practicing of agriculture is difficult and where there is a high risk of abandonment, addresses the cross-cutting objective on **Environment**.



Anexa 8.2M.13-1



Anexa 8.2M.13-2

8.2.10.3. *Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria*

8.2.10.3.1. 13.1 Compensatory payments in the mountain area

8.2.10.3.1.1. Sub-measure:

- 13.1 - compensation payment in mountain areas

8.2.10.3.1.2. Description of the type of operation

Sub-measure 13.1 “**Compensatory payments in the mountain area**” is an instrument whereby financial support is provided for the use of agricultural lands located in areas where the agricultural production is affected by climate and relief conditions, due to the altitude and slope features in the mountain area (Art. 32

(2) of Regulation (EU) no.1305/2013), which is made of the sum of the administrative-territorial units areas (LAU2) designated according to the criteria provided below:

- administrative-territorial units located at average altitudes above or equal to **600 m**, their boundaries being those of the physical blocks (identified in the Integrated Administration and Control System) belonging to these ATUs;
- administrative-territorial units located at average altitudes between **400-600 m** and with an average slope equal to or above **15%**, their boundaries being those of the physical blocks (identified in the Integrated Administration and Control System) belonging to these ATUs.

The Measure beneficiaries shall comply with the cross-compliance standards foreseen under Title VI of Regulation (EU) no. 1306/2013, on the entire agricultural area of the holding.

8.2.10.3.1.3. Type of support

The support provided within this Measure is of compensatory type. The compensatory premium is paid on annual basis, as a fixed amount, granted per surface unit (hectare) and it represents a compensation for the income foregone and additional costs incurred by farmers signing annual voluntary commitments to continue agricultural activities in the areas designated in accordance with:

- Art. 32 (2) of Regulation (UE) no. 1305/2013 Payments for mountain area (focus areas 4A and **4C**)

8.2.10.3.1.4. Links to other legislation

EU legislation:

- Title VI Chapter I in **Regulation (EU) no. 1306/2013**,
- **Regulation (EU) no. 1307/2013**.

National legislation:

- GEO no. 125/2006 with subsequent amendments and additions,
- MARD Order no. 246/2008 with subsequent amendments and additions,
- Joint order of MARD/MEF no. 30/147/2010 with subsequent amendments and additions – on the approval of GAECs in Romania
- Joint order of MADR/MEF/NSVFSA no. 187/2155/42/2011 with subsequent amendments and additions – on the approval of SMRs in Romania.

8.2.10.3.1.5. Beneficiaries

The **beneficiaries** of this sub-measure are the **active farmers**.

8.2.10.3.1.6. Eligible costs

These will be represented by the compensatory premiums granted to beneficiaries, to cover income losses or additional costs incurred by farmers due to the natural constraints manifested in the area where they carry out their activity.

Avoiding double funding

Pillar I of CAP (financed by the European Agricultural Guarantee Fund) – financing direct payments to farmers and market intervention measures, complements Pillar II – financing rural development actions. The criteria and the administrative rules envisage that the activities benefitting from rural development support are not supported, as investments, by other financial instruments. The demarcation from actions financed under art. 48-49 of Title III Chapter 4 of Regulation (EU) no.1307/2013 is not required, as the provisions of these articles will not be implemented in Romania.

The actions proposed under this sub-measure are not overlapping with the actions supported under the other compensatory-type measures foreseen by Regulation (EC) no. 1305/2013, paid per area.

Measure combination

Payments provided under this sub-measure can be cumulated, on the same agricultural land area, with the direct payments granted to farmers (Pillar I of CAP) and with the compensatory payments for the agricultural area (Pillar II of CAP – rural development).

8.2.10.3.1.7. Eligibility conditions

The eligibility conditions applicable under this sub-measure are:

- the beneficiary of the support shall fall under the **active farmer** category, defined according to Art. 9 of Regulation (UE) no. 1307/2013;
- the beneficiary shall be the user of an agricultural area located on the territory of Romania, identifiable in the Integrated Administration and Control System (IACS), falling under the area eligible for **Mountain Area**, delimited in compliance with the provisions of art. 32(2) in Regulation (EU) no. 1305/2013;
- **the minimum area of the farm shall be of 1 ha**, and the **eligible parcels shall have a minimum size of 0.3 ha** (in cases provided for by the Single Area Payment Scheme specific conditions, for certain types of crops, the minimum parcel area shall be of at least 0.1 ha);
- **the beneficiary shall commit, on annual basis, to continue the agricultural activity** on the agricultural lands located in the areas affected by natural constraints.

Not eligible for the support are:

- agricultural areas located in eligible areas, but for which the practice of agricultural activities is not influenced by the manifestation of natural constraints as a result of investments (**greenhouses, solariums, irrigated lands, drained lands**) or of production methods or agricultural systems which

compensate the manifestation of natural constraints (agricultural lands used as intensive vineyards or orchards).

- ***agricultural parcels located in eligible areas, except for permanent pastures, which have an area of more than 50 ha***, as it is considered that due to their size, the normal agricultural activity or productivity of the lands compensates the income foregone or the additional costs incurred due to the manifestation of natural constraints.

8.2.10.3.1.8. Principles with regards to the setting of selection criteria

This sub-measure does not require the use of selection criteria. This approach is also supported by the fact that the measure contributes to the achievement of environment objectives, a differentiation between benefits generated through the implementation of the various commitments undertaken by beneficiaries being impossible.

If financial resource insufficiency is identified as compared to the signed commitments following the implementation of Measure 13, then no new commitments shall be concluded starting with the following payment applications reception year.

8.2.10.3.1.9. (Applicable) amounts and support rates

The support provided under this measure - as compensatory payment - has an intensity of 100%.

In order to avoid overcompensation, the value of the support represents 80% of the income foregone and additional costs quantified through the use of the calculation methodology. For the mountain area, the level of the compensatory payment is **86 euro/ha/year** (80% of the income foregone and additional costs evaluated at 108 euro/ha/year).

Degressivity of financial support at commitment level

In case of farms with agricultural areas of more than 50 ha, the value of the payment decreases for those agricultural areas exceeding this value, according to the table in Annex 8.2.M.13-3.

Area (ha)	Payment value (Euro/ha)
1-50	100% of the payment value per each ha
50.01-100	75% of the payment value
100,01-300	50% of the payment value
Over 300	35% of the payment value

Payment degressivity

Annex 8.2.M.13-3

8.2.10.3.1.10. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.1.10.1. Risk(s) in the implementation of the measures

As the identified risks are similar for all sub-measures, they are presented under section „Risks in the implementation of the measure” of sub-chapter „Measure verifiability and controllability” in the fiche of Measure 13.

8.2.10.3.1.10.2. Mitigating actions

As the identified risks are similar for all sub-measures, the actions taken to reduce risks are applicable at Measure level (to all sub-measures) and are presented under „Mitigating actions” of sub-chapter „Measure verifiability and controllability” in the fiche of Measure 13.

8.2.10.3.1.10.3. Overall assessment of the measure

As the overall assessment of the measure is similar for all sub-measures, it is presented under „Assessment of the measure” of sub-chapter „Measure verifiability and controllability” in the fiche of Measure 13.

8.2.10.3.1.11. Methodology for calculation of the amount or support rate, where relevant

The methodology for the calculation of compensatory payments provided under sub-measure 13.1 is presented under sub-chapter “Methodology for the calculation of payment values” in the fiche of Measure 13.

8.2.10.3.1.12. Information specific to the operation

Definition of the threshold level of area per holding on the basis of which MS calculates degressivity of payments

As the applied degressivity thresholds are similar in the rest of sub-measures, the definition of the threshold is done under “Definition of the payment degressivity level” under sub-chapter “Information specific to the measure” in the fiche of Measure 13.

[Designation of areas facing natural and other specific constraints] Description of the local unit-level applied for the designation of the areas.

The designation of **Mountain Area** was done at LAU2 level (former NUTS5), represented by the 3,181 administrative-territorial units on the entire Romanian territory (communes, cities and municipalities according to SIRUTA - NSI December 2013), organised in compliance with the provisions of Law 2/1968 with subsequent amendments and additions.

[Designation of areas facing natural and other specific constraints] Description of the application of the method including the criteria referred to in Article 32 of Regulation (EU) No 1305/2013 for the delimitation of the three categories of areas referred to in that Article including the description and results of the fine-tuning exercise for areas facing natural and other specific constraints other than mountain areas.

The methodology for the designation of **Mountain Area** is described in Annex 8.2.M13.1.

8.2.10.3.2. 13.2 Compensatory payments for areas facing significant natural constraints

8.2.10.3.2.1. Sub-measure:

- 13.2 - compensation payment for other areas facing significant natural constraints

8.2.10.3.2.2. Description of the type of operation

Sub-measure 13.2 “Compensatory payments for areas facing significant natural constraints” is an instrument whereby financial support is provided for the use of agricultural lands located in areas where the agricultural production is lower in terms of quantity and/or quality, due to certain unfavourable natural conditions. In these areas, at least 60% of the agricultural area at LAU2 level complies with at least one of the biophysical criteria listed in annex III of Regulation (EU) no. 1305/2013, at the indicated threshold value.

In order to get reassurance on the fact that the significant natural constraints, identified following the analysis of bio-physical criteria, continue to manifest in these areas and were not overcome by investments, by economic activity or by production methods or agricultural systems which compensate the income foregone or the additional costs, an adjustment (fine-tuning) process was carried-out to eliminate the areas where the constraints were overcome by irrigation, from the eligible areas. The fine-tuning process was also carried-out for the purpose to eliminate the areas where a certain type of agriculture is predominant (intensive vineyards or orchards), and the use of this agriculture type does not lead to the incurrence of losses or additional costs due to the natural conditions. The cases when the natural constraints given by the natural production potential were overcome, are managed on a case-by-case basis, by applying the eligibility criteria established in the technical measure fiche.

The Measure beneficiaries shall comply with the cross-compliance standards foreseen by Title VI of Regulation (EU) no. 1306/2013, on the entire agricultural area of the holding.

8.2.10.3.2.3. Type of support

The support provided within this Measure is of compensatory type. The compensatory premium is paid on annual basis, as a fixed amount, granted per surface unit (hectare) and it represents a compensation for the income foregone and additional costs incurred by farmers signing annual voluntary commitments to continue agricultural activities in areas designated in compliance with:

- Art. 32 (3) of Regulation (UE) no. 1305/2013 - Payments for areas facing significant natural constraints (focus areas 4A and 4C)

8.2.10.3.2.4. Links to other legislation

EU legislation:

- Title VI Chapter I in Regulation (EU) no. 1306/2013,

- Regulation (EU) no. 1307/2013.

National legislation:

- GEO no. 125/2006 with subsequent amendments and additions,
- MARD Order no. 246/2008 with subsequent amendments and additions,
- Joint order of MARD/MEF no. 30/147/2010 with subsequent amendments and additions – on the approval of GAECs in Romania,
- Joint order of MADR/MEF/NSVFSA no. 187/2155/42/2011 with subsequent amendments and additions – on the approval of SMRs in Romania.

8.2.10.3.2.5. Beneficiaries

The **beneficiaries** of this sub-measure are the **active farmers**.

8.2.10.3.2.6. Eligible costs

These will be represented by the compensatory premiums granted to beneficiaries, to cover income losses or additional costs incurred by farmers due to the natural constraints manifested in the area where they carry out their activity.

Avoiding double funding

Pillar I of CAP (financed by the European Agricultural Guarantee Fund) – financing direct payments to farmers and market intervention measures, complements Pillar II – financing rural development actions. The criteria and the administrative rules envisage that the activities benefitting from rural development support are not supported, as investments, by other financial instruments. The demarcation from actions financed under art. 48-49 of Title III Chapter 4 of Regulation (EU) no.1307/2013 is not required, as the provisions of these articles will not be implemented in Romania.

The actions proposed under this sub-measure are not overlapping with the actions supported under the other compensatory-type measures foreseen by Regulation (EC) no. 1305/2013, paid per area.

Measure combination

Payments provided under this sub-measure can be cumulated, on the same agricultural land area, with the direct payments granted to farmers (Pillar I of CAP) and with the compensatory payments for the agricultural area (Pillar II of CAP – rural development).

8.2.10.3.2.7. Eligibility conditions

The eligibility conditions applicable under this sub-measure are:

- the beneficiary of the support shall fall under the **active farmer** category, defined according to Art. 9 of Regulation (UE) no. 1307/2013;
- the beneficiary shall be the user of an agricultural area located on the territory of Romania, identifiable in the Integrated Administration and Control System (IACS), falling under the area eligible for **areas facing significant natural constraints**, delimited in compliance with the provisions of art. 32(3) in Regulation (EU) no. 1305/2013,
- **the minimum area of the farm shall be of 1 ha**, and the **eligible parcels shall have a minimum size of 0.3 ha** (in cases provided for by the Single Area Payment Scheme specific conditions, for certain types of crops, the minimum parcel area shall be of at least 0.1 ha),
- **the beneficiary shall commit, on annual basis, to continue the agricultural activity** on the agricultural lands located in the areas affected by natural constraints.

Not eligible for the support are:

- agricultural areas located in eligible areas, but for which the practice of agricultural activities is not influenced by the manifestation of natural constraints as a result of investments (**greenhouses, solariums, irrigated lands, drained lands**) or of production methods or agricultural systems which compensate the manifestation of natural constraints (agricultural lands used as intensive vineyards or orchards).
- **agricultural parcels located in eligible areas, except for permanent pastures, which have an area of more than 50 ha**, as it is considered that due to their size, the normal agricultural activity or productivity of the lands compensates the income foregone or the additional costs incurred due to the manifestation of natural constraints.

8.2.10.3.2.8. Principles with regards to the setting of selection criteria

This sub-measure does not require the use of selection criteria. This approach is also supported by the fact that the measure contributes to the achievement of environment objectives, a differentiation between benefits generated through the implementation of the various commitments undertaken by beneficiaries being impossible.

If financial resource insufficiency is identified as compared to the signed commitments following the implementation of Measure 13, then no new commitments shall be concluded starting with the following payment applications reception year.

8.2.10.3.2.9. (Applicable) amounts and support rates

The support provided under this measure - as compensatory payment - has an intensity of 100%.

In order to avoid overcompensation, the value of the support represents 80% of the income foregone and additional costs quantified through the use of the calculation methodology. For areas facing other significant

natural constraints, the level of compensatory payments is **54 euro/ha/year** (80% of the income foregone and additional costs evaluated at 68 euro/ha/year).

Degressivity of financial support at commitment level

In case of farms with agricultural areas of more than 50 ha, the value of the payment decreases for those agricultural areas exceeding this value, according to the table in Annex 8.2.M.13-3.

Should the value of the compensatory payment/ha reach a level below 25 €/ha following the use of degressivity, then the compensatory payment per surface unit will be in quantum of 25 €/ha.

Area (ha)	Payment value (Euro/ha)
1-50	100% of the payment value per each ha
50.01-100	75% of the payment value
100,01-300	50% of the payment value
Over 300	35% of the payment value

Payment degressivity

Annex 8.2.M.13-3

8.2.10.3.2.10. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.2.10.1. Risk(s) in the implementation of the measures

As the identified risks are similar for all sub-measures, they are presented under section „Risks in the implementation of the measure” of sub-chapter „Measure verifiability and controllability” in the fiche of Measure 13.

8.2.10.3.2.10.2. Mitigating actions

As the identified risks are similar for all sub-measures, the actions taken to reduce risks are applicable at Measure level (to all sub-measures) and are presented under „Mitigating actions” of sub-chapter „Measure verifiability and controllability” in the fiche of Measure 13.

8.2.10.3.2.10.3. Overall assessment of the measure

As the overall assessment of the measure is similar for all sub-measures, it is presented under „Assessment of the measure” of sub-chapter „Measure verifiability and controllability” in the fiche of Measure 13.

8.2.10.3.2.11. Methodology for calculation of the amount or support rate, where relevant

The methodology for the calculation of compensatory payments provided under sub-measure 13.2 is presented under sub-chapter “Methodology for the calculation of payment values” in the fiche of Measure 13.

8.2.10.3.2.12. Information specific to the operation

Definition of the threshold level of area per holding on the basis of which MS calculates degressivity of payments

As the applied degressivity thresholds are similar in the rest of sub-measures, the definition of the threshold is done under “Definition of the payment degressivity level” under sub-chapter “Information specific to the measure” in the fiche of Measure 13.

[Designation of areas facing natural and other specific constraints] Description of the local unit-level applied for the designation of the areas.

The designation of **Areas facing significant natural constraints** was done at LAU2 level (former NUTS5), represented by the 3,181 administrative-territorial units on the entire Romanian territory (communes, cities and municipalities according to SIRUTA - NSI December 2013), organised in compliance with the provisions of Law 2/1968 with subsequent amendments and additions.

[Designation of areas facing natural and other specific constraints] Description of the application of the method including the criteria referred to in Article 32 of Regulation (EU) No 1305/2013 for the delimitation of the three categories of areas referred to in that Article including the description and results of the fine-tuning exercise for areas facing natural and other specific constraints other than mountain areas.

The methodology for the designation of **Areas facing significant natural constraints** is presented in Annex 8.2.M13.1.

8.2.10.3.3. 13.3 Compensatory payments for areas facing specific constraints

8.2.10.3.3.1. Sub-measure:

- 13.3 - compensation payment to other areas affected by specific constraints

8.2.10.3.3.2. Description of the type of operation

Sub-measure 13.3 “Compensatory payments for areas facing specific constraints” is an instrument whereby financial support is provided for the use of agricultural lands located in the administrative-territorial units fully or partly overlapping with the Danube Delta Biosphere Reservation. The natural agricultural potential in this area is lower by comparison to the rest of the country, the natural production conditions being similar on the entire agricultural area in this region, whereas these agricultural lands are facing a series of constraints defined by climate and soil bio-physical indicators in Annex III. All ATUs in these region are affected by the Climate – related bio-physical criterion: „Water scarcity”.

At the same time, the area covered by these ATUs is of significant importance at EU level in terms of environmental objectives, which requires a continuous land management with the aim to preserve the environment, to maintain the rural landscape and to preserve the tourism potential – as Danube Delta Biosphere territory has received, in time, multiple national and international acknowledgments related to nature protection. As well, together with the other adjacent units, Danube delta is the largest reservation of wetlands in Europe, bang part of the UNESCO world-wide patrimony.

The Measure beneficiaries shall comply with the cross-compliance standards foreseen by Title VI of Regulation (EU) no. 1306/2013, on the entire agricultural area of the holding.

8.2.10.3.3.3. Type of support

The support provided within this Measure is of compensatory type. The compensatory premium is paid on annual basis, as a fixed amount, granted per surface unit (hectare) and it represents a compensation for the income foregone and additional costs incurred by farmers signing annual voluntary commitments to continue agricultural activities in areas designated in compliance with:

- Art. 32 (4) of Regulation (UE) no. 1305/2013 - Payments for areas facing specific natural constraints (focus areas 4A and 4C).

8.2.10.3.3.4. Links to other legislation

EU legislation:

- Title VI Chapter I in Regulation (EU) no. 1306/2013,
- Regulation (EU) no. 1307/2013.

National legislation:

- OUG nr. 125/2006 with subsequent amendments and additions,
- MARD Order no. 246/2008 with subsequent amendments and additions,
- Joint order of MARD/MEF no. 30/147/2010 with subsequent amendments and additions – on the approval of GAECs in Romania,
- Joint order of MADR/MEF/NSVFSa no. 187/2155/42/2011 with subsequent amendments and additions – on the approval of SMRs in Romania.

8.2.10.3.3.5. Beneficiaries

The **beneficiaries** of this sub-measure are the **active farmers**.

8.2.10.3.3.6. Eligible costs

These will be represented by the compensatory premiums granted to beneficiaries, to cover income losses or additional costs incurred by farmers due to the natural constraints manifested in the area where they carry out their activity.

Avoiding double funding

Pillar I of CAP (financed by the European Agricultural Guarantee Fund) – financing direct payments to farmers and market intervention measures, complements Pillar II – financing rural development actions. The criteria and the administrative rules envisage that the activities benefitting from rural development support are not supported, as investments, by other financial instruments. The demarcation from actions financed under art. 48-49 of Title III Chapter 4 of Regulation (EU) no.1307/2013 is not required, as the provisions of these articles will not be implemented in Romania.

The actions proposed under this sub-measure are not overlapping with the actions supported under the other compensatory-type measures foreseen by Regulation (EC) no. 1305/2013, paid per area.

Measure combination

Payments provided under this sub-measure can be cumulated, on the same agricultural land area, with the direct payments granted to farmers (Pillar I of CAP) and with the compensatory payments for the agricultural area (Pillar II of CAP – rural development).

8.2.10.3.3.7. Eligibility conditions

The **eligibility conditions** applicable under this sub-measure are:

- the beneficiary of the support shall fall under the **active farmer** category, defined according to Art. 9 of Regulation (UE) no. 1307/2013;

- the beneficiary shall be the user of an agricultural area located on the territory of Romania, identifiable in the Integrated Administration and Control System (IACS), falling under the area eligible for ***areas facing other specific constraints***, delimited in compliance with the provisions of art. 32(4) in Regulation (EU) no. 1305/2013,
- ***the minimum area of the farm shall be of 1 ha***, and the ***eligible parcels shall have a minimum size of 0.3 ha*** (in cases provided for by the Single Area Payment Scheme specific conditions, for certain types of crops, the minimum parcel area shall be of at least 0.1 ha),
- ***the beneficiary shall commit, on annual basis, to continue the agricultural activity*** on the agricultural lands located in the areas affected by natural constraints.

Not eligible for the support are:

- agricultural areas located in eligible areas, but for which the practice of agricultural activities is not influenced by the manifestation of natural constraints as a result of investments (***greenhouses, solariums, irrigated lands, drained lands***) or of production methods or agricultural systems which compensate the manifestation of natural constraints (agricultural lands used as intensive vineyards or orchards).
- ***agricultural parcels located in eligible areas, except for permanent pastures, which have an area of more than 50 ha***, as it is considered that due to their size, the normal agricultural activity or productivity of the lands compensates the income foregone or the additional costs incurred due to the manifestation of natural constraints.

8.2.10.3.3.8. Principles with regards to the setting of selection criteria

This sub-measure does not require the use of selection criteria. This approach is also supported by the fact that the measure contributes to the achievement of environment objectives, a differentiation between benefits generated through the implementation of the various commitments undertaken by beneficiaries being impossible.

If financial resource insufficiency is identified as compared to the signed commitments following the implementation of Measure 13, then no new commitments shall be concluded starting with the following payment applications reception year.

8.2.10.3.3.9. (Applicable) amounts and support rates

The support provided under this measure - as compensatory payment - has an intensity of 100%.

In order to avoid overcompensation, the value of the support represents 80% of the income foregone and additional costs quantified through the use of the calculation methodology. For areas facing other specific natural constraints, the level of the compensatory payment is **70 euro/ha/year** (80% of the income foregone and additional costs evaluated at 88 euro/ha/year).

Degressivity of financial support at commitment level

In case of farms with agricultural areas of more than 50 ha, the value of the payment decreases for those agricultural areas exceeding this value, according to the table in Annex 8.2.M.13-3.

Should the value of the compensatory payment/ha reach a level below 25 €/ha following the use of degressivity, then the compensatory payment per surface unit will be in quantum of 25 €/ha.

Area (ha)	Payment value (Euro/ha)
1-50	100% of the payment value per each ha
50.01-100	75% of the payment value
100,01-300	50% of the payment value
Over 300	35% of the payment value

Payment degressivity

Annex 8.2.M.13-3

8.2.10.3.3.10. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.3.10.1. Risk(s) in the implementation of the measures

As the identified risks are similar for all sub-measures, they are presented under section „Risks in the implementation of the measure” of sub-chapter „Measure verifiability and controllability” in the fiche of Measure 13.

8.2.10.3.3.10.2. Mitigating actions

As the identified risks are similar for all sub-measures, the actions taken to reduce risks are applicable at Measure level (to all sub-measures) and are presented under „Mitigating actions” of sub-chapter „Measure verifiability and controllability” in the fiche of Measure 13.

8.2.10.3.3.10.3. Overall assessment of the measure

As the overall assessment of the measure is similar for all sub-measures, it is presented under „Assessment of the measure” of sub-chapter „Measure verifiability and controllability” in the fiche of Measure 13.

8.2.10.3.3.11. Methodology for calculation of the amount or support rate, where relevant

The methodology for the calculation of compensatory payments provided under sub-measure 13.3 is presented under sub-chapter “Methodology for the calculation of payment values” in the fiche of Measure 13.

8.2.10.3.3.12. Information specific to the operation

Definition of the threshold level of area per holding on the basis of which MS calculates degressivity of payments

As the applied degressivity thresholds are similar in the rest of sub-measures, the definition of the threshold is done under “Definition of the payment degressivity level” under sub-chapter “Information specific to the measure” in the fiche of Measure 13.

[Designation of areas facing natural and other specific constraints] Description of the local unit-level applied for the designation of the areas.

The designation of **Areas facing specific natural constraints** was done at LAU2 level (former NUTS5), represented by the 3,181 administrative-territorial units on the entire Romanian territory (communes, cities and municipalities according to SIRUTA - NSI December 2013), organised in compliance with the provisions of Law 2/1968 with subsequent amendments and additions.

[Designation of areas facing natural and other specific constraints] Description of the application of the method including the criteria referred to in Article 32 of Regulation (EU) No 1305/2013 for the delimitation of the three categories of areas referred to in that Article including the description and results of the fine-tuning exercise for areas facing natural and other specific constraints other than mountain areas.

The methodology for the designation of **Areas facing specific natural constraints** is described in Annex 8.2.M13.1.

8.2.10.4. Verifiability and controllability of the measures and/or types of operations

8.2.10.4.1. Risk(s) in the implementation of the measures

The possibility to verify and control the measure is based on the results of the ex-ante evaluation, including the results of controls carried-out during the 2007-2013 programming period, according to the provisions of art. 62 of Regulation (EU) no. 1305/2013, performed by the MA and the Paying Agencies.

There is a series of specific risks that are estimated to occur during the 2014-2020 programming period, among which:

- the payment applications submission period (delayed submission),
- failure to declare all areas,
- correct identification of agricultural parcels,
- failure to comply with eligibility criteria on the area under commitment,
- failure to comply with cross-compliance standards at farm level.

8.2.10.4.2. Mitigating actions

The measure taken to improve the measure implementation and to reduce risks include:

- identification of agricultural parcels by electronic means,
- annual promotion of comprehensive information campaigns intended for the beneficiaries, to disseminate information on the correct execution of commitments.

Additionally, the experience acquired during the 2007-2013 programming period has revealed that the existing control system has provided for the verification of compliance with the conditions and commitments undertaken by beneficiaries. As well, the sanctioning system developed for Measures 211 and 212 is a progressive one, and the level of sanctions applied to farmers is correlated with the impact resulted from the failure to comply with various types of measure-specific conditions.

The commitments undertaken by farmers under this measure will be checked by administrative and on-the-spot methods, the efficacy and efficiency of these methods being provided for in specific procedural provisions. The administrative checks will take account of all ongoing commitments and will be based on the information recorded in the single area payment applications management and control computerised system and on cross-checks with other relevant databases. The on-the-spot checks will be carried-out on premises of representativeness and adequate level of control samples, as compared to the eligible commitments, by means of visual checks and documentary checks confirming the compliance with the requirements. The commitments selected for on-the-spot check will be controlled at a time when most of the requirements and standards falling under the control purpose can be checked.

The procedure manuals corresponding to the procedural flow phases (promotion of measures and beneficiary information, submission and management of payment applications, risk analysis and sampling, on-spot control and supervisory control, payment authorisation, monitoring and reporting) will be elaborated by the Paying Agency (or by another delegated entity, if needed) and will be endorsed by the Managing Authority, prior to their approval at Ministry level.

To create the premises required for achieving the proposed objectives, the measure beneficiaries shall demonstrate either that they possess the relevant knowledge and information required to implement the commitments or that they benefit from the technical expertise required the implementation of commitments, before the submission of the last payment request under the commitments.

Following the analysis carried-out by the MA and the Paying Agencies, based on the experience acquired during the 2007-2013 programming period, it can be concluded that the measure verifiability and controllability is ensured, both in terms of vocational training and in terms of improved working procedures at the level of the agencies, so that the financial interests of European Union shall not be prejudiced.

8.2.10.4.3. Overall assessment of the measure

The measure creates the premises for achievement of objectives established under the targeted priorities, contributing to the maintenance of agricultural activities in areas facing natural constraints, while also promoting a sustainable and balanced development of the rural area.

The measure also envisages the equal treatment of applicants, an efficient and effective use of financial

resources, to the highest extent possible, in accordance with the Union priorities for rural development.

Following the analysis carried-out by the MA and the Paying Agencies, based on the experience acquired during the 2007-2013 programming period, it can be concluded that the measure verifiability and controllability is ensured, both in terms of vocational training and in terms of improved working procedures at the level of the agencies, so that the financial interests of European Union shall not be prejudiced.

For this purpose, procedures will be established for all phases of the implementation flow, with specific focus on administrative and on-the-spot controls.

8.2.10.5. Methodology for calculation of the amount or support rate, where relevant

The applied methodology for calculating the values of compensatory payments for areas with natural constraints is based on assessing the differences in income (standard output) between the areas affected by the constraint and the areas without constraints.

The methodology consists in the following steps:

1. Assessment of a reference value for the standard output associated to arable lands.

A structure of unitary crops was established at country level, based on the annual statistics on areas cultivated with the main field crops for the period 2007-2011, provided by the Romanian Statistical Yearbook. The main 7 field crops were considered and the percentage on which they were cultivated, out of the arable surface, was calculated (average for the 2007-2011 period), the result showing 79.99% covered by the mentioned crops out of the country's arable area.

For all the 7 crops, the percentage calculated as shown above was corrected by a coefficient, so as to bring the total of areas to 100% of the country's arable area.

For each crop type, the "standard output" was calculated as average value for the 2008-2012 period.

The standard output was calculated for the considered crop structure, as the average value weighed with the percentage of the arable area occupied by each of the selected crops, based on the calculation formula presented in Annex 8.2.M.13-4, where:

- SO is the standard output (€/ha) associated to the structure of the 7 crops considered;
- SO_i is the standard output (€/ha) associated to crop "i";
- $Proci$ is the (corrected) percentage occupied by crop "i" out of the arable area;
- The resulting value for the standard output is **664 €/ha**.

The average bonitation score was assessed for the same crop structure, for each category of areas (area with specific natural constraints, area with significant natural constraints, mountain area, area without constraints), using the average values, by ATU, of the bonitation scores revealed by soil studies, at a scale of 1:50.000 (Annex 8.2.M.13-5).

The average standard output by bonitation point was calculated for arable land based on the bonitation scores obtained before, by a ratio between the average standard output previously established (664 €/ha) and the average bonitation score of arable lands at national level presented in Annex 8.2.M.13-5 (val: 33).

=> $SO_{\text{arable land}} = 20,403 \text{ euro/ha/bonitation point}$

The standard output corresponding to each area (area with specific natural constraints, area with significant natural constraints, mountain area, area without constraints) was calculated by using the data on bonitation scores for each category of area and the average value per bonitation point of the standard output for arable lands (20,403 euro/ha/bonitation point); the differences (to be compensated) between areas with natural constraints and areas without constraints were afterwards calculated.

2. Establishment of the percentage for each land category of use, in each type of area (area with specific natural constraints, area with significant natural constraints, mountain area, area without constraints)

The percentage corresponding to all use categories in the areas resulted following the designation of areas with natural constraints was assessed by using PIAA data (February 2014) on physical blocks and on the associated agricultural use. The percentage out of the total agricultural area, for each category of use, was calculated for each area with constraints and for the area with no constraints (Annex 8.2.M.13-6).

In order to simplify the standard output assessment calculations for each area, only arable lands and permanent pastures were considered, and therefore the percentages corresponding to vineyards and orchards were integrated into these two categories of use. The results consist in the percentages presented in Annex 8.2.M.13-7.

3. Assessment of a reference value for the standard output **associated to permanent pastures lands**

The average standard output for pastures (meadows and hayfields) for the 2008-2012 period is 261.96 €/ha, respectively 94.74 €/ha for pastures located on rough terrain (slope > 15%).

A differentiation between permanent crops, depending on the terrain slope, was considered for the mountain area. Consequently, the average slope for physical blocks with the category of use permanent pasture (PP) was calculated based on the digital terrain model under a 100x100 m grid, and the percentage resulted for areas with permanent pastures in the mountain area with a slope > 15% was 43%.

The average standard output for permanent pastures in the mountain area was calculated as average weighted with the percentage of occupied areas (43% pastures located on rough terrain, 57% pastures located on non-rough terrain) of the standard output defined for the two categories of pastures; the value resulted for the average standard output for permanent pastures in the mountain area is 190 €/ha.

For the rest of the areas (area with specific natural constraints, area with significant natural constraints, mountain area, area without constraints), the average bonitation score for each area category was obtained by using the average values, by ATUs, of the bonitation scores resulted from soil studies, at a scale of 1:50.000 (Annex 8.2.M.13-8).

Using the permanent pastures shares for each area, the average value of bonitation scores was calculated for all areas - except the mountain area – and this average value is 29.5.

The standard output for permanent pastures on rough terrain was divided by the average of bonitation scores, and led to the value of the standard output by bonitation point: 8.87 €/ha/point.

The value of the standard output by bonitation point, calculated as indicated above, multiplied with the bonitation score of each designated area, led to the value of the standard output for each area. The differences between the standard output of each area with constraints and the standard output of the area without constraints represent the difference to be compensated, due to natural constraints, for permanent

pastures. The values of the standard output for permanent pastures in the mountain area, calculated beforehand, were also included in the values obtained in this step.

4. Establishing the value of compensatory payments

The value of compensatory payments for each area (Annex 8.2.M.13-9) was calculated by aggregating the standard output differences for arable lands and permanent pastures between areas with constraints and area without constraints. The aggregation was done by weighing the values of differences in standard output in the area compared with the standard output in the area without constraints for arable lands and permanent crops, with the percentage occupied by arable lands and permanent crops in each area.

According to the provisions of art. 62 in Regulation (EU) 1305/2013, Annex 8.2.M13-10 shows the **certification of calculations** by a functionally independent body.

$$SO = \sum_{i=1}^7 SO_i * Proc_i / 100$$

Anexa 8.2.M.13-4

Note Bonitare (note de bonitare pe comune pe baza studiilor pedologice 1:50.000)				
	non ANC	ZM	SEMN	SP-DD
TA	34.70	24.82	31.10	29.60
RO				33

[bonitation scores by communes, based on 1:50.000 soil studies]

Anexa 8.2.M.13-5

TA (TA/Total1)	71.89%	24.53%	89.12%	77.06%
PP (PP/Total1)	23.76%	70.99%	9.31%	20.24%
CP (CP/Total1)	2.35%	3.02%	0.46%	0.58%
VI (VI/Total1)	1.99%	1.46%	1.10%	2.12%

Anexa 8.2.M.13-6

Corectii pentru eliminarea CP si VI				
	TA			
TA	75.16	25.68	90.54	79.20
PP	24.84	74.32	9.46	20.80

[corrections for elimination of PP and VI]

Anexa 8.2.M.13-7

Note Bonitare (Note de bonitare pe comune pe baza studiilor pedologice 1:50.000)			
	non ANC	SEMN	SP-DD
Pajisti permanente PP	30	28	27

[bonitation scores by communes, based on 1:50.000 soil studies/permanent pastures]

Anexa 8.2.M.13-8

	ZM	SEMN	SP-DD
Valori de compensat (€/ha)	108	68	88

[values to be compensated]

Anexa 8.2.M.13-9



**INSTITUTUL NAȚIONAL DE CERCETARE-DEZVOLTARE PENTRU
PEDOLOGIE AGROCHIMIE ȘI PROTECȚIA MEDIULUI – ICPA București**

Bd. Mărăști nr. 61, 011464 sect. 1 București, ROMÂNIA
Cont: RO72RZBR0000060000671307 – Raiffeisen BANK Agenția Dorobanți,
Cont: RO30TREZ7015069xxx006353 – ATP București
Cod fiscal nr.: RO 18107639 Reg. Comerțului: J40/18719/2005
Tel.: +40-0213184458, 0213184349; Fax: +40-0213184348
Web: <http://www.icpa.ro> E-mail: office@icpa.ro
CP nr. 71 OFICIUL POȘTAL 32



Bucharest, 25.06.2014

registration no.
1482/25.06.2014

**STATEMENT ON THE ADEQUACY OF THE METHODOLOGY AND ON ACCURACY OF
CALCULATIONS,**

Pursuant to Article 62 in Regulation (EU) no. 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) no. 1698/2005

Pursuant to Article 62 *Verifiability and controllability of measures* within Regulation (EU) no. 1305/2013, stipulating: „*To this end, a body that is functionally independent from the authorities responsible for the programme implementation and possesses the appropriate expertise shall perform the calculations or confirm the adequacy and accuracy of the calculations. A statement confirming the adequacy and accuracy of the calculations shall be included in the rural development programme*”

we,

**The National Research and Development Institute For Soil Science, Agrochemistry and
Environment – ICPA Bucharest,**

as author of the study

**„STUDY ON THE DELIMITATION OF AREAS FACING NATURAL OR OTHER SPECIFIC CONSTRAINTS
AND ADJUSTMENT (FINE-TUNING) OF AREAS, OTHER THAN MOUNTAIN AREAS, FACING SPECIFIC
NATURAL CONSTRAINTS”**

carried-out under the PNDR 2014-2020 programming process

hereby certify *the adequacy of the methodology (study) and and accuracy of the calculations made under the study, as well as the reasonableness of the assumptions, of the income and cost values used, as well as the indicators used within the methodology.*

Director General,

Cătălin SIMOTA

National Research and Development Institute For Soil Science, Agrochemistry and Environment

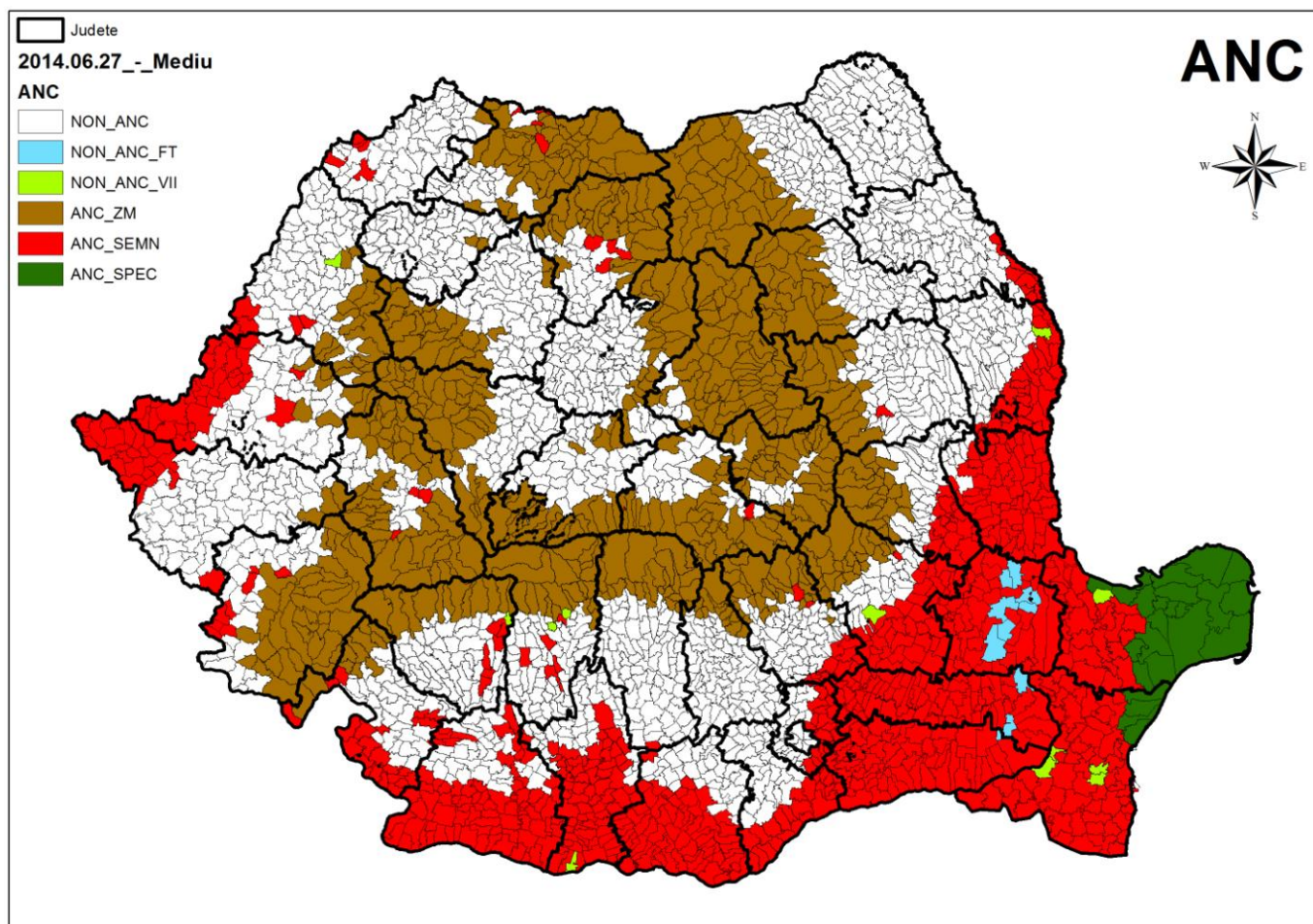
8.2.10.6. Information specific to the measure

[Designation of areas facing natural and other specific constraints] Description of the application of the method including the criteria referred to in Article 32 of Regulation (EU) No 1305/2013 for the delimitation of the three categories of areas referred to in that Article including the description and results of the fine-tuning exercise for areas facing natural and other specific constraints other than mountain areas.

The methodology for the designation of areas facing natural constraints is presented in Annex 8.2.M.13 - designation.

The list of administrative-territorial units falling under one of the categories foreseen by art. 32 of Regulation 1305/2013, established based on the methodology presented in Annex 8.2.M.13 - designation, is presented in Annex 8.2.M.10-M.13 – eligible areas.

The map of ATUs falling under areas facing natural constraints, according to the designation methodology, is presented in Annex 8.2.M.13 - map.



Anexa 8.2.M.13 - map

[Designation of areas facing natural and other specific constraints] Description of the local unit-level applied for the designation of the areas.

The designation of **areas facing natural constraints** was done at LAU2 level (former NUTS5), represented by the 3,181 administrative-territorial units on the entire Romanian territory (communes, cities and municipalities according to SIRUTA - NSI December 2013), organised in compliance with the provisions of Law 2/1968 with subsequent amendments and additions.

Definition of the threshold level of area per holding on the basis of which MS calculates degressivity of payments

According to the General Agricultural Census 2010, more than 52% of the utilised agricultural area at national level is located within farms over the threshold of 50 ha/farm. However, the total number of farms in Romania above the threshold of 50 ha/farm accounts for approximately 0.6% of the total number of holdings, most of Romanian holdings (approximately 93%) being small farms, under 5 ha. Given these facts, it was considered useful that the threshold for the start of compensatory payments degressivity be 50 ha/farm.

Big farms, practicing intensive farming, do not incur the same level of income losses or additional costs in comparison with small farms (with the majority share in Romania). Therefore, in order to avoid the overcompensation of compensatory payments granted to this category, the maximum threshold (at farm level) for the application of degressivity was set at over 300 ha. Given the fact that the average standard output utilised for a big farm is 250,000 €, and using the average standard output used for the calculation of compensatory payments – amounting to 664 €/ha (this level was established exclusively based on field crops, the animal breeding sector was not taken into account– it was decided to use the threshold of 300 ha to adjust the economic size threshold, so as to reflect the reality in a most reliable manner as possible.

8.2.10.7. Other important remarks relevant to understand and implement the measure

-

8.2.11. M14 - Animal Welfare (art 33)

8.2.11.1. Legal basis

-

8.2.11.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

-

8.2.11.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

There are no type of operations defined

8.2.11.4. Verifiability and controllability of the measures and/or types of operations

8.2.11.4.1. Risk(s) in the implementation of the measures

-

8.2.11.4.2. Mitigating actions

-

8.2.11.4.3. Overall assessment of the measure

-

8.2.11.5. Information specific to the measure

Definition and identification of the national and the EU requirements corresponding to the mandatory standards established pursuant to Chapter I of Title VI of Regulation (EC) No 1306/2013

-

Description of the methodology and of the agronomic/zoo-technical assumptions and parameters, including the description of the baseline requirements referred to in Article 33(2) of Regulation (EU) No 1305/2013 which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

-

8.2.11.6. Other important remarks relevant to understand and implement the measure

-

8.2.12. M15 - Forest environmental and climate services and forest conservation (art 34)

8.2.12.1. Legal basis

Regulation (EU) no 1305/2013

Implementing Act (EU) no ...for setting up the application rules of the Regulation (EU) no 1305/2013

8.2.12.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The NFF area has remained relatively constant over time, being, in 2012, of 6,529,100 ha. The largest share in the national forest fund are the forests owned by the state (50.4 % of total), followed by private forests, owned by private individuals and legal entities (32.6 %), the forests owned by the administrative and territorial units representing about 17 %. One of the characteristics of privately owned forests is the large variety of holding size: from very small properties, whose area is under a hectare, for which the owner has contracted only the minimum package of forestry services (security and salvage products marking) to very large properties, in the thousands of hectares, which have their own administrative structures. According to the forestry legislation in force, the administration of the NFF, regardless of the nature of the ownership, must be carried out through forest ranges, set up under the Forest Code. By the end of 2011, authorisations had been issued or re-issued for 466 forestry management structures, of which 326 forest ranges of the structure of Romsilva - the National Forest Company (the legal administrator of the state-owned forests) and 140 private forest ranges. Also, in accordance with the legal provisions in force, the management of all the areas included in the structure of the NFF must observe the forest planning provisions.

The areas that are included in the NFF are subject to the measures governing forestry, i.e. a uniform system of forestry-related, economic and legal technical rules on planning, culture, exploitation, protection and security of the NFF, to ensure the sustainable management of the forest resources.

The forest planning is made based on the *Technical rules for forest planning (MO 1673/2000)*, aimed at the promotion of three forest management principles, namely the sustained yield principle, the principle of operational efficiency and the principle of conservation and enhancement of biodiversity.

The provision of the forest-specific ecosystem services is ensured by functional zoning, i.e. a decision by which an arboretum is assigned certain functions, the most restrictive of the functions dictating the pace and manner in which the arboretum in question shall be used when it reaches maturity, if the restriction is not so severe as to prohibit any type of timber harvesting. In accordance with the priority functions, according to the Forestry Code, forests fall in two functional groups, namely Group I *Forests with special protection functions* and Group II *Forests with protection and production functions*. The share of forests with special protection functions, in the total NFF area, is of 53.3 %, the rest of 46.7 % being represented by forests with production and protection functions. The forests included in the functional Groups I and II are also classified into subgroups, and functional categories, respectively. The forests with special protection functions are divided into five functional subgroups, namely forests with soil protection functions (including 11 functional categories), forests with water protection functions (8 functional categories), forests for recreation purposes (6 functional categories), forests of scientific interest and for the protection of the gene pool and ecosystems (with 14 functional categories) and forests with protection functions against climatic and industrial factors (with 12 functional categories). Functional zoning cannot be influenced by ownership, in situations where the protective functions are more important than timber production.

The areas of the functional groups, subgroups and functional categories, at national level, have remained relatively constant over the last 30 years, due to the unitary regulatory measures to classify forests using this classification system.

The extent and duration of the regeneration process of a stand of trees depends on the importance of the protective functions assigned to that stand. There is a wide range of possible forest systems that may be applied, the intensity of the harvesting varying for each system; the lowest intensity is specific to special conservation works, followed by shelterwood systems based on natural regeneration and then clearcuts up to a maximum area of 3 hectares, allowed for Norway spruce forests and hybrid poplars, as well as for coppice system allowed just for groves and locust tree stands.

Trees can be harvested as main yield (fellings aimed at forest regeneration), as secondary yield (where tending operations are carried out during the first two thirds of the rotation), salvage products (dead trees or trees damaged by insects, however observing the limit of 1 m³/year/ha, in the same forestry unit), accidental products II (similar to salvage products, but with volumes exceeding 1 m³/year/ha in forests younger than 60 years), accidental products I (similar to salvage products, but with volumes exceeding 1 m³/year/ha in forests older than 60 years). The most important elements of the planning system are the possibility indicators (area-based, for secondary products, and volume-based, for main products) and the harvesting plans of the two categories of products.

The relevant mandatory requirements established by the national legislation include measures which provide the bulk of climate and ecosystem services, in most cases the protective functions of the forests taking precedence over timber production for economic exploitation purposes.

Although the sustainable management of the NFF is ensured by the administrative framework created in Romania, the intensive nature of the silvicultural works applied, reflected by the large number of interventions, leads to the possibility to damage of the natural forest environmental, contributing to impaired biological diversity, soil erosion, increased GHG emissions, etc.

The forest-environment measure aims primarily to reducing the number of forest interventions and the application of felling technologies having a low impact on the soil.

Thus, by providing quiet areas and reducing the periodicity of silvicultural interventions outside these areas, optimal conditions for wildlife development, shelter, feeding and nesting are secured. Also, by maintaining the stands' density, the forest's capacity to adapt to the effects of climate changes and runoff retention shall be improved.

Moreover, for the protection of the soil resources, this measure shall also promote reduced impact logging, namely the use of draft animals for thinning works, instead of mechanised works. Also, in young stands where thinnings are carried out, the use of draft animals for ground skidding reduces the frequency and severity of injuries brought about to remnant trees, thus maintaining the quality of the future yield.

Under this measure, support is provided for forest owners included in the national forest fund (NFF) who join the forest-environment commitments, thus contributing to the conservation of biological diversity and soil protection.

The support granted under this measure may also help increase the environmental impact of the afforestation measure and the creation of afforested land, by promoting biodiversity conservation in the

newly created forest areas.

Contribution to the intervention areas (IA):

IA 4A - *Restoring, preserving, and enhancing biodiversity in Natura 2000 sites, in areas facing natural or other specific constraints and high nature value farming, and the state of the European landscapes*

By providing quiet areas and reducing the periodicity of silvicultural interventions outside these areas, it aims mainly to ensure optimal conditions for nesting, shelter and feeding for the development of the fauna specific to the forest ecosystems.

IA 4C - *Preventing soil erosion and improving soil management*

By promoting the use of draft animals for the thinning works, instead of mechanised works, it aims to reduce soil erosion.

Contribution to the "Environment" and "Climate" cross-cutting objectives

The application of this measures aims at increasing the stability of the forest ecosystems and at improving environmental services, including through biodiversity conservation. By applying the selected packages, the aim is to create favourable conditions for the shelter, refuge, and food sources for the wildlife specific for the forest ecosystems. Also, by promoting the increase of dead timber volume in the forests included in the commitment, the maintenance of healthy forest ecosystems is ensured. The measure shall also help reduce soil erosion and greenhouse gas emissions, as well as the adaptation to climate change, while also promoting carbon sequestration and improve runoff retention capacity. The support granted under this measure contributes to the objective of allocating 30 % of the total EAFRD contribution to the rural development programme for climate change mitigation and adaptation thereto, as well as to environmental protection.

8.2.12.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.12.3.1. 15.1 Payments for forest-environment commitments

8.2.12.3.1.1. Sub-measure:

- 15.1 - payment for forest -environmental and climate commitments

8.2.12.3.1.2. Description of the type of operation

Forest-environment payments shall be awarded to owners of forests included in the NFF, who voluntarily enter into forest-environment commitments.

The commitments entered into by the owners of forest lands cover a period of five years from the date of their execution.

The forest-environment payments cover only those commitments going beyond the relevant mandatory requirements established by the national forestry legislation or other relevant national law.

A review clause is provided for commitments entered into as a part of this measure, in order to ensure their adjustment to changing mandatory requirements that the commitments must exceed. A review clause is provided for commitments entered into as a part of this measure which exceed the current programming period, in order to ensure their adjustment to the legal framework of the next programming period. If such adjustment is not accepted by the beneficiary, the commitment shall expire and reimbursement shall not be required in respect of the period during which the commitment was effective.

The beneficiaries of the measure must observe, at the level of the entire farm, the cross-compliance standards established pursuant to Title VI of Regulation (EU) No 1306/2013, provided in the national law.

The package-specific requirements, proposed in this sub-measure, are as follows:

Package 1 – Providing quiet areas

1. Each applicant for financial support shall define a compact quiet area, whose area must represent at least 20 % of the total eligible area, defined by the limits of the plots/subplots.

In the quiet areas, during the commitment period, only the following works are allowed: afforestation, ground preparation for natural regeneration, tending works, tending works until canopy closure, weeding, isolations, clearing and cleaning works, as well as the resumption of ecological restoration works started prior to the commitment.

If, during the commitment, phenomena that require the harvesting of accidental products I or II occur in the quiet area, the area affected by such phenomena shall be offset by replacing the affected zone with an equivalent area, adjacent to the quiet area. The new area shall be chosen from adjacent stands wherein silvicultural works were not carried out during the commitment period, except for works like afforestation, ground preparation for natural regeneration, tending works until canopy closure, weeding, isolations, clearing and cleaning works, as well as ecological restoration works.

2. On the area subject of the commitment which is not subject to conversion into a quiet area, the works specified in the forest planning may be carried out, however taking into account the fact that, for the duration of the commitment, any type of work should only be carried out once in the same sub-compartment, except for works like afforestation, assisting the natural regenerations, maintenance of the cultures and of the seedlings until reaching the young forest stage, weeding, isolations, clearing and cleaning works are required. If a phenomenon occurs in a forestry unit located outside the quiet area, which requires the harvesting of accidental products I or II, the affected timber shall be harvested observing the legal provisions.

3. If, in the area subject to the commitment, located outside the quiet area, there are forestry units included in the TII functional type, for which the forest planning provides special conservation works, such works shall be carried out, with the exception of timber harvesting.

The following shall be considered when applying package 1, for the entire duration of the commitment:

- the remaining volume to be harvested by conservation felling on the area included in the quiet area which is part of the commitment must be equal to at least five annual possibilities provided in the

forest planning/forest plannings (aggregate) for harvesting by conservation felling, related to the area included in the quiet area which is part of the commitment and

- the remaining volume to be harvested by conservation felling on the area located outside the quiet area which is part of the commitment must be equal to at least four annual possibilities provided in the forest planning/forest plannings (aggregate) for harvesting by conservation felling, related to the area located outside the quiet area which is part of the commitment and
- on the area included in the commitment on which regeneration felling is scheduled, the volume equivalent to the felling for salvage purposes, calculated as follows: harvesting index of salvage products multiplied by the area included in the commitment on which regeneration felling is scheduled, shall not be extracted. "Harvesting index of salvage products" means the volume per hectare expected to be harvested by felling for salvage purposes on the related areas, specified in the planning/plannings of the production units in which the area in question is included.

Package 2 - Using draft animals to collect timber resulting from thinning works

Package 2 can only be applied in combination with package 1, meaning that this package can be applied only by the beneficiaries who applied for Package 1.

Each applicant for financial support shall specify the forestry units in which the applicant shall carry out thinning works using draft animals, throughout the duration of the commitment. The selected forestry units should be included in the works plan for the arboreta included in the forestry management measures plan, thinning section. The total area of the selected forestry units may not exceed half of the total area of the forestry units specified in the workplan for the stands included in the forestry management measures plan, thinning section. The annual area for which support may be requested represents 20 % of the selected area (+/- 10 %).

By adopting this package, the applicant undertakes to contract or to perform the timber gathering works using draft animals, exclusively, for operations like ground skidding after thinning operations included in the commitment, up to the forest service roads or to the tractor service roads. The gathering works must include at least the gathering operation, and one or both of the removal and ground skidding operations. The skidding distance for which support is requested must be a minimum of 100 m and a maximum of 1000 m. The draft animals to be used shall be selected taking into account the fact that the average gathered volume must not exceed 0.3 m³.

8.2.12.3.1.3. Type of support

The support granted under this measure is in the form of a compensation payment. The forest-environment compensation payment is paid annually, as a fixed amount, granted per area unit (ha) and is a compensation for the losses of income and additional costs incurred by forest land owners entering into voluntary commitments.

The sub-measure 15.1 aims to promote the following packages:

- Package 1 – *Providing quiet areas*
- Package 2 – *Using draft animals to collect timber resulting from thinning works*

8.2.12.3.1.4. Links to other legislation

EU Legislation:

- Regulation (EU) No 1306/2013

National laws:

- Law 46/2008 *The Forest Code*, as subsequently amended and supplemented (hereinafter referred to as the Forest Code)
- The Order of the Minister of Environment and Forests no. 1540 of 03/06/2011 on *the terms, methods and periods established for timber gathering, removal and transport*, as subsequently amended and supplemented (hereinafter referred to, in the measure, as Order 1540/2011)
- The Order of the Minister of Water Management, Forests and Environmental Protection no. 3814/2012 on deducting of the amount of timber harvested as salvage products from the amount of timber to be harvested from forest included into the functional type TII (hereinafter referred to, in the measure, as Order 3814/2012)
- The Order of the Minister of Water Management, Forests and Environmental Protection no. 1648 of 31/10/2000 on the approval of the *Technical Standards on the compositions, schemes and technologies for forest regeneration and for the afforestation of damaged forests* (hereinafter referred to, in the measure, as Technical standards no.1)
- The Order of the Minister of Water Management, Forests and Environmental Protection no. 1672 of 07/11/2000 on the *Technical Standards for forest planning* (hereinafter referred to, in the measure, as the Technical standards No. 2)
- The Order of the Minister of Agriculture, Forests, Waters and Environment no. 454 of 14/07/2003 approving the *Technical standards for forest protection and the Guidelines on the application of the technical standards for forest protection* (hereinafter referred to, in the measure, as Technical standards no. 3)
- The Order of the Minister of Water Management, Forests and Environmental Protection no. 1649 of 31/10/2000 approving the *Technical Standards for the maintenance and management of arboreta* (hereinafter referred to, in the measure, as Technical standards no. 4)
- The Order of the Minister of Water Management, Forests and Environmental Protection no. 1650 of 31/10/2000 approving the *Technical Standards for the selection and application of treatments* (hereinafter referred to, in the measure, as Technical standards no. 5).

8.2.12.3.1.5. Beneficiaries

The beneficiaries of the support are forest land owners from the NFF, who can be:

A. Land owners:

- a. private property of individuals and legal entities
- b. public property of the administrative and territorial units

c. private property of the administrative and territorial units

B. Associations of land owners, as described above.

8.2.12.3.1.6. Eligible costs

The eligible costs under this measure shall consist of standard costs calculated for each package, based on the assessment of additional costs and of income losses, which exceed the level of the mandatory relevant requirements, incurred by forest land owners after voluntarily taking on forest-environment commitments.

The standard costs, calculated for the forest-environment measure, do not include transaction and investment costs.

8.2.12.3.1.7. Eligibility conditions

The forest-environment compensation payments may be granted as a part of the measure if:

- the beneficiary owns an area of forest land included in the FFN, located in Romania,
- the beneficiary undertakes to maintain the forest-environment commitment for a period of five years from the date of execution,
- the beneficiary undertakes to comply with the specific requirements of the forest-environment packages for which he applies.

The minimum commitment area must be at least 100 ha (according to the forestry management data). The lands covered with forests and the lands intended for afforestation or reforestation, except for the areas falling within the functional type I (TI), provided that the land intended for afforestation or reforestation does not represent more than 15 % of the area subject to the commitment, are covered by the measure. The areas covered by the commitment must be identified electronically.

The beneficiary must have an administration/forestry service provision agreement with a forest range.

The area must be included in a forest planning in force (the planning is deemed to be in force after the minutes of the second planning conference planning are approved, which means that the forest planning implementation may start).

The beneficiary may apply the measure only if he/she participates, with the entire area he/she owns, to a production and/or protection unit.

8.2.12.3.1.8. Principles with regards to the setting of selection criteria

Principles with regard to the setting of selection criteria:

1. The principle of the prevalence of the protection functions: this principle is expressed by the indicator "Share of forests included in the TII functional type in the total area covered by the

commitment."

2. The principle of priority areas: priority shall be given to forests located in areas with high natural value and providing critical ecosystem services for soil, water and biodiversity protection;
3. The ownership principle: priority shall be given to applications submitted by individual forest owners or by associations thereof.

The selection principles shall be detailed in the subsequent national legislation and shall consider the provisions of art. 49 of Regulation (EU) No. 1305/2013 aiming to ensure equal treatment of applicants, better use of financial resources and directing them according to the EU priorities for rural development.

8.2.12.3.1.9. (Applicable) amounts and support rates

The compensation payments, calculated as standard costs for each package, are:

Package 1 – Providing quiet areas: **25 euros/year/ha**

Package 2 – Using draft animals to collect timber resulting from thinning works **103 euros/ha**

For areas larger than 500 ha, the value of the payment shall decrease for those areas that exceed this value, according to Annex 8.2M.15.1-1.

In the case of forests whose area exceeds 500 ha, the amount of income provided by the economic exploitation of the harvestable timber as main and secondary products shall increase progressively, and as such the profitability of the forest holding is also improved; this is the reason why the amount of the payment may be decreased, for areas that exceed this threshold.

Area (ha)	Payment level
100-500	100 % of the payment value
500.01-1,000	75% of the payment value
1,000.01- 5,000	50% of the payment value
Over 5,000	35 % of the payment value

Annex 8.2M.15.1-1

8.2.12.3.1.10. Verifiability and controllability of the measures and/or types of operations

8.2.12.3.1.10.1. Risk(s) in the implementation of the measures

The possibility to check and control of the submeasure is based on the results of the ex-ante evaluation carried out by the MA and the Payment Agencies, an evaluation that takes into account the results of the checks that have been performed, including during the previous programming period within similar measures, as provided in Article 62 of Regulation (EU) No. 1305/2013.

During the 2014-2020 programming period, it was estimated that there may be a number of specific risks, among which we would like to mention:

- the time limit for the submission of the payment requests (late submission)
- the failure to declare all the areas included in the holding
- the correct identification of the areas covered by the commitment,
- the failure to comply with the eligibility criteria related to the area covered by the commitment
- the failure to observe the cross-compliance standards, at holding level,
- the non-compliance with requirements specific to the sub-measure, for the areas covered by the commitment.

8.2.12.3.1.10.2. Mitigating actions

Among the measures taken to improve the implementation of the submeasure and to reduce risk, we would like to mention:

- electronic identification of farming plots included in the holding and of the areas covered by the commitment
- annual promotion of extensive information campaigns for the beneficiaries, disseminating information related to the proper implementation of the measure,
- defining clear control procedures, based on the flow of administrative documents existing in the forestry sector,
- the sanction system developed for the payment sub-measure related to forest-environmental commitments must be progressive in nature; the level of the penalties applied to the beneficiaries must be correlated with the impact of the failure to comply with the various requirements included in the measure sheet.

The sanction system developed for the forest-environment measure must be progressive in nature; the level of the penalties applied to the beneficiaries must be correlated with the impact of the failure to comply with the various measure-specific requirements.

The commitments of the beneficiaries, taken on under this measure, shall be checked using administrative and on-site methods, ensuring their effectiveness and efficiency through specific procedural provisions. Administrative checks shall cover any ongoing commitments, based on the information recorded in the computer system for the management of the funding applications, and on cross-checks with other relevant

databases (including IACS and LPIS). On-site checks shall be conducted ensuring the representativeness and adequacy of the control samples, related to the eligible commitments, by visual inspection and documentation confirming the compliance with the requirements. The commitments selected for on-site checks shall be checked when most requirements and standards are verifiable, for the selected control purposes.

The procedure manuals related to the steps of the procedural flow (promoting measures and informing beneficiaries, submitting and managing payment requests, risk analysis and sampling, on-site control and additional control, payment authorisation, monitoring and reporting) shall be developed by the Payment Agency (or another delegated entity, if applicable) and approved by the Managing Authority prior to their approval by the Ministry.

Following the analysis conducted by the Managing Authority and by the Payment Agencies, based on the experience accumulated during the 2007-2013 programming period, it can be concluded that the verifiability and control of the measures, from the perspective of the professional training and from that of the improvement of working procedures, is ensured, thus preventing any prejudice to the financial interests of the European Union.

8.2.12.3.1.10.3. Overall assessment of the measure

The sub-measure contributes to the conservation of the biological diversity and to soil protection on forest lands included in the NFF.

The verifiability and control of the measure shall be ensured from the perspective of the training and of the continuous improvement of the working procedures, in the agencies responsible for implementing the measure, so as to prevent any prejudice to the financial interests of the European Union. In order to provide the technical expertise required to ensure effective checks, agreements for the delegation of specific functions or cooperation protocols may be executed with specialised institutions.

For this purpose, procedures shall be developed for all stages of the technical implementation flow, with particular emphasis on administrative controls (including cross-checks with databases such as IACS and LPIS) and on on-site controls.

8.2.12.3.1.11. Information specific to the operation

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument in line with sustainable forest management

Not applicable. In Romania, the preparation of forest planning is required for any type of owner, regardless of the area owned.

Definition of an "equivalent instrument"

Not applicable.

Identification of relevant mandatory requirements established by the national forestry act or other relevant national legislation

The relevant mandatory requirements established by the national law in the field of forestry or the relevant national law related to the implementation of sub-measure 15.1 Payments for forest-environment commitments, are:

Relevant applicable law:

- **Art. 10 (1)** of the *Forest Code* – " the management and provision of forestry services, as appropriate, for all forests, regardless of the ownership thereof, by forest ranges, is mandatory",
- **Art. 19** of the *Forest Code* - "the management of the national forest fund is regulated by forest plannings",
- **Art. 58 (2) d)** of the *Forest Code* - Salvage products are the result of the normal process of natural elimination,
- **Art. 59** of the *Forest Code* – Regulating the volume of timber that can be harvested from forests,

Legislation relevant to the two packages:

- The possibility to restrict regeneration felling – **Art. 59 (3)** of the *Forest Code*,
- The possibility to restrict conservation felling – Chapter 2.1. of the *Technical Standards no. 5*,
- The possibility to restrict thinning – Chapter 2.3. of the *Technical Standards no. 4*,
- The possibility to restrict felling for salvage purposes under 1 m³/year/ha – Chapter 2.3. of the *Technical standards no. 4*,
- Indicative amount of the volume that might be extracted by felling for salvage purposes - Chapter. 7.4.2.2 of the *Technical standards no. 2*,
- The possibility to apply conservation felling – Chapter 2.1. of the *Technical standards no. 5*,
- Rules on timber exploitation - **art. 62 (1)** – "timber exploitation is performed after obtaining the operating license and after the handover of the felling area, observing the forestry regulations and in accordance with the instructions on time limits, methods and periods set for harvesting, removal and transportation of timber, approved by order of the head of the central public authority responsible for forestry-related issues."

Description of the methodology and of the assumptions and parameters, including the description of the baseline requirements as referred to in Article 34(2) of Regulation (EU) No 1305/2013 which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

See the description of methodology in the relevant chapter of the measure.

8.2.12.4. Verifiability and controllability of the measures and/or types of operations

8.2.12.4.1. Risk(s) in the implementation of the measures

See the description of the similar chapter in sub-measure 15.1.

8.2.12.4.2. Mitigating actions

See the description of the similar chapter in sub-measure 15.1.

8.2.12.4.3. Overall assessment of the measure

See the description of the similar chapter in sub-measure 15.1.

8.2.12.5. Information specific to the measure

Definition of an "equivalent instrument"

See the description of the similar chapter in sub-measure 15.1.

Description of the methodology and of the assumptions and parameters, including the description of the baseline requirements as referred to in Article 34(2) of Regulation (EU) No 1305/2013 which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

The calculation methodology for standard costs, used in the case of this sub-measure, was achieved through the expertise of the Forest Research and Management Institute (ICAS).

Package 1 – Providing quiet areas:

From a stratified sample of 139 forest management plans (cutting budgets actually), developed for the forests included in the NFF, privately owned by individuals, legal entities, jointly owned by legal individuals and in publicly/privately owned by territorial and administrative units, representative, as far as forestry is concerned, for the plain, hill and mountain areas, we have extracted the areas and related volumes to be harvested, for which the following were planned: **thinning works (R), regeneration felling (TR), conservation felling (TC) and salvage fellings (TI)**. In the mountain area we have analysed 79 forest planning systems distributed, by type of area, as follows: 50 plannings for areas between 100 and 500 ha, 13 cutting budgets for areas between 500,01 and 1 000 ha, and 16 cutting budgets for areas larger than 1000 ha, respectively. In the hill area (a total of 52 plannings), the sample consisted of 33 cutting budgets for the 100-500 ha category, 9 plannings for the 500.01 to 1,000 ha category, and 10 plannings for areas larger than 1000 ha. For the plain area, we have analysed 5 cutting budgets (100-500 ha), one cutting budget for areas between 500,01 and 1 000 ha and 2 cutting budgets for areas larger than 1000 ha. The distribution followed the shares of forests held for the three levels, at national level. The total area of the forest properties larger than 100 hectares, included in the sample, is of 113,402.08 ha, of which 111,657.56 ha of forests and land intended for afforestation, and 3,694.00 ha of forests included in the functional type I, on which no works of any kind are to be carried out (non-eligible area).

The total area expected to be covered by **TI**, included in the sample, is of 44,035.67 ha, and the harvestable

volume is of 38.8129 m³.

The total area expected to be covered by **TC** with timber extraction is of 11,721.79 ha and the harvestable volume is of 492.832 m³.

The sample also included 14,394.06 ha of forest to be covered by **TR**.

R was planned for an area of 30,254.00 ha.

The harvestable quantities are calculated in relation to the decade, and the annual harvestable volumes were estimated as representing 1/10 of the harvestable volume per decade (observing the principle of sustained yield, stipulated in the Forest Code).

The losses of income refer to the volume of timber related to the **salvage products** which are not harvested for the period and area covered by the commitments related to the forestry units on which works like **R**, **TR** and **TI** are planned, as well as the volume related to the **products** resulting from TC.

The loss of timber was equated with the volumes that could have been harvested in the form of the two types of products (**salvage products**, related to **R**, **TR** and **TI**, and **products** resulting from **TC**) for the period of the commitment, and the final quantitative loss represents the average of the losses for four and five years respectively. The loss related to a 4-year felling restriction period applies to the areas located outside the quiet area, with the exception of the areas falling in the TII category. The loss related to a 5-year felling restriction period applies to the areas located inside the quiet area and to the areas falling inside the TII category located outside the quiet area.

Given that there are no specialised studies quantifying the share of the volume of timber that depreciates over time, we used two working hypotheses. The timber in the form of salvage products, being the result of a natural process of elimination, was deemed to depreciate within one year or during the second year. As a result, we have obtained two calculation options, based on the two working hypotheses:

- Option 1 - the volume of timber related to the salvage products of the last year of commitment is deemed lost;
- Option 2 - the volume of timber related to the salvage products of the last year of commitment is not deemed lost, as it can be sold in the year prior to entering into the commitment;

Annex 8.2M.15.1-2 shows the result of the analysis conducted considering the two working hypotheses, namely the average volume of timber that is not harvested per hectare and per year, in the two options, representing the loss suffered by the beneficiary who only applies for package one.

The amount of income loss was calculated based on the average price of timber in 2013 (26.13 euros/m³) calculated at national level, on the basis of statistic data, and on the volume of timber that represents the loss, for the duration of the forest-environment commitment.

Since no detailed data on the average price of timber was available for geographical areas or nature of products, we have used the average national value, a value that adequately captures the value of the loss of income from the perspective of the timber products that represent the loss as well: main products - by assimilating the **products** resulting from **TC** and the **salvage products** derived from other types of losses (**TI**, **TR**, **R**).

The average economic loss for each of the 5 years of the forest-environmental commitment is given by the product of the average quantitative loss associated to the area covered by the commitment and the average price of timber for 2013, i.e. 28.0 euros/ha/year, in the case of option 1, and of 22.4 euros/ha/year, in the case of option 2. By averaging these values, and considering the depreciation of timber in certain environmental and climate conditions, from one year to the next, we propose an average compensation payment of 25 euros/ha/year.

Package 2 - Using draft animals to collect timber resulting from thinning works

We have calculated the costs related to timber gathering resulting from thinnings, using two scenarios: using a tractor equipped for works, and using draft animals. We have used, for our calculations, the values presented in the *Unified time and production standards for forestry works*. Thus, for both scenarios, in average conditions, in terms of ground slope, soil condition and distance, the following expenditure items were used: 1) labour, insurance and social protection; 2) fuel and lubricants, food for animals, respectively; 3) maintenance and operation of the means of exploitation used; 4) depreciation. By summing up these values in the two scenarios, we have obtained the following values: for tractors: 4.23 euros/m³; for draft animals: 8.23 euros/m³, the difference between the two values, representing additional costs, being of 4 euros/m³.

The area of forest privately owned by individuals, legal entities, jointly owned by legal individuals and publicly/private owned by territorial and administrative units, and which may be subject to financing under this sub-measure (consisting of properties larger than 100 ha) is of 2,525,000 ha.

The data extracted from the forest plannings related to the database used in the study indicate that the areas covered with thinned areas represents 26.15 % of the NFF. The same data indicate that the average volume of timber intended to be harvested from thinned areas is of 25.81 m³/ha. By multiplying the additional costs resulting from timber harvesting using draft animals (4 euros/m³) by the average volume of timber intended to be harvested following the thinning operations (25.81 m³/ha), we have obtained the average value of the compensation payment that may be granted to forest owners, i.e. **103.2 euros/ha/year**, suggesting a compensation payment of **103 euros/ha/year**.

In accordance with Art. 62 of Regulation (EU) 1305/2013, Annex 8.2.M15.1-3 contains **the certification of the calculations**, made by an independent body.

Categories of losses	Timber losses					
	Option 1			Option 2		
	for 20%S	for 80%S	Total	for 20%S	for 80%S	Total
	m ³ /year/ha	m ³ /year/ha	m ³ /year/ha	m ³ /year/ha	m ³ /year/ha	m ³ /year/ha
TI	0.072	0.23	0.302	0.058	0.133	0.196
TC	0.09	0.37	0.46	0.09	0.37	0.46
TR	0.024	0.077	0.101	0.019	0.046	0.065

R	005	016	021	004	0.096	0.136
Total	0.236	0.337	1.073	0.207	065	0.857

Annex 8.2M.15.1-2

ROMSILVA - THE NATIONAL FOREST COMPANY
THE FOREST RESEARCH AND MANAGEMENT INSTITUTE

Issued in Bucharest, 25/06/2014.

Reg. no. 2144

AFFIDAVIT

ON THE ADEQUACY OF THE METHODOLOGY (IES) AND THE ACCURACY OF THE CALCULATIONS

Under Art. 62 of Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005,

Under Art. 62 - The ability to check and control the measures within Regulation (EU) No 1305/2013, which states: To this end, a body that is functionally independent from the authorities responsible for the programme implementation and which possesses the appropriate expertise shall perform the calculations or confirm the adequacy and accuracy of the calculations. the rural development programme shall include an affidavit confirming the adequacy and accuracy of the calculations",

We,

THE FOREST RESEARCH AND MANAGEMENT INSTITUTE (ICAS)

As author of the study on

"THE CALCULATION OF THE LOSS OF INCOME AND ADDITIONAL COSTS INCURRED BY FOREST OWNERS
FOLLOWING THE VOLUNTARY APPLICATION FOR FOREST-ENVIRONMENTAL MEASURES"

carried out during the NRDP 2014-2020 programming process,

hereby confirm the adequacy of the methodology (study) and the accuracy of the calculations performed within it, as well as the reasonableness of the assumptions, values of the costs and revenues used, and of the indicators used in the methodology.

The Director,

Romică ȚOMESCU, Eng., PhD,

The Forest Research and Management Institute (ICAS)

(illegible signature and seal, affixed hereto)

Identification of relevant mandatory requirements established by the national forestry act or other relevant national legislation

See the description of the similar chapter in sub-measure 15.1.

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument in line with sustainable forest management

See the description of the similar chapter in sub-measure 15.1.

8.2.12.6. Other important remarks relevant to understand and implement the measure

Definitions of the terms used in the measure:

Forest planning is the basic document in forest management, with technical, organisational and economic content, with an ecological basis, drafted for a period of 10 (5) years and approved by the central government authority responsible for forestry.

Production and/or protection unit represents the area of forest for which a forest planning is developed.

Forestry unit (sub compartment) is the basic territorial unit for the study of arboreta and for planning the conducting forestry works.

Allowable cut is the volume of timber that can be harvested from a forest, based on the management plan for the duration of its implementation.

Conservation felling (TC) includes the works that promote the natural regeneration nuclei, reduced impact logging.

Regeneration felling (TR) refers to the range of forestry treatments applied to forest lands, representing a biotechnical measures system by which the transition of the arboreta and of the forest is prepared and carried out while observing a set of rules, from one generation to the next.

Salvage products are the result of the normal process of natural elimination.

Thinning works (R) are works performed on a regular basis in young stands, after they have reached the pole stage, and afterwards, the timber stages, by means of which the number of trees per unit area is reduced using positive selections, by temporarily decreasing their thickness, in order to improve the structure of the arboreta and to stimulate the growth and quality thereof, as well as their functional effectiveness (commercial thinnings).

The draft animals consist of one or two horses or oxen and their harnesses, used to gather the timber.

Timber harvesting is a part of the technological process during which the timber is transported from the moved from the stump to the primary platform, located next to a permanent road. The timber is transported, at first, on forest paths, and is continued, in the next stage, on special roads called gathering routes.

Gathering is the first step of the harvesting process, consisting of moving each piece on a route of its own, on short distances, from the felling place to the timber harvesting places, generally along the valleys or at their confluence.

Timber removal is an operation required in some situations (in general in the felling areas located in the mountains), when the piles formed following the gathering operations are not located in range of the main harvesting means and consist of the movement of the timber from these temporary storage piles to the next confluences. In this case, a few timber removal routes must be prepared, justified by the greater amount of timber biomass to be transported over a certain route.

Skidding is the operation during which the loads consisting of the storage piles formed by gathering (or skidding and removal) are transported to the primary platform, located next to a permanent road. A certain route is used, that must be properly prepared, according to the conditions imposed by the technical means used to move the timber (tractors, cablecranes, draft animals).

8.2.13. M16 - Co-operation (art 35)

8.2.13.1. Legal basis

Regulation (EU) no 1305/2013

Implementing Act (EU) no ...for setting up the application rules of the Regulation (EU) no 1305/2013

Delegated Act (EU) no. of the Commission completing Regulation (EU) No. 1305/2013 and introducing certain transitional provisions

Regulation (EU) no 1303/2013

Delegated Act (EU) no 480/2014 completing Regulation (EU) no 1303/2013

Commission Implementing Regulation (EU) no. 215/2014 for enforcement of Regulation (EU) no. 1303/2013

8.2.13.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Support under this measure is granted to facilitate cooperation among rural development stakeholders to help them overcome and alleviate typical socio-economic issues linked to business development and provision of services in rural areas.

The European Innovation Partnership for Agricultural Productivity and Sustainability (EIP-AGRI) is a new approach to promoting innovation in European agriculture in EU Member States. Basically, innovation aims to build bridges between science and practice, especially through projects carried out by operational groups (OGs), but also and through networking activities. The concept encourages collaborative efforts to achieve synergies and value added at EU level based on existing policies, notably based on the rural development policy and the EU research and innovation policy, Horizon 2020.

New products, practices and processes are key drivers for innovation and for diversification of agricultural activities as well as for improving the competitiveness of the rural economy. The SWOT analysis shows there is a real lack of “innovation culture” related components to stimulate such outcome in the Romanian rural area. This situation has a negative effect onto the added value and onto the viability of rural businesses and ultimately on their competitiveness level compared to the level existing in the urban area.

Examples of the negative impact of this situation include: a limited range of agri-food products recognised at European level; lower farm and processing sector productivity; lower level of diversification and marketing activities. Furthermore, a high proportion of exported agricultural products are in an unprocessed or primary processed form with a low level of processing due to the non-application of new technologies and ideas.

Innovation can be encouraged and created in various ways. It can be achieved in the form of transfer of good practices or adaptation of technologies applied in other countries, on other markets or in other sectors. In other cases, innovation may be based upon completely new ideas and cutting-edge research activities. Pilot projects, development of new methods of production and service provision are practical ways to improve the socio-economic development process in rural areas.

The sales of locally-obtained food products, via short supply chains and local markets shall become an important characteristic of the agri-food sector in Romania. For a large part of small farmers, the direct

selling of fresh produce could be an important source of income.

According to the SWOT analysis, the local food chains in Romania must be strengthened and diversified. They must be better organized and focused on quality, food safety and on the continuity of the supply. In order to be able to cope with the consumers' preferences and for a better integration on the market of the small producers, the level of professionalism must be enhanced, and the promotion activities must be improved.

By cooperation, small producers can identify new methods for marketing a higher quantity of their own products and for attracting new categories of consumers.

Also, links can be developed between the agri-food and tourist sector, through the supply of local food products.

The financial support will envisage the establishment and operation of OGs set up by rural stakeholders such as farmers, researchers, advisors, enterprises or NGOs - for the specific purpose of jointly undertaking a research-development-innovation project to address specific problems and to capitalize opportunities in the agri-food sector. The projects will be focused on innovative solutions with direct benefits for the OG partners and ultimately for the local economy and/or for the environmental and social conditions in rural areas, including through the dissemination of results among all interested stakeholders.

The measure also includes the cooperation between farmers, processors, retail traders, restaurants, accommodation units in the rural area, as well as partnerships with non-governmental organizations, rural education units, public authorities, etc.

The support granted under this measure will contribute to increased knowledge among farmers and to enhanced viability of rural area businesses as well as to provision of a wider range of products and services.

Sub-measure 16.1. "Support for establishment and operation of operational groups (OG), for development of pilot projects, of new products, practices and technologies in the agri-food and forestry sectors"

FA 1A: *Fostering innovation, cooperation and the development of the knowledge base in rural areas;*

The support granted under this sub-measure will contribute, through the development of pilot projects, products, new practices and technologies, to the promotion of innovation and cooperation in the agri-food and forestry sectors.

FA 1B: *Strengthening the links between agriculture, food production and forestry, on one hand, and research and innovation, on the other hand, including for the purpose of improved environmental management and performance;*

The establishment of Operational Groups will facilitate the cooperation among farmers, research institutions, universities, consultants and other relevant actors in the agri-food and forestry sectors, for an increased innovation level in these sectors and for research results adapted to the sector needs.

FA 3A: *Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short*

supply circuits, producer groups and organisations and inter-branch organisations;

The development of pilot projects, of products, of new practices and technologies will lead to an increase added value of the agri-food and forestry products and to the strengthening of the role played by farmers and foresters within the supply chain.

Sub-measure 16.4. “Support for horizontal and vertical cooperation among actors in the supply chain for the establishment and development of short supply chains and local markets, and for related promotion activities in a local context”

FA 1A: *Fostering innovation, cooperation and the development of the knowledge base in rural areas;*

The support provided for the cooperation among actors in the agri-food sector, with the aim to selling products under short supply chains, will facilitate the use of innovative product selling methods and the attraction of new categories of consumers.

FA 1B: *Strengthening the links between agriculture, food production and forestry, on one hand, and research and innovation, on the other hand, including for the purpose of improved environmental management and performance;*

The support granted under this sub-measure will encourage the use of new processes and technologies in the agri-food sector, while leading to an increased innovation level in the sector.

FA 3A: *Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations;*

The cooperation among farmers and other actors with the aim to develop short supply chains and local markets may lead to an increased competitiveness, to products with an increased value added and to a strengthened role of farmers in the supply chain, with positive influence onto the overall farm viability.

Contribution to Cross Cutting objectives

The actions carried-out under this measure play an extremely important role within the 2014-2020 National Rural Development Programme as they support **Innovation** and foster the development, use and transfer of new ideas, products or technologies to improve a certain production system, product, service.

Through cooperation, small producers can at the same time identify new innovative methods to sell a higher volume of their own products and to attract new categories of consumers.

Through the support provided for the links between research and agricultural practices, the **Operational Groups** will contribute to the promotion of a more effective, economically-viable and low-carbon emissions agricultural and forestry sectors.

The development of new crop processes and techniques, through the support granted under this sub-measure, may lead to maintained biodiversity and to decreased consumption of water, energy, chemical inputs and, implicitly to reduced GHG emissions.

As well, the selling of locally-obtained food products through short supply chains and local markets may generate positive effects onto environment and climate, due to reduced energy consumption and GHG

emissions.

Fruit-growing thematic sub-programme

Support under this measure is granted to facilitate cooperation among actors in the fruit-growing sector, but also among those and other actors contributing to the accomplishment of the objectives and priorities of the Common Agricultural Policy, to help them overcome specific sector problems.

The establishment of Operational Groups, the development of pilot projects, of new products, practices, processes and technologies in the fruit-growing sector can address the structural issues of fruit-growing (small size and fragmentation of holdings, high number of small-sized holdings, etc.), the effects of climate changes, but also the reduced level of adaptation to market requirements, through the implementation of innovative solutions that support specific sector needs (ex.: alleviation of and adaptation to climate changes effects, development of draught-resilient and low water consumption varieties, propagating material adapted to local pedoclimatic conditions etc.)

Also, the use of innovative technologies is reflected in socio-economic and environment effects, such as: production increase; reduction in fuel consumption; improvement of farmers' labour conditions; maintenance of soil structure, preservation and improvement of soil features; significant decrease in the erosion risk; increase of water reserve in soil etc.

Support for the creation of short supply chains is required in terms of opening market opportunities for farmers activating in the fruit-growing sector, through the promotion and sale of products close to their production source, either individually, or jointly.

By cooperation, small producers can identify new marketing methods for a larger volume of their own products and for attracting new categories of consumers.

The support granted under this sub-measure will support the establishment of short supply chains by fostering the cooperation within the fruit-growing sector, but also the cooperation between producers, processors, traders of fruits and fruits products and restaurants, accommodation units, education institutions, public authorities and other consumers.

Contribution to focus areas

16.1a “Support for establishment and operation of operational groups (GO), for the development of pilot projects, of new products, practices, processes and technologies in the fruit-growing sector”

FA 1A

The support granted under this sub-measure will contribute, through the development of pilot projects, products, new practices and technologies, to the promotion of innovation and cooperation in the fruit-growing sector.

FA 1B

The establishment of Operational Groups will facilitate the cooperation among farmers activating in the fruit-growing sector, research institutions, universities, consultants and other relevant actors in the fruit-growing sector, for an increased innovation level in this sector and for research results adapted to the sector

needs.

FA 3A

The development of pilot projects, of products, of new practices and technologies will lead to an increase added value of the fruit-growing sector products and to the strengthening of the roleplayed by farmers within supply chain.

16.4a “Support for horizontal and vertical cooperation among supply chain actors, for the establishment and development of short supply chains and local markets in the fruit-growing sector, and for related promotion activities in a local context”

FA 1A

The support provided for the cooperation among actors in the fruit-growing sector, with the aim to selling products under short supply chains, will foster the use of innovative product selling methods and the attraction of new categories of consumers.

FA 1B

The support granted under this sub-measure will encourage the use of new processes and technologies in the fruit-growing sector, leading to an increased innovation level in the sector.

FA 3A

The cooperation among farmers and other actors with the aim of developing short supply chains and local markets may lead to an increased competitiveness, to products with an increased value added and to a strengthened role of farmers in the supply chain, with positive influence on the overall fruit-tree farm viability.

Contribution to cross-cutting objectives

Innovation

The research and the development-innovation actions in the fruit-growing sector may become an important support pillar for the adaptation of fruit-growing to climate changes, while providing efficient, innovative solutions such as draught-resilient varieties, growing techniques and systems with limited number of interventions on the soil, thus reducing water loss in the soil and soil degradation and leading to the preservation and promotion of the local genetic potential.

Environment and climate

The development of new processes and growing techniques, through the support granted under this sub-measure, can lead to a decreased consumption of water and energy, of chemical inputs, and implicitly to reduced GHG emissions from the fruit-growing sector.

The support granted under this sub-measure for the establishment of short food supply chains represents an innovative method which, due to the local features of short supply chains, reduces energy consumption and implicitly the GHG emissions, with a positive impact onto the environment and the climate.

8.2.13.3. *Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria*

8.2.13.3.1. **16.1 Support for establishment and operation of operational groups (OG), for development of pilot projects, new products**

8.2.13.3.1.1. Sub-measure:

- 16.1 - support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability
- 16.2 - support for pilot projects, and for the development of new products, practices, processes and technologies

8.2.13.3.1.2. Description of the type of operation

The general aim of this sub-measure is to facilitate the cooperation among actors in the agri-food and forestry sectors, but also among those and other actors contributing to the achievement of Common Agricultural Policy objectives and priorities, so as to help them overcome the sector problems.

The specific objective of the sub-measure is to support the establishment and operation of **Operational Groups (OGs)** for the specific purpose of jointly undertaking a **new research-development-innovation project** to address certain specific problems and to capitalize the opportunities that exist in the agri-food and forestry sectors. The projects shall be focused on innovative solutions that shall generate direct benefits for the OG members, consequently for the local economy and/or the social and environment conditions in the rural areas, including through the dissemination of results towards all stakeholders.

This sub-measure is specifically targeted to the provision of support for the implementation of EIP-AGRI, through granting financial support for the establishment and operation of OG and for the direct costs corresponding to the implementation of joint actions involving "pilot projects" or "development of new products, practices, processes and technologies in the agri-food and forestry sectors".

An important feature of this sub-measure is that it provides support for direct costs of pilot/development projects which are not currently supported under other rural development measures within NRDP 2014-2020.

Project calls will focus on specific topics identified in compliance with:

- (a) strategic priorities of NRDP2014-2020, and
- (b) priority relevant research topics identified in the *National Strategy for Research, Development and Innovation (SNCI) for the period 2014-2020*.

Innovation support services will be needed to facilitate animation and OG establishment processes. The National Rural Network (RNDR) will play a key role in promoting awareness on EIP-AGRI and on

opportunities available to OGs.

Innovation support services may be also provided by other private and public entities. The involvement of LAGs will also be fostered in order to disseminate information regarding the opportunities provided by the EIP.

The implementation duration for a pilot / development project is of maximum 3 years.

The beneficiaries of this sub-measure shall disseminate, **no later than six months** from the project completion, full information on the project results, so that those results can be also used by other interested stakeholders. The final payment within the project will be made only after the completion of this activity.

The mandatory dissemination of results obtained by OGs will be carried-out both via the European-level EIP-AGRI network, as well as nationally via the RNDR but also through the public agricultural advisory network.

8.2.13.3.1.3. Type of support

The support will be granted in tranches corresponding to the execution phases identified in the project plan.

8.2.13.3.1.4. Links to other legislation

-

8.2.13.3.1.5. Beneficiaries

The sole beneficiaries of this sub-measure are the **Operational Groups (OGs)**.

- The OG is a partnership
- The OG is made of minimum one partner falling under the categories below and minimum one farmer/producer group/cooperative or one forester/compossessorates/ freeholders' collective (moșneni/răzeși), depending on the project topic:
 - partner with research as its field of activity;
 - partner with agri-food or forestry as its main field of activity.

Support under this sub-measure may also be granted to existing partnerships, provided they comply with the conditions above and they submit exclusively new projects.

The conditions on the beneficiaries' legal organisation form will be detailed in the national framework.

8.2.13.3.1.6. Eligible costs

The eligible expenditures under this sub-measure are limited to:

a) expenditures specifically incurred due to the establishment and operation of the OG which may include, as example, the following types of expenditures:

- elaboration of studies and plans, including the project plan;
- animation activities;
- running expenditures of the OG;

b) direct costs specifically incurred in relation to activities included in the project plan submitted by the OG, including for dissemination of results

All costs are covered by this sub-measure.

If the project plan also includes actions which are eligible under other measures, then the costs are covered by sub-measure 16.1, in compliance with the maximum aid intensity applicable to those measures.

Attention will be paid in respect to the application of State aid rules, according to specific applicable rules, if applicable.

8.2.13.3.1.7. Eligibility conditions

- The applicant shall fall under the category of eligible beneficiaries;
- The applicant shall submit a cooperation agreement referring to a period of operation at least equal to the period for which the support is granted;
- The OG project shall be new and not ongoing or finalised;
- The applicant shall submit the project plan (falling under the scope of EIP-AGRI pursuant to the provisions of Article 55 of Regulation no. 1305/2013) which shall mandatorily comprise:
 - a description of the innovative project to be developed, tested, adapted or implemented;
 - a description of expected results and of the contribution to the EIP objective of increased productivity and sustainable management of resources;
 - a description of the internal procedures to ensure transparency in the decision-making process and to avoid conflict of interests.

The contents of the project plan will be detailed in the national legal framework.

8.2.13.3.1.8. Principles with regards to the setting of selection criteria

The following principles will be considered in the assessment and selection of OG and of the joint projects

submitted by those for funding:

- Principle of the priority sector;
- Principle of compliance with priority themes;
- Principle of quality products, development of high added-value products or technologies;
- Principle of OG composition (partner diversity).
- Principle of association (Operational Groups with composition including producer groups or cooperatives in the agricultural sector, respectively compossessorates, freeholders' collective (obști de moșneni, obști răzesești) in the forestry sector).

The selection principles will be detailed in the subsequent national legislation and will take into account the provisions of art.49 of Regulation (EU) no. 1305/2013 aiming to provide for equal opportunities for applicants, a better use of financial resources and targeting those resources according to rural development priorities of the Union.

8.2.13.3.1.9. (Applicable) amounts and support rates

The maximum quantum of the support is up to **Eur 500,000**.

The establishment and operation costs of the OG shall not exceed 20% of the maximum value of the support granted per submitted project.

8.2.13.3.1.10. Verifiability and controllability of the measures and/or types of operations

8.2.13.3.1.10.1. Risk(s) in the implementation of the measures

Given the innovative nature of this sub-measure and the lack of a culture on cooperation between farmers and other entities, there is a risk that the funding opportunities are not correctly perceived by the potential beneficiaries. This can lead to the submission of projects failing to correctly approach the key-elements of the sub-measure (objectives, expenditures and types of eligible projects etc.) or to the failure to contract the entire allocated budget, due to the low interest at the level of beneficiaries.

Another risk is due to possible difficulties both in the initial assessment of project plans and in the progress achieved in their actual implementation.

8.2.13.3.1.10.2. Mitigating actions

Implementation of a comprehensive information campaign for beneficiaries, whereby they will receive information and advice on the correct implementation of projects and on the compliance with the legislation in force for the period 2014-2020.

Strengthening the administrative capacity of the implementing authorities to enable the initial assessment of project plans and their correct implementation.

8.2.13.3.1.10.3. Overall assessment of the measure

Given that this sub-measure was not implemented during 2007-2013, its overall assessment in terms of lessons learnt during 2007-2013 is impossible.

8.2.13.3.1.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.13.3.1.12. Information specific to the operation

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

Pilot project means the implementation of new products, practices and technologies in the agri-food and forestry sectors, on a small scale, to allow for the assessment of the impact, benefits and weaknesses before the large-scale implementation.

8.2.13.3.2. 16.1a Support for establishment and operation of operational groups (OG), for development of pilot projects, products and processes

8.2.13.3.2.1. Sub-measure:

- 16.1 - support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability
- 16.2 - support for pilot projects, and for the development of new products, practices, processes and technologies

8.2.13.3.2.2. Description of the type of operation

The support is granted to facilitate the cooperation among actors in the fruit-growing sector, but also among those and other actors contributing to the achievement of Common Agricultural Policy objectives and priorities, so as to help them overcome the sector problems.

The specific objective of the sub-measure is to support the establishment and operation of **Operational Groups (OGs)** for the specific purpose of strengthening the links between the fruit-growing sector and the research-innovation sector. For this purpose, the OG members will jointly undertake a **new research-development-innovation project** to address certain problems that the farmers in the sector are facing or to capitalize the opportunities that exist in the fruit-growing sector.

This sub-measure is specifically targeted to the provision of support for the implementation of EIP-AGRI, through granting financial support for the establishment and operation of OG and for the direct costs corresponding to the implementation of joint actions involving "pilot projects" (Art.35(2)(a)) or "development of new products, practices, processes and technologies in the fruit-growing sector" (Art 35 (2)(b)).

The development of new practices and technologies in the fruit-growing sector is mainly addressed to the adaptation of existing technologies to the specific needs of farmers in the areas/fields where those are not currently used.

An important feature of this sub-measure is that it provides support for direct costs of pilot/development projects which are not currently supported under other rural development measures within NRDP 2014-2020.

The implementation duration for a pilot / development project is of maximum 3 years.

The dissemination of results obtained by the OG is mandatory for all projects, regardless of their results, and will be carried-out both via the European-level EIP-AGRI network as well as nationally via the RNDR and the public agricultural advisory network. The beneficiaries of this sub-measure shall disseminate, **no later than six months** from the project completion, full information on the project results, so that those results can be also used by other interested stakeholders. The final payment within the project will be made only after the completion of this activity.

8.2.13.3.2.3. Type of support

The support will be granted in tranches corresponding to the execution phases identified in the project plan.

8.2.13.3.2.4. Links to other legislation

-

8.2.13.3.2.5. Beneficiaries

The sole beneficiaries of this sub-measure are:

- Operational Groups (OGs).

- The OG is a partnership;
- The OG is made of minimum one partner falling under the categories below and minimum one farmer/producer group/cooperative in the fruit-growing sector:
 - partner with research as its field of activity (for example: fruit production/processing/wrapping), according to the project topic;
 - Partner with processing/marketing of fruit originating from the fruit-growing sector or production of wrappings and other products intended for the sector as its main field of activity, according to the project topic.

Support under this sub-measure may also be granted to existing partnerships, provided they comply with the conditions above and they submit exclusively new projects.

The conditions on the beneficiaries' legal organisation form will be detailed in the national framework.

8.2.13.3.2.6. Eligible costs

The eligible expenditures under this sub-measure are limited to:

a) expenditures specifically incurred due to the establishment and operation of the OG which may include, as example, the following types of expenditures:

- elaboration of studies and plans, including the project plan;
- animation activities;
- running expenditures of the OG;

b) direct costs specifically incurred in relation to activities included in the project plan submitted by the OG, including for dissemination of results.

The direct costs are mainly related to investment costs but are not limited thereto.

All costs are covered by this sub-measure.

If the project plan also includes actions which are eligible under other measures, then the costs are covered by sub-measure 16.1, in compliance with the maximum aid intensity applicable to those measures.

Attention will be paid in respect to the application of State aid rules, according to specific applicable rules, if applicable.

8.2.13.3.2.7. Eligibility conditions

Eligibility conditions:

- The applicant shall fall under the category of eligible beneficiaries;
- The applicant shall submit a cooperation agreement referring to a period of operation at least equal to the period for which the support is granted;
- The OG project shall be new and not ongoing or finalised.
- The applicant shall submit the project plan (falling under the scope of EIP-AGRI pursuant to the provisions of Article 55 of Regulation no. 1305/2013) which shall mandatorily comprise:
 - a description of the innovative project to be developed, tested, adapted or implemented;
 - a description of expected results and of the contribution to the EIP objective of increased productivity and sustainable management of resources;
 - a description of the internal procedures to ensure transparency in the decision-making process and to avoid conflict of interests.

The contents of the project plan will be detailed in the national legal framework.

8.2.13.3.2.8. Principles with regards to the setting of selection criteria

The following principles will be considered in the assessment and selection of OG and of the joint projects submitted by those for funding:

- Principle of composition (diversity of partners);
- Principle of quality products (organic products, quality schemes);
- Principle of association (Operational Groups including fruit-growing producer groups or cooperatives in their composition).

The selection principles will be detailed in the subsequent national legislation and will take into account the provisions of art.49 of Regulation (EU) no. 1305/2013 aiming to provide for equal opportunities for applicants, a better use of financial resources and targeting those resources according to rural development

priorities of the Union.

8.2.13.3.2.9. (Applicable) amounts and support rates

The maximum quantum of the support is up to **Eur 500,000**.

The establishment and operation costs of the OG shall not exceed 20% of the maximum value of the support granted per submitted project.

8.2.13.3.2.10. Verifiability and controllability of the measures and/or types of operations

8.2.13.3.2.10.1. Risk(s) in the implementation of the measures

Given the innovative nature of this sub-measure and the lack of a culture on cooperation between farmers and other entities, there is a risk that the funding opportunities are not correctly perceived by the potential beneficiaries. This can lead to the submission of projects failing to correctly approach the key-elements of the sub-measure (objectives, expenditures and types of eligible projects etc.) or to the failure to contract the entire allocated budget, due to the low interest at the level of beneficiaries.

Another risk is due to possible difficulties both in the initial assessment of project plans and in the progress achieved in their actual implementation.

8.2.13.3.2.10.2. Mitigating actions

Implementation of a comprehensive information campaign for beneficiaries, whereby they will receive information and advice on the correct implementation of projects and on the compliance with the legislation in force for the period 2014-2020.

Strengthening the administrative capacity of the implementing authorities to enable the initial assessment of project plans and their correct implementation.

8.2.13.3.2.10.3. Overall assessment of the measure

Given that this sub-measure was not implemented during 2007-2013, its overall assessment in terms of lessons learnt during 2007-2013 is impossible.

8.2.13.3.2.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.13.3.2.12. Information specific to the operation

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

Definition of the pilot project

Pilot project means the implementation of new products, practices and technologies in the fruit-growing sector, on a small scale, to allow for the assessment of the impact, benefits and weaknesses before the large-scale implementation.

8.2.13.3.3. 16.4 Support for horizontal and vertical cooperation among actors in the supply chain

8.2.13.3.3.1. Sub-measure:

- 16.4 - support for horizontal and vertical co-operation among supply chain actors for the establishment and development of short supply chains and local markets, and for promotion activities in a local context relating to the development of short supply chains and local markets

8.2.13.3.3.2. Description of the type of operation

The objective of this sub-measure is to promote the cooperation between the local actors for the purpose of marketing agri-food products through short-supply chains. The sub-measure does not involve only the cooperation between farmers, processors, retail food traders, restaurants, hotels and other accommodation forms in the rural area, but also the establishment of partnerships with non-governmental organizations and public authorities.

- the support is granted for tangible and/or intangible investments to promote joint projects involving at least two entities co-operating for: establishment /development of a (food products) short supply chain/local market, and/or
- promotion activities related to the establishment/development of a short (food) supply chain (or chains) and of the local market served by these chain/these chains;

8.2.13.3.3.3. Type of support

The support will be granted in maximum two tranches, as follows:

- 70% of the maximum quantum of the support upon the reception of the financing decision;
- 30% of the maximum quantum of the support upon the submission of the final payment application.

8.2.13.3.3.4. Links to other legislation

-

8.2.13.3.3.5. Beneficiaries

The support will be granted for:

- Partnerships set-up of minimum one partner falling under the categories above and minimum one farmer or a producer group/cooperative activating in the agricultural sector.
- Microenterprises and small enterprises;

- Non-governmental organizations;
- Local councils.
- School, sanitary, leisure and public alimentation units.

8.2.13.3.3.6. Eligible costs

Eligible expenditures will be covered pursuant to Art. 35 (5) and may include:

- Studies/plans;
- Animation activities;
- Running costs of the co-operation;
- Direct costs of specific projects correlated to project plan;
- Promotion costs

The support will be granted for the activities foreseen to fulfil the objectives within the project plan.

8.2.13.3.3.7. Eligibility conditions

- The applicant shall fall under the category of eligible beneficiaries;
- The applicant shall submit a cooperation agreement that refers to an operation period at least equal with the period for which the financing is granted;
- The applicant shall submit a study/plan, including technical/economic feasibility studies on the short supply chain project concept;
- The applicant shall present a marketing concept adapted to the local market and a plan on proposed promotion activities.

8.2.13.3.3.8. Principles with regards to the setting of selection criteria

Joint projects proposed under this sub-measure will be selected based on project calls. The project selection criteria will be based on the following principles:

- Principle of cooperation representativeness, namely the number of involved partners;
- Principle of partnership structure (partnerships composed of both private and public entities);
- Principle of added value (partnerships producing and marketing high added value products - organic, participating in quality schemes etc.);

The selection principles will be detailed in the subsequent national legislation and shall take into account the provisions of the art.49 of the Regulation (EU) no 1305/2013 aiming to provide for equal opportunities of the applicants, a better use of financial resources and directing them according to EU rural development

priorities.

8.2.13.3.3.9. (Applicable) amounts and support rates

The share of the non-refundable support will be of **100% of the total eligible expenditures.**

The maximum quantum of the support is up to **Eur 100,000.**

The operation costs of the cooperation shall not exceed 20% of the maximum value of the support granted per submitted project.

8.2.13.3.3.10. Verifiability and controllability of the measures and/or types of operations

8.2.13.3.3.10.1. Risk(s) in the implementation of the measures

Given the innovative nature of this sub-measure and the lack of a culture on cooperation between farmers and other entities, there is a risk that the funding opportunities are not correctly perceived by the potential beneficiaries. This can lead to the submission of projects failing to correctly approach the key-elements of the sub-measure (objectives, expenditures and types of eligible projects etc.) or to the failure to contract the entire allocated budget, due to the low interest at the level of beneficiaries.

Another risk is due to possible difficulties both in the initial assessment of project plans and in the progress achieved in their actual implementation.

8.2.13.3.3.10.2. Mitigating actions

Implementation of a comprehensive information campaign for beneficiaries, whereby they will receive information and advice on the correct implementation of projects and on the compliance with the legislation in force for the period 2014-2020.

Strengthening the administrative capacity of the implementing authorities to enable the initial assessment of project plans and their correct implementation.

8.2.13.3.3.10.3. Overall assessment of the measure

Given that this sub-measure was not implemented during 2007-2013, its overall assessment in terms of lessons learnt during 2007-2013 is impossible.

8.2.13.3.3.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.13.3.12. Information specific to the operation

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

Short supply chain means a food supply chain involving no more than one intermediary between the producer and consumer, while the products marketing radius does not exceed 85 km from the product-origin holding.

Local market means the marketing infrastructure exclusively serving the products marketed under a short supply chain.

Intermediary means an entity purchasing the product from the farmer for the purpose of selling it. The processor is not considered as an intermediary unless it processes its own raw material or the processing is a service rendered to the farmer, the latter holding the control over the product and over its marketing conditions (for example: price setting).

The short-supply chains/local market promotion actions are only eligible if they refer to products marketed under the short-supply chain/local market.

8.2.13.3.4. 16.4a Support for horizontal and vertical cooperation among actors in the supply chain

8.2.13.3.4.1. Sub-measure:

- 16.4 - support for horizontal and vertical co-operation among supply chain actors for the establishment and development of short supply chains and local markets, and for promotion activities in a local context relating to the development of short supply chains and local markets

8.2.13.3.4.2. Description of the type of operation

The objective of this sub-measure is to promote the cooperation between the local actors for the purpose of marketing fruit and fruit products through a short supply chain.

The sub-measure will support the establishment of short supply chains by fostering the cooperation within the fruit-growing sector, including by developing local markets for the marketing of products through the short supply chain.

The support is granted for tangible and/or intangible investments to promote joint projects involving at least two entities co-operating for:

- establishment /development of a short supply chain/local market (with products resulted from the fruit-growing sector);
- promotion activities related to the establishment/development of a short supply chain (or chains) (for products resulted from the fruit-growing sector) and of the local market served by these chain/these chains;

8.2.13.3.4.3. Type of support

The non-refundable support will granted in maximum two tranches, as follows:

- 70% of the maximum quantum of the support upon the reception of the financing decision;
- 30% of the maximum quantum of the support upon the submission of the final payment application.

8.2.13.3.4.4. Links to other legislation

-

8.2.13.3.4.5. Beneficiaries

- The support will be granted to partnerships set-up of minimum one partner falling under the categories above and minimum one farmer or a producer group/cooperative activating in the fruit-

growing sector:

- Microenterprises and small enterprises;
- Non-governmental organizations incorporated in accordance with the national legislation;
- Local councils;
- School, sanitary, leisure and public alimentation units.

8.2.13.3.4.6. Eligible costs

Eligible expenditures will be covered pursuant to Art. 35 (5) and may include:

- Studies/plans;
- Animation activities;
- Running costs of the co-operation;
- Direct costs of specific projects correlated to project plan;
- Promotion costs

The support will be granted for the activities foreseen to fulfil the objectives within the project plan.

8.2.13.3.4.7. Eligibility conditions

- The applicant shall fall under the category of eligible beneficiaries;
- The applicant shall submit a cooperation agreement that refers to an operation period at least equal with the period for which the financing is granted;
- The applicant shall submit a study/plan, including technical/economic feasibility studies on the short supply chain project concept;
- The applicant shall present a marketing concept adapted to the local market and a plan on proposed promotion activities;
- The farmers shall have their place of domicile in one of the administrative-territorial units in Annex II and shall operate in the fruit-growing sector;
- The members of the producer groups/cooperatives shall have their place of domicile/social headquarters in the administrative-territorial units in Annex II and shall operate in the fruit-growing sector;

8.2.13.3.4.8. Principles with regards to the setting of selection criteria

The project selection criteria will mainly envisage the following principles:

- Principle of cooperation representativeness, namely the number of involved partners;
- Principle of partnership structure (partnerships composed of both private and public entities);
- Principle of added value (partnerships producing and marketing high added value products - organic, participating in quality schemes etc.)

The selection principles will be detailed in the subsequent national legislation and shall take into account the provisions of the art.49 of the Regulation (EU) no 1305/2013 aiming to provide for equal opportunities of the applicants, a better use of financial resources and directing them according to EU rural development priorities.

8.2.13.3.4.9. (Applicable) amounts and support rates

The share of the non-refundable support will be of **100% of the total eligible expenditures.**

The maximum quantum of the support is up to **Eur 100,000.**

The operation costs of the cooperation shall not exceed 20% of the maximum value of the support granted per submitted project.

8.2.13.3.4.10. Verifiability and controllability of the measures and/or types of operations

8.2.13.3.4.10.1. Risk(s) in the implementation of the measures

Given the innovative nature of this sub-measure and the lack of a culture on cooperation between farmers and other entities, there is a risk that the funding opportunities are not correctly perceived by the potential beneficiaries. This can lead to the submission of projects failing to correctly approach the key-elements of the sub-measure (objectives, expenditures and types of eligible projects etc.) or to the failure to contract the entire allocated budget, due to the low interest at the level of beneficiaries.

Another risk is due to possible difficulties both in the initial assessment of project plans and in the progress achieved in their actual implementation.

8.2.13.3.4.10.2. Mitigating actions

Implementation of a comprehensive information campaign for beneficiaries, whereby they will receive information and advice on the correct implementation of projects and on the compliance with the legislation in force for the period 2014-2020.

Strengthening the administrative capacity of the implementing authorities to enable the initial assessment of project plans and their correct implementation.

8.2.13.3.4.10.3. Overall assessment of the measure

Given that this sub-measure was not implemented during 2007-2013, its overall assessment in terms of

lessons learnt during 2007-2013 is impossible.

8.2.13.3.4.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.13.3.4.12. Information specific to the operation

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

Definition of short supply chain

Short supply chain means a food supply chain involving no more than one intermediary between the producer and consumer, while the products marketing radius does not exceed 85 km from the product-origin holding.

Definition of local market

Local market means the marketing infrastructure exclusively serving the products marketed under a short supply chain.

Definition of intermediary

Intermediary means an entity purchasing the product from the farmer for the purpose of selling it. The processor is not considered as an intermediary unless it processes its own raw material or the processing is a service rendered to the farmer, the latter holding the control over the product and over its marketing conditions (for example: price setting).

The short-supply chains/local market promotion actions are only eligible if they refer to products marketed under the short-supply chain/local market.

8.2.13.4. Verifiability and controllability of the measures and/or types of operations

8.2.13.4.1. Risk(s) in the implementation of the measures

-

8.2.13.4.2. Mitigating actions

-

8.2.13.4.3. Overall assessment of the measure

-

8.2.13.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.13.6. Information specific to the measure

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

-

8.2.13.7. Other important remarks relevant to understand and implement the measure

It is possible that the beneficiary, during the implementation of the project, realizes that the idea being tested/developed does not generate the expected results and that the project shall be stopped or adjusted.

- In case the intermediary results indicate that the initial plan of the project can be adjusted according to project objectives, then it can be agreed that the project plan be adjusted and the financing be continued, within the limits of the initial budget of the project.
- In case the project must be stopped, because of the non-observance of the project plan, then all the costs incurred up to that moment shall be reimbursed. In case the OG complied with the project plan as established, then there shall be no financial consequences for the beneficiary – except for investments in infrastructure/ production and processing capacities, which shall be subject to reimbursement.

8.2.14. M17 - Risk management (art 36-39)

8.2.14.1. Legal basis

Art.36, par. 1, lett. b) and art. 38 of the Regulation (EU) No. 1305/2013 of the European Parliament and of the Council of December 17, 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation No. 1698/2005/EC

REGULATION (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund

Implementing Act(EU) No 215/2014 of the Comission laying down rules for implementing Regulation (EU) No 1303/2013

Delegated Act (EU) No 480/2014 of the Comission supplementing Regulation (EU) No 1303/2013

8.2.14.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The agricultural production is highly dependent on climate change, a situation that requires facilitating the access of farmers to mutual funds that partially compensate the losses caused by natural disasters and other adverse events, allowing restoration of damaged physical assets and guarantee income security. Such risk management schemes must cover beside the losses caused by the adverse climatic events (floods, droughts, soil erosions, etc.), also the ones caused by animal and plant diseases, pest infestations and environmental incidents (spills of toxic waste, etc.), offering a full scale protection to the farmers facing activity disruption and/or production loss because of such events.

The intervention of the measure and subsequent chosen sub-measure is towards initiating the involvement of the farmers in risk prevention and management schemes through mutual funds for agriculture.

Definitions

Mutual fund – scheme accredited by the competent authority in accordance with the national law, for affiliated farmers to adhere and insure themselves, whereby compensation payments are made by this scheme for affiliated farmers for economic losses caused by outbreak of adverse climatic events or an animal or plant disease or pest infestations or an environmental incident;

Economic losses – any additional cost incurred by a farmer as a result of exceptional measures taken by the farmer with the objective of reducing supply on the market concerned or any substantial loss of production;

Adverse climatic event – weather conditions, such as winter frost, floods or severe drought, which can be assimilated to natural disasters;

Animal diseases – diseases mentioned in the list of animal diseases established by the World Organisation for Animal Health or in the Annex to Council Decision (EC) 470/2009, excepting those subject to

compensation by Government Decision no. 1214/2009;

Pest infestations - The occurrence of one or more pest species in an area or location where their numbers and impact are currently or potentially at intolerable levels;

Environmental incident – specific occurrence of pollution, contamination or degradation in the quality of the environment related to a specific event and of limited geographical scope. It does not cover general environmental risks not connected with a specific event, such as climate change or atmospheric pollution;

Natural disaster – naturally occurring event of biotic or abiotic nature that leads to important disturbance of agricultural production systems and/or forest structures, eventually causing important economic damage to the farming or forestry sectors;

Current situation

Risks. As currently farmers being exposed to increasing economic and environmental risks as a consequence of climate change, the implementation of an effective risk management practice and subsequent supporting measures is a necessity.

The agricultural sector is generally exposed to the following large categories of risks:

1. adverse climatic events such as hails, storms, strong winds, excessive rain or drought, exposure to excessive heat or cold and excessive peaks of high and low temperature - [**climate risk**];
2. diseases and sanitary issues that affect plants and livestock - [**sanitary risk**];
3. environmental / pollution incidents that can affect both the plants and livestock - [**environmental incidents risk**].

In Romania, the **climate risk** has one of the highest levels among EU states, exposing the farmers to an increased frequency of climate shocks with 30% of yield loss affecting almost all the country's regions. If an yearly average of climate shocks for one to three crops affected all regions for the period of 1990-2012, the highest number of events was recorded in particular South-East, South Muntenia, Bucharest-Ilfov and South-West Oltenia regions (for example an average of 8 events affecting the corn yield in some parts of the South Muntenia region).[1]

Outbreaks of epidemic diseases among crops and animals have occurred during the past years in Romania, inducing farm loss. Even if the **sanitary risk** still might pose a threat to the farmers' incomes given the still existing endemic diseases, its generic level has been considerably reduced in the last years both by implementing sustained sanitary and phyto-sanitary (SPS) regulations, together with educating the farmers in adopting prevention actions.

The environmental (pollution) incidents, have rare occurrence and limited area of impact of such events, therefore the **environmental incidents risk** has a generically reduced level at country level. Nevertheless, for specific regions or areas a higher risk might be assessed due to proximity to industrial exploitations.

Impacted areas. The Romanian farms cover in total 13,3 million hectares (ha)[2], divided in:

- 8,3 million ha of arable land;
- 4,5 million ha of pastures and meadows;

- 0.3 million ha of vineyards and related nurseries, and
- 0.2 million ha of orchards and related nurseries.

As exploitations of this surfaces by size, the Romanian farms are divided in two large categories:

- a limited number of medium to large farms (between 5-100 ha and more than 100 ha) representing more than 70% of the total agricultural surface;
- a very large number of very small farms (less than 5 ha) covering the rest of the agricultural surface.

Current risks mitigation options. In the above mentioned context, the total privately insured surface (2011-2012 figures – 2.8 million ha) represented 34% of the total arable land in the country, adding up a total gross written premium of approximately 19 million EUR. Additionally, more than 80% of the agricultural insurance instruments, in terms of surface insured, were issued to large farms and agricultural associations, with the remaining 20% being held by the “small” farmer (exploitations under 10 ha) [3].

On the other hand, the insurance portfolio of the local private insurers do not cover all risks, especially the **catastrophic climate risks** as drought, floods from overflow of rivers or other watercourses, persistent and excessive rain, excessively low temperatures below the limit of biological plant resistance and similar systemic risks.

Needs. A high impact of climate changes is expected to affect Romanian agriculture on medium and long-term. Facilitating the access of farmers to funds compensating losses incurred as a result of natural disasters or other adverse phenomena, allowing for the recovery of productive assets, is a need from the perspective of ensuring the efficiency of the risk management measures.

As the private insurance industry currently does not cover sufficiently (or at all) the potential risks affecting the production and agricultural activity of the farmers, the agricultural risk management policy needs **to create and define the regulatory framework, proper risk prevention and management schemes and related institutional arrangements in order to mitigate and offer cover for adverse climate risks** (i.e. drought, flood, persistent precipitations, winter frost etc.), **sanitary risks and environmental incidents risk**, risks of events causing significant damage to the farmers.

The national regulations on accreditation and operation of mutual funds will require a specific minimum percentage of the total agricultural area of Romania (including LSU equivalent) for the total area held by the members of a mutual fund. The minimum required coverage percentage should consider a dispersion of risk among farmers from regions that statistically have a high probability of being affected by an adverse event, all at the same time.

Expected results

The results of the current measure are oriented towards stimulating the farmers to adhere to mutual funds that cover the climate, sanitary and environmental risks, together with orienting them to implement risk prevention measures by adapting their production and workflows in order to prevent as much possible losses caused by adverse natural events or environmental incidents.

The measure implementation results shall be assessed by the **number of farmers participating in mutual funds**.

Contribution to focus areas

FA 3B– *Supporting farm risk management and risk prevention*

The agricultural production is highly dependent on climate change, a situation that requires facilitating the access of farmers to mutual funds that partially offset the losses caused by natural disasters and other adverse events, allowing restoration of damaged physical assets and guarantee income security. Such risk management schemes must cover beside the losses caused by the adverse climatic events, also the ones caused by animal and plant diseases, pest infestations and environmental incidents, offering a full scale protection to the farmers facing activity disruption and/or production loss because of such events.

The 17.2 sub-measure have the role to support the farmers in stabilising their activity and production by receiving financial compensation for economic losses caused by all above mentioned events. The framework that will allow the compensation of the farmers is based on the establishment of specialised mutual funds for agriculture to which the farmers will adhere, funds that will compensate them for their losses caused by the mentioned adverse events.

Contribution to cross-cutting objectives

The current measure contributes to the **climate change** and **environment** cross-cutting objectives by:

- facilitation of the development of risk analysis models and related procedures for climate changes risk assessment and management;
- establishment or modification of the current insurance and risk compensation schemes;
- implementation of compensation schemes according to the risks of specific regions of the country;
- implementation of climate change resistant cultures together with appropriate farming practices as prerequisites for being compensated through risk insurance schemes

The risk management and prevention policy will be also supported by vocational training and skills acquisition actions and information actions, all wrapped up as knowledge transfer and information actions (Measure 1 – Art. 14)

[1] Assessment of the current agricultural risk management policy in Romania, World Bank's Report – November 27, 2013

[2] National Institute of Statistics for the year 2010 RGA

[3] Assessment of the current agricultural risk management policy in Romania, World Bank's Report – November 27, 2013

8.2.14.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.14.3.1. 17.2 Mutual Funds

8.2.14.3.1.1. Sub-measure:

- 17.2 - Mutual funds for adverse climatic events, animal and plant diseases, pest infestations and environmental incidents

8.2.14.3.1.2. Description of the type of operation

The current **Measure** has the role to support the farmers in stabilising their activity and production by receiving financial compensation for economic losses caused by adverse climatic events, animal and plant diseases, pest infestations and environmental incidents. The framework that will allow the compensation of the farmers is based on the establishment of specialised mutual funds for agriculture to which the farmers will adhere, funds that will compensate them for their losses caused by the mentioned adverse events.

Under the current measure the following actions will be supported:

- compensations to farmers through the mutual funds for agriculture, for the economic losses recorded by them as a result of adverse events;
- financial support for the establishment and operation of the mutual funds for agriculture

8.2.14.3.1.3. Type of support

- a. Financial contributions granted to the mutual funds for the financial compensations paid to farmers for economic losses caused by adverse climatic events or by the outbreak of an animal or plant disease or pest infestation or an environmental incident;
- b. Financial contributions for the administrative costs of setting up the mutual funds spread over a maximum of three years in a digressive manner;
- c. Financial contributions for the interest on commercial loans taken out by the mutual fund for the purpose of paying the financial compensation to farmers in case of crisis.

8.2.14.3.1.4. Links to other legislation

Regulation No. 73/2009/EU of the European Council of 19 January 2013

Regulation No. 1306/2013/EU of the European Parliament and of the Council of 17 December 2013

Regulation No. 1307/2013/EU of the European Parliament and of the Council of 17 December 2013

Regulation No. 1310/2013/EU of the European Parliament and of the Council of 17 December 2013

Regulation No. 1308/2013/EU of the European Parliament and of the Council of 17 December 2013

Government Decision no. 1214/2009

Government Decision no. 563/2007

8.2.14.3.1.5. Beneficiaries

Direct beneficiaries:

- **Mutual funds** for agriculture constituted and accredited by the competent authority in accordance with the national law.

Indirect beneficiaries:

- **Active farmers** under the definition of art. 9 of Regulation No 1307/2013/EU, subscribing to mutual funds for agriculture, as defined in this measure and in accordance with national legislation.

8.2.14.3.1.6. Eligible costs

The eligible costs of the mutual funds envisaged for public financing under the regulations of the current measure are grouped in three categories:

- i. Financial compensations to farmers for economic losses caused by adverse climatic events or by the outbreak of an animal or plant disease or pest infestation or an environmental incident
- ii. Administrative costs of setting up the mutual funds spread over a maximum of three years in a digressive manner
- iii. Interests on commercial loans taken out by the mutual funds for paying financial compensations to farmers in case of crisis

The expenses related to the reinsurance of the mutual funds, as well as any capital contributions to the funds are not eligible for compensation.

8.2.14.3.1.7. Eligibility conditions

Eligibility conditions for the Mutual Funds

- The mutual funds have to be accredited in accordance with the national legislation specifications. In this respect, MARD and other concerned regulatory authorities will assure that the national

legislative framework for agricultural mutual funds is compliant with the EC regulations on this matter;

- The mutual funds shall have a transparent policy towards all payments into and withdrawals of the fund;
- The mutual funds shall have clear rules attributing responsibilities for any debts incurred;
- The mutual funds shall have the initial capital stock formed exclusively by subscribing farmers' contributions only; no contributions by public funds shall be made to initial capital stock.

Eligibility conditions for the compensation granted to farmers by the mutual funds:

- The occurrence of the phenomenon that gives rise to the right for payment of compensation must be officially recognized by the competent authority in accordance with applicable national law;
- The beneficiary of the compensation must be a member of the mutual fund;
- The compensation beneficiary must be active farmer under the specifications of the Regulation 1307/2013;
- The production loss for which the compensation is granted, shall be caused by one of the events referred by the current measure;
- The production loss for which compensation may be granted more shall be more than 30% of the average annual production of the farmer over the period of the immediately preceding three years or as an average of three years based on the immediately preceding five-year period, excluding the highest and lowest annual values;
- In case of compensations granted for animal and plant diseases and pest infestation, the farmer should have adopted the preventive and/or mitigation measures in respect of reducing the effects of the event, as specified by applicable law.

The compensation system established by the mutual funds' procedures shall provide penalties in case of negligence on the part of farmers.

8.2.14.3.1.8. Principles with regards to the setting of selection criteria

Even if the general rule is that selection criteria for the selection of projects should be established, risk management related measures are exempted from this requirement, in order to foster the widest possible participation of farmers into risk management schemes and create a sufficient critical mass for the instruments to operate efficiently.

8.2.14.3.1.9. (Applicable) amounts and support rates

The support under this measure shall go up to **65% of the eligible costs**.

8.2.14.3.1.10. Verifiability and controllability of the measures and/or types of operations

8.2.14.3.1.10.1. Risk(s) in the implementation of the measures

The main risks in the implementation of the current measure are related to the following topics:

a. Incorrect payment claims

Incorrect payment claims by beneficiaries (mutual funds) may affect considerably the results achieved by the implementation of this measure

b. Lack of detailed available statistic information at farm level

Lack of detailed statistical information regarding the historical production values may lead to difficulties in verifying the condition of minimum 30% loss of production in order to provide compensation and thus may limit the access of the mutual fund to contributions from public funds. The mutual fund may have difficulty justifying in front of the Payment Agency that the losses suffered by farmers exceed 30% of their individual annual average production, calculated as annual average over a period of the immediately preceding three years or as an average of three years based on the immediately preceding five-year period, excluding the highest and lowest annual values.

8.2.14.3.1.10.2. Mitigating actions

a. Payment claims handling

Detailed procedure for handling payment claims from mutual funds shall be set up by Payment Agency in order to allow the prevention and detection of possible irregularities, mistakes or fraud attempts.

Moreover, the Payment Agency shall in particular verify:

- (a1) that farmers were effectively eligible for the support in accordance with Art. 36(2) of Regulation (EU) No 1305/2013 [1];
- (a2) by controlling applications for payments by mutual funds as provided for in Art. 36(1)(b) of Regulation (EU) No 1305/2013, in respect that the compensation was effectively paid in full to affiliated farmers in accordance with Art. 36(3) of the mentioned Regulation.

This verifications shall be carried out by administrative checks and/or by on-the-spot checks.

b. Collection of statistic information at farm level and alternative sources

Lack of statistical reliable data may be mitigated by using the official statistical data on average production (published by the National Institute of Statistics) for each specific agricultural sector and region, for the purposes of the rural development provisions on mutual funds.

Moreover, the Payment Agency shall define regular reporting requirements for the mutual funds, in respect to the data regarding the activity of their members (e.g. specific agricultural sector and region, type of production, volumes, size on adverse events impact, amount of losses, amount of compensations to farmers etc). Thus, prior to requesting support, mutual funds will present their procedures for collecting data on annual production values of farmers. Subsequently, the mutual funds will also present the methods and procedures for the assessment of the losses suffered by farmers. In this respect, the mutual funds will

assume responsibility regarding the compliance and accuracy of all information provided to MARD or, where applicable, the paying agency (including the consideration of avoiding over-compensation of the farmers for the same adverse event).

This data combined with official climate statistical data specific to each agricultural sector and region will allow the creation of regional/sectorial risk profiles and index-based systems in the calculation of production losses.

[1] Art. 36(2) “For the purpose of this article, “farmer” means active farmer within the meaning of Article 9 of Regulation (EU) No. 1307/2013.

8.2.14.3.1.10.3. Overall assessment of the measure

As a result of the analysis carried out by the Managing Authority and the Payment Agency, it may be concluded that the verifiability and controllability of the measure are ensured, so as not to prejudice the financial interests of the European Union.

8.2.14.3.1.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.14.3.1.12. Information specific to the operation

Description of mechanisms to ensure that no overcompensation takes place

The measure facilitates the contribution to the compensations payment for risks not covered by insurance companies. However, to ensure complementarity with the programs for compensations granted from national and European funds for animal diseases, under this measure, only the animal diseases other than those subject to compensation from other national or European funds are eligible for payment of compensation.

Within the verification process for accreditation, MARD will verify the existence at the level of the mutual funds of the procedures for avoiding over-compensation of farmers receiving reparation from other sources too (e.g. private insurance).

[Crop, animal, and plant insurance] Description of conditions for insurance contracts to be eligible for support

-

[Crop, animal, and plant insurance] Rules to be used for establishing the calculation of the proportion of the average annual production of a farmer which has been destroyed

-

[Mutual funds for adverse climatic events, animal and plant diseases, pest infestations and environmental incidents] Principles for funding arrangements, constitution and management of the mutual funds

a) **List of adverse events entitling the compensations payment.** The mutual funds' eligible costs are exclusively related to compensation of farmers under art. 38 (3) par. 2 and 38 (4) to cover losses generated by:

- outbreaks of adverse climatic events, as drought, winter frost and floods;
- animal diseases specified by the World Organisation for Animal Health or within the Annex to the Council Decision (EC) 470/2009, excepting those covered by compensations from other national or European funds;
- organisms harmful to plants;
- measures adopted under the phytosanitary law in force in order to eradicate and prevent the spread of organisms harmful to plants;
- environmental incidents.

The list and detailed definitions of each such an event and related acknowledgement and notification procedures shall be defined according to the EC regulations and national law by the MARD.

b) **Evaluation criteria of the events that can generate compensation payments:**

- Payment of compensations shall be granted only for events covered by the measure fiche. In this respect, the occurrence of the above mentioned incidents shall be formally recognised by the competent authority in accordance with the national law.
- According to the national legislation, specialized committees will be established at the county level in order to assess the losses.

c) **The methods for determining the supplementary costs** which represent economic losses will be established by national law and will be subject to agreements with the supported mutual funds.

d) **Administrative set-up costs calculation.** The administrative set-up costs of the mutual fund are defined as all expenses incurred in order to allow the mutual fund to be operational and to perform according to its statutory documents. The administrative set-up costs eligible for compensations are all expenses made by the mutual fund for its establishment and activity set-up, excepting:

- purchase of real estate properties and related depreciation expenses;
- taxes to local and state budget (other than the ones related to personnel expenses and to set-up expenses);
- provisions;

- exceptional expenses;
- financial fines and penalties;
- contentious legal actions expenses;
- value added tax, excepting the non-deductible one.

In order to be eligible for public funds contributions, each mutual fund shall provide **independently audited annually financial statements**, which shall detail separately the administrative set-up costs.

These costs may be spread in a digressive manner over a period of maximum three years.

e) Methods for determining the proportion of affected production output in relation to the average annual production:

The provisions of the current measure (in correlation with the WTO provisions) establish the minimum loss threshold to receive public funds subsidised compensation to **30%** of the average annual production of the farmer, calculated over a period of the immediately preceding three years or as an average of three years based on the immediately preceding five-year period, excluding the highest and lowest annual values

While the actual threshold value of 30% shall not be lowered, the calculation of loss can be carried out on a per-type of production (crop/species). This will also depend on the terms of the rules of the mutual funds to which the farmer acceded (in terms of the specific risks associated with different types of productions, crops or plots or other specific arrangements).

When a farmer has not grown / raised in the previous years the affected crop / species affected, and the farmer does not have historical data to determine the classification of the production loss percentage of over 30% data published annually by the National Institute of Statistics shall be used.

f) Limitations regarding the eligible costs. According to the availability of funding under this measure, MARD may decide to cap the support provided to the mutual funds for the eligible costs.

[Mutual funds for adverse climatic events, animal and plant diseases, pest infestations and environmental incidents] Where the source of the financial compensation to be paid by the mutual fund is a commercial loan, minimum and maximum duration of the commercial loan

Interest on commercial loans

The mutual funds may take commercial loans in order to pay the financial compensations metioned in this measure. The interests on these commercial loans are eligible for contributions from public funds under this measure, provided the term of such loans is at least 1 year and maximum 5 years, they are contracted exclusively to compensate farmers in case of crisis, and in compliance with the condition to avoid over-compensation.

The interests on loans taken to reinforce the capital stock shall not be eligible expenditure under the current measure.

Beside bank loans, the mutual funds may use other financial instruments in order to provide the necessary reserves for covering losses. Unlike the above mentioned interests on commercial loans, any other expenditure related to cost of funds, like expenditure linked to reinsurance or similar are not eligible for

contribution from public funding under the EAFRD Regulation.

[Income stabilisation tool] Principles for funding arrangements, constitution and management of the mutual funds (for granting of compensation payments to farmers)

Not applicable.

[Income stabilisation tool] Where the source of the financial compensation to be paid by the mutual fund is a commercial loan, minimum and maximum duration of the commercial loan

Not applicable.

8.2.14.4. Verifiability and controllability of the measures and/or types of operations

8.2.14.4.1. Risk(s) in the implementation of the measures

-

8.2.14.4.2. Mitigating actions

-

8.2.14.4.3. Overall assessment of the measure

-

8.2.14.5. Methodology for calculation of the amount or support rate, where relevant

-

8.2.14.6. Information specific to the measure

Description of mechanisms to ensure that no overcompensation takes place

-

[Crop, animal, and plant insurance] Description of conditions for insurance contracts to be eligible for support

-

[Crop, animal, and plant insurance] Rules to be used for establishing the calculation of the proportion of the average annual production of a farmer which has been destroyed

-

[Income stabilisation tool] Where the source of the financial compensation to be paid by the mutual fund is a commercial loan, minimum and maximum duration of the commercial loan

-

[Income stabilisation tool] Principles for funding arrangements, constitution and management of the mutual funds (for granting of compensation payments to farmers)

-

[Mutual funds for adverse climatic events, animal and plant diseases, pest infestations and environmental incidents] Where the source of the financial compensation to be paid by the mutual fund is a commercial loan, minimum and maximum duration of the commercial loan

-

[Mutual funds for adverse climatic events, animal and plant diseases, pest infestations and environmental incidents] Principles for funding arrangements, constitution and management of the mutual funds

-

8.2.14.7. Other important remarks relevant to understand and implement the measure

-

8.2.15. M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)

8.2.15.1. Legal basis

Regulation (EU) No. 1305/2013

Implementing Act (EU) no ...for setting up the application rules of the Regulation (EU) no 1305/2013

Delegated Act (EU) no completing Regulation (EU) no 1305/2013

Regulation (EU) no 1303/2013

Delegated Act (EU) no 480/2014 completing Regulation (EU) no 1303/2013

Commission Implementing Regulation (EU) no. 215/2014 for enforcement of Regulation (EU) no. 1303/2013.

8.2.15.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

LEADER is an important tool for Romania to reduce the socio-economic unbalances and the urban-rural disparities. The current experience shows a development capacity at local level which is not fully responsive to the local needs, especially in regard to the collaboration between public and private partners, while the strategic approach should be encouraged and developed.

The implementation of the LEADER approach and of the Local Action Groups (LAG) started in Romania in the period 2007-2013, through NRDP. From 2011 to 2012, the territory was covered by 163 LAGs covering an area of around 142,000 km², which accounts for approximately 63% of the eligible territory and approximately 58% of the LEADER-eligible population. The LEADER eligible territory is represented by administrative-territorial units – communes and administrative-territorial units – small towns with a population of maximum 20,000 inhabitants.

In the short period of local development strategies implementation and of LAGs operation it was proven that, based on its specificity, the LEADER approach can contribute to a balanced development of LEADER territories and can speed-up their structural evolution. The involvement of local stakeholders in the development of areas where they are active will contribute to local development and will lead to a dynamic development, supported by a local development strategy prepared, implemented and managed by the LAG representatives.

Given that current basic services do not meet the needs of the rural population in the LEADER territories nor the social conditions – which is reflected in the economic development of LEADER areas in Romania, LEADER can be seen as a key rural development tool.

Given the experience accumulated in the implementation period of NRDP 2007-2013, the financing of operations aimed to capitalize local resources and to promote local specificity is relevant in order to maintain the innovative character of the LEADER approach. At the same time, as it pursues the same general and specific objectives as the EU Common Agricultural Policy and the NRDP, the LEADER programme implies the development of local communities in a specific manner, adapted to their needs and priorities. The added value of the LEADER approach derives from those local initiatives which combine solutions to provide answers to problems manifested at local communities' level, reflected in actions

specific to those needs.

The LEADER approach is supported by Rural Development Priority 6B “Fostering local development in rural areas”, **addressing the following needs identified** in the SWOT analysis:

- Reduction of poverty level and of the risk of social exclusion;
- Development of the basic infrastructure and of services in LEADER areas;
- Creation of employment in the LEADER area;
- Preservation of rural heritage and of local traditions;
- Fostering and strengthening local development;
- Access to ITC networks.

The relevant needs identified for local development may be also addressed through the following focus areas:

6A – Support for development of small enterprises as well as job creation

6C – The scope of ICT within the rural development projects is significant and covers a wide range of mainly multi-sectoral and innovative activities such as: investments in broad-band IT infrastructure, access to ICT and to online facilities in the LEADER areas; increased use of information technology at the level of businesses in the LEADER area; training and vocational training activities intended to citizens; provision of new e-governance services; capitalisation of e-tourism products.

1A – Support for innovation in the rural area, fostering processes and projects undertaken jointly by local businesses and research or innovation centres.

2A – Support for farmers and processors for improvement of the economic performance by innovative projects.

3A – Support for short supply chains and for development of joint marketing strategies for local products, through the establishment of producer groups, in compliance with the local development strategy.

4A – Support for a sustainable environmental approach, through the capitalisation of the natural and cultural heritage.

5C – Support for initiatives related to renewable energy resources/low energy consumption, as actions to alleviate climate change effects.

The most significant challenges for LEADER are found in the following fields of action:

- contribution to the diversification of non-agricultural economic activities and encouragement of small entrepreneurs in the LEADER area;
- creation, improvement and diversification of economic development facilities, of local small-scale physical infrastructure and of basic services;
- increasing LEADER areas attractiveness and decreasing population migration, in particular of

young people; improvement of social, economic and environment conditions;

- protection and preservation of the natural and cultural rural patrimony;
- diversification of the tourism offer, fostering local development initiatives with a high level of territorial socio-economic integration,

LAGs are the concrete solution, the turning into reality of the potential that the local communities can capitalise in order to be in line with this new approach to European village development, an approach fostering the return and/or the establishment of young farmers in the LEADER territory and its economic, social and cultural development. In order to support this approach, the new programming focuses on: fostering partnerships, transfer of knowledge and implementation of innovative initiatives but, most importantly, on the real involvement of citizens in the long-term strategic decisions, etc.

LEADER, due to its cross-cutting feature, can contribute to most of the rural development objectives identified at the level of NRDP 2014-2020. Innovation is one of the main elements of the LEADER approach. Therefore, LEADER will encourage the innovative projects, which are in compliance with the types of activities eligible for support under NRDP 2014-2020 and with the Community local development objectives.

Ensuring the synergy between priorities will lead to the revitalization and development of LEADER areas. The support granted under Priority 6, Focus Area 6B for improving the local basic infrastructure contributes to the improvement of the quality of life among the population in LEADER areas and of village attractiveness.

The support provided for the preservation of local heritage and traditions, under Focus Areas 6B and 6A, contributes not only to an increased quality of life in the LEADER areas, but it also fosters rural tourism activities, development of local products and creation of jobs. However, most of the time, projects supported through local development strategies have an integrated nature, with a positive impact onto the focus areas.

In order to be eligible, the LDS shall be elaborated based on a bottom-up approach. LEADER activities can and shall correspond to the different types of activities eligible under the rural development programme, including to those linked to promotion of social inclusion and alleviation of poverty. Local Action Groups may structure their strategy based on the main priorities identified in NRDP 2014-2020 and based on the needs identified in the LDS diagnosis analysis, so as to have a wider scope of action and to avoid a detailed presentation of types of eligible actions corresponding to the standard measures in NRDP. The added value of LEADER comes from the fact that strategies shall promote innovation and shall reflect the manner in which it is approached under specific processes and activities.

LEADER, as an innovative approach, based on cooperation and implemented in a certain region, generates added value in that region, mainly due to the bottom-up involvement of population and to the integrated participation of the economic sectors' representatives. Therefore, LEADER is not merely a financing tools, but, in the light of European – level examples, it is the optimum method for the local and regional development of LEADER areas.

Examples of added value generated by LEADER include:

- the LDS complies with the unicity of that region
- the institutional capacity is created and strengthened by partnerships, human and know-how resources being developed and used

- win-win situations are generated between the parties involved, as well as collaborative advantages at community level
- integrated and creative local solutions are identified for the problems manifested at local level
- flexibility in the application of the innovation concept depending on the local specificity
- enhancement of the local identity
- exchanges of experience and good inter-territorial and trans-national practices

Local Action Group (LAG)

LAG is an active private-public partnership. The local partnership established under the strategy shall be made of different representative private and public stakeholders to be defined in the national guidelines. The tasks to be fulfilled by the LAG, according to Regulation 1303/2013 are mandatory and essential for the successful implementation of the LDS:

Art. 34 (3) (a) building the capacity of local actors to develop and implement operations including fostering their project management capabilities;

- (b) drawing-up a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations, which avoid conflicts of interest, ensure that at least 50% of the votes in selection decisions are cast by partners which are not public authorities, and allow selection by written procedure;
- (c) ensuring coherence with the community-led local development strategy when selecting operations, by prioritising those operations according to their contribution to meeting that strategy's objectives and targets;
- (d) preparing and publishing calls for proposals or ongoing project submission procedure, including defining selection criteria;
- (e) receiving and assessing applications for support;
- (f) selecting operations and fixing the amount of support and, where relevant, presenting the proposals to the body responsible for final verification of eligibility before approval;
- (g) monitoring the implementation of the community-led local development strategy and the operations supported and carrying out specific evaluation activities linked to that strategy.

The private economic partners, as well as other representatives of the civil society shall represent at least 51% at decision-making level. The representatives of cities shall represent maximum 25% at decision-making level (LAG management bodies and selection committee) and related to the population covered by a LAG territory.

Application scope of local development strategies (LDS)

LEADER will be applied on territories with a population between 10,000 – 100,000 inhabitants, including, for small towns, with a population of maximum 20,000 inhabitants. Given the low population density in the Danube Delta region, a minimum threshold of 5,000 inhabitants will be accepted for this area. These limits ensure an adequate balance between a critical mass of stakeholders involved and the regional identification

of the areas. Urban-rural linkages are a very important tool for the development of an area, aiming to increase social inclusion and to reduce poverty. The LEADER-eligible area is of 228,754 km², with a population of 11,359,703 inhabitants. The envisaged coverage for the eligible LEADER territory and population is 100%.

Selection of the LDS

The selection of the local development strategy will be carried-out based on a single public selection procedure that will be developed by MARD and will comprise the verification of eligibility and the application of selection criteria, based on a minimum scoring for the selection of local development strategies to be established in the national implementation framework. LDSs will be selected by a committee established in this respect and approved by MARD. One single session for LAG selection will be organized within LEADER 2014-2020. The financial allocations for LDSs will be established proportionally with the area covered by each LAG (EUR/inhabitant) and with the covered territory (EUR/km²), the share of the two criteria in the calculation of the LDS budget being equal, namely population 50% and territory 50%.

Further to the application of the selection procedure, in case of financial savings resulted following the evaluation of the local development strategies not obtaining the minimum mandatory scoring, the available amount is constituted as a performance reserve and will be allocated to LAGs as prize for the fulfilment of the performance indicators. Details on the prize systems will be indicated in the national implementation framework.

The indicative LAG selection calendar will cover a period of approximately 17 months in relation to a time of reference, according to Regulation 1303/2013 - Art 33 (4) – approval of the Partnership Agreement and includes:

- Phase 1: Preparatory support, carried-out for a period of 8 months from the approval of the PA
- Phase 2: LDS selection, carried-out for a period of 13 months and completed within 17 months from the approval of the PA.

During the 17-month period, the Phase 1 period corresponding to the implementation of PS contracts overlaps with the period corresponding to the posting and launching of the calls for projects for LDS selection carried-out in Phase 2.

Eligibility criteria

- The partnership shall be made of minimum 51% representatives of the private sector;
- The urban organisations shall represent maximum 25% at decision-making level and at the level of the total population covered by the territory;
- Territorial homogeneity;
- Territory with a population between 10,000 – 100,000 inhabitants, including, in small towns with a population of maximum 20,000 inhabitants. Given the low population density in the Danube Delta area, a minimum threshold 5,000 inhabitants will be accepted for this area;
- Proven capacity in strategy implementation from the administrative perspective;

- Presence of a single LAG on the LEADER-eligible territory.

The selection criteria will be established in the national implementation framework on the LDS selection and will envisage the partnership structure, the population, the territory and the quality of the strategy.

Principles on the setting of selection criteria:

- Prioritisation of territories with less-advantaged areas, with natural potential areas and with minorities representation areas;
- Prioritisation of partnerships with a significant representation of the private sector and of the civil society;
- Prioritisation of partnerships established in legal form;
- Prioritisation of strategies which include operations with proven added value.

The LDS shall be elaborated based on a bottom-up principle, by the local private-public partners and shall comprise, among others, at least the following content and structure elements:

- a. definition of the territory and of the population;
- b. analysis of the development needs and of the potential of the area, including an analysis of strengths, weaknesses, opportunities and risks;
- c. description of objectives, description of the integrated and innovative features of the strategy and a ranking of objectives, including measurable targets;
- d. description of the process to involve the local communities in the development of the strategy;
- e. description of the method used to transpose the objectives into projects;
- f. description of the strategy management, monitoring, evaluation and control methods;
- g. the financial plan of the strategy, allocated per major objectives of the strategy;
- h. description of the local partnership established in compliance with the previously mentioned requirements;

Implementation capacity proven by mechanisms foreseen for monitoring, evaluation and control.

Details on the strategy implementation phase

During the implementation of the selected LDS, MARD will establish a financial allocation redistribution system according to the performances achieved by LAG in the implementation of objectives proposed in the strategy.

The difference in value between the total budget allocated to the measure for the total eligible area and the area actually covered by the selected LDSs and by authorised LAGs will be established under a prize fund available to MA NRDP, to be allocated to the LAGs performing best, namely to the ones reaching a pre-established level of allocated budget contracting and/ or executed payments. Details on the prize system will be detailed in the national implementation framework

For LAGs not reaching the performance level pre-established by the MA-NRDP through the national

implementation framework, corrective measures will be applied proportionally with the non-fulfilment of the established performance level, while the amounts becoming available in this manner will be setup distinctly in the LEADER budget.

Contribution to cross-cutting themes

The LEADER measure corresponds to all cross-cutting objectives of NRDP 2014-2020 as follows:

Environment and climate

The local interest measures that might be financed by LEADER 2014-2020 also envisage climate change mitigation actions through the promotion of innovative solutions providing answers to the relevant needs identified in the LDS. LEADER also encourages investments targeted to increased efficiency of energy and water consumption, creation and development of non-agricultural activities for the identification and use of energy from renewable resources, promoting the use of bio-mass based heating resources, creation and development of community-level bio-gas production and distribution systems, therefore contributing to the development of the local competitiveness, of the local services and of a low-carbon emissions local economy.

Innovation

Local Action Groups play an important role in community development. Through their capacity to represent the interests of local community members, LAGs can identify innovative solutions to problems existing at local level. Innovation under LEADER is therefore consisting in the manner in which LAGs approach opportunities and threats identified at local level and in the manner in which they succeed to raise the interest for the development of innovative projects of public utility and / or with an economic, social, cultural and natural impact. Consequently, innovative actions at the level of a local community may envisage:

- Energy efficiency and promotion of energy from renewable sources,
- ITC,
- Tangible and intangible heritage, including local-interest natural heritage,
- Producer groups,
- Agricultural, agri-food markets for the local products,
- Vulnerable groups and disadvantaged communities,
- Quality schemes for agricultural and food products, etc.

8.2.15.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regards to the setting of selection criteria

8.2.15.3.1. 19.1 Preparatory support

8.2.15.3.1.1. Sub-measure:

- 19.1 - Preparatory support

8.2.15.3.1.2. Description of the type of operation

The preparatory support consists in the support provided to local private-public partnerships for the development of the local development strategy.

The elements of the preparatory support are as follows:

- A consultation process carried-out at local level. This process, which is aimed at the development of the local development strategy, is an ideal opportunity for the LAG to actively involve new stakeholders and organisations. In this manner, LAG is enabled to explore not only the development needs and opportunities, but also the mechanism for an active involvement of the population.
- Preparatory support also includes institutional building, training and network-creation actions, with the aim to prepare and implement an integrated local development strategy for a certain area.

One main objective aims at enhancing the collaboration capacity required to develop integrated strategies, which will give the possibility to rural stakeholders and to representatives of different fields of activity to work together and interact for the benefit of communities in the LEADER territories.

8.2.15.3.1.3. Type of support

Reimbursement of eligible expenditures depending on the category of expenditures.

LAGs that benefitted from preparatory support in the 2007-2013 programming period may benefit from this type of support also during the 2014-2020 period, in compliance with the conditions stipulated in the Community and national legislation as well as in the national implementation framework, provided that the preparatory activities specific to the period 2014-2020 shall not be financed from funds corresponding to the 2007-2013 period.

In order to avoid the double funding for LAGs benefitting from financial support for operation during the programming period 2007-2013, their activities and related expenditures shall be recorded, monitored and verified distinctly, according to the specific legislation in force (for ex: distinct work contracts, job descriptions, separate book-keeping, etc.).

8.2.15.3.1.4. Links to other legislation

-

8.2.15.3.1.5. Beneficiaries

The beneficiaries under this sub-measure are private-public partnerships established based on a Partnership Agreement, whether or not representing territories covered by LAGs selected during PNDR 2007-2013, or potential partnerships/existing partnerships made of partners that were members of authorised LAGs and/or partners that have never been members of LAGs.

The private economic partners, as well as other representatives of the civil society shall represent at least 51% at decision-making level. The representatives of cities shall represent maximum 25% at decision-making level (LAG management bodies and selection committee) and related to the population covered by a LAG territory

The criteria on the Partnership Agreement will be detailed in the national implementation framework.

In case of a partnership not authorised as an association, the representation will be taken over by a legal private or public entity that is part of the partnership, with its registered office/working point on the territory covered by the potential LAG, nominated by that partnership.

8.2.15.3.1.6. Eligible costs

Expenditures for:

- a. consultation, animation activities and working groups for the development of the LDS;
- b. technical and financial consulting for the elaboration of the LDS, including acquisition of information and data required to develop the LDS;
- c. costs for personnel required for the development of the LDS.

8.2.15.3.1.7. Eligibility conditions

- The applicant shall fall under the category of eligible beneficiaries;
- The LDSs corresponding to overlapping territories are not eligible for preparatory support;
- The groups made of partners representing the public, economic and social sector in the eligible territory, where the public partners account for maximum 49% (based on a formal agreement signed by each member);
- The groups shall have a defined homogenous geographical territory complying with the eligible area for the implementation of LEADER, with a population between 10,000 – 100,000 inhabitants. For the Danube Delta area, a threshold of minimum 5,000 inhabitants will be accepted. The LEADER – eligible territory comprises administrative-territorial units-communes and may comprise

administrative-territorial units – small towns with a population of maximum 20,000 inhabitants.

8.2.15.3.1.8. Principles with regards to the setting of selection criteria

- Principle of partnerships with proven expertise in consultation, animation and working groups activities for LDS development;
- Principle of partnership structure (priority will be given to significant representation of the private sector and of the civil society);
- Principle of population density in the territory envisaged by the partnership (priority will be given to the low density territory)

The selection principles will be detailed in the national subsequent legislation and shall take account of the provisions of art. 49 in Regulation (EU) no. 1305/2013, aiming at ensuring an equal treatment of applicants, a better use and targeting of financial resources in compliance with the rural development priorities of the European Union.

8.2.15.3.1.9. (Applicable) amounts and support rates

- Technical assistance support will be granted in compliance with the provisions of Regulation no. 1303/2013 up to the maximum amount of EUR 20,000 for the LDS submitted by the partnership, as follows:
- Expenditures for animation (described at letter. a in the eligible expenditures section) up to maximum Eur 10,000, granted proportionally with the number of inhabitants covered by the LDS. It therefore results that, depending on the number of inhabitants, the financial allocation will be x euro/inhabitant.
- Expenditures related to the elaboration of the strategy (described at letters b and c in the eligible expenditures section) up to maximum Eur 10,000, regardless of the territory size and on the population covered by the LDS.

No advanced payments will be granted.

The detailed calculation method will be laid down in the national legislation.

The intensity of non-refundable support for this sub-measure is 100%.

The reimbursement of expenditure incurred for preparatory support shall be only carried-out for LDSs declared as eligible by the Managing Authority, subsequent to the LDS evaluation and selection process.

The support is not conditional upon the selection of the LDS.

8.2.15.3.1.10. Verifiability and controllability of the measures and/or types of operations

8.2.15.3.1.10.1. *Risk(s) in the implementation of the measures*

-

8.2.15.3.1.10.2. *Mitigating actions*

-

8.2.15.3.1.10.3. *Overall assessment of the measure*

-

8.2.15.3.1.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.15.3.1.12. Information specific to the operation

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

-

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support (if use is made)

-

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

-

The procedure and timetable to select the local development strategies

-

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

-

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

-

Possibility or not of paying advances

-

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

-

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation approaches under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

-

8.2.15.3.2. **19.2 Support for implementation of operations under the local development strategy**

8.2.15.3.2.1. Sub-measure:

- 19.2 - Support for implementation of operations under the community-led local development strategy

8.2.15.3.2.2. Description of the type of operation

Through its actions, the LEADER approach will improve the local development and potential. LEADER aims to reinforce territorial coherence. The support for implementation of operations under LEADER provides the possibility to meet the local needs through an integrated, multi-sectoral, bottom-up approach.

The cross-cutting competence of LEADER enhances the competitiveness and the environment, the quality of life and the diversification of the eligible territories economy, while fighting against poverty and social exclusion.

The elaborated strategies shall present types of operations found under the categories of eligible actions specific to NRDP and/or innovative actions. The selection of projects will be carried out by the Local Action Group through the Selection Committee composed of members of the local partnership.

LEADER can play a main role in terms of fostering new and innovative approaches for the development of the eligible area. Innovation will be encouraged by a flexible and decentralised decision-making process in regard to the operations to be implemented.

Innovation at local level may materialise in types of service, products, technology projects, in economic activities, organisation forms, demonstration projects of experimental nature with results which can be transposed in practice and which correlate main actions in a new context etc. Innovation shall be assessed with reference to the local situation, as an innovative approach at the level of the LAG-covered territory and which may exist in another territory.

Measures of innovative-nature implemented through LEADER shall be in accordance with the objectives pre-established in the strategy while generating value added and economic, social, cultural and natural impact on the territory.

Innovative actions at the level of a local community may envisage, for example:

- Energy efficiency and promotion of energy from renewable sources,
- ITC,
- Tangible and intangible heritage, including local-interest natural heritage,
- Producer groups,
- Local products agricultural, agri-food markets,
- Vulnerable groups and disadvantaged communities etc.

The added value of operations to be supported by LEADER will be achieved by selecting, at LAG level, projects mainly targeted to:

- fostering innovation
- strengthening of local identity and of the local profile;
- enhancing the quality of life and the local area attractiveness;
- settlement of demographic problems;
- creation and maintenance of employment in the LEADER areas;
- improving equal opportunity for young people, women, elderly persons, persons with disabilities and members of minorities;
- increasing added value and competitiveness at local level;
- preservation of resources and protection of environment;
- application of an integrated and multi-sector approach.

8.2.15.3.2.3. Type of support

The financial support under the sub-measure will be granted as non-refundable support (grant) for projects to be implemented under the local development strategy.

8.2.15.3.2.4. Links to other legislation

-

8.2.15.3.2.5. Beneficiaries

The beneficiaries under this sub-measure are:

- Private/public legal entities, according to the LDS measure fiche or with the relevant NRDP measure and/or with the LEADER fiche. LAG is not an eligible beneficiary.

Types of non-eligible operations:

- Support for short-term farm and forest management exchanges as well as farm and forest visits; (Art 14/ Reg. 1305/2013)
- Advisory services, farm relief and farm advisory services; (Art 15/ Reg. 1305/2013)
- Investments in forest area development and improvement of the viability of forests (Art. 21/ Reg. 1305/2013);
- Agri-environment and climate payments (Art. 28/ Reg. 1305/2013);

- Natura 2000 and Water Framework Directive payments (Art. 30/ Reg. 1305/2013);
- Payments to areas facing natural or other specific constraints (Art. 31/ Reg. 1305/2013);
- Animal welfare payments (Art. 33/ Reg. 1305/2013);
- Support for cooperation (Art. 35/Reg. 1305/2013);
- Support for risk management (Art. 36/ Reg. 1305/2013);

8.2.15.3.2.6. Eligible costs

The expenditures shall be in line with the ones in the corresponding NRDP/LEADER measure fiche depending on the measure type and shall comply with Regulation no. 1305/2014.

8.2.15.3.2.7. Eligibility conditions

The eligibility conditions shall be in line with the ones in the corresponding NRDP/LEADER measure fiche/description of the innovative measure within the LDS and with the objectives of the local development strategy.

In order to be eligible, all expenditures related to the implementation of the LDS shall be incurred on the LAG territory.

8.2.15.3.2.8. Principles with regards to the setting of selection criteria

- The project selection system shall be established in the local development strategy and shall be approved by MA NRDP through the selection of the strategy.
- The LAGs shall evaluate the documents and shall select the projects according to coherent and relevant criteria, following a public selection process.
- The LAGs shall take over the principles from the NRDP 2014-2020 measure/sub-measure fiches to which they will add, if needed, locally-established selection criteria stipulated in the LDS.
- For innovative measures, the LAG shall apply local selection criteria, stipulated in the LDS, established in compliance with its objectives;

8.2.15.3.2.9. (Applicable) amounts and support rates

The maximum share of the support out of the total eligible expenditures is **up to 100%** - up to a maximum of EUR 200,000 per project. Specific state aid rules in force (if applicable) applicable to each type of measure implemented through LEADER shall be applied.

The detailed conditions for granting the support for innovative projects (other than the ones corresponding to the NRDP measures) will be established by the LAGs, as follows: the intensity of the support for income-

generating projects shall be of maximum 90% (depending on the focus area), while the intensity of the support for non-income generating projects shall be of 100%.

For specific operations under the NRDP standard measures, compliance shall be ensured with the intensity of the support specific to the NRDP measure.

For the measure targeted to producer groups, the financing will be granted in compliance with the provisions of Art. 27(4) of the EAFRD Regulation.

The beneficiaries of sub-measure 19.2 may request an advance from the Paying Agency according to the provisions of Regulation (EU) No. 1305/2013.

8.2.15.3.2.10. Verifiability and controllability of the measures and/or types of operations

8.2.15.3.2.10.1. Risk(s) in the implementation of the measures

-

8.2.15.3.2.10.2. Mitigating actions

-

8.2.15.3.2.10.3. Overall assessment of the measure

-

8.2.15.3.2.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.15.3.2.12. Information specific to the operation

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

-

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support (if use is made)

-

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

-

The procedure and timetable to select the local development strategies

-

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

-

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

-

Possibility or not of paying advances

-

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

-

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation approaches under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

-

8.2.15.3.3. 19.3 Preparation and implementation of Local Action Group cooperation activities

8.2.15.3.3.1. Sub-measure:

- 19.3 - Preparation and implementation of Local Action Group cooperation activities

8.2.15.3.3.2. Description of the type of operation

Under LEADER, the (inter-territorial or trans-national) cooperation is a way to improve local perspectives and strategies, to get access to new information and ideas, to learn from the experience of other regions or countries, to foster and support innovation, to acquire skills and to obtain means to improve the quality of delivered services.

For the Romanian LAGs, trans-national cooperation is an excellent opportunity to gain access to existing experiences in other EU Member States and to connect to and integrate into the LEADER European community.

This sub-measure will finance trans-national cooperation projects (between Romania and other EU Member States) and inter-territorial cooperation projects (within the Romanian territory) between Local Action Groups.

Alongside the Local Action Groups, the partners within a cooperation project may be:

- (a) a group of local public and private partners acting within a rural territory, which implements a local development strategy inside the European Union;
- (b) a group of local public and private partners acting within a non-rural territory, which implements a local development strategy inside the UE.

Cooperation actions are eligible for support if they contribute to the achievement of LDS objectives. For this purpose, the development of LDSs will take account to include the cooperation-related objectives.

Transnational cooperation projects are hampered by different administration rules applicable in different Member States. Therefore, the LAGs intending to undertake cooperation projects may be supported mainly by the European Rural Development Network and the Romanian National Rural Network, by having access to the data bases and by asking for support/advice.

By their nature, inter-territorial or trans-national cooperation projects are complex and difficult to be implemented by LAGs with no experience in this field. To facilitate the implementation of cooperation projects, preparatory support may be granted which would ultimately materialise in a cooperation project. The preparatory support consists in the financing of activities preceding the implementation of an actual cooperation project.

Types of activities include, among others:

- preparation of inter-territorial and transnational cooperation projects;

- promotion of new products, practices, processes and technologies;
- organisation of common work processes, by sharing resources and equipment;
- creation of short food supply chains and of local markets;
- promotion of producer groups;
- promotion of vulnerable groups;
- joint cultural activities;
- collective approaches to environmental projects;
- pilot projects targeted to any of the above actions.

Joint actions may entail: exchange of experience and good practices related to local development through common publications, organisation of events, jointly-developed or jointly-coordinated actions.

The responsibilities of each partner within the cooperation will be detailed within a Cooperation and Partnership Agreement including the common understanding of the activities included in the agreement, signed by all partners participating in the project. This document shall include references to: the overall planned budget, the project objectives, the activities required for joint implementation and achievement of activities, the role of each partner and the final financial contribution of each partner within the project.

The cooperation projects will be implemented under the responsibility of a coordinating partner.

8.2.15.3.3.3. Type of support

The support under the sub-measure is granted as non-refundable support (grant).

8.2.15.3.3.4. Links to other legislation

-

8.2.15.3.3.5. Beneficiaries

The beneficiaries of the NRDP support are the Local Action Groups authorised by MA NRDP.

8.2.15.3.3.6. Eligible costs

The costs of cooperation projects within the national territory (inter-territorial cooperation), or the costs of cooperation projects between national territories and territories of other Member States (transnational co-operation) are eligible.

Expenditures are eligible for:

- preparation of projects;

- organization of technical missions, meetings, workshops;
- joint training projects, networking related to the joint action;
- administrative costs;
- promotion activities;
- acquisition/renting of equipment/assets for the cooperation project.

Non-eligible expenditures:

- The mere exchange of experience, which is not materialised in a joint action (as it can be financed through the ERDN). Expenditures linked to non-EU territories are also non-eligible. The expenditures are not eligible according to art. 69 (3) of Regulation no. 1303/2013.

8.2.15.3.3.7. Eligibility conditions

The main eligibility conditions are:

- a. integration in the strategy of the territory;
- b. the project shall present concrete joint activities;
- c. the partner/initiator of a cooperation project in Romania shall be a LAG authorised at national level
- d. presentation of a financial plan indicating the contribution of all partners.

For the cooperation projects to be efficient, the Local Actions Groups shall demonstrate the necessity and the opportunity of the projects by a concrete description also including the established timeframe for the implementation of the project.

8.2.15.3.3.8. Principles with regards to the setting of selection criteria

The cooperation actions shall contribute to the local development strategy objectives.

The selection of the cooperation projects will be performed by the MA NRDP, based on an application submission system. Project calls will be launched for this purpose, containing detailed information on the selection criteria applicable to projects and on the eligible expenditures.

According to Art. 44 (4) Reg. 1305/2013, all approved translational cooperation projects shall be communicated to the COM by MA.

Priority will be given to cooperation projects which:

- include innovative actions;
- integrate environmental issues;
- aim to facilitate the implementation of actions targeted to producer groups, associations and

partnerships;

- under the partnership, the coordinator of the cooperation project shall be a LAG recognised at national level;
- target access of new markets for the local products and the development of short production and marketing chain;
- promote the transfer of new technologies or innovation;
- promote the capitalisation of the local tourism/ecotourism potential;
- promote vulnerable groups;

8.2.15.3.3.9. (Applicable) amounts and support rates

The maximum amount of support will be Eur 200,000 per project.

State aid rules in force shall apply (if applicable).

The intensity of the support for income-generating projects is of maximum 90% (depending on the focus area), and of 100 % for the non-income generating projects.

8.2.15.3.3.10. Verifiability and controllability of the measures and/or types of operations

8.2.15.3.3.10.1. Risk(s) in the implementation of the measures

-

8.2.15.3.3.10.2. Mitigating actions

-

8.2.15.3.3.10.3. Overall assessment of the measure

-

8.2.15.3.3.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.15.3.3.12. Information specific to the operation

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD

strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

-

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support (if use is made)

-

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

-

The procedure and timetable to select the local development strategies

-

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

-

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

-

Possibility or not of paying advances

-

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

-

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural

activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation approaches under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

-

8.2.15.3.4. 19.4 Support for running costs and animation

8.2.15.3.4.1. Sub-measure:

- 19.4 - Support for running costs and animation

8.2.15.3.4.2. Description of the type of operation

The Local Action Group is responsible for the successful development of the covered territory. Therefore, a professional management with appropriate resources is needed. In this context, the efficient running of the LAGs activities represents an important element of the support granted within this measure.

The permanent self-evaluation and monitoring should be focused on the added value of the LEADER approach, on the efficiency and effectiveness required to ensure a sound financial management.

In addition to the main task, namely the implementation of the strategy, the LAG takes over the major administrative functions, such as:

- preparation and publication of public calls for selection, in line with the LDS;
- animation of the territory;
- analysis, evaluation and selection of projects;
- monitoring and implementation of the strategy;
- checking the compliance of payment applications, for the selected projects;
- monitoring of contracted projects,
- drawing-up the payment applications, of procurement files related to running costs;
- financial, bookkeeping, legal, human resources-related etc. specific issues.

For raising awareness level among the local stakeholders on the LEADER approach, the LAG shall provide LEADER information and training sessions on local development.

Animation activities are important to stimulate the local development process and shall be proportionate in relation to the needs identified by the LAG at the level of the territory.

LAG should use various means to inform the local community on the existing grant opportunities for project funding (public meetings and events, local mass media, own leaflets and publications, websites), including via the LAG members.

8.2.15.3.4.3. Type of support

The total LDS budget includes the budget for running expenditures and the budget for project execution.

During implementation, at the level of each local development strategy, the running and animation costs for each LDS shall not exceed 20% (25% for the Danube Delta) of the total public costs incurred for this

strategy. In case of Danube Delta, the percentage of 25% granted for running and animation costs envisages the particularities of this territory, with a reduced population density and with higher transportation and logistical costs compared to the rest of the territory, due to the geography of the area.

Running and animation costs shall be directly related to the strategy.

The running costs will also target specific activities aimed to consolidate the LAG capacity. The LAG shall foresee procedures and instructions for the evaluation/monitoring of its own LDS, which are a tool contributing to the management of the LAG and to the collection of useful data at the program level.

The objective of the support for territory animation will be to facilitate the exchange between stakeholders, the provision of relevant information, the promotion of the relevant financing opportunities included in the strategy and the provision of support to potential beneficiaries in the preparation of financing applications.

The animation activities may be carried-out by the LAG staff members.

The types of support for running and animation costs linked to the management of the strategy implementation are laid down in Art 35 (1) d, e of Regulation 1303/2013.

8.2.15.3.4.4. Links to other legislation

-

8.2.15.3.4.5. Beneficiaries

- Local Action Groups

8.2.15.3.4.6. Eligible costs

For the operation of the LAG, the eligible costs are those linked to the management of the strategy implementation, namely running costs, personnel costs, training costs, costs linked to communication, financial costs, as well as costs linked to the monitoring and evaluation of the strategy as referred to in article 34(3) (g) of Regulation 1303/2013.

In this context, the following elements are eligible for the LAG operation:

- personnel expenditures;
- expenditures for expertise services linked to the implementation of the LAG strategy,
- expenditures for the administrative headquarters of the LAG (renting and endowment) located on the LAG territory;
- expenditures for equipment and consumables needed for the LAG operation;
- expenditures for the organisation of LAG and selection committee meetings,

- expenditures for communication, transportation and utilities;
- audit costs;
- costs linked to the monitoring and evaluation of the strategy;
- expenditures for participation in the activities of the National and European Rural Development Networks and in other training, information and promotion activities related to the implementation of the strategy;
- expenditures for technical and financial advice services;
- expenditures for purchasing one car and its maintenance, according to the limitations provided for in the national legislation and applicable to public entities;
- For the Danube Delta: a river transportation mean, according to the budget provided by the national legislation on acquisition of passenger vehicles for the public sector;
- Training and/or development of competencies of LAG employees and of local leaders in the LAG territory, on the implementation of the LDS;

According to Art. 35 (1) (e) in Regulation (EU) no. 1303/2013, the eligible costs for animation are costs incurred to facilitate the exchange between stakeholders, to provide information, to promote the strategy and to support the beneficiaries in preparing the financing applications.

Under expenditures for promotion and information, the eligible expenditure are those for organisation of promotion or information activities, including expenditures for personnel, equipment and logistics.

8.2.15.3.4.7. Eligibility conditions

The local development strategy is the overall framework for all the LAG activities and related expenditures.

Administrative and animation expenditures are only eligible after the approval of the local development strategy.

As far as LAG personnel and members are concerned, expenditures for participation in the activities of the national and European rural development network and in other training, information and promotion activities related to the implementation of the local development strategy shall be eligible also if incurred outside the LAG territory.

Running expenditures shall be reimbursed depending on the LAG performance in the process related to the implementation of the strategy.

8.2.15.3.4.8. Principles with regards to the setting of selection criteria

Not applicable.

8.2.15.3.4.9. (Applicable) amounts and support rates

The maximum intensity of support out of the total eligible expenditures is **100%**.

Following the signature of the financing contract, the selected Local Action Groups may request an advance payment linked to running and animation costs, from the paying agency.

The value of the advance payment may not exceed 50% of the public support for running and animation costs.

8.2.15.3.4.10. Verifiability and controllability of the measures and/or types of operations

8.2.15.3.4.10.1. Risk(s) in the implementation of the measures

-

8.2.15.3.4.10.2. Mitigating actions

-

8.2.15.3.4.10.3. Overall assessment of the measure

-

8.2.15.3.4.11. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.15.3.4.12. Information specific to the operation

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

-

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support (if use is made)

-

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

-

The procedure and timetable to select the local development strategies

-

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

-

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

-

Possibility or not of paying advances

-

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

-

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation approaches under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

-

8.2.15.4. Verifiability and controllability of the measures and/or types of operations

8.2.15.4.1. Risk(s) in the implementation of the measures

Given that this measure is addressed to both public and private beneficiaries, potential risks identified include:

In regard to private beneficiaries:

- Procurement procedure for private beneficiaries
- Reasonability of costs
- Adequate verification and control systems
- Selection of applicants
- IT system
- Payment applications
- Conflicts of interests

In regard to public beneficiaries

- Procurement procedure for public beneficiaries
- Selection of applicants
- IT system

8.2.15.4.2. Mitigating actions

The measures to be taken to improve the measure implementation and to reduce potential risks are:

In regard to private beneficiaries:

- **On-spot controls** will be carried-out, consisting in the re-verification of the entire procurement documentation (in original), based on a sample established by risk analysis. A portal will be developed on the Paying Agency's website where the **procurement announcements** for private beneficiaries will be published. This will enable the on-line publication of participation announcements and of the awarding announcements, for tenders organised under NRDP-financed projects.
- Introduction of a cost reasonability verification system at EARDF level. Updating of procurement instructions applicable to private beneficiaries, according to the legislation in force.
- Increase the efficiency of control systems during all project verification phases.
- Establishment of clear, transparent and verifiable beneficiary selection criteria and information of potential beneficiaries thereof.
- The existing IT system of the Paying Agency will be updated and optimised with the new

administrative flows and measures under NRDP 2014-2020.

- *In regard to public beneficiaries*
- The Paying Agency will elaborate standard documentation for use by public beneficiaries. Awarding documentation templates will be developed, with predetermined qualification requirements, evaluation factors and relevant weights
- Establishment of clear, transparent and verifiable beneficiary selection criteria and information of potential beneficiaries thereof
- The existing IT system of the Paying Agency will be updated and optimised with the new administrative flows and measures under NRDP 2014-2020.

Moreover, specific attention will be paid in regard to the following topics:

- Avoiding the conflicts of interests at LAG level;
- Selection of quality local development strategies containing measurable and verifiable indicators.
- The procedure for the verification of payment applications will enable the prevention and identification of possible irregularities or mistakes. The payment applications shall contain supporting documents for the expenditures incurred for which reimbursement is applied for. Activities to inform beneficiaries on the correct implementation of projects and on the compliance with the updated legislation, as well as on methods to avoid irregularities will also be carried-out.
- With the purpose of eliminating the risk of conflicts of interest under sub-measure 19.3, the selection and approval of cooperation projects will be carried-out by MA.

The coordination between LEADER and other main measures under NRDP (in particular Art. 19, 20, 35) and the LAG territory is characterised by the following principles:

- The main financing condition is represented by the Local Development Strategy and by the LEADER-specific procedure for project selection.
- The contents of the relevant measure (description, beneficiaries, eligibility, amounts and support rates), unless a limitation is established under the relevant LEADER sub-measure, are relevant for financing.

8.2.15.4.3. Overall assessment of the measure

The LEADER measure is the most important local development tool in Romania. The short LEADER history and approach shows success stories for the development of rural areas and of small towns, for the animation of population in these areas and for fostering innovation among this population – in terms of new implementation methods.

However, in order to ensure an efficient development, the overall conditions for LEADER shall be positive in general. A fundamental understanding of the LEADER approach especially in regard to the innovative nature of projects, as well as a joint vision applied at all levels, are mandatory conditions.

Should these basic conditions be complied with, LEADER will contribute to a great extent to an intelligent development of the areas where it acts, will settle the needs of the population in these areas and will

accomplish the targets of NRDP 2014-2020.

Following the analysis carried-out by the MA and the Paying Agencies, based on the experience acquired during the 2007-2013 programming period, it can be concluded that the measure verifiability and controllability is ensured, both in terms of vocational training and in terms of improved working procedures at the level of the agencies, so that the financial interests of European Union shall not be prejudiced.

8.2.15.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.15.6. Information specific to the measure

Possibility or not of paying advances

-

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

-

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

-

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

-

The procedure and timetable to select the local development strategies

-

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation approaches under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

-

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support (if use is made)

-

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

-

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

Definition of tasks:

The Managing Authority for NRDP has the following main tasks:

- Launching the calls for selection of private-public partnerships;
- Evaluation of local development strategies;
- Selection of LAGs based on a public selection procedure and issuing the LAG authorisation decisions;
- Selection of cooperation projects;
- Monitoring the implementation of LEADER axis and reporting to EC.

The paying agency has the following main tasks:

- re-evaluation, verification during implementation and financial verification of projects selected by LAGs;
- evaluation of preparatory support and cooperation projects;
- verification during implementation of preparatory support and cooperation projects;
- verification, authorisation and execution of payments under the measure.

LAG has the following main tasks:

- Elaboration, development, implementation, evaluation and monitoring of the LDS;
- Evaluation and selection of projects within the LDS;
- Verification of payment applications compliance, for projects selected by LAG.

8.2.15.7. Other important remarks relevant to understand and implement the measure

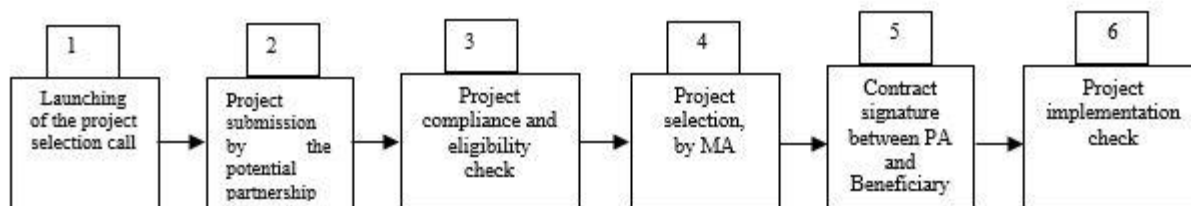
Following a consultation process, the relevant actors at national, regional and local level have decided that LEADER 2014-2020 will be financed from a single fund, respectively NRDP (mono-fund).

Given their innovative nature, innovative projects may be implemented by LEADER, according to the types of eligible operations supporting the NRDP and LDS objectives, even if those are not covered by the national measures included in the programme.

In the attached figures can be found the description of administrative-financial flows applicable for LEADER (Fig. M19_1, Fig. M19_2, Fig. M19_3)

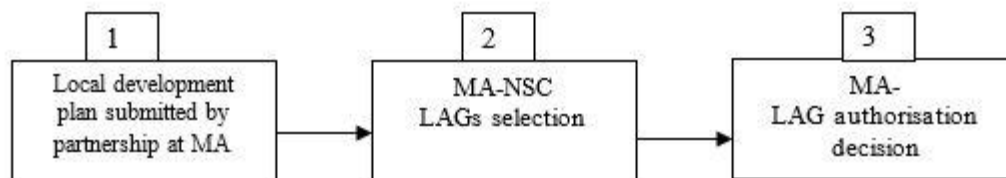
Description of administrative-financial flows applicable for LEADER

a) Preparatory support Phase



1. Paying Agency launches the project selection call
2. The potential partnership submits the project with the Paying Agency's territorial structures
3. The Paying Agency carries-out the check on project compliance and on its compliance with the eligibility criteria
4. MA carries-out the project selection
5. Signature of the contract between the Beneficiary and the Paying Agency
6. Project implementation check, by the Paying Agency

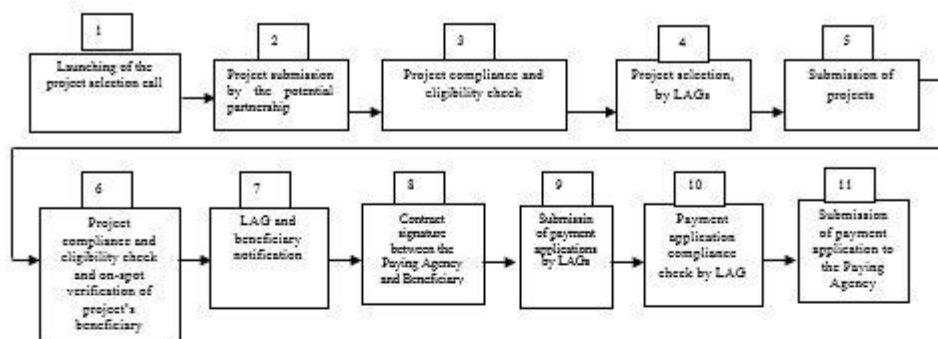
b) Local Action Group selection Phase



1. Public-private partnerships will submit the Local Development Plan to the Managing Authority within the Ministry of Agriculture and Rural Development
2. The Managing Authority, through the National Selection Committee, will carry-out the selection of Local Action Groups
3. Following selection, the Managing Authority will send notifications on the selection results to the LAGs

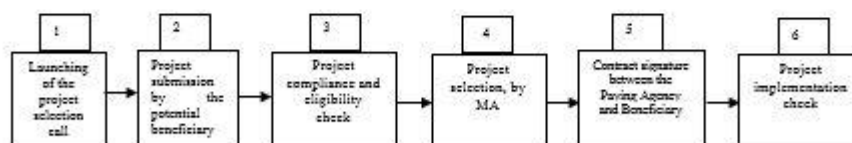
Fig. M19_1

c) Project selection within LAGs and project flow Phase



1. LAG launches the project selection call, using mass-media information means
2. The potential beneficiary submits the project to the LAG secretariat,
3. LAG performs the project compliance check and the check on compliance with the eligibility criteria
4. Project selection carried-out by LAG based on the strategy, using the criteria established by each individual LAG
5. Submission of projects selected by LAG to the Paying Agency
6. The Paying Agency carries-out the check on project compliance and eligibility,
7. The Paying Agency sends a notification to the beneficiary and to the LAG on the approval or non-approval of the project
8. Signature of the contract between the Beneficiary and the Paying Agency
9. The Beneficiary submits the payment application to the LAG
10. The LAG checks the compliance of the payment application
11. The Beneficiary submits the payment application checked by LAG to the Paying Agency.

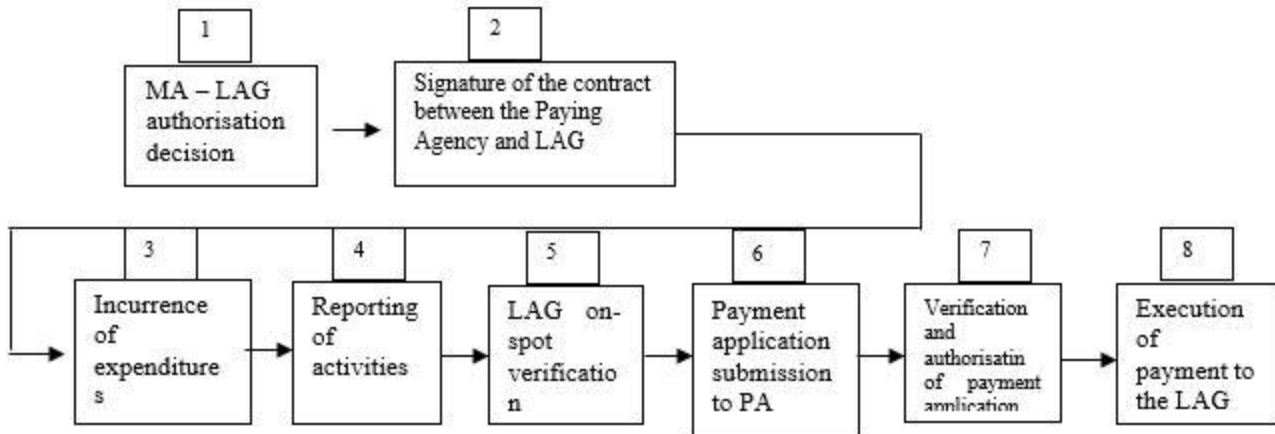
d) Preparation and implementation of Local Action Group cooperation activities Phase



1. Paying Agency launches the project selection call
2. The potential beneficiary submits the project to the Paying Agency's territorial structures
3. The Paying Agency carries-out the check on project compliance and on its compliance with the eligibility criteria
4. MA carries-out the project selection
5. Signature of the contract between the Beneficiary and the Paying Agency
6. Paying Agency carries-out the verification of projects under implementation

Fig. M19_2

e) Financial flow for running and animation expenditures.



1. MA issued the LAG authorisation decision
2. LAG signs the contract with the Paying Agency
3. LAG performs activities and incurs related expenditures
4. LAG draws-up activity reports for approval by the Paying Agency
5. Paying Agency performs the on-spot verification of the LAG activity
6. LAG submits the payment application to the Paying Agency
7. Paying Agency checks and authorises the payment
8. Paying Agency executes the payment covered by the national programme measures.

Fig. M19_3

9. EVALUATION PLAN

9.1. Objectives and purpose

A statement of the objectives and purpose of the evaluation plan, based on ensuring that sufficient and appropriate evaluation activities are undertaken, in particular to provide information needed for programme steering, for the annual implementation reports in 2017 and 2019 and the ex-post evaluation, and to ensure that data needed for RDP evaluation are available.

In accordance with Article 56 of Regulation No. 1303/2013 laying down common provisions for the European structural and investments funds, the Managing Authority (MA) prepares an evaluation plan (EP). During the programming period, the MA ensures the performance of the evaluations, including the evaluations of the programme effectiveness, efficiency and impact, based on the evaluation plan.

The purpose of the Evaluation Plan is to ensure that sufficient and appropriate programme evaluation activities are undertaken, and that sufficient and appropriate resources are available to cover the evaluation needs common and specific to the programme, in particular to:

- set the roles and responsibilities of the people involved in the evaluation, in order to facilitate a constructive dialogue among them;
- start the programme evaluation activities early in the implementation;
- ensure that data required for evaluation purposes are available at the right time, in the appropriate format;
- realise an interconnection between the monitoring, evaluation and reporting activities, ensuring a high quality of the results of the evaluation activities;
- lay the foundation of a strategy for communicating the evaluation results to the decision-makers and the interested public;
- provide the information needed for programme steering and for completing the consolidated Annual Implementation Report presented in 2017;
- provide the information needed to demonstrate the interim progress towards the objectives and to complete the consolidated Annual Implementation Report presented in 2019;
- support the evaluation activities carried out by the Local Action Groups, taking into account that programme evaluation is completed with information resulting from the evaluation activities carried out at the level of the Local Action Groups;
- assure the evaluation of the thematic sub-programme.

9.2. Governance and coordination

Brief description of the monitoring and evaluation arrangements for the RDP, identifying the main bodies involved and their responsibilities. Explanation of how evaluation activities are linked with RDP implementation in terms of content and timing.

Bodies involved and their responsibilities

The legal responsibilities for monitoring and evaluation are described in Regulation No. 1303/2013 laying down common provisions for the European structural and investments funds (CPR), in Regulation No.

1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation No. 1698/2005, as well as in the draft implementation regulation laying down detailed rules on the application of the common framework for monitoring and evaluation of the rural development policy.

The monitoring and evaluation attributions are carried out by MA and the two paying agencies, as main actors, as well as by other secondary actors.

Managing Authority

The Managing Authority (MA) has overall responsibility for the operation and governance of the monitoring and evaluation system, including EP quality, timing and communication of results. The MA makes sure there is an electronic information system for recording, storing, managing and reporting the relevant data on the programme and its implementation, and that the EP is consistent with this system.

In addition to the monitoring and evaluation (M&E) requirements for national reports, the MA also presents to the European Commission relevant data on the indicators of the selected and completed operations for financing, and draws up the Annual Implementation Report (AIR). The Managing Authority also monitors the programme implementation quality by means of indicators and provides the Monitoring Committee with the information and documents necessary to monitor programme progress.

The MA organises evaluations and related activities in line with the Evaluation Plan. This process includes ensuring evaluation of the NRDP contribution to each priority's objectives at least once during the programming period – this need is reflected in the requirements for preparing the consolidated AIRs submitted in 2017 and 2019 and in the requirements of ex-post evaluation. The MA makes sure the programme evaluations are in compliance with the M&E system, including timing considerations. Moreover, the Managing Authority is responsible for communicating the evaluation reports to the European Commission and to the general public, and for their publication.

The MA chairs the Evaluation Steering Committee, manages the evaluation and the provision of relevant data, coordinates evaluations through the structure responsible for carrying out the evaluation activities, facilitates cooperation among the stakeholders involved in monitoring and evaluation, and ensures the strengthening of stakeholder capacity.

The MA collects specific data through its structures for measures under its own responsibility. In the previous programme there was generally good coordination and cooperation between the MA and other main providers of data, as well as a clear and stable institutional framework, which led to a relatively straightforward approval of the monitoring and evaluation reports by the Monitoring Committee and the Commission. Building on that experience, the MA shall manage the programme monitoring and evaluation process to streamline the implementation and to carry out the activities in the Evaluation Plan. In line with this, the MA shall take timely steps to ensure provision of the data needed to perform the evaluations, laying the foundation of a lasting cooperation (during the implementation of the Evaluation Plan) with the data providers. Moreover, the monitoring system shall ensure the timely collection of data required for evaluations.

Paying agencies

The Agency for Financing Rural Investments (AFRI) and the Agency for Payments and Interventions in Agriculture (APIA) have important data management and provision roles for monitoring and evaluation activities. AFRI is responsible for receiving and registering financing applications, for contracting projects

for NRDP measures delegated by the MA, and also for making payments for all NRDP measures.

APIA is responsible for receiving the commitment and payment application forms for area-based compensatory payment measures.

The current IT interface between the paying agencies will facilitate the transfer and management of data required for monitoring and evaluation purposes. The two PAs shall provide much of the data required for AIRs through the data system. Therefore, the two PAs shall work in close partnership with the Managing Authority on monitoring and evaluation issues, including through a joint technical working group and participation in the work of the Evaluation Steering Group.

Monitoring Committee

The Monitoring Committee (MC) examines the implementation of the programme and the progress towards its objectives, mainly through the use of indicators. The MC also reviews and approves AIRs before they are sent to the European Commission.

The MC monitors the performance of the programme and the effectiveness of its implementation, and can issue recommendations to MA regarding the programme implementation and evaluation. The MC then monitors the actions taken as a result of its recommendations.

The MC consists of representatives of the Managing Authority, representatives of other ministries, representatives of the two paying agencies, representatives of other relevant institutions operating in the field of agriculture, food industry and rural development, as well as representatives of the partner sectorial organisations.

Considering that the MC did not function very efficiently in the previous programming period, due to its extended membership and to the lack of experience of some representatives, ensuring a balanced representation and strengthening the capacity required to prepare the representatives to fulfil their responsibilities shall be sought upon setting up the MC for the new programming period.

Evaluation Steering Committee

An Evaluation Steering Committee (ESC) will be established by the MA to support the monitoring and evaluation process and to ensure the relevance and timeliness of the related activities, including availability of relevant data, information and contacts to evaluators. The ESC will also enable interaction with and between partners and other stakeholders. With a technical and operational advisory role, the ESC shall monitor the evaluation process during the programme implementation period. Considering the lessons from the previous programme, ESC responsibilities will be clearly defined; the pro-active participation of its members shall also be required.

The ESC will comprise MA representatives, including representatives of the structures responsible for monitoring and evaluation, representatives of the two paying agencies, representatives of other institutions managing European Structural and Investment Funds (ESI Funds), and experts from research institutions or other entities likely to help in the evaluation process.

Technical working groups

Although no technical working groups were set up in the previous period, the MA and/or MC may decide

on the organization of technical working groups. These groups shall be sub-groups to the Evaluation Steering Committee providing technical support beyond the expertise of the ESC (e.g. such groups may be set up for environmental issues, such as soil and nature preservation, or for Leader).

Beneficiaries

Beneficiaries are involved in the monitoring and evaluation process in two ways. First, they are asked to provide information required for monitoring and evaluation through their NRDP financing and payment applications and other documents, and to participate in different evaluation surveys. And second, beneficiaries are involved through their representative organisations (farmer associations, SME associations, etc.), as partners in the MC.

Local Action Groups

LAGs shall provide relevant information for NRDP monitoring and evaluation. This includes performing timely self-evaluations (of individual LAGs) and monitoring the Local Development Strategies (LDS). The NRDN shall be involved in strengthening the capacity for these actions by developing evaluation operational guidelines and by training actions.

National Rural Network

The NRN supporting role in improving NRDP effectiveness includes a contribution to monitoring and evaluation, as a partner of the MA and wider stakeholders. Its ongoing activities also include awareness raising, communication activities (including dissemination of evaluation-related information to stakeholders), capacity strengthening, etc., among and for its member organisations. The NRDN is also a natural platform for the development of related qualitative information and the exchange of information and good practices that can be fed into the evaluation system. During the previous programming period, the network activities for monitoring and evaluation – including the use of the Technical Assistance (TA) measure and NRDN resources in order to improve the support capacity of M&E – were conducted less efficiently, considering the short time in which the actions were carried out as a result of the network activity suspension. The lessons learned shall be taken into account for 2014-2020. The Network involvement in the evaluation shall be materialised in collecting the information needed for these activities, in disseminating the results of the evaluations, as well as in carrying out the activities for strengthening the administrative capacity.

Evaluators

NRDP evaluations shall be performed by evaluators who are independent from the authorities responsible for implementing the programme (i.e. independent from MARD and from the paying agencies). A lesson learned in the previous period is that the evaluators should be sufficiently familiar with the NRDP. To perform the evaluations, the evaluators shall get information and/or data from a wide range of stakeholders involved in monitoring and evaluation, including: MA, PAs (APIA & AFRI), ESC, regional authorities and agencies, data providers and other relevant institutions and organisations, technical working groups, LAGs and NRDN. In the evaluation process, evaluators shall cooperate and coordinate with the ESC and the technical groups, shall prepare and present the evaluation methodology, and shall perform the evaluations according to the terms of reference. The evaluators shall prepare and present the quality evaluation reports in accordance with agreed timetables. The evaluation activities shall be coordinated with the monitoring and evaluation activities for Pillar I, as well as those provided for other EU structural and investment funds.

Data providers and other relevant institutions and organisations

Other organisations are sources of information, data and expertise, which is (potentially) useful for NRDP monitoring and evaluation. They include the National Statistics Institute, Eurostat, etc. Arrangements will be made, as the case may be, with the relevant organisations to provide accurate and timely (quantitative and qualitative) data for monitoring and evaluation. During the previous period there were some delays in data provision due to delays in the procurement of data by the data providers. To address this situation, the MA envisages a better planning, including the timely initiation of all necessary arrangements for contracting an “ongoing evaluator” early in the programme for organising data provision.

9.3. Evaluation topics and activities

Indicative description of evaluation topics and activities anticipated, including, but not limited to, fulfilment of evaluation requirements provided for in Regulation (EU) No 1303/2013 and Regulation (EU) No 1305/2013. It shall cover: (a) activities needed to evaluate the contribution of each RDP Union priority as referred to in Article 5 of Regulation (EU) No 1305/2013 to the rural development objectives laid down in Article 4 of that Regulation, assessment of result and impact indicator values, analysis of net effects, thematic issues, including sub-programmes, cross-cutting issues, national rural network, contribution of CLLD strategies; (b) planned support for evaluation at LAG level; (c) programme specific elements such as work needed to develop methodologies or to address specific policy areas.

The evaluation activities review the achievements and contribution of the Rural Development Programme towards the CAP objectives, the European Union strategy for smart, sustainable and inclusive growth, in relation to the socio-economic and environmental situation in the rural areas and to the Partnership Agreement. At the same time, the evaluation activities will follow the NRDP contribution to the achievement of the rural development priorities, as well as the programme results and impact. Therefore, the evaluation activities will contribute to the improvement of the programme implementation, and will be used as a basis for amending the programme.

The evaluation topics for NRDP shall envisage the specific needs of evaluation and monitoring identified during programme implementation, covering at least the following topics: evaluation of the result and impact indicators, analysis of the net effect, thematic aspects (including the sub-programme), horizontal aspects, Technical Assistance use, contribution to the local development strategies & partnership principle, NRDN, support provided for LAG-level evaluation, programme specific elements – work required to develop the methodologies or to address the needs specific to a certain area. The evaluation activity shall provide all the information necessary to prepare the Annual Implementation Reports presented in 2017 and 2019, as well as the ex-post evaluation.

At the same time, evaluations shall analyze the changes following programme interventions, the net effect of the programme, its implementation, including complementarity and synergies with the other structural and investment funds. For 2014-2020, the way European funds granted to Romania by means of EAFRD contribute to the achievement of each rural development priority, as well as of the cross-cutting objectives, shall be evaluated at least once. Moreover, the evaluation activity shall allow the collection of data required to establish the value of complementary result indicators. Other evaluations can envisage certain specific topics.

In the annual EP, the MA shall also propose other ad-hoc evaluations, according to the needs appearing during programme implementation. Moreover, the MA shall anticipate and manage the difficulties faced in the previous programming period, related mainly to carrying out public procurement procedures that led to

delays in performing the evaluation.

The **evaluation activities are split into 4 categories, such as follows**: preparation of evaluations, evaluation, dissemination of information, and activities related to reporting and steps taken following the evaluation activity (follow-up).

1. Activities related to the preparation of evaluations

In the preparation stage of the evaluations, a series of activities shall be carried out:

- Revision of the common evaluation questions (including links to indicators);
- Development of programme-specific evaluation questions by consulting the stakeholders;
- Identification of additional types of data to be collected and examination of the information sources;
- Agreement with the data providers on data availability;
- Filling the gaps and addressing the weaknesses identified during data collection;
- Preparation of the Terms of Reference (ToR) and coordination of a tendering procedure.

2. Activities related to the evaluation

The NRDP evaluation activities performed by *evaluators*:

- Preparation and implementation of appropriate evaluation methodologies;
- Collection, processing, synthesis, and analysis of the relevant information provided by the Managing Authority:
 - in order to analyse the multiple effects of the interventions and the synergies between activities/measures,
 - to select the evaluation methods and to carry out the evaluation of complementary result indicators and programme-specific indicators,
 - to select the evaluation methods and to carry out the programme impact evaluation;
- Analysis of the NRDP contributions to the CAP general objectives, the Europe 2020 objectives and cross-cutting issues (innovation, environment, climate change) and the contribution of specific interventions, including Leader, implementation of local development strategies, and NRDN;
- Analysis of the programme achievements against NRDP objectives;
- Answers to the evaluation-related questions;
- Conclusions and recommendations related to programme preparation and implementation.

3. Activities related to the dissemination of information

The activities of reporting and communication of the evaluation results are the task of the MA. Thus, MA shall use synthesized versions or excerpts from the evaluation reports in order to inform the stakeholders and the decision-makers. These reports shall be disseminated through information channels set by the MA and various media, including the publications and events of the National Rural Development Network.

4. Reporting activities and actions taken following the evaluation

The evaluation activities above will be reported in the specific section of the Annual Implementation Report (AIR). A more detailed reporting of the evaluation activities will be done in the two consolidated AIRs presented in 2017 and 2019. These will require a detailed advanced planning. Consolidated AIRs require additional analytical activities regarding the progress of NRDP. As a consequence, the preparatory evaluation activities will be completed prior to the preparation of the AIR draft, so that their results can be incorporated in the reports.

The ex-post evaluation report, which will be submitted to the EC services no later than 31 December 2024, will complete all evaluation tasks and activities. The ex-post evaluation will analyse the effectiveness and efficiency of the programme and its contribution to the Union strategy for smart, sustainable and inclusive growth, will provide answers to evaluation-related questions, and will provide conclusions and recommendations for the rural development policy.

The results of NRDP evaluations shall be taken into account when preparing the progress report on the implementation of the Partnership Agreement that must be sent to the European Commission by 31 August 2017 and 2019.

Using the results of the evaluations, the responsible authorities shall take steps to improve the programme implementation and, as the case may be, shall amend the programme.

9.4. Data and information

Brief description of the system to record, maintain, manage and report statistical information on RDP implementation and provision of monitoring data for evaluation. Identification of data sources to be used, data gaps, potential institutional issues related to data provision, and proposed solutions. This section should demonstrate that appropriate data management systems will be operational in due time.

System of statistical information on NRDP implementation and monitoring for evaluation

The paying agencies – APIA and AFRI – use database systems called RDAPS (Rural Development Application Processing System) (AFRI) and IACS (APIA) to record, store and manage the NRDP monitoring information that will be required to assess the progress towards the programme objectives and targets. The main sources of information for these databases are the (financing and payment) application forms and the contracts/commitments of the beneficiaries. RDAPS shall structure the monitoring reports in accordance with the expected implementing regulation and accompanying instructions. Data on non-project aid (e.g. for agri-environment payments) shall be provided by IACS.

Initially, the IT system was not fully operational, due to frequent legislation and procedural amendments which resulted in the modification of the information system. A better planning for this period, including a more thorough ex-ante evaluation of the system, addressing the requirements of the new system (on reporting and flow of information), along with the completion of the institutional framework and detailed procedures, will result in improved functionality.

Data sources to be used

Coordinating the evaluation in accordance with the legal requirements requires the collection of relevant data related to common and programme-specific indicators. The data types and sources important for

evaluation are:

- Monitoring data, including for programme results, shall be provided by the beneficiaries and the institutions involved in the physical and financial implementation of the programme and shall be collected from the sources identified in the guiding documents drawn up by the COM services within the context of CMES definition (*funding application, payment application, IACS, database of the paying agency, of the training and advisory services provider, mutual fund manager, etc.*). These monitoring data shall be collected and aggregated in a database by APIA & AFRI and MA structures and sent to the central MA. As early as the procedure development stage the data requirement for performing the evaluations in the Evaluation Plan shall be considered. Clear procedures shall be formalised for data provision and aggregation, including the responsibilities of specific institutions, considering the specificity of the new measures. Currently, there are agreements of delegation between the institutions directly involved in this process, which are going to be updated within the context of the 2014-2020 NRDP specificity, including the data requirement for the new actions/measures. To avoid the impossibility of getting the data required for performing the evaluations, as early as the launch of the measures the institutions involved in their management shall identify the data and the sources needed for information provision according to CMES, in order to create a database with the information required for performing the evaluations provided in the EP;
- Disaggregated data, collected from non-beneficiaries (for the control group/counterfactual analysis) and/or from sector representative samples (sectorial analysis) via regular surveys (including FADN, Farm Structure Survey (FSS), country-specific research).
- Periodically collected specific data, via different institutions/ministries which relate to various RD priorities and focus areas.
- Statistical data, used for the sectorial contextual analysis, aggregated in line with EU requirements. Statistical data taken by the MA from institutions authorized to provide official data shall be used by the MA in the evaluation.

9.5. Timeline

Major milestones of the programming period, and indicative outline of the timing needed to ensure that results are available at the appropriate time.

The **major milestones** comprise the consolidated AIRs presented to the Commission in 2017 and 2019, and the ex-post evaluation, with details summarised in **Fig. Chap. 9.5**.

Below you will find an indicative outline of the main activities planning to ensure the completion of the activities together with the results:

Stage - Activities – (Due) Date

- *Governance*
 - Establishment of the Evaluation Steering Committee -> 2014
 - Planning resources for evaluation and capacity strengthening -> 2014
 - Organizational chart of the M&E system - 2014
 - Preparation of the communication strategy -> 2014 - 2015

- Preparation of ToR and tendering procedures and conducting a tendering procedure for the consolidated AIR 2017 -> 2015
- Preparation of ToR and tendering procedures and conducting a tendering procedure for the consolidated AIR 2019 -> 2017
- Presentation/discussion of AIR in the Monitoring Committee -> 2016 - 2024
- Monitoring the communication strategy -> 2018 - 2024
- Preparation of ToR and tendering procedures and conducting a tendering procedure for the ex-post evaluation -> 2021 - 2020
- *Preparation*
 - Revision of the potential methodological approaches for the evaluation of the results and impact -> 2016
 - Revision of the evaluation questions & criteria -> 2015
 - Revision of the potential data collection sources; Identification of the required data and of the potential sources, including baselines -> 2014-2015
 - Preparation of the data collection system -> 2014-2015
 - Preparation of the methodology -> 2016
- *Implementation*
 - Standard AIR (2016, 2018, 2020, 2021, 2022, 2023, 2024)
 - Evaluation of the results of RDP interventions and contribution to the focus areas (FAs) under RD Priorities, answers to the evaluation questions, conclusions and recommendations on programme development & implementation, evaluation of the use of TA funds, including the description of the implementation of the sub-programmes included in the programme (consolidated AIR presented in 2017) -> 2017
 - Evaluation of the results of RDP interventions and contribution to FAs under RD Priorities; contributions to RD cross-cutting objectives; to RDP effectiveness, efficiency and impact, and contribution to the three CAP general objectives; contribution to achieving the EU 2020 main targets and the Union strategy, including CSF thematic objectives; to progress made in ensuring an integrated approach of the use of EAFRD and other EU funds to support territorial development, including LDS; answers to the evaluation questions and conclusions and recommendations related to the programme development and implementation (enhanced AIR presented in 2019) -> 2019
 - Evaluation of the results of RDP interventions and contribution to FAs under RD Priorities; contributions to RD cross-cutting objectives, to RDP effectiveness, efficiency and impact, and contribution to the three CAP general objectives; contribution to achieving the EU 2020 main targets and the Union strategy, including CSF thematic objectives; to progress made in ensuring an integrated approach to the use of EAFRD and other EU funds to support territorial development, including LDS; the use of TA funds; answers to the evaluation questions and conclusions and recommendations related to the programme development and implementation (ex-post 2024) -> 2024
- *Dissemination*
 - Revision and dissemination of the evaluation findings -> 2017-2024

Major milestones/outputs	Deadline for submission to EC
<p>Annual implementation reports (AIRs) for the rural development programme for the previous calendar year (The report submitted in 2016 shall cover the calendar years 2014 and 2015) submitted to the Commission.</p> <p>Annual reports shall provide information on programme implementation and its priorities, including financial data, common and programme-specific indicators and quantified target values, including, if the case may be, those regarding the value modifications of the result indicators, and, starting with the annual report to be presented in 2017, of the stage objectives defined in the performance framework. The data transmitted shall refer to the values of indicators for fully implemented operations, and also for selected operations. Moreover, they shall present the actions carried out to meet the ex-ante conditionalities and any aspects impacting the programme performance, and the corrective measures undertaken.</p> <p>The consolidated AIR to be submitted in 2017 shall also comprise the progress towards the programme objectives, including a description of the implementation of sub-programmes included in the programme.</p> <p>The AIR submitted in 2019 shall include additional information and shall evaluate the progress towards the programme objectives, and its contribution to achieving the Union strategy for smart, sustainable and inclusive growth.</p>	<p>30 June 2016 and 30 June of each year until 2024 (consolidated versions of AIRs presented in 2017 and 2019)</p>
Ex-post evaluation report	No later than 31 December 2024

Fig. Chp. 9.5

9.6. Communication

Description of how evaluation findings will be disseminated to target recipients, including a description of the mechanisms established to follow-up on the use of evaluation results.

This section describes how the evaluation results will be made available to the various target recipients (for whom) to cover their information needs (what), the persons responsible for the dissemination of these results (who), the information channels to be used (how), and the timing (when), to monitor the use of the evaluation results. The communication plan shall be monitored and revised when necessary. The overall plan is presented in *Fig. Chap. 9.6*.

To ensure the capitalisation of the evaluation results and findings, the Managing Authority shall periodically ask the responsible structures for an implementation status.

WHAT	FOR WHOM	WHO	WHEN	HOW
Findings of the NRDP evaluation on the need to improve programme implementation	MA, PAs, MC, EC, technical working groups, ESC, NRN, beneficiaries, general public	MA (including the communication section)	In accordance with RDR (Art. 76(3))	Evaluation reports (including summaries); evaluator presentations; website; events
Findings on the achievements and impact of the NRDP interventions	MA, PAs, MC, EC, technical working groups, ESC, NRN, beneficiaries, general public	MA (including the communication section)	Monitoring of consolidated AIRs 2017 & 2019 and ex-post evaluation	Evaluation reports (including summaries); evaluator presentations; events; workshops/focus groups; website
Results, effects and impact of the supported interventions	Policymakers	MA	In accordance with RDR (Art. 76(3))	Summarised evaluation reports; internal meetings
Monitoring and revision of the communication plan	MA	MA	Annually, as of 2016 (following AIR submission)	Internal meetings / workshops

Fig. Chp. 9.6

9.7. Resources

Description of the resources needed and foreseen to implement the plan, including an indication of administrative capacity, data, financial resources, IT needs. Description of capacity building activities foreseen to ensure that the evaluation plan can be fully implemented.

Human resources

Within the Managing Authority, as well as within the paying agencies, there are structures that carry out monitoring activities, while responsibility for evaluation lies with a separate structure within MA. The experience accumulated in 2007-2013 by the staff within those structures is capitalized in the monitoring and evaluation plans and activities for 2014-2020.

The training and strengthening of professional competences of the staff responsible for monitoring and evaluation is an ongoing process involving training actions, working groups and experience exchange with other Member States. Moreover, counterfactual analysis workshops, active participation in the European Evaluation Network and cooperation with the academic world and with the civil society structures carrying out evaluation activities shall be considered. During 2007-2013, the human resources were the main

problem in performing evaluation activities, considering the insufficient staff. Under these conditions, for the next programming period, after the approval of the Evaluation Plan, a specific plan shall be drawn up regarding the evaluation capacity, identifying the needs and presenting the activities carried out to strengthen the administrative capacity.

Financial resources

The activities related to the programme evaluation are financed by the TA measure within the NRDP. The distribution of the funds allocated to the programme evaluation is performed annually based on the Annual Plan for Procurement and the foreseen budget for the evaluation activity scheduled in that year based on the EP.

Material resources

In order to carry out the monitoring and evaluation activities, the information system used for 2007-2013 shall be updated in order to address the new requirements of the 2014-2020 programming period.

Strengthening the capacity for other actors involved in the evaluation system

Awareness actions on the role and importance of the evaluation activities shall be undertaken for the members of the Monitoring Committee, and they shall also be constantly informed on the results of the monitoring and evaluation process.

To have an efficient and high quality programme evaluation process, the local action groups shall provide certain information on their activities. In line with this, awareness actions will be carried out for LAGs on the provision of appropriate data and information necessary for the evaluation process.

10. FINANCING PLAN

10.1. Annual EAFRD contributions in (€)

Types of regions and additional allocations	2014	2015	2016	2017	2018	2019	2020	Total
59(3)(a) - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	1.143.033.279,83	1.141.530.073,61	1.139.995.970,62	1.138.430.319,73	1.136.836.057,43	1.135.157.289,99	1.133.170.724,78	7.968.153.715,99
59(3)(b) - All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	6.815.274,17	6.806.311,39	6.797.164,38	6.787.829,27	6.778.323,57	6.768.314,01	6.756.469,22	47.509.686,01
Total	1.149.848.554,00	1.148.336.385,00	1.146.793.135,00	1.145.218.149,00	1.143.614.381,00	1.141.925.604,00	1.139.927.194,00	8.015.663.402,00
(Out of which) Performance reserve article 20 of Regulation (EU) No 1303/2013	68.990.913,24	68.900.183,10	68.807.588,10	68.713.088,94	68.616.862,86	68.515.536,24	68.395.631,64	480.939.804,12

10.2. Single EAFRD contribution rate for all measures broken down by type of region as referred to in Article 59(3) of Regulation (EU) No 1305/2013

Article establishing the maximum contribution rate.	Applicable EAFRD Contribution Rate	Min applicable EAFRD cont. rate 2014-2020 (%)	Max applicable EAFRD cont. rate 2014-2020 (%)
Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	85%	20%	85%
All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	75%	20%	75%

10.3. Breakdown by measure and type of operation with different EAFRD contribution rate (in € total period 2014-2020)

10.3.1. M01 - Knowledge transfer and information actions (art 14)

Types of regions and additional allocations				Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
59(3)(a)	Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main		85%					0.00 (2A) 0.00 (2B) 0.00 (3A) 0.00 (3B) 0.00 (P4)
		59(4)(a)	Measures referred to in Articles 14, 27 and 35, for the LEADER local development referred to in Article 32 of Regulation (EU) No 1303/2013 and for operations under Article 19(1)(a)(i)	90%					11,232,000.00 (2A) 5,715,000.00 (2B) 2,700,000.00 (3A) 2,700,000.00 (3B) 28,039,100.00 (P4)
59(3)(b)	All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main		75%					0.00 (2A) 0.00 (2B) 0.00 (3A) 0.00 (3B) 0.00 (P4)
		59(4)(a)	Measures referred to in Articles 14, 27 and 35, for the LEADER local development referred to in Article 32 of Regulation (EU) No 1303/2013 and for operations under Article 19(1)(a)(i)	90%					0.00 (2A) 0.00 (2B) 0.00 (3A) 0.00 (3B) 0.00 (P4)

Types of regions and additional allocations	Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Total					0,00	50.386.100,00

10.3.2. M02 - Advisory services, farm management and farm relief services (art 15)

Types of regions and additional allocations			Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
59(3)(a)	Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%					18,686,094.00 (2A) 25,896,981.00 (2B) 1,530,000.00 (3A) 4,225,373.00 (6A)
59(3)(b)	All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main	75%					0.00 (2A) 25,923.00 (2B) 0.00 (3A) 21,729.00 (6A)
Total							0,00	50.386.100,00

10.3.3. M04 - Investments in physical assets (art 17)

Types of regions and additional allocations				Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
59(3)(a)	Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main		85%					835,413,312.00 (2A) 180,109,670.00 (3A) 369,260,000.00 (5A) 377,089,291.00 (5D) 270,164,506.00 (6A)
		59(4)(b)	Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (2A) 0.00 (3A) 0.00 (5A) 0.00 (5D) 0.00 (6A)
59(3)(b)	All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main		75%					3,594,969.00 (2A) 7,504,570.00 (3A) 740,000.00 (5A) 1,894,921.00 (5D) 11,256,854.00 (6A)
		59(4)(b)	Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (2A) 0.00 (3A) 0.00 (5A) 0.00 (5D) 0.00 (6A)
Total								0,00	2.057.028.093,00

10.3.4. M06 - Farm and business development (art 19)

Types of regions and additional allocations				Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
59(3)(a)	Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main		85%					215,569,938.00 (2A) 0.00 (2B) 1,500,000.00 (5C) 246,512,003.00 (6A)
		59(4)(a)	Measures referred to in Articles 14, 27 and 35, for the LEADER local development referred to in Article 32 of Regulation (EU) No 1303/2013 and for operations under Article 19(1)(a)(i)	90%					0.00 (2A) 400,355,600.00 (2B) 0.00 (5C) 0.00 (6A)
59(3)(b)	All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main		75%					432,004.00 (2A) 0.00 (2B) 0.00 (5C) 1,988,000.00 (6A)
		59(4)(a)	Measures referred to in Articles 14, 27 and 35, for the LEADER local development referred to in Article 32 of Regulation (EU) No 1303/2013 and for operations under Article 19(1)(a)(i)	90%					0.00 (2A) 0.00 (2B) 0.00 (5C) 0.00 (6A)
Total								0,00	866.357.545,00

10.3.5. M07 - Basic services and village renewal in rural areas (art 20)

Types of regions and additional allocations			Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
59(3)(a)	Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%					1,080,784,535.00 (6B)
59(3)(b)	All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main	75%					19,810,714.00 (6B)
Total							0,00	1.100.595.249,00

10.3.6. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

Types of regions and additional allocations				Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
59(3)(a)	Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main		85%					105,695,160.00 (5E)
		59(4)(b)	Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (5E)
59(3)(b)	All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main		75%					0.00 (5E)
		59(4)(b)	Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (5E)
Total								0,00	105.695.160,00

10.3.7. M09 - Setting-up of producer groups and organisations (art 27)

Types of regions and additional allocations				Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
59(3)(a)	Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main		85%					0.00 (3A)
		59(4)(a)	Measures referred to in Articles 14, 27 and 35, for the LEADER local development referred to in Article 32 of Regulation (EU) No 1303/2013 and for operations under Article 19(1)(a)(i)	90%					7,760,000.00 (3A)
59(3)(b)	All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main		75%					240,000.00 (3A)
		59(4)(a)	Measures referred to in Articles 14, 27 and 35, for the LEADER local development referred to in Article 32 of Regulation (EU) No 1303/2013 and for operations under Article 19(1)(a)(i)	90%					0.00 (3A)
Total								0,00	8.000.000,00

10.3.8. M10 - Agri-environment-climate (art 28)

Types of regions and additional allocations				Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
59(3)(a)	Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main		85%					0.00 (5A) 849,964,916.00 (P4)
		59(4)(b)	Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (5A) 0.00 (P4)
59(3)(b)	All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main		75%					0.00 (5A) 0.00 (P4)
		59(4)(b)	Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (5A) 0.00 (P4)
Total								0,00	849.964.916,00

10.3.9. M11 - Organic farming (art 29)

Types of regions and additional allocations				Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
59(3)(a)	Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main		85%					200,686,161.00 (P4)
		59(4)(b)	Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (P4)
59(3)(b)	All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main		75%					0.00 (P4)
		59(4)(b)	Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (P4)
Total								0,00	200.686.161,00

10.3.10. M13 - Payments to areas facing natural or other specific constraints (art 31)

Types of regions and additional allocations				Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
59(3)(a)	Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main		85%					1,130,796,418.00 (P4)
		59(4)(b)	Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (P4)
59(3)(b)	All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main		75%					0.00 (P4)
		59(4)(b)	Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (P4)
Total								0,00	1.130.796.418,00

10.3.11. M14 - Animal Welfare (art 33)

Types of regions and additional allocations			Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
59(3)(a)	Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%					437,013,969.00 (3A)
59(3)(b)	All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main	75%					0.00 (3A)
Total							0,00	437.013.969,00

10.3.12. M15 - Forest environmental and climate services and forest conservation (art 34)

Types of regions and additional allocations				Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
59(3)(a)	Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main		85%					100,000,000.00 (P4)
		59(4)(b)	Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (P4)
59(3)(b)	All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main		75%					0.00 (P4)
		59(4)(b)	Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (P4)
Total								0,00	100.000.000,00

10.3.13. M16 - Co-operation (art 35)

Types of regions and additional allocations				Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
59(3)(a)	Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main		85%					0.00 (3A)
		59(4)(a)	Measures referred to in Articles 14, 27 and 35, for the LEADER local development referred to in Article 32 of Regulation (EU) No 1303/2013 and for operations under Article 19(1)(a)(i)	90%					28,021,100.00 (3A)
59(3)(b)	All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main		75%					0.00 (3A)
		59(4)(a)	Measures referred to in Articles 14, 27 and 35, for the LEADER local development referred to in Article 32 of Regulation (EU) No 1303/2013 and for operations under Article 19(1)(a)(i)	90%					0.00 (3A)
Total								0,00	28.021.100,00

10.3.14. M17 - Risk management (art 36-39)

Types of regions and additional allocations				Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
59(3)(a)	Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main		85%					200,000,000.00 (3B)
		59(4)(a)	Measures referred to in Articles 14, 27 and 35, for the LEADER local development referred to in Article 32 of Regulation (EU) No 1303/2013 and for operations under Article 19(1)(a)(i)	90%					0.00 (3B)
59(3)(b)	All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main		75%					0.00 (3B)
		59(4)(a)	Measures referred to in Articles 14, 27 and 35, for the LEADER local development referred to in Article 32 of Regulation (EU) No 1303/2013 and for operations under Article 19(1)(a)(i)	90%					0.00 (3B)
Total								0,00	200.000.000,00

10.3.15. M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)

Types of regions and additional allocations				Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
59(3)(a)	Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main		85%					0.00 (6B)
		59(4)(a)	Measures referred to in Articles 14, 27 and 35, for the LEADER local development referred to in Article 32 of Regulation (EU) No 1303/2013 and for operations under Article 19(1)(a)(i)	90%					652,364,672.00 (6B)
59(3)(b)	All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main		75%					0.00 (6B)
		59(4)(a)	Measures referred to in Articles 14, 27 and 35, for the LEADER local development referred to in Article 32 of Regulation (EU) No 1303/2013 and for operations under Article 19(1)(a)(i)	90%					0.00 (6B)
Total								0,00	652.364.672,00

10.3.16. M20 - Technical assistance Member States (art 51-54)

Types of regions and additional allocations			Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
59(3)(a)	Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%					178,367,919.00
59(3)(b)	All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main	75%					0.00
Total							0,00	178.367.919,00

11. INDICATOR PLAN

11.1. Indicator Plan

11.1.1. P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas

11.1.1.1. 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T1: percentage of expenditure under Articles 14, 15 and 35 of Regulation (EU) No 1305/2013 in relation to the total expenditure for the RDP (focus area 1A)	1,56
Total RDP planned public expenditures	9.363.187.655,00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	55.984.556,00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	59.285.240,00
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	31.134.556,00

11.1.1.2. 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T2: Total number of cooperation operations supported under the cooperation measure (Article 35 of Regulation (EU) No 1305/2013) (groups, networks/clusters, pilot projects...) (focus area 1B)	215,00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M16 - Co-operation (art 35)	Nr of EIP operational groups to be supported (establishment and operation) (16.1)	24,00
M16 - Co-operation (art 35)	Nr of other cooperation operations (groups, networks/clusters, pilot projects...) (16.2 to 16.9)	191,00

11.1.1.3. 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 (focus area 1C)	153.318,00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	153.318,00

11.1.2. P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests

11.1.2.1. 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	2,89
Number of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	3.679,00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	127.107,00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	18.000,00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	9.000.000,00
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	12.480.000,00
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	36.639,00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	21.983.640,00
M04 - Investments in physical assets (art 17)	Nr of holdings supported for investment in agricultural holdings (4.1)	3.679,00
M04 - Investments in physical assets (art 17)	Total public expenditure for investments in infrastructure (4.3)	235.385.187,00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	1.310.024.182,71
M04 - Investments in physical assets (art 17)	Total public expenditure € (4.1)	752.247.297,00
M04 - Investments in physical assets (art 17)	Total public expenditure €	987.632.483,00
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving start up aid development small farms (6.3)	16.946,00
M06 - Farm and business development (art 19)	Total investment € (public + private)	254.187.697,00
M06 - Farm and business development (art 19)	Total public expenditure €	254.187.697,00

11.1.2.2. 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	10,00
Number of agriculture holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	12.709,00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	127.107,00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	12.700,00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	6.350.000,00
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	6.350.000,00
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	25.418,00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	30.501.600,00
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving start up aid young farmers (6.1)	12.709,00
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving support for investments in non-agric activities in rural areas (6.4)	0
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving transfer payment (6.5)	0
M06 - Farm and business development (art 19)	Total investment € (public + private)	444.839.556,00
M06 - Farm and business development (art 19)	Total public expenditure € (6.1)	444.839.556,00
M06 - Farm and business development (art 19)	Total public expenditure €	444.839.556,00

11.1.3. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

11.1.3.1. 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T6: percentage of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)	0,92
Number agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)	1.164,00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	127.107,00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	0
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	0
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	3.000.000,00
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	300,00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	1.800.000,00
M04 - Investments in physical assets (art 17)	Nr of operations supported for investment (e.g. in agricultural holdings, in processing and marketing of ag. products) (4.1 and 4.2)	277,00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	443.059.977,93
M04 - Investments in physical assets (art 17)	Total public expenditure €	221.899.823,00
M09 - Setting-up of producer groups and organisations (art 27)	Nr of operations supported (producer groups set up)	40,00
M09 - Setting-up of producer groups and organisations (art 27)	Nr of holdings participating in producer groups supported	400,00
M09 - Setting-up of producer groups and organisations (art 27)	Total public expenditure (€)	8.922.222,00
M14 - Animal Welfare (art 33)	Nr of beneficiaries	497,00
M14 - Animal Welfare (art 33)	Total public expenditure (€)	514.134.081,00
M16 - Co-operation (art 35)	Nr of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)	764,00
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	31.134.556,00

11.1.3.2. 3B) Supporting farm risk prevention and management

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T7: percentage of farms participating in risk management schemes (focus area 3B)	11,80
Number of agricultural holdings participating in risk management scheme (focus area 3B)	15.000,00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	127.107,00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	0
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	0
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	3.000.000,00
M17 - Risk management (art 36-39)	Nr of farm holdings supported for premium for insurance (17.1)	0
M17 - Risk management (art 36-39)	Total public expenditure (€) (17.1)	0
M17 - Risk management (art 36-39)	Nr of farm holdings participating in mutual funds (17.2)	15.000,00
M17 - Risk management (art 36-39)	Total public expenditure (€) (17.2)	235.294.118,00
M17 - Risk management (art 36-39)	Nr of farm holdings participating to income stabilisation tool (17.3)	0
M17 - Risk management (art 36-39)	Total public expenditure (€) (17.3)	0

11.1.4. P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry

11.1.4.1. 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes

Agriculture

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)	7,92
Agricultural land under management contracts supporting biodiversity and/or landscapes (ha) (focus area 4A)	1.053.500,00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	13.306.130,00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	122.618,00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	30.654.556,00
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	31.154.556,00
M10 - Agri-environment-climate (art 28)	Area (ha) under agri-environment-climate (10.1)	1.283.500,00
M10 - Agri-environment-climate (art 28)	Public expenditure for genetic resources conservation (10.2)	2.999.876,00
M10 - Agri-environment-climate (art 28)	Total public expenditure (€)	981.959.468,00
M11 - Organic farming (art 29)	Area (ha) - conversion to organic farming (11.1)	85.000,00
M11 - Organic farming (art 29)	Area (ha) - maintenance of organic farming (11.2)	78.900,00
M11 - Organic farming (art 29)	Total public expenditure (€)	236.101.366,00
M13 - Payments to areas facing natural or other specific constraints (art 31)	Area (ha) - mountain areas (13.1)	1.370.000,00
M13 - Payments to areas facing natural or other specific constraints (art 31)	Area (ha) - other areas with significant NC (13.2)	3.050.000,00
M13 - Payments to areas facing natural or other specific constraints (art 31)	Area (ha) - areas with specific constraints (13.3)	180.000,00
M13 - Payments to areas facing natural or other specific constraints (art 31)	Total public expenditure (€)	1.330.348.728,00

Forest

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T8: percentage of forest/other wooded area under management contracts supporting biodiversity (focus area 4A)	12,60
Forest/other wooded area under management contracts supporting biodiversity (ha) (focus area 4A)	850.000,00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
29 Forest and other wooded land (FOWL) (000) - total	6.747,00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M15 - Forest environmental and climate services and forest conservation (art 34)	Areas under forest environment contracts (15.1)	850.000,00
M15 - Forest environmental and climate services and forest conservation (art 34)	Total public expenditure (€)	117.647.060,00
M15 - Forest environmental and climate services and forest conservation (art 34)	Public expenditure for genetic resources actions (15.2)	0

11.1.4.2. 4B) Improving water management, including fertiliser and pesticide management

Agriculture

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)	1,23
Agricultural land under management contracts to improve water management (ha) (focus area 4B)	163.900,00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	13.306.130,00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	122.618,00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	30.654.556,00
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	31.154.556,00
M10 - Agri-environment-climate (art 28)	Area (ha) under agri-environment-climate (10.1)	1.283.500,00
M10 - Agri-environment-climate (art 28)	Public expenditure for genetic resources conservation (10.2)	2.999.876,00
M10 - Agri-environment-climate (art 28)	Total public expenditure (€)	981.959.468,00
M11 - Organic farming (art 29)	Area (ha) - conversion to organic farming (11.1)	85.000,00
M11 - Organic farming (art 29)	Area (ha) - maintenance of organic farming (11.2)	78.900,00
M11 - Organic farming (art 29)	Total public expenditure (€)	236.101.366,00
M13 - Payments to areas facing natural or other specific constraints (art 31)	Area (ha) - mountain areas (13.1)	1.370.000,00
M13 - Payments to areas facing natural or other specific constraints (art 31)	Area (ha) - other areas with significant NC (13.2)	3.050.000,00
M13 - Payments to areas facing natural or other specific constraints (art 31)	Area (ha) - areas with specific constraints (13.3)	180.000,00
M13 - Payments to areas facing natural or other specific constraints (art 31)	Total public expenditure (€)	1.330.348.728,00

Forest

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T11: percentage of forestry land under management contracts to improve water management (focus area 4B)	0
Forestry land under management contracts to improve water management (ha) (focus area 4B)	0

Context Indicator used as denominator for the target

Context Indicator name	Base year value
29 Forest and other wooded land (FOWL) (000) - total	6.747,00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M15 - Forest environmental and climate services and forest conservation (art 34)	Areas under forest environment contracts (15.1)	850.000,00
M15 - Forest environmental and climate services and forest conservation (art 34)	Total public expenditure (€)	117.647.060,00
M15 - Forest environmental and climate services and forest conservation (art 34)	Public expenditure for genetic resources actions (15.2)	0

11.1.4.3. 4C) Preventing soil erosion and improving soil management

Agriculture

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	1,73
Agricultural land under management contracts to improve soil management and/or prevent soil erosion (ha) (focus area 4C)	230.000,00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	13.306.130,00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	122.618,00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	30.654.556,00
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	31.154.556,00
M10 - Agri-environment-climate (art 28)	Area (ha) under agri-environment-climate (10.1)	1.283.500,00
M10 - Agri-environment-climate (art 28)	Public expenditure for genetic resources conservation (10.2)	2.999.876,00
M10 - Agri-environment-climate (art 28)	Total public expenditure (€)	981.959.468,00
M11 - Organic farming (art 29)	Area (ha) - conversion to organic farming (11.1)	85.000,00
M11 - Organic farming (art 29)	Area (ha) - maintenance of organic farming (11.2)	78.900,00
M11 - Organic farming (art 29)	Total public expenditure (€)	236.101.366,00
M13 - Payments to areas facing natural or other specific constraints (art 31)	Area (ha) - mountain areas (13.1)	1.370.000,00
M13 - Payments to areas facing natural or other specific constraints (art 31)	Area (ha) - other areas with significant NC (13.2)	3.050.000,00
M13 - Payments to areas facing natural or other specific constraints (art 31)	Area (ha) - areas with specific constraints (13.3)	180.000,00
M13 - Payments to areas facing natural or other specific constraints (art 31)	Total public expenditure (€)	1.330.348.728,00

Forest

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T13: percentage of forestry land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	1,26
Forestry land under management contracts to improve soil management and/or prevent soil erosion (ha) (focus area 4C)	85.000,00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
29 Forest and other wooded land (FOWL) (000) - total	6.747,00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M15 - Forest environmental and climate services and forest conservation (art 34)	Areas under forest environment contracts (15.1)	850.000,00
M15 - Forest environmental and climate services and forest conservation (art 34)	Total public expenditure (€)	117.647.060,00
M15 - Forest environmental and climate services and forest conservation (art 34)	Public expenditure for genetic resources actions (15.2)	0

11.1.5. P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

11.1.5.1. 5A) Increasing efficiency in water use by agriculture

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T14: percentage of irrigated land switching to more efficient irrigation system (focus area 5A)	14,78
Irrigated land switching to more efficient irrigation system (ha) (focus area 5A)	465.410,00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
20 Irrigated Land - total	3.148.882,00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M04 - Investments in physical assets (art 17)	Nr of operations supported for investment (4.1, 4.3)	435,00
M04 - Investments in physical assets (art 17)	Area (ha) concerned by investments for saving water (e.g. more efficient irrigation systems...)	435.410,00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	435.410.196,00
M04 - Investments in physical assets (art 17)	Total public expenditure €	435.410.196,00
M10 - Agri-environment-climate (art 28)	Area (ha) (e.g. reduction of irrigated land)	30.000,00
M10 - Agri-environment-climate (art 28)	Total public expenditure (€)	17.999.257,00

11.1.5.2. 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T16: Total investment in renewable energy production (€) (focus area 5C)	1.960.784,44

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving start up aid/support for investment in non-agric activities in rural areas (6.2 and 6.4)	0
M06 - Farm and business development (art 19)	Total investment € (public + private)	1.960.784,44
M06 - Farm and business development (art 19)	Nr of operations	9,00
M06 - Farm and business development (art 19)	Total public expenditure €	1.764.706,00

11.1.5.3. 5D) Reducing green house gas and ammonia emissions from agriculture

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
LU concerned by investments in live-stock management in view of reducing GHG and/or ammonia emissions (focus area 5D)	23.578,00
T17: percentage of LU concerned by investments in live-stock management in view of reducing GHG and/or ammonia emissions (focus area 5D)	0,43
T18: percentage of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (focus area 5D)	0,00
Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (focus area 5D)	0,00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
21 Livestock units - total	5.444.180,00
18 Agricultural Area - total UAA	13.306.130,00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M04 - Investments in physical assets (art 17)	Nr of operations supported for investment (e.g. manure storage, manure treatment) (4.1, 4.4 and 4.3)	943,00
M04 - Investments in physical assets (art 17)	LU concerned by investment in livestock management in view of reducing GHG and ammonia emissions	23.578,00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	637.372.888,57
M04 - Investments in physical assets (art 17)	Total public expenditure €	446.161.022,00

11.1.5.4. 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T19: percentage of agricultural and forest land under management contracts contributing to carbon sequestration and conservation (focus area 5E)	0,05
Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (focus area 5E)	10.995,00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	13.306.130,00
29 Forest and other wooded land (FOWL) (000) - total	6.747,00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Area (ha) to be afforested (establishment - 8.1)	10.995,00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.1)	124.347.250,00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Area (ha) to be established in agro-forestry systems (8.2)	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.2)	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.3)	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.4)	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.5)	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Nr of operations (investments improving resilience and value of forest ecosystems) (8.5)	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.6)	0

11.1.6. P6: Promoting social inclusion, poverty reduction and economic development in rural areas

11.1.6.1. 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T20: Jobs created in supported projects (focus area 6A)	24.417,00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	4.167,00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	5.000.000,00
M04 - Investments in physical assets (art 17)	Nr of beneficiaries of support for investment (in processing and marketing of ag. products) (4.2)	415,00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	664.589.968,89
M04 - Investments in physical assets (art 17)	Total public expenditure €	332.849.734,00
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving start up aid/support for investment in non-agric activities in rural areas (6.2 and 6.4)	2.934,00
M06 - Farm and business development (art 19)	Total investment € (public + private)	312.097.257,56
M06 - Farm and business development (art 19)	Total public expenditure €	292.664.787,00

11.1.6.2. 6B) Fostering local development in rural areas

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
Net population	2.560.342,00
T21: percentage of rural population covered by local development strategies (focus area 6B)	80,00
Rural population covered by local development strategies (focus area 6B)	7.688.106,00
T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)	26,64
T23: Jobs created in supported projects (Leader) (focus area 6B)	2.055,00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
1 Population - rural	45,00
1 Population - intermediate	0,00
1 Population - total	21.355.849,00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for drawing up of village development and N2000/HNV area management plans (7.1)	0
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for investments of small scale infrastructure, including investments in renewable energy and energy saving (7.2)	762,00
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for investments in local basic services for the rural population (7.4)	0
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for investments in recreational/tourist infrastructure (7.5)	0
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for studies/investments in rural cultural and natural heritage, incl HNV sites (7.6)	389,00
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for investments in relocation of activities for environmental/quality of life reasons (7.7)	0
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations Others (7.8)	0
M07 - Basic services and village renewal in rural areas (art 20)	Population benefiting from improved services/infrastructures (7.1; 7.2; 7.4; 7.5; 7.6; 7.7)	2.560.342,00
M07 - Basic services and village renewal in rural areas (art 20)	Total public expenditure (€)	1.297.925.504,00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Number of LAGs selected	120,00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Population covered by LAG	7.688.106,00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Total public expenditure (€) - preparatory support (19.1)	2.400.000,00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Total public expenditure (€) - support for implementation of operations under the CLLD strategy (19.2)	645.888.286,88
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Total public expenditure (€) - preparation and implementation of cooperation activities of the local action group (19.3)	16.561.238,13
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Total public expenditure (€) - support for running costs and animation (19.4)	60.000.000,00

No 1303/2013)		
---------------	--	--

11.2. Overview of the planned output and planned expenditure by measure and by focus area (generated automatically)

Measures	Indicators	P2		P3		P4			P5					P6			Total
		2A	2B	3A	3B	4A	4B	4C	5A	5B	5C	5D	5E	6A	6B	6C	
M01	Training/skills acquisition (1.1) - Nbr of participants in trainings	18,000	12,700			122,618											153,318
	Training/skills acquisition (1.1) - Total public for training/skills	9,000,000	6,350,000			30,654,556											46,004,556
	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	12,480,000	6,350,000	3,000,000	3,000,000	31,154,556											55,984,556
M02	Nr of beneficiaries advised (2.1)	36,639	25,418	300										4,167			66,524
	Total public expenditure € (2.1 to 2.3)	21,983,640	30,501,600	1,800,000										5,000,000			59,285,240
M04	Total investment € (public + private)	1,310,024,182.71		443,059,977.93					435,410,196			637,372,888.57		664,589,968.89			3,490,457,214.1
	Total public expenditure €	987,632,483		221,899,823					435,410,196			446,161,022		332,849,734			2,423,953,258
M06	Total investment € (public + private)	254,187,697	444,839,556								1,960,784.44			312,097,257.56			1,013,085,295
	Total public expenditure €	254,187,697	444,839,556								1,764,706			292,664,787			993,456,746
M07	Total public expenditure (€)														1,297,925,504		1,297,925,504
M08	Total public expenditure (€) (8.1)												124,347,250				124,347,250
M09	Total public expenditure (€)			8,922,222													8,922,222
M10	Area (ha) under agri-environment-climate (10.1)					1,283,500											1,283,500
	Area (ha) (e.g. reduction of irrigated land)								30,000								30,000
	Total public expenditure (€)					981,959,468			17,999,257								999,958,725

M11	Area (ha) - conversion to organic farming (11.1)					85,000								85,000
	Area (ha) - maintenance of organic farming (11.2)					78,900								78,900
	Total public expenditure (€)					236,101,366								236,101,366
M13	Area (ha) - mountain areas (13.1)					1,370,000								1,370,000
	Area (ha) - other areas with significant NC (13.2)					3,050,000								3,050,000
	Area (ha) - areas with specific constraints (13.3)					180,000								180,000
	Total public expenditure (€)					1,330,348,728								1,330,348,728
M14	Nr of beneficiaries			497										497
	Total public expenditure (€)			514,134,081										514,134,081
M15	Areas under forest environment contracts (15.1)					850,000								850,000
	Total public expenditure (€)					117,647,060								117,647,060
M16	Nr of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)			764										764
	Total public expenditure € (16.1 to 16.9)			31,134,556										31,134,556
M17	Total public expenditure (€) (17.2)				235,294,118									235,294,118
M19	Number of LAGs selected												120	120
	Population covered by LAG												7,688,106	7,688,106
	Total public expenditure (€) - preparatory support (19.1)												2,400,000	2,400,000
	Total public expenditure (€) - support for implementation of operations under the CLLD strategy (19.2)												645,888,286.88	645,888,286.88

	Total public expenditure (€) - preparation and implementation of cooperation activities of the local action group (19.3)												16,561,238.13		16,561,238.13
	Total public expenditure (€) - support for running costs and animation (19.4)												60,000,000		60,000,000

11.3. Secondary effects: identification of potential contributions of Rural Development measures/sub-measures programmed under a given focus area to other focus areas / targets

FA from IP	Measure	P1			P2		P3		P4			P5					P6		
		1A	1B	1C	2A	2B	3A	3B	4A	4B	4C	5A	5B	5C	5D	5E	6A	6B	6C
2A	M01 - Knowledge transfer and information actions (art 14)	X		X	P														
	M02 - Advisory services, farm management and farm relief services (art 15)	X			P														
	M04 - Investments in physical assets (art 17)				P		X					X	X	X			X		
	M06 - Farm and business development (art 19)				P		X										X		
2B	M01 - Knowledge transfer and information actions (art 14)	X		X		P													
	M02 - Advisory services, farm management and farm relief services (art 15)	X				P													
	M06 - Farm and business development (art 19)				X	P	X										X		
3A	M01 - Knowledge transfer and information actions (art 14)	X		X			P												
	M02 - Advisory services, farm management and farm relief services (art 15)	X					P												
	M04 - Investments in physical assets (art 17)				X		P										X		
	M09 - Setting-up of producer groups and organisations (art 27)				X		P										X		
	M14 - Animal Welfare (art 33)				X		P								X				
	M16 - Co-operation (art 35)		X		X		P	X									X		
4A	M01 - Knowledge transfer and information actions (art 14)								P						X	X			
	M10 - Agri-environment-climate (art 28)								P	X	X	X			X	X			
	M15 - Forest environmental and climate services and forest conservation (art 34)								P		X				X	X			
4B	M01 - Knowledge transfer and information actions (art 14)									P					X	X			
	M11 - Organic farming (art 29)								X	P	X								
4C	M01 - Knowledge transfer and information actions (art 14)										P				X	X			

	M10 - Agri-environment-climate (art 28)								X	X	P	X			X	X			
	M13 - Payments to areas facing natural or other specific constraints (art 31)								X		P								
	M15 - Forest environmental and climate services and forest conservation (art 34)								X		P				X	X			
5A	M04 - Investments in physical assets (art 17)											P					X		
	M10 - Agri-environment-climate (art 28)								X	X	X	P			X	X			
5C	M06 - Farm and business development (art 19)				X		X							P					
5D	M04 - Investments in physical assets (art 17)				X		X					X			P		X		
5E	M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)								X	X	X					P			
6A	M02 - Advisory services, farm management and farm relief services (art 15)	X															P		
	M04 - Investments in physical assets (art 17)				X		X					X	X	X			P		
	M06 - Farm and business development (art 19)				X							X		X			P		
6B	M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)				X	X	X								X		X	P	

12. ADDITIONAL NATIONAL FINANCING

Not applicable.

13. ELEMENTS NEEDED FOR STATE AID ASSESMENT

For the measures and operations which fall outside the scope of Article 42 of the Treaty the table of aid schemes falling under Article 88(1) to be used for the implementation of the programmes, including the title of the aid scheme, as well as the EAFRD contribution, national cofinancing and additional national financing. Compatibility with state aid must be ensured over the entire life cycle of the programme.

Measure	Title of the aid scheme	EAFRD (€)	National Cofinancing (€)	Additional National Funding (€)	Total (€)
M01 - Knowledge transfer and information actions (art 14)	Support for vocational training and skills acquisition actions; Support for demonstration projects/information actions	50.380.000,00	5.030.000,00		55.410.000,00
M02 - Advisory services, farm management and farm relief services (art 15)	Support for providing advisory services for farmers, young farmers, micro enterprises and small enterprises	50.380.000,00	8.890.000,00		59.270.000,00
M04 - Investments in physical assets (art 17)	Support for investments for processing and marketing; Support for investments in investments related the development, modernisation or adaptation of the forestry	216.000.000,00	44.000.000,00		260.000.000,00
M06 - Farm and business development (art 19)	Business start-up aid for non-agricultural activities in rural areas; Support for investments in creation and development of non-agricultural activities	250.000.000,00	44.420.000,00		294.420.000,00
M07 - Basic services and village renewal in rural areas (art 20)	Support for investments in the creation, improvement or expansion of basic small scale infrastructure; Investments related to the protection of the cultural heritage	1.100.590.000,00	165.090.000,00		1.265.680.000,00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Support for the afforestation and creation of woodland	105.695.160,00	18.652.090,00		124.347.250,00
M09 - Setting-up of producer groups and organisations (art 27)					

M10 - Agri-environment-climate (art 28)					
M11 - Organic farming (art 29)					
M13 - Payments to areas facing natural or other specific constraints (art 31)					
M14 - Animal Welfare (art 33)					
M15 - Forest environmental and climate services and forest conservation (art 34)	Support for forest environmental commitments	100.000.000,00	15.000.000,00		115.000.000,00
M16 - Co-operation (art 35)	Support for the establishment and operation of operational groups (OG); Support for horizontal and vertical cooperation among supply chain actors for the establishment and the development of short supply chains	28.020.000,00	2.800.000,00		30.820.000,00
M17 - Risk management (art 36-39)	Financial contribution to mutual fund to pay financial compensations to farmers	200.000.000,00	35.290.000,00		235.290.000,00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Support for developing projects implemented within the local development strategies LEADER	574.930.000,00	63.880.000,00		638.810.000,00

13.1. M01 - Knowledge transfer and information actions (art 14)

Title of the aid scheme: Support for vocational training and skills acquisition actions; Support for demonstration projects/information actions

EAFRD (€): 50.380.000,00

National Cofinancing (€): 5.030.000,00

Additional National Funding (€):

Total (€): 55.410.000,00

13.1.1.1. Indication:*

Exemption by categories

13.2. M02 - Advisory services, farm management and farm relief services (art 15)

Title of the aid scheme: Support for providing advisory services for farmers, young farmers, micro enterprises and small enterprise

EAFRD (€): 50.380.000,00

National Cofinancing (€): 8.890.000,00

Additional National Funding (€):

Total (€): 59.270.000,00

13.2.1.1. Indication:*

Exemption by categories

13.3. M04 - Investments in physical assets (art 17)

Title of the aid scheme: Support for investments for processing and marketing; Support for investments in investments related the development, modernisation or adaptation of the forestry

EAFRD (€): 216.000.000,00

National Cofinancing (€): 44.000.000,00

Additional National Funding (€):

Total (€): 260.000.000,00

13.3.1.1. Indication:*

Exemption by categories

13.4. M06 - Farm and business development (art 19)

Title of the aid scheme: Business start-up aid for non-agricultural activities in rural areas; Support for investments in creation and development of non-agricultural activities

EAFRD (€): 250.000.000,00

National Cofinancing (€): 44.420.000,00

Additional National Funding (€):

Total (€): 294.420.000,00

13.4.1.1. Indication:*

*Support for starting up non-agricultural activities in rural areas - Notification **

Investments in establishing and developing non-agricultural activities - Payments are made under de minimis

13.5. M07 - Basic services and village renewal in rural areas (art 20)

Title of the aid scheme: Support for investments in the creation, improvement or expansion of basic small scale infrastructure; Investments related to the protection of the cultural heritage

EAFRD (€): 1.100.590.000,00

National Cofinancing (€): 165.090.000,00

Additional National Funding (€):

Total (€): 1.265.680.000,00

13.5.1.1. Indication:*

Notification *

13.6. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

Title of the aid scheme: Support for the afforestation and creation of woodland

EAFRD (€): 105.695.160,00

National Cofinancing (€): 18.652.090,00

Additional National Funding (€):

Total (€): 124.347.250,00

13.6.1.1. Indication*:

Exemption by categories

13.7. M09 - Setting-up of producer groups and organisations (art 27)

Title of the aid scheme:

EAFRD (€):

National Cofinancing (€):

Additional National Funding (€):

Total (€):

13.7.1.1. Indication*:

13.8. M10 - Agri-environment-climate (art 28)

Title of the aid scheme:

EAFRD (€):

National Cofinancing (€):

Additional National Funding (€):

Total (€):

13.8.1.1. Indication*:

13.9. M11 - Organic farming (art 29)

Title of the aid scheme:

EAFRD (€):

National Cofinancing (€):

Additional National Funding (€):

Total (€):

13.9.1.1. Indication:*

--

13.10. M13 - Payments to areas facing natural or other specific constraints (art 31)

Title of the aid scheme:

EAFRD (€):

National Cofinancing (€):

Additional National Funding (€):

Total (€):

13.10.1.1. Indication:*

--

13.11. M14 - Animal Welfare (art 33)

Title of the aid scheme:

EAFRD (€):

National Cofinancing (€):

Additional National Funding (€):

Total (€):

13.11.1.1. Indication:*

--

13.12. M15 - Forest environmental and climate services and forest conservation (art 34)

Title of the aid scheme: Support for forest environmental commitments

EAFRD (€): 100.000.000,00

National Cofinancing (€): 15.000.000,00

Additional National Funding (€):

Total (€): 115.000.000,00

13.12.1.1. Indication*:

Exemption by categories

13.13. M16 - Co-operation (art 35)

Title of the aid scheme: Support for the establishment and operation of operational groups (OG); Support for horizontal and vertical cooperation among supply chain actors for the establishment and the development of short supply chains

EAFRD (€): 28.020.000,00

National Cofinancing (€): 2.800.000,00

Additional National Funding (€):

Total (€): 30.820.000,00

13.13.1.1. Indication*:

Notification

13.14. M17 - Risk management (art 36-39)

Title of the aid scheme: Financial contribution to mutual fund to pay financial compensations to farmers

EAFRD (€): 200.000.000,00

National Cofinancing (€): 35.290.000,00

Additional National Funding (€):

Total (€): 235.290.000,00

13.14.1.1. Indication*:

Notification *

13.15. M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)

Title of the aid scheme: Support for developing projects implemented within the local development strategies LEADER

EAFRD (€): 574.930.000,00

National Cofinancing (€): 63.880.000,00

Additional National Funding (€):

Total (€): 638.810.000,00

13.15.1.1. Indication:*

Payments are made under de minimis

14. INFORMATION ON COMPLEMENTARITY

14.1. Description of means for the complementarity and coherence with:

14.1.1. Other Union instruments and, in particular with ESI Funds and Pillar 1, including greening, and other instruments of the common agricultural policy

a) EAFRD - other ESIF

According to the Partnership Agreement with the European Union for the 2014-2020 programming period, Romania proposes an integrated approach of EU investments, in order to ensure the coherence and complementarity of the use of the European Structural and Investment Funds (ESIF) and to achieve the common thematic objectives (TO). The practical ways in which, at institutional level, it will be ensured the synergy and consistency between interventions from ESIF is the establishment of an **institutional coordination mechanism** organized into three levels i) **monitoring committee of PA**, ii) **five thematic sub-committees** and iii) **four functional working groups** under the responsibility and coordination of MEF. The role of this mechanism is to provide strategic and complementary coordination during the implementation of PA and programs financed from ESIF, taking into account the consistency with other EU and national instruments.

In the period 2014-2020, ESIF for Romania complementarily contributes to achieving TO, as follows:

Research, Development and Innovation

European Regional Development Fund (ERDF) - RDI activities based on smart development areas, research-innovation and technological transfer infrastructure, activities specific to bodies for technological transfer and regional competence centers (**TO 1**).

The **European Maritime and Fisheries Fund (EMFF)** - development of innovative products, practices and processes in the fishery sector. (**TO 1**).

European Agricultural Fund for Rural Development (EAFRD) - Actions for innovation in the agri-food and forestry sectors, by supporting the establishment of EIP operational groups (pilot projects, development of new products, practices, processes and technologies, transfer of good practices, including the dissemination of results to all interested stakeholders). Thus, while EAFRD is funding innovation activities, carried out through operational groups, ERDF supports the classic research, including in the agri-food field, based on smart specialization areas identified in the Strategy for Research and Innovation 2014-2020 (**TO 1**).

ICT Infrastructure

ERDF - ICT infrastructure, including for increasing rural population's access to broadband infrastructure (**TO 2**).

EAFRD – Small-scale ICT infrastructure through **the LEADER** approach (**TO 9**).

Road infrastructure

EAFRD – farm access roads and roads for forest holdings (**TO 3**), investment for the establishment,

expansion and improvement of the network of local roads in rural areas **(TO 9)**.

ERDF - the rehabilitation and modernization of county roads that provide connectivity, directly or indirectly, to European transport networks (TEN-T). **(TO 7)**

Cohesion Fund (CF) - investments related to national roads **(TO 7)**.

Business development

ERDF - non-agricultural medium enterprises in rural areas and non-agricultural SMEs in urban areas (more than one year from registration) **(TO 3)**.

ESF - supports small entrepreneurs (self employed person, individual enterprise, family enterprise), supporting the establishment of non-agricultural micro and small enterprises in rural and urban areas, by providing financial support and counseling/advice (eg legislation, accounting, marketing services), entrepreneurial training and other types of support (eg mentoring) **(TO 8)**.

EAFRD - investment in **agricultural enterprises** regardless of residence; processing and marketing of agricultural products in enterprises that process raw materials (included in Annex I to the Treaty establishing the European Community and which obtain products covered by Annex I to the Treaty, with the exception of the fish products) **(TO 3, TO 8)** .

EAFRD – the establishment of non-agricultural activities by micro and small enterprises newly established in rural areas; the creation and development of non-agricultural activities by existing micro and small enterprises, based on a business plan (eg, investment in physical assets, the creation and development of agri-tourism accommodation capacities, processing wood products, etc.) **(TO 8)** , including providing advice on developing the business plan for the proposed activity **(TO 10)**.

EMFF - productive activities from aquaculture, by investments in processing products from fishery and aquaculture **(TO 3)**.

Tourism infrastructure

EAFRD - micro and small enterprises private investment projects that are aimed at the agri-tourism accommodation infrastructure, leisure and public food in rural areas **(TO 8)**.

EMFF - investments for diversification of inland fishing activities towards other activities outside fishing (including tourism) **(TO 8)**.

ERDF - large scale investment in tourism infrastructure in urban areas, as well as in resorts and spas (rural and urban) **(TO 6)**.

Social Infrastructure

ERDF - investments in integrated intervention centers providing medical and social services in both urban and rural areas **(TO 9)**.

EAFRD - investments in small-scale social infrastructure (after-school) in rural areas **(TO 9)**.

ESF - investment in human capital aimed at social inclusion actions, improvement of social services, complementarily with the interventions through ERDF and EAFRD (**TO 9**).

Health infrastructure

ERDF - health infrastructure (construction, rehabilitation, modernization of health services infrastructure - outpatient, integrated intervention centers) in rural and urban areas (**TO 9**).

EAFRD - rural public health infrastructure (dispensaries) (**TO 9**).

ESF - investment in human capital aimed at improving the capacity of the health system (**TO 9**).

Water/wastewater infrastructure

EAFRD (TO 9) - water/wastewater infrastructure, complementary with **CF (TO 6)**, in agreement with the requirements of regional Master Plans approved and their list of priority investments, managed by Regional Operators (coordination mechanism that will ensure a common approach, an integrated and efficient management of investments in this sector). **EAFRD** focuses on agglomerations between 2000 and 10,000 e.p. that are not proposed to be financed through the **CF**, but are part of the Master Plans. These investments are a priority for Romania, in order to meet the country commitments, in accordance with Directive 91/271/EEC; if the country commitments are met by 2018, there will be investment in the rural localities from agglomerations under 2,000 e.p.

Patrimony

ERDF - the restoration, protection and capitalization (through tourism) of UNESCO heritage and national cultural heritage (group A*), respectively the local cultural heritage from urban areas (group B*) (**TO 6**).

*According to the national legislation classification of the national patrimony.

EAFRD - investments associated with maintenance, preservation and renovation of local cultural heritage in rural areas (**TO 9**).

Local Development

ERDF and **ESF** - investment in supporting economic regeneration of urban areas in decline and stimulation of social inclusion of disadvantaged communities, including Roma community, through community-led local development (CLLD) (**TO 9**).

EAFRD - supports LAGs operating in rural areas and small towns of under 20,000 inhabitants (**TO 9**).

EMFF - investments carried out by actors in the fishery sector (local action groups of FLAG type) (**TO 9**).

Educational infrastructure

ERDF - the rehabilitation and modernization of urban early-childhood, university education infrastructure, construction and rehabilitation of urban and rural preschool and school infrastructure and rehabilitation, respectively modernization and endowment of the infrastructure of vocational schools in urban and rural areas (except for the units with an agricultural profile from rural areas) (**TO 10**).

FEADR - the rehabilitation, extension and modernization (including endowing) of the secondary education institutions with agricultural profile, establishment and modernization (including endowing) of the early childhood and preschool educational infrastructure. The investments aim the communes and their associations **(OT9)**.

Training (TO 10)

ESF - organizing long term training and qualification sessions in agricultural fields and short and long term courses in non-agricultural fields, both in rural and in urban areas. The courses will be completed with a qualification / certification / recognition.

EAFRD – initiation, specialization and training courses in agri-food area (including the environment protection) and related areas (management, marketing, etc.), completed with a training certificate that it is not a qualification/professional conversion diploma. The beneficiaries of courses will be mainly the applicants for projects financed from the EAFRD.

Risk Management

EAFRD - risk management in agriculture, by supporting the creation of a mutual fund **(TO 3)**.

CF – information actions and public awareness on risk management **(TO 5)**.

Renewable energy (TO4)

ERDF – capitalization of renewable resources, in order to produce electricity and thermal energy, including biomass power plants.

EMFF - aquaculture farms in order to use the renewable energy sources, as well as investment in renewable energy (solar and wind) within the units processing fishery products.

CF - investment in units for producing electricity and heat from biomass, geothermal sources and micro hydropower.

EAFRD - investments in agricultural holdings, in order to produce biofuels and bioenergy from energy crops and biomass for own consumption and investments in biomass processing and other types of renewable energies, the beneficiaries being both the farmers and other economic agents (individuals or micro and small enterprises in rural areas).

Efficient use of resources

EAFRD - investments to reduce energy consumption in the agri-food sector **(TO 4)**.

ERDF - thermal rehabilitation of urban buildings and dwellings **(TO 6)**.

EMFF - investments to reduce energy consumption in fishery and marine areas **(TO 4)**.

EAFRD - increasing the efficiency of water use in agriculture, by investment in secondary irrigation infrastructure, and, in a complementary manner, funding the main irrigation infrastructure will be done from

the national budget and public-private partnerships (**TO 6**).

b) EAFRD - EAGF

Pillar I of the CAP helps to ensure farmers' incomes, through direct payments per hectare and specific market measures.

Romanian National Support Program in wine sector 2014-2018 - conversion / restructuring of noble vineyards for wine, payment per hectare (ha), crop insurance, investment for modernization of cellars and marketing of vine and wine products, namely promotion, operations that are not eligible under **the EAFRD**.

National Beekeeping Programme 2014-2016 - technical assistance services for bee-keepers and bee-keepers' groups, prophylactic activities and activities for combating the varroosis, beehive purchasing, transhumance rationalization, assistance measures for laboratories analysing the physical and chemical characteristics of honey and assistance measures for increasing the number of bees on the national territory, operations that are not eligible under **the EAFRD**.

In a complementary manner, **the EAFRD** supports investment in agricultural holdings for the construction and modernization of buildings within the farm, purchase of agricultural equipment, retail space planning, purchase software, etc.

Basic Payment (SAPS) and redistributive payment - direct support for farmers, by means of a payment per hectare, subject to fulfilling the status of active farmer and meeting the cross-compliance. The **redistributive payment** stipulates the award of an additional payment per hectare for the first 30 hectares.

EAFRD - providing a lump sum payment (based on a business plan) for small farms (SM 6.3).

Complementarity **EAGF - EAFRD** regarding the **small farms** is provided if the farmers registered for at least one year in **the simplified scheme for small farmers (EAGF)** will choose to permanently transfer their holding to another farmer. By **EAFRD (SM 6.5)** they will be able to access 120% of the payment that would have been eligible for within the simplified scheme of Pillar I.

Payment for young farmers - additional payment per hectare for farmers under 40 years of age, for a 5 year period and for a maximum area of 90 hectares. It is not taken into account the defining of additional criterias related to adequate competences and/or requirements related to training for the farmers requiring this type of payment, to encourage a higher number of farmers. SM 6.1 of **EAFRD**, supports the setting up for the first time of young farmers as sole heads/managers of an agricultural holding, based on a business plan.

National Transitional Aid (TNA) - phasing-out type of aid, for supporting from national funds some specific important sectors of Romanian agriculture. The granting also aims the ensuring of the continuity and the development of the farms receiving this type of support.

Payment for agricultural practices beneficial for climate and environment for farmers following crop diversification practices, maintenance of permanent grasslands and the presence of an area of ecological interest on the agricultural area. Romania does not intend to make use of the application of equivalent practices referred to in art. 43.3 of Regulation (EC) 1307/2013, so there is no risk of double

funding. Romania will apply art.43.11, which recognizes the ipso facto right to the greening payment for farmers practicing organic farming. Agri-environment payment (**EAFRD**) supports farmers based on the voluntary commitment to respect additional conditions (that go beyond the basic requirements) for environment protection.

14.1.2. Where a Member State has opted to submit a national programme and a set of regional programmes as referred to in Article 6(2) of Regulation (EU) No 1305/2013, information on complementarity between them

Not applicable.

14.2. Where relevant, information on the complementarity with other Union instruments, including LIFE

HORIZON 2020 programme is the EU's framework program for research and innovation, in order to achieve the objectives of Europe 2020 Strategy. Through **EAFRD** support for the establishment of operational groups will be granted (within the European Innovation Partnership) for the development of pilot projects and new products, practices, processes. Once established, these operational groups, in partnership with groups from other Member States, will be able to access the opportunities provided by Horizon 2020 tool.

European Union's Programme for Employment and Social Innovation (EASI) provides financial support to put reform ideas into practice, to assess them and further more widely develop the best ideas in the Member States, contributing to the objectives of the Europe 2020 strategy for jobs and social inclusion. **EAFRD** contributes to job creation and enhancing social inclusion, by supporting the establishment and development of enterprises in agricultural and non-agricultural areas.

European Union Solidarity Fund (EUSF) provides financial support to Member States that are affected by major natural disasters. **EAFRD** supports the creation of mutual funds in agriculture for managing the risks regarding environmental incidents, animal and plant diseases and price volatility.

The synergies between LIFE + and EAFRD will be ensured through the promotion of the activities financed by EAFRD which complement the integrated LIFE+ projects regarding biodiversity, water, climate change mitigation and adaptation, etc. Also, solutions, methods and approaches validated through the LIFE+ program (eg innovative technologies) will be promoted through the EAFRD in accordance with European strategies on environmental protection and climate change.

According to the **European Framework for National Roma Inclusion Strategies 2020**, Member States must ensure that the funds available, including through EAFRD, will be accessible to Roma minority. That's why, within the **EAFRD**, a strong emphasis will be placed on the support of Roma minority in the context of **LEADER**, through local development strategies.

Therefore, it is intended to prioritize the local development strategies that promote specific projects dedicated to Roma minority issues, giving additional points. Will be stimulated LEADER animating and promoting actions which will be addressed to all local communities, potential LAG territories (including

significantly populated by Romanian citizens belonging to national minorities, including Roma minority).

Financed interventions from the EAFRD, in a complementary manner with the investments from the ERDF, ESF and CF will contribute to the objectives set by the ***Strategy of integrated sustainable development of the Danube Delta in 2030*** by an separate indicative allocation of 168 million € (NRDP 2014-2020 budget, including national contribution) that will focus on investments in physical assets, farm and business development, basic services and village renewal in rural areas, agri-environment and climate and LEADER.

In conjunction with the investment from **the ERDF, CF, EMFF, ESF**, the **EAFRD** interventions will contribute to the four pillars of ***the EU Strategy for the Danube Region (SUERD)***, by investments in physical assets, farm and business development, basic services and village renewal in rural areas, knowledge transfer and information actions, agri-environment and climate, cooperation and LEADER. The indicative financial allocation for these interventions will be of **€ 1,718 million** (EAFRD and national contribution).Also, NRDP interventions on the Danube riparian counties will be separately monitored by the Managing Authority for NRDP.

15. PROGRAMME IMPLEMENTING ARRANGEMENTS

15.1. The designation by the Member State of all authorities referred to in Regulation (EU) No 1305/2013 Article 65(2) and a summary description of the management and control structure of the programme requested under Regulation (EU) No 1303/2013 Article 55(3)(i) and arrangements under Regulation (EU) No 1303/2013 Article 74(3)

15.1.1. Authorities

Authority/body	Name of authority/body and department or unit	Head of authority/body (position or post)	Address	Email
Managing authority	Ministry of Agriculture and Rural Development (MARD) – General Directorate for Rural Development (MA NRDP)	Director General	Bucharest, 2-4, Carol I Ave., 3rd district, postal code 030163, postal office 37	mihai.herciu@madr.ro
Certification body	Audit Authority established and attached to the Romania Court of Auditors	President	Bucharest, 20, Gral. Ernest Broșteanu Street, 1 st district, postal code 101528	aron.popa@rcc.ro
Accredited paying agency	Agency for the Funding of Rural Investment (AFRI)	Director General	Bucharest, 43, Știrbei Vodă Str., 1st district	cabinet@apdrp.ro

15.1.2. Summary description of the management and control structure of the programme and arrangements for the independent examination of complaints

15.1.2.1. Management and control structure

Legal Basis

Under Art. 8 (1) (m) (i) and Art. 65 of Regulation (EU) no. 1305/2013 on support for rural development by the EAFRD, the Member State must create the legal, regulatory and administrative framework to ensure the effective protection of the financial interests of the Union.

For **Romania**, the institutional management, control and implementation system consists of:

- the **Managing Authority (MA NRDP)**, represented by the Ministry of Agriculture and Rural Development (MARD) - Directorate General for Rural Development (DGRD-MA NRDP), responsible for the implementation function and for the management of the Programme;
- the **Paying Agency**, represented by the Agency for the Funding of Rural Investment (AFRI), which is responsible for the payment function;
- the **Certification Body**, represented by the Audit Authority established and attached to the Romanian Court of Auditors, which is responsible for certifying the veracity, the completeness and the accuracy of the accounts of the accredited Paying Agencies.

Given that in Romania there are two paying agencies for community funds, *i.e.* AFRI for EAFRD and the Agency for Payments and Intervention in Agriculture (APIA) for EAFG, a **Coordinating Body** was

established, which shall act as the sole interlocutor of the two agencies with the European Commission. The accreditation of the paying agencies and of the coordinating body is the responsibility of the **Competent Authority** established within MARD.

a) Managing Authority

Under art. 66 of Regulation (EU) no. 1305/2013, the Managing Authority is responsible for the effective, efficient, and correct management and implementation of the programme.

The Managing Authority for NRDP in Romania - MA NRDP is MARD, through the General Directorate of Rural Development, according to the Government Decision no. 725/2010 on the reorganisation and functioning of MARD, as well as several of its subordinate structures, as subsequently amended and supplemented.

Under Art. 66 (2) of Regulation no. 1305/2013, MA-NRDP shall delegate the tasks of implementing certain measures to the paying agency. However, the MA shall retain full responsibility for the correct and efficient management and implementation of the delegated tasks and shall ensure that appropriate provisions are in place to allow the other bodies to obtain all necessary data and information for the execution of these tasks.

In order to ensure the accuracy and efficiency of the management of the delegated powers, MA NRDP shall monitor the compliance with the delegated functions.

In order to fulfil its monitoring and evaluation responsibilities, the MA NRDP shall ensure that a safe and appropriate system for the registration, maintenance, management and reporting of statistical information about the programme and its implementation is in place, with a view to sending to the European Commission the information required under the European regulations' provisions. The MA shall also have responsibilities related to the implementation of certain measures from NRDP, as well as responsibilities related to the publicity arrangements for the programme and to the provision of information to the institutions involved in the implementation of the NRDP, to the potential beneficiaries and to the Monitoring Committee and the management of the National Rural Development Network.

b) Paying Agency

The Paying Agency under Article 7 of Regulation (EU) 1306/2013 to implement measures financed by the European Agricultural Fund for Rural Development is AFRI, an agency which is currently accredited for NRDP 2007-2013.

The structure of AFRI consists of:

- A central coordination unit;
- Regional Centres;
- County Offices.

AFRI, at the central, regional and county level, has staff responsible for the implementation of the EAFRD (both for the specific duties of the payment function, and for those resulting from the delegation by MA NRDP).

By developing an implementation, management and control structure, AFRI ensures:

- a. the verification of the eligibility of the application, of the procedure for support allocation, and of the compliance with Community rules, before payment is authorised;
- b. the maintenance of complete and accurate accounting records on the payments made;
- c. the conduct of the verifications laid down in Community and national law;
- d. the filing of the documents, by the beneficiaries, observing the deadlines and the formats provided in the Community and national rules;
- e. the accessibility of the documents and their storage in a manner that ensures their validity, legality, and maintenance in a complete form over time, including the electronic documents provided for in the Community and national legislation.

According to Community rules, AFRI remains fully responsible for the legality and timeliness of payments, including for the protection of the financial interests of the European Union and the declaration of expenditures to the Commission, and for the appropriate management of the accounts.

c) Certification Body

The Audit Authority, established and attached to the Romanian Court of Auditors, is the certifying body for the funds to be granted through the NRDP 2014-2020, according to Article 9 of Regulation (EU) no. 1306/2013.

The Audit Authority operates under Law 200/2005 approving the Government Emergency Ordinance no. 22/2005 amending Law 94/1992 on the organisation and functioning of the Court of Auditors, as republished, as subsequently amended and supplemented, and is an independent body, from an operational point of view, from the Court of Auditors and the institutions involved in the implementation of Community funds.

The Audit Authority shall provide a notice, issued in accordance with the auditing standards accepted internationally, on the completeness, the accuracy and the veracity of the annual accounts of the paying agencies, on the proper operation of their control system and on the legality and regularity of the expenditures whose reimbursement was requested to the European Commission. The notice shall also mention whether the examination calls into question the statements made in the management report.

d) Coordinating Body

Romania has two paying agencies, AFRI for EAFRD payments, and APIA - for EAGF payments. Thus, according to Article 7 (4) of Regulation (EU) no.1306/2013, the Directorate for the Coordination of Paying Agencies, a structure within MARD, as a coordinating body, was established, acting as the sole interlocutor of the European Commission.

e) Competent Authority

The Competent Authority is established at the level of MARD, according to Government Decision no. 725/2010, as subsequently amended and supplemented, and is responsible for submitting to the European Commission the accreditation document of AFRI, of APIA and of the Coordinating Body, and of the documents that describe their functions.

f) Agency for Payments and Intervention in Agriculture (APIA)

AFRI delegates to APIA some of the specific tasks related to the measures involving compensatory payments. However, AFRI retains the responsibility for the correct and efficient implementation of the delegated tasks.

15.1.2.2. Arrangements for the independent examination of complaints

In Romania, the Anti-Fraud Department (DLAF) is the contact institution with the European Anti-Fraud Office (OLAF).

In carrying out its duties under the law, DLAF has functional and decision-making autonomy, and is independent from other public authorities and institutions. DLAF is the institution responsible for coordinating the implementation of the *National Anti-Fraud Strategy for the protection of the financial interests of the European Union in Romania* and of the related *Action Plan*.

DLAF ensures, supports and coordinates, if applicable, the fulfilment of the obligations of Romania on the protection of the financial interests of the EU, in accordance with Art. 325 of the Treaty on the Functioning of the EU.

The designated authority responsible for reporting any irregularities in the EAFRD is AFRI that reports on irregularities in DLAF.

Reception and resolution of complaints

The reception, resolution, and the complaint resolution deadlines are established under national law.

Upon request of the Commission, Romania, through the responsible authorities for management and control of NRDP, examines the complaints submitted to the European Commission. Upon request of the Commission, it shall be informed of the results of such examinations.

The public shall be informed of the possibilities to submit complaints:

1. Through the website of MA NRDP and AFRI;
2. By email;
3. By information posters.

15.2. The envisaged composition of the Monitoring Committee

Under article 47 of Regulation no. 1303/2013, within three months of the date of notification of the Commission decision adopting the National Rural Development Program, the Monitoring Committee for NRDP 2014-2020 (MC) shall be established to ensure the efficiency, efficacy and fairness of its implementation.

In order to perform the MC duties, its secretariat shall prepare an Organisation and Functioning Regulations,

which shall be approved at its first meeting.

The MC shall function throughout the implementation period of the NRDP 2014-2020,

The structure of the Monitoring Committee

The MC is a national, unincorporated partnership structure, whose role consists of ensuring the performance of the NRDP and the efficiency of its implementation.

The MC is chaired by the MA NRDP. The MC partners shall be represented in accordance with the European principle of partnership, also ensuring a balanced representation of public and private partners.

Thus, the MC members shall be designated from the following categories:

- national, regional, local relevant authorities,
- representatives of the academic environment,
- organizations of the civil society,
- economic and social partners – business associations, trade unions, employers' associations that carry out their activity in the field of agriculture, food industry and rural development,
- partners in the environmental protection field;
- partners with responsibilities of promoting equal chances and non-discrimination.

The principles applicable to the selection and functioning of this partnership framework are: respect for multilevel governance, capitalising on the experience, the best practices and the know-how of relevant partners, ensuring ownership, by all parties involved, of the planned interventions.

MA NRDP shall identify the most representative organisations in the sector in which they operate, relevant from the perspective of the rural development policy, observing the European principle of partnership. In the interest of capitalising on the experience accumulated in the preparation phase of the National Rural Development Programme, the institutions participating in the Consultative Thematic Committee for Rural Development Agriculture and Fisheries, and in the working groups established at its level, shall be considered when setting up the MC.

Further to the set-up of MC, its structure can be revised or supplemented with other representative members, depending on the evolution of the NRDP 2014-2020 implementing process.

The representatives of the Commission may, on their own initiative, take part in the works of the MC, in an advisory capacity.

The Secretariat of the Monitoring Committee

The secretariat of MC shall be ensured by the MA NRDP, which shall be responsible for preparing the monitoring documents, the reports, the agenda and the minutes of the meetings.

The main duties of the Secretariat shall include:

- drafting the agenda for the meetings of the Monitoring Committee;
- preparing and distributing of invitations, meeting programmes and documents;
- drafting the minutes of the meeting of the Monitoring Committee.

Functions of the Monitoring Committee

The MC shall meet at least once a year and shall review the implementation of the programme and the progress attained in relation to its objectives. To this end:

1. The MC shall take into account the financial data, the common and the programme-specific indicators, including the value changes in relation to the output indicators and the progress towards the quantified target values and of the milestones defined in the performance framework and, where appropriate, the results of the qualitative analyses;
2. The MC shall be consulted and shall issue an opinion, within four months of the decision approving the programme, on the selection criteria for financed operations, which shall be revised according to programming needs;
3. The MC shall be consulted on any changes to the programme, proposed by the MA NRDP;
4. The MC shall examine the activities and outputs related to the progress in the implementation of the evaluation plan of the programme;
5. The MC shall examine the actions in the programme relating to the fulfilment of *ex ante* conditionalities, which fall within the responsibilities of the MA NRDP, and shall be informed of actions relating to the fulfilment of the *ex ante* conditionalities;
6. The MC may issue observations on the implementation and evaluation of the programme, including actions related to the reduction of the administrative burden for the beneficiaries;
7. The MC shall participate in the national rural network to exchange information on programme implementation;
8. The MC shall consider and approve the annual implementation reports before they are sent to the Commission.

15.3. Provisions to ensure that the programme is publicised, including through the National Rural Network, making reference to the information and publicity strategy, which describes the information and publicity arrangements for the programme in more detail, referred to in Article 13 of this Regulation

The responsibilities of the Managing Authority

Under Article 66, 1 (i) of the Regulation (EU) no. 1305/2013, the MA-NRDP must ensure the publicity for the programme, including through the national rural network, by informing potential beneficiaries, professional organisations, the economic and social partners, bodies involved in promoting equality between men and women, and the non-governmental organisations concerned, including environmental organisations, of the possibilities offered by the programme and the rules for gaining access to funding, as well as by informing beneficiaries of the Union contribution and the general public on the role played by the Union in the programme.

Under article 13 of the EAFRD Implementing Regulation, the information and publicity strategy shall be sent to the Monitoring Committee within 6 months after approval of the RDP.

Also, under Article 66,1, (c) of the Regulation (EU) no. 1305/2013, MA-NRDP must ensure that the beneficiaries and the other bodies involved in the implementation of the operations are informed of their obligations resulting from the support granted, and that they use either a separate accounting system or an adequate accounting encoding for all transactions relating to the operation.

MA NRDP shall send an information and publicity strategy, as well as any changes of it as information to the Monitoring Committee, in accordance with Article 13 of the Regulation Implementing R 1305/2013. MA NRDP shall inform the MC, at least once a year, on the progress made in the implementation of the information and publicity strategy and of the results obtained, as well as on the information and publicity actions planned for the following year.

The MA together with the paying agency has the responsibility to manage the overall communication process and to manage the National Network for Rural Development in the conduct of the NRDP publicity actions. The information and publicity strategy developed by the MA will be the basis of the network's communication plan.

Primary objective of the information and publicity strategy

The information and publicity actions regarding the NRDP should ensure the awareness of the general public and, in particular:

- of the potential beneficiaries, in view of accessing European funds for rural development;
- of the programme beneficiaries, on the content of the measures and on the conduct of the projects;
- of the national and local government, of professional organisations, of economic and social partners, of NGOs, both for accessing the European Agricultural Fund for Rural Development and for the dissemination of specific information.

Communication must be clear, concise, practical, tailored to the target audience and consistent at county, regional and central levels, throughout the implementation period. It is articulated around three principles:

- *flexibility* (ability to respond quickly to signals from the internal and external environments);
- *transparency* (ability to provide objective and accurate information on the NRDP and on the EU contribution);
- *efficiency* (optimal use of resources to achieve maximum impact).

The MA NRDP, together with the paying agency, shall develop an information and publicity strategy that shall cover:

- a. the objectives and target groups of potential beneficiaries;
- b. the description of the information and publicity actions' content;
- c. the indicative budget of the strategy;
- d. a description of the administrative bodies, including the staff resources responsible for the implementation of the information and publicity measures;

- e. a description of the role of the National Network for Rural Development and of the manner in which the communication plan required under Art. 51 (3) (vi) of the Regulation [EU] no. 1305/2013 will contribute to the support of the implementation of the strategy;
- f. a description of the manner in which the information and publicity measures shall be evaluated in terms of visibility and awareness of the target public, and of the role played by the European rural development funds and by the EU;
- g. an update, by annual communication plans, in order to establish the information and publicity activities to be carried out during the following year.

The implementation of the information and publicity strategy on NRDP shall be ensured by the Directorate General for Rural Development, as MA NRDP, together with the paying Agencies, supplemented by the activity of the NNRD.

The strategy shall be implemented through annual communication Plans, drawn up by the MA NRDP together with all the entities involved in the information and publicity activities. The annual communication plan shall be submitted to the members of the MC for information purposes, on the last meeting of the MC of each year, and shall describe the activities to be carried out during the following year.

The information and publicity strategy shall also include actions relating to the thematic sub-program. Actions customized according to the specific nature of the sub-programme and the measures to be performed under the sub-programme shall also be carried out.

Information measures of the potential beneficiaries

The MA-NRDP, together with the paying agencies, shall provide the potential beneficiaries with information on the accessing flow of allocated funds, on eligibility conditions, on administrative procedures related to the access to financing, on the procedure used to examine the financing applications, on the project selection criteria, and on the contact persons at the national, regional and local levels, in charge of the information and communication activity regarding the NRDP.

The communication activities are specific to different implementation phases, as follows:

- *Phase 1: NRDP launching preparation-* Applicable communication activities: information and presentation campaigns, production and distribution of printed materials and multimedia campaign for general and technical information, assessment of the information needs and methods.
- *Phase 2: launching the NRDP and of the financing measures-* Applicable communication activities: general information and promotion campaigns, publicity campaigns aimed at raising awareness and at convincing the public to access available funding, campaigns aimed at presenting examples of good practices, information campaigns, NRDP media coverage, public events aimed at providing information and at the technical and specific presentation, production and distribution of information materials.
- *Phase 3: implementation of the NRDP and of the financing measures-* Applicable communication activities: specific and technical information campaigns, information and promotional campaigns for accessing and conducting European funds, campaigns promoting examples of good practices, media coverage of the Programme, public events aimed at providing information and at the technical presentation, production and distribution of information materials.

Actions aimed at raising awareness, in the general public, on the role played by the Community within NRDP and on the results

The general public shall be informed about the EU's role in the implementation of the NRDP by:

- information, promotional and publicity campaigns. Specific campaigns shall be conducted to inform the general public, especially at the beginning of the implementation of the NRDP (to cover a wide range of potential beneficiaries). At the end of this period, the campaigns shall be organised to inform the public on the results, on the accumulated experience and on the beneficiaries that have accessed the EAFRD.
- A single website portal that shall facilitate the access to public information available, including on other websites (NNRD, Paying Agencies).
- The constant publication of annual reports on the implementation of the NRDP which shall continue throughout the implementation period, until the evaluation of its results.
- Explicitly mentioning the EU contribution in all printed materials and multimedia, in all events and communication actions, as well as in all means of communication of the MANRDP, Paying Agencies, and on the NNRD.

The role of the National Network for Rural Development in the information and communication activities relating to the rural development programme

One of the tasks of NNRD shall be developing a network communication Plan, as part of the action plan, which shall supplement the information and publicity Strategy of the National Rural Development Programme. The communication plan shall be correlated with the general policy goals, shall include tasks and a clear timetable for implementation, explicitly designating the target groups. The communication tools and the means of communication shall be established so as to meet the requirements of different target groups and of the general public.

The information and communication activities carried out by NNRD shall be complementary to similar activities related to the program, performed by relevant structure. Considering the specific nature of the Network, such activities shall be mainly focused on information actions at local level and at the level of the Local Action Groups, good practice examples, as well as the involvement of the information multipliers in the NRDP publicity activity.

The tools and activities used by the Support Unit to facilitate the connection processes within NNRD network may include **information dissemination tools**, such as: media instruments, information and publicity materials, data bases, discussion forums, training courses, web page, exchange of experience and good practice etc.

Notification on the support granting

MA-NRDP and AFRI shall ensure that the notification sent to beneficiaries about the support granting shall include information on the financing of the action within the National Rural Development Programme co-financed from EAFRD, as well as about the measure and the priority generating the support.

Responsibilities of the beneficiaries

The NRDP beneficiaries shall ensure transparency in the use of EU funds by actions that facilitate the visualisation of information on the funding obtained, of deadlines for the implementation of the project, on the contracting authority and on the relevant details on the implementation of the activity, through the following means:

- Displaying explanatory publicity signs, so as to be readily visible for the public, both in terms of location, and in terms of realization, as follows:
 - billboards for investments that have obtained funding exceeding 500,000 euros;
 - plaques for investments that have obtained funding exceeding 50,000 euros (total eligible value), at the offices of the Local Action Groups;
 - posters for activities that have obtained funding under 50,000 euros (total eligible value);
 - stickers shall be affixed on the goods purchased through the financed activities.
- mentioning, on the websites of the beneficiaries, if any and if covered by the financing activities, of the contribution of the EAFRD and linking to the Commission's website;
- mentioning, on the printed materials and multimedia, if any and if covered by the financing activities, of the contribution of the EAFRD;
- facilitating the media coverage of the activity financed through the NRDP as an example of good practice, at the request of the Contracting Authority of the beneficiary.

15.4. Description of mechanisms to ensure coherence with regard to local development strategies implemented under LEADER, activities envisaged under the co-operation measure referred to in Article 35 of Regulation (EU) No 1305/2013, the basic services and village renewal in rural areas measure referred to in Article 20 of that Regulation, and other ESI Funds

Under LEADER, the LAGs develop and implement local development strategies identifying, based on bottom-up principles and partnerships between the private and the public local environment, the local development needs and priorities specific to a certain territory. Cooperation (Art. 35) supports the development and functioning of operational groups (OGs) for the development of pilot projects, new products, practices, processes and technologies in the agricultural, food and forest sector, as well as the horizontal and vertical cooperation between the stakeholders in the supply chain, by developing short chains and local markets, as well as promotional activities adjusted to the local context, serving as a catalyser for the rural communities development. The complementarity between OGs and LAGs is also given by the different territorial area of the two approaches. Thus, whereas LAGs are strictly limited in terms of territory, the OGs are not limited to a certain territorial scope. Therefore, the LAGs may be an active partner in the operational groups' development, by the local dissemination of information regarding the EIP opportunities and by encouraging innovative projects at the local development strategies level. Thus, the cooperation actions, together with actions supported by the land-use development strategies (LDS) and the local development plans of the region shall contribute, through a complementary approach, to the achievement of the NRDP objectives.

In developing and implementing the local development strategies, the local partners shall take into account the local needs and the possibility to incorporate innovative features into the local context, as well as actions

complementary to the innovative cooperation projects.

Basic services and renewal of villages in rural areas (Art. 20) target mainly small-scale basic infrastructure investments and investments for the preservation of the cultural heritage. Although the investment provided in the Leader Measure and in Article 20 might overlap, the LEADER measure shall consider the prioritization of investments at a local level according to the strategic objectives set out in the local development strategy of the rural area. By selecting local projects, the LAGs intend to consolidate territorial coherence. The principles establishing the selection criteria under art.20 are meant to prioritize projects at national level: (e.g., connectivity principle in order to ensure the connection with the main roads and transport modes, multiple role principle, *i.e.* providing access for economic operators, tourist areas, social investment, other investments financed from European funds, principle of the prioritization of the investments complementing those financed under SOP Environment and/or OP Large Infrastructure).

At the same time, the cooperation measure which, through its objectives, aims to support farmers, businesses and other entities in order to encourage cooperation on the development of innovative projects, helps extending the results and projects initiated through Measures 7 and 19, helping in generating economic, environmental and social benefits for the rural population.

As part of the LEADER approach, the trans-national cooperation projects (between Romania and the other EU Member States) and inter-territorial cooperation (in the Romanian territory) between the Local Action Groups shall be implemented by the LAGs. Considering the small size of the projects and the specific bottom-up approach of LEADER, as well as the experiences/lessons learned from the NRDP 2007-2013, the new programme shall focus on financing operations aimed at capitalising local resources and at promoting local specificity.

In order to avoid overlapping of the investments financed through measures M7 and M19, Romania shall take steps in the programming process to avoid double financing. This shall ensure that the local development strategies implemented by groups of partners from the public and private sectors within LEADER (addressing one or more of the EU's priorities for rural development under Art. 2 (19) Reg. 1303/2013) shall not overlap with other investment types available.

Considering that LEADER 2014 – 2020 will be financed only through EAFRD (mono-financing), no main funds were defined. As a general demarcation criterion, EFRD and ESF shall support the local development measures under the community responsibility in the urban environment, whereas EAFRD shall support the LAGs in the rural areas and in the towns with less than 20,000 inhabitants. EMFF shall support the investment made by the stakeholders in the fishing sector (FLAGs).

Specifications on ICI/the Danube Delta/EUSDR

- The interventions financed from **EAFRD**, complementary to the investment under **EFRD**, **ESF** and **CF** will contribute to the objectives established under the ***Danube Delta Integrated Sustainable Development Strategy 2030***, through an indicative separated allocation of **168 million euro** (NRDP 2014-2020 budget, including national contribution) which shall target the investments in physical assets, the development of holdings and enterprises, basic services and renewal of villages in rural areas, agri-environment and climate and LEADER.
- Complementary to the investments from **EFRD**, **CF**, **EMFF**, **ESF**, the interventions through **EAFRD** will contribute to the four pillars of the ***EU Strategy for the Danube Region (EUSDR)*** through investments in physical assets, development of exploitations and enterprises, basic services and renewal of villages in the rural areas, know-how transfer and information actions, agri-

environment and climate, cooperation and LEADER. The indicative financial allocation for these interventions shall be approximately € 1,7 billion(EAFRD and national contribution). The interventions from NRDP in the counties bordering the Danube shall be separately monitored by the NRDP Managing Authority.

- Under the Partnership Agreement (PA) with the European Union for 2014-2020 programming period, Romania proposes an integrated approach of EU investments in order to ensure the complementary of using the European Structural and Investment Funds (ESIF) and achieving the common thematic objectives (TO). The practical manner whereby synergy and coherence between the interventions from ESIF are to be ensured will consist in the set-up of a coordination mechanism. **The institutional coordination mechanism** shall function by three levels: i) **PA Monitoring Committee**, ii) **five thematic sub-committees** and iii) **four functional working groups** under the responsibility and coordination of the Ministry of European Funds (MEF). The role of this mechanism is to ensure the strategic and complementary coordination throughout the implementation of the PA and the ESI programmes, taking into consideration the coherence with the other national and EU instruments.

15.5. Description of actions to achieve a reduction of administrative burden for beneficiaries referred to in Article 27(1) of Regulation (EU) No 1303/2013

The current programming period revealed that the administrative burden of the beneficiaries and authorities had negative consequences on the project selection process, also generating implementation problems.

The main difficulties encountered within the implementation of the basic infrastructure projects were related to the high complexity level and the project execution period. A large number of authorizations issued by various authorities had to be obtained to carry out the investments, which rendered the implementation process more difficult for beneficiaries. Furthermore, the implementation of the concept of integrated development projects as concentrated, interconnected interventions in clearly defined areas was difficult.

The verification of the selection criteria for the investment projects during 2007-2013 programming period also showed that some of such projects were used by beneficiaries to create artificial conditions enabling them to obtain the support. Under such circumstances, the previous experience was taken into consideration when drafting the sheets of the measures to be implemented between 2014 and 2020, in order to eliminate the selection criteria which might lead to risks within implementation.

To streamline and shorten the time periods between the projects' submission and the projects' selection, and to simplify processes and, in general, to increase the efficiency of the programme implementation, the following changes in the administration of NRDP 2014-2020 are considered:

At the legislative level: The implementation of the NRDP was often interrupted by amendments to the legislation, by national legislation that is not correlated with the provisions of the NRDP, by amendments to the NRDP, etc.

The MA NRDP shall address this issue by developing the communication of the NRDP and its requirements for implementation, to all the institutions involved. Ad hoc policy development should be avoided and the legislative consistency shall be ensured by the systematic examination of legislative proposals in relation to the requirements of the NRDP.

At the programme level, in order to reduce the administrative burden for beneficiaries, the evaluation and control system shall be modified and streamlined, as follows:

Submission of financing applications:

- on-line submission of projects, that will be gradually available for most measures;
- the number of requested documents shall be reduced to the minimum, remaining a series of other documents that shall be presented upon contracting. Some other series of documents shall be removed through the on-line database checking available at other public institutions, performed by experts.
- also, to reduce the administrative burden, model projects shall be available to finance certain types of investments made through NRDP.

Project evaluation from the perspective of the verification of administrative compliance, of the eligibility and selection criteria, establishing a score, shall be conducted continuously for the received projects in order to reduce the period of time from the submission of the projects until contracting.

Checking price reasonableness shall be performed either by applying a public procurement or selection procedure by beneficiaries or by relating the prices with the reference price database. The reference price database shall contribute to an increase in the quality of the activity, shall ensure equal treatment and shall generally speed up the administrative process of the paying agency. For goods, services and works that are not included in the reference price database, the private beneficiaries may submit 3 compliant offers. AFRI shall create the procedures necessary in this respect. For this purpose, the Agency for the Financing of Rural Investments initiated the development of the Reference Price Data Base for cars, machines and specialized equipment to be procured under the investments measures related to NRDP 2020. The use of the data base shall eliminate the procurement procedures for private beneficiaries and shall lead to the reduction of the administrative burden at their level.

Project selection is organized based on the following principles:

- organization of permanent annual sessions of projects' submission with monthly/quarterly selection;
- the available allocation shall be determined by the MANRDP with the consultation of the MC members, based on the allocation level for the year in question (including the amounts not used, re-allocated or decommitted from previous years), by adding a percentage from the allocations of the following years, so as to ensure project implementation during the programming period - (the allocation for the year in question, plus a percentage from the next year/years, established within the MC);
- projects are submitted continuously for the duration of the session, and the selection is conducted on a quarterly/monthly basis, depending on the submitted number of projects, by ranking projects in descending order of the score obtained. A minimum threshold that will ensure the priority selection of the higher quality projects, and below which no project can be selected for the respective month/quarter, shall be established within the MC.
- the MC shall also establish the percentage by which the amount of the projects submitted may exceed the annual session allocation. If this value is reached before the final project submission deadline, the session shall close/the submission shall stop. The projects selected throughout one year shall be within the limit of the allocations established for the respective annual session.

- the projects with a lower percentage than the minimum monthly/quarterly selection threshold shall be pending for funding and shall compete against the projects submitted in the following months/quarters and may be selected if the minimal threshold is lower than their scores and there is an available allocation in the respective session.

The proposed simplifications shall be monitored, evaluated and improved permanently and in due time, through the following mechanisms:

- monitoring the system response in connection with the on-line submission and the system improvement in due time, so that the beneficiaries can submit the funding applications under optimal conditions,
- periodical update and supplementation of the reference price data base;
- annual evaluation of the session organization manner and of the available allocations as regards the number of submitted projects and the evaluation time necessary to AFRI in order to improve the session organization manner, with a view to limiting the decision time relating to project approval.

The actions proposed for simplification shall also be analysed in the context of programme evaluations.

15.6. Description of the use of technical assistance including actions related to the preparation, management, monitoring, evaluation, information and control of the programme and its implementation, as well as the activities concerning previous or subsequent programming periods as referred to in Article 59(1) of Regulation (EU) No 1303/2013

General description

The technical assistance (TA) measure contributes to the effective, efficient, fair and transparent development of the NRDP through the following activities:

- a. Programme preparation and implementation by drafting studies, documentation and researches, etc. including for the future programme;
- b. Programme management by increasing the administrative and management skills of the staff from the level of the beneficiaries of the measure, through administrative activities related to the development of the program, supporting the implementing and audit activities of the programme, developing and updating the necessary software for the implementation of the programme, providing the technical and logistical support necessary;
- c. Programme monitoring and evaluation, by supporting the activities of the Monitoring Committee (MC) and other activities on the collection, update and interpretation on the information related to the NRDP measures, as well as the supporting at the level of the beneficiaries of the measure, the implementation activities of the evaluation plan of the Programme, as well as the ex-ante evaluation of the future Programme and of the ex-post evaluation of NRDP 2007-2013;
- d. Implementation of the information and publicity strategy of the NRDP, through dissemination of information, communication and promotion actions, realized by the beneficiaries of the measure to maximize the impact of the NRDP at the national, regional, county and local levels;
- e. Collaboration, within the national network for rural development (NNRD), by involving all the stakeholders in the rural development process and promoting an efficient flow of information, exchange of ideas and good practices;

- f. Settlement of complaints by carrying out activities that enable the beneficiaries of the TA measure to identify and promptly solve complaints, including the determination and elimination of the causes in order to have a cursively implementation of the NRDP;
- g. Control and audit, by supporting the control and auditing activities of the programme implementation, carried out by the specialized bodies from the institutions that are the beneficiaries of the measure and by other national and European level bodies with responsibilities in control and auditing, in order to prevent the unfair or faulty implementation of the national or EU level provisions of the NRDP;
- h. Actions taken to eliminate the corruption that has impact on the financial management of the programme, on the expenditures' transparency and on the controls' efficiency.

Description of the operation

TA can support actions such as preparation, management, monitoring, evaluation, information and promotion, networking, settlement of complaints, and control and audit, as well as the elimination of corruption at the level of the NRDP.

TA funds may be used by the MS to support actions aimed at reducing the administrative burden for the beneficiaries and actions undertaken to strengthen the institutional capacity of the beneficiaries of the measure.

The scope of the TA is:

- Actions related to the necessary functions for the implementation of EAFRD funds. *For EAFRD these functions are performed by the MA, the accredited Paying Agency (PA), APIA, the Coordinating Body, the Competent Authority (CA) and MC.*
- Establishment and functioning of the NNRD.

TA will not support:

- the actions undertaken to strengthen the administrative capacities that are not related to the administration and use of EAFRD funds;
- the other functions performed by other bodies in the implementation of the NRDP;
- the costs related to the certification body.

The TA will finance:

1. TA projects, contracted according to the national law on public procurement;
2. direct expenditures that do not require the implementation as a project.

Type of support

- preparation of studies, researches, analyses, expertises, etc. of a general or specific nature;
- training activities, seminars, workshops, exchange of information and experience, including at Community level, study visits, etc. to increase the administrative and management skills of the staff

of the bodies involved in the development of the NRDP;

- activities, strictly related to the management and development of the programme, carried out by the beneficiaries of the TA measure;
- supporting the activities related to the control and the internal and external audit of the NRDP implementation;
- development and update of the information system used for the management of the funds allocated to Romania from the EAFRD and of software applications of the beneficiaries of the TA measure required to efficiently implement the NRDP, including the development and the update of the NRDP website;
- purchase of computer equipment, educational materials, documentation materials, office supplies etc., necessary for the implementation of the NRDP, including software licenses, as well as specific equipment required to perform control activities;
- programme monitoring activities, including the support of the Monitoring Committee activities and strengthening its administrative capacity;
- assessment activities to implement the Programme evaluation plan and the ex-ante evaluation of the future programme and the ex-post evaluation of the NRDP 2007-2013;
- preparation of the future programming period;
- implementation of information and publicity strategy of the NRDP through dissemination of information, communication and promotion actions to maximize the impact of the NRDP at the national, regional, county and local levels and the organization of information and information dissemination, communication and programme promotion campaigns, including actions to eliminate the corruption at the programme level;
- management of the electronic information.

Beneficiaries

- MA - NRDP;
- Accredited PA;
- APIA;
- Competent Authority (CA);
- Coordinating Body (CB);
- NNRD.

Eligible costs

- payment of salaries and bonuses for staff involved in the management and control of the programme from the level of the beneficiaries of the TA measure; payment of salaries for the staff of APIA, CB and CA will be supported from the technical assistance measure, proportionally to the activity carried out for the implementation of the EAFRD specific activities;
- expenditures for purchasing cars for MANRDP, PA and CA;
- payments for rent, maintenance and operation of the premises of MA NRDP and PA;

- payment for the maintenance and operation of cars of MA NRDP, PA, CA, purchased through TA funds;
- expenditures regarding transportation (domestic and international), accommodation and meals of staff from the level of the beneficiaries of the measure, of the staff involved in the TA projects and of the participants from the public/private institutions at national or European level to the operations financed under TA funds;
- expenditures regarding the per diem allowance of the beneficiaries' staff for the activities performed under this measure, respecting the limit of the per diem allowance which is set by the EU institutions;
- expenditures on the fees of the staff involved in TA projects;
- expenditures on the procurement of goods and services that do not require implementation of a project;
- translation and interpretation expenditures for the activities undertaken under this measure;
- expenditures on purchasing and maintenance of computer equipment, educational materials, research documents, office supplies etc., including software licenses, as well as specific equipment related to the control activities of the beneficiaries of the TA measure;
- expenditures for renting suitable premises for the activities financed through TA funds;
- expenditures for property rental, logistics for developing projects financed through TA funds;
- expenditures on the financial audit of the operations financed through TA funds;
- expenditures on information and programme promotion materials;
- expenditures on developing and updating the computer's systems;
- expenditures on the establishment and functioning of the NNRD;

This list is not exhaustive, but for other types of expenditures there must be a fundamental justification, to ensure the fulfilment of the objectives of the measure.

Eligibility conditions

- compliance with the national legislation on public procurement on selecting the providers of services, goods or works. This rule does not apply to TA operations represented by direct expenditures and that does not require the implementation of a project;
- funding of TA operations shall be realized only with EAFRD funds to avoid the double funding;
- implementation of TA projects shall follow the principles of efficient use of public funds, equal opportunities, non-discrimination and transparency.

The selection criteria of service, goods or works providers shall be determined according to the applicable national legislation on public procurement.

Amount and support rates

The support granted covers 100% of the total eligible costs.

Indicators

I. output:

- number of projects divided by type of activity (IT equipment, consulting, services, etc.);
- value of operations done by the beneficiaries;

II. result:

- number of staff who received salaries and bonuses paid under TA;
- number of persons trained at level of the beneficiaries through operations funded under TA;
- number of information materials produced and distributed on the promotion and information actions on NRDP and EAFRD.

16. LIST OF ACTIONS TO INVOLVE PARTNERS

16.1. a. Technical level – Setting-up of the Consultative Thematic Committee for Rural Development, Agriculture and Fisheries CCT DRAP

16.1.1. Subject of the corresponding consultation

Analysis of documents prepared within the working groups, agreement on thematic strategic guidelines, prioritisation of interventions, related indicative financial allocations and the main output indicators, in compliance with the provisions of Community Regulations, as well as on the implementation, monitoring and evaluation methods, while also considering the results of the ex-ante and environment assessments.

Proposal to include the elements agreed by the Inter-institutional Committee that prepared the Partnership Agreement ("ICPA") and, as applicable, by the other consultative committees, into the programming documents.

5 CCT DRAP meetings were organised between August 2012 – June 2014.

16.1.2. Summary of the results

Validation of documents subject to consultation within WGs and within CCT DRAP, namely: socio-economic analysis, SWOT Analysis and Needs identification as well as the main elements of NRDP 2014-2020 (content, 2014-2020 rural development strategy, measures selected within the programme, financial allocations, NRDP indicators, implementation of horizontal principles (equal opportunity, non-discrimination, sustainable development) and the principles underpinning the composition of the Monitoring Committee.

The topic of debate during the last meeting was the content of the programme that was subject to consultations within working groups. The main observations made by the CCT DRAP members referred to: the need to introduce Natura 2000 measure under NRDP 2014-2020; the analysis of the opportunity to introduce the quality schemes measure; and a request to reduce the budget for the knowledge transfer measure.

Following these requests, MA stated that, given the lack of management plans for Natura 2000, which makes impossible the elaboration and implementation of a compensatory measure for these areas, the NRDP 2014-2020 will attempt to achieve a better orientation of packages intended to the protection of important habitats for certain wild species. Subsequently, during the Programme implementation period, and following the approval of a relevant number of management plans, based on analyses carried-out to identify the incompatibility to apply Measure 10 in Natura 2000 sites, an examination will be carried-out on the possibility to elaborate a compensatory measure addressed to these areas.

In regard to quality schemes, it was clarified that the SWOT analysis has not indicated the need to introduce this measure, while the partners have actively contributed, during the consultation process, to the identification and prioritisation of needs and to the establishment of the financing priorities.

In regard to the requests to reduce the allocation for the transfer knowledge measure, MA indicated that the initial budget scheduled for the current measure was lower, but, following the recommendations of the ex-ante evaluator, these allocations were increased in order to be correlated with the needs identified following

the analysis and to ensure the achievement of this measure objective, as this measure is an horizontal measure supporting the other measures of the programme.

16.2. b. Setting-up of Working Groups at technical level

16.2.1. Subject of the corresponding consultation

- Working Group on Agriculture and Food Industry – 9 meetings
- Working Group on Environment – 6 meetings
- Working Group on Innovation and Vocational Training – 6 meetings
- Working Group on Economic Development in the Rural Area – 7 meetings
- Working Group on LEADER – 7 meetings
- Working Group on Financial Instruments – 2 meetings

Presentations, debates and information on the programming documents prepared by MA NRDP, structured by the following sectors:

- agriculture and food industry,
- environment,
- innovation and vocational training,
- economic development in the rural area,
- LEADER,
- financial instruments.

Subject to consultation were: General description, SWOT Analysis and identification of Needs, Strategy for NRDP 2014-2020, as well as the Measure fiches for the new programming period.

The time period available to the working group members to bring their support to improve the content of the SWOT analysis was of 43 calendar days (June 28th – August 9th 2013), while the time period available to bring observations on Romania's rural development strategy for 2014-2020 was of 15 calendar days (November 22nd – December 6th 2013).

As regards the Measure fiches for the new programming period, the time period available to the partners within working groups to deliver recommendations/comments was of 8 calendar days (25.02-delivery of materials; 4-7 March – organisation of WGs).

The main Programme measures were subject to a new consultation round within the WG on Agriculture and Food Industry, WG on Economic Development in the Rural Area and LEADER, during the week 23-27 June 2014, prior to the presentation of the Programme within CCT DRAP.

16.2.2. Summary of the results

The results of the Working Group meetings materialised in improved analyses, strategy, measure fiches and

horizontal sections of NRDP, and this contribution is found in detail in minutes of meetings, but also in a summary table containing all proposals, drawn-up at MARD level (including both accepted proposals and justifications for the non-accepted proposals). The results were disseminated through the minutes of meetings delivered to the Working Group members. Time was also provided so that the WG members could intervene with observations on the minutes. As well, the documents on the new programming period as well as the results (minutes) of the consultation process were permanently published on the website of the Ministry of Agriculture and Rural Development - www.madr.ro, so that the stakeholders could get updated information on the programme elaboration progress.

The consultation process was extremely transparent, with debates organised not only between the social partners and the Managing Authority, but also among different social partners, which led sometimes to the need to take a vote on the formulated observations; the participation was active and constructive, and the proposals were integrated in track changes directly in the measure fiches.

Under the strategic elaboration of NRDP 2014-2020, the identified needs were prioritised and the measure selection took account of the actual capacity to address these needs.

The WG members have brought their contribution, depending on the sector they represented, to the elaboration of sectoral analyses and to the identification of needs, as well as to the correlation between those and the proposed strategy. As regards the debates on the measure fiches proposed in the NRDP, they were predominantly focussed on the provisions related to “Beneficiaries”, “Principles with regards to the setting of selection criteria”, “Eligible expenditures” and “Eligibility conditions”.

16.3. c. Non-technical level: National conferences – 2 meetings/ Regional conferences – 7 meetings

16.3.1. Subject of the corresponding consultation

Public consultation on rural development needs, on Romania's priorities and on financing areas.

The central-level conference involved the national stakeholders, as well as the public authorities, associations and all organisations operating at national level.

The regional conferences were organised in Romania's 7 regions. Regional and local stakeholders, as well as potential final beneficiaries were involved.

16.3.2. Summary of the results

Following the analysis of the feedback provided by the partners, it resulted that the wish of the stakeholders involved in Romanian agriculture (farmers, businessmen, beneficiaries and potential beneficiaries of the NRDP etc.) is: a programme based on simple bureaucracy-free procedures. This simplification of procedures implicitly refers to an improved relationship between the authorities involved in the programme and the potential beneficiaries.

16.4. d. Information and consultation of beneficiaries – Call Center: contacting of 35,137 beneficiaries of NRDP 2007-2013 and of potential beneficiaries of NRDP 2014-2020

16.4.1. Subject of the corresponding consultation

Apart from the central and regional conferences, a direct dialogue with the (potential) beneficiaries was

carried-out through a call centre, with the purpose to strengthen the dialogue with both actual NRDP beneficiaries and with the potential ones.

This direct communication process comprises all Romanian regions and the potential beneficiaries of all 2014-2020 NRDP measures. As well, the documents on the new programming period as well as the results (minutes) of the consultation process were permanently published on the website of the Ministry of Agriculture and Rural Development - www.madr.ro, so that the stakeholders could get updated information on the programme elaboration progress.

16.4.2. Summary of the results

The objective of this call centre is to complement the information collection process.

The resulted conclusions are as follows:

- the implementation of investment projects is delayed, on one hand due to the long period of time required to process the registered financing applications, from the compliance check by the public servants responsible for this activity and up to the financing contract signature, and, on the other hand, by the difficulties in the implementation of the public procurement procedures.
- the interviewed beneficiaries also mentioned difficulties they encounter in the preparation of the business plans requested as part of the project-related documentation and in obtaining the private co-funding that they need in order to accomplish their projects.

16.5. e. MADR website: <http://www.madr.ro/ro/programare-2014-2020-pndr.html>, containing the section dedicated to rural development for the period 2014-2020; www.pndr2020.ro platform; Email address: viitorulpndr@madr.ro

16.5.1. Subject of the corresponding consultation

Consultation of all NRDP working versions, with comments addressed through the NRDP platform and the email address.

16.5.2. Summary of the results

Analysis of proposals and integration of those with a positive impact onto rural development.

16.6. (Optional) explanations or additional information to complement the list of actions

In the context of the consultation process for the preparation of the 2014-2020 programming period, the Romanian Government approved the Memorandum "Approval of actions and documents related to the preparation to access and implement European funds in the 2014-2020 period", which was the basis for the setting-up of CCT DRAP, in accordance with the provisions of point 2 of Annex 2 on the Organisation and Operation of the partnership framework required for programming of European funds aimed at supporting smart, sustainable and inclusive growth for 2014-2020, as a partnership structure devoted to rural development, agriculture and fisheries. CCT DRAP carries-out its activity by means of both plenary and Working Groups sessions, while the working groups are established according to the topics of debate and

ensure a balanced representation of the institutions and organisations mentioned under Annex I to NRDP. CCT DRAP has a consultative role and it is established in order to ensure the partnership consultations on the establishment and prioritisation of investments in its scope of activity, in compliance with the European 2014-2020 strategic objectives and with the horizontal principles governing equal opportunity, non-discrimination and sustainable development, based on the analyses and strategic orientations formulated within the Working Groups.

The following criteria were used in the partner selection process: relevance of the sector in which the organisation operates (agriculture and food industry, environment, social inclusion, research – innovation, advisory services, vocational training, support for SMEs, preservation of traditions, culture, tourism, forests), representativeness of the organisation within the sector in which it operates, as well as the activities that the organisation has performed so far.

An extended involvement was also provided for the categories of organisations activating in the economic, social and academic fields as well as for the civil society. The list of partners involved within the established working groups is found in Annex to Chapter 16 NRDP.

The CCT DRAP meetings have proven the importance of collaboration and involvement of all stakeholders in the preparation of an optimum rural development programme for the 2014 – 2020 period.

The principles applied within this partnership framework are as follows: multi-level compliance with the governance; capitalisation of relevant partners' experience, good practices and know-how; acknowledgment of programmed interventions, by all parties involved.

The appointment of partners within the consultative technical groups aims to cover the sectors envisaged by NRDP, so that the document may efficiently approach the challenges that are specific to each rural development segment.

The socio-economic and environment partners were adequately represented within the Consultative Thematic Committee, as well as within the working groups established under this Committee, in each of the programming phases mentioned above, namely analysis and identification of needs, definition/selection of priorities and of specific objectives, establishment of financial allocations, implementation of horizontal issues.

The role of the consultative technical meetings was to ensure transparency and to inform the involved partners on the provisions of EU Regulations for the 2014 – 2020 period, as well as to provide them with the opportunity to contribute to the elaboration of NRDP 2014-2020, according to the needs and in the light of their specialised knowledge.

The Working Groups contribute to the elaboration of specific sectorial analyses, propose and debate issues related to priority focus areas and to the related financial allocations, to specific result indicators, target groups, categories of potential beneficiaries, in compliance with the provisions of the Community Regulations. The consulted partners also contribute to the elaboration of national strategies required to substantiate the access to European funds, to the compliance with the ex-ante conditionalities foreseen by European Regulations on accessing Community funds over the 2014-2020 programming period, as well as to the elaboration of programming documents, for the elements falling under the competence of the Working Group.

The proposals referred to: improving the NRDP 2014-2020 by introducing new measures – i.e. small farm,

advisory; categories of beneficiaries, categories of eligible projects and intensity of aid; improvement of the orchards sub-programme.

Out of these, accepted were the proposals on: development of rural infrastructure; construction and/or modernisation of farms; connection of farms and buildings to utilities; increased aid intensity for less-favoured areas; investments leading to a local short-supply chain; endowment of the irrigation infrastructure; decrease of the maximum ceiling of the small farm size; decrease of the minimum ceiling for the installation of young farmers.

The proposal for a reduced minimum ceiling for the small farm (standard output value) was not accepted as this reduction does not justify the support, given that the objective is to increase the viability of agricultural holdings and to encourage their entry on the market. The proposal on the introduction of social enterprises in the list of potential beneficiaries was also not accepted, for reasons related to the specific legislative framework. Also not accepted was the proposal to eliminate the eligibility condition stipulating that 80% of employees shall have their domicile in the rural area, as the target indicators under this NRDP sub-measure aim at the creation of employment in the rural area. The recommendation for additional scoring, during the selection phase, for LAGs with experience in the current programming period, was not accepted as well, as the provisions of the European regulations refer to the selection of the future local development strategies based on competition and non-discrimination principles.

The collaboration with the working groups entailed an extended consultation, while a wide-ranging contribution was received from all economic, social and environment partners. Therefore, given the different social categories involved in consultations, and the fact that a large part of observations were non-compliant with the European Union Regulations, some of the observations could not be integrated into NRDP 2014-2020.

The conclusion following the consultation process is that the most valuable input was received in the needs identification phase, as the recommendations came from stakeholders directly involved in the Romanian agriculture (farmers, businessmen, NRDP beneficiaries, etc.), who experience, in practice, the needs and the concrete actions that require support under the new Programme. Focus was therefore placed on lessons learnt from the 2007-2013 programming period, but also on a continued support for those measures with a positive impact in the previous period.

As regards the results of the consultation process within CCT DRAP, the first meeting focused on the structuring of CCT DRAP actions and of the actions of working groups established under this Committee. The presentations made concerned: the draft Rules for Organisation and Functioning of the Consultative Thematic Committee for Rural Development, Agriculture and Fisheries, the composition of the Working Groups and the tentative schedule of CCT DRAP and Working Groups activities until January 2013.

The tasks of the Working Group members dealing with the preparation of documents setting the basis for the establishment of strategic and investment priorities were as well established. It was consequently decided that regular meetings will be organised - depending on the needs - in order to ensure an effective working groups collaboration.

The purpose of the second CCT DRAP meeting was to (i) present the evolution of activities performed by working groups, of which results materialised in the (ii) presentation of the main elements of the first draft of the socio-economic analysis for rural development in Romania. Following debates, additions were inserted to improve the document.

The third meeting was focused on (i) presentation of the main phases carried-out from the previous CCT DRAP meeting to present, in regard to the elaboration of programming documents and (ii) presentation and validation of the socio-economic analysis for rural development.

The fourth meeting focused on the presentation and debate of (i) SWOT analysis and (ii) Needs identified for rural development, from the perspective of EU requirements.

The activities carried-out since the previous CCT DRAP meeting, i.e. the relevant issues on the Programme content, as discussed and agreed within the Working Groups, were presented and subject to consultation during the 5th meeting, organised prior to the official submission of the Programme, when the programmatic document to be officially submitted was subject to validation.

17. NATIONAL RURAL NETWORK

17.1.1. The procedure and the timetable for establishing the National Rural Network (hereinafter NRN)

The National Rural Development Network (NRDN) will be re-established in maximum 12 months after the approval of the National Rural Development Programme (NRDP). The key steps and the timetable for re-establishing the NRDN are described below:

1. Set-up a temporary **Strategic Working Group** at the level of the Ministry of Agriculture and Rural Development (MARD) who will decide on the strategic approach to animating the network, including the intervention logic, setting of objectives, prioritisation of actions and allocation of financial/human resources. A **NRDN Action Plan** will be developed as a multi-annual framework to ensure continuity of activities throughout the whole programme period.

Indicative deadline: 3rd quarter 2014

2. Set-up a **permanent National Coordination Committee (NCC)** for consultation and decision-making regarding the strategic planning of the new NRDN. Clear eligibility criteria for membership of the NCC will be developed to ensure plurality and balanced territorial and social representation.

Indicative deadline: 3 months after the approval of the programme

3. Set-up of a central office of the **Network Support Unit (NSU)** within the Managing Authority (MA), composed of a team of qualified experts who will ensure the management and the endowment with resources (goods and services) for the functioning of the new NRDN. Establishing the regional component of the NSU by identifying and mobilising relevant part-time staff at regional level. All NSU staff will be trained so as to ensure a proper administrative capacity.

Indicative deadline: 4 months after the approval of the programme

4. Completion of the **Annual Work Plan (AWP)** for the 1st year of the NSU. The Annual Work Plan (AWP) will operationalise the NRDN Action Plan in terms of short to medium-term activities supported by the NSU. The work plan will comprise clear objectives and indicators and a description of their monitoring and assessment system, to ensure an adequate monitoring of activities.

The AWP will be consulted/agreed with the NCC, and will be coordinated with the Communication Plan for the NRDP 2014-2020. The network shall be promoted in the Communication Plan as an integral part of the NRDP.

Indicative deadline: 6 months after the approval of the programme

5. **Launching of NRDN** as high profile component of the NRDP 2014-2020.

Indicative deadline: 12 months after the approval of the programme

17.1.2. The planned organisation of the network, namely the way organisations and administrations involved in rural development, including the partners, as referred to in Article 54(1) of Regulation (EU) No 1305/2013 will be involved and how the networking activities will be facilitated

Stakeholder Participation and Representation

Membership of the **NRDN** will be informal and open to all public institutions, stakeholder organisations, community groups and individuals interested or involved in rural development in Romania – including all LEADER Local Action Groups and those signed-up to the Partnership Agreement. The members of the network will participate in and benefit from the activities of the NRDN.

The NRDN National Conference will be organised once a year in order to mobilize relevant actors from rural areas.

Network Governance and Management

The NRDN will be under the ultimate jurisdiction of the MA and will be governed by **NCC**.

The NCC will meet at least two times per year.

Temporary sub-committees on different topics could be established within NCC.

Coordination and facilitation actions of the NRDN will be provided by the NSU with two components: a **central structure** and **regional structures** within the MA. Some functions of the NSU can be outsourced in compliance with the legal provisions related to public procurement.

Networking Processes

The core function of the NRDN will be the facilitating of the exchanging of information, practices, experiences, ideas and resources amongst all relevant rural stakeholders. The NRDN will not become operational without these networking processes. However, these processes will take time to develop; they will not be automatically ensured by simply setting-up the NSU.

Based upon the experiences of other rural networks during the 2007-2013 programme period, the following **general networking processes** will be facilitated:

1. Effective stakeholder engagement;
2. Ensuring a unitary approach of the Common Agricultural Policy;
3. Collection, analysis and dissemination of good practices;
4. Exchange of experience and know-how amongst local stakeholders;
5. Activities for developing cooperation capacities;
6. Cooperation and joint actions.

The process of activating and animating the new NRDN will begin with the NSU actively engaging with the relevant stakeholder groups. This engagement will utilise a common approach for all relevant stakeholders, complemented by specific activities to target harder-to-reach groups or those with specific needs (e.g. the

broader public).

Once engaged with the network, these stakeholders will both benefit from – and contribute to – a common understanding of the NRDP and the opportunities it offers. The NSU will collect good practice examples from members of the network and beneficiaries of the NRDP in order to disseminate to other relevant stakeholders(via publications, seminars, website, etc.).

The NSU will bring together different relevant stakeholders for participation in v professional trainings, as well as for exchanges of know-how and experience. A key target group for training will be the Local Action Groups (LAG), but the training needs of other specific target groups will also be identified.

The networking actions are necessary to develop and implement joint projects. This might be cooperation between private businesses, LAGs or new partnerships between farmers, advisers and researchers in the form of Operational Groups under the European Innovation Partnership (EIP).

All of the above elements will help to raise awareness among rural stakeholders.

Tools for Rural Networking

Tools/activities used by the NSU for facilitating networking processes within the NRDNmay include:

- **Knowledge development tools, such as:** analytical studies; thematic working groups; focus groups; collection of standard project examples, good practices and case studies, etc.
- **Information dissemination tools** such as: media, information and publicity materials, databases, discussion forums, training courses, webpage, etc.
- **Exchange and cooperation toolssuch as:** cooperation guides, contact information databases, partner search tools, cooperation events / fairs, etc.

Special care will be taken to balance the use of on-line networking tools with activities/tools relevant and accessible to the “off-line” community who have no possibility of access to the internet.

The NRDN will be an active participant and contributor to the work of the European Network for Rural Development (ENRD) and the European Innovation Partnership (EIP) Network. In addition to strengthening relationships with other countries, the benefits of working at European level include: sharing experience and knowledge; identifying opportunities for transnational cooperation; and pooling of resources. The NRDN will also have a regular exchange of information with national and regional rural networks in other Member States.

17.1.3. A summary description of the main categories of activity to be undertaken by the NRN in accordance with the objectives of the programme

The multi-annual **NRDN Action Plan** and **Annual Work Plans (AWPs)** will be developed in compliance with the aims for networking outlined in Article 54(2):

- a. Increase the involvement of relevant stakeholders in the implementation of rural development;
- b. Improve the quality of implementation of rural development programmes;
- c. Inform the broader public and potential beneficiaries on rural development policy and funding

opportunities;

- d. Foster innovation in agriculture, agri-food sector, forestry and rural areas.

Decisions will be taken during re-establishment of the NRDN regarding the strategic approach to developing the intervention logic, setting of objectives, prioritisation of actions and allocation of financial/human resources.

The multi-annual NRDN Action Plan and the Annual Work Plans will also include a description of how the relevant stakeholders will be identified and involved.

Not all obligations listed in Article 54(3) of the R (EU) 1305/2014 will be initiated in the Annual Work Plan (AWP) for Year 1.

Main priorities for Year 1 (continued in subsequent years) will aim among others:

A. Publicity and information concerning the NRDP2014-2020 with particular emphasis upon information and communication activities aimed at the potential beneficiaries and the broader public;

B. Provision of training and networking for LAGs and other key stakeholder groups in the rural area;

C. Provision of networking for advisors and innovation support services, plus the facilitation of the search of partners for the Cooperation measure (Article 35); these activities are essential for fostering a “culture of innovation” amongst farmers;

D. Connection of Operational Groups under the European Innovation Partnership (EIP) for Agricultural Productivity and Sustainability by facilitating access to the results of the EIP Network and cooperation with Operational Groups at European level;

E. Collection of examples of successful projects and good practices covering all priorities of the rural development programme;

F. Activities regarding the participation in, and contribution to, the European Network for Rural Development (ENRD) and EIP Network.

Additional priorities for subsequent years will aim among others:

G. Facilitation of thematic and analytical exchanges between relevant rural stakeholders, and the sharing and dissemination of findings;

H. Facilitation of cooperation among LAGs, in particular by providing advisory services for inter-territorial and transnational cooperation projects;

I. Sharing and dissemination of monitoring and evaluation findings;

J. Development and implementation of common projects between different rural actors involved in NRDN.

17.1.4. Resources available for establishing and operating the NRN

In accordance with Article 51(2), an amount will be reserved in the Technical Assistance measure of the NRDP for establishing and operating the NRDN.

Taking into account the scale of the Romanian rural space, its needs and the existing experiences of rural networking in Romania, this amount will be approximately 15 million EUR out of the total public funds allocated to the Technical Assistance measure.

The network support unit (NSU) team at central level will be composed of 8 people, equivalent to a service. The regional NSU team will be composed of 16 people, i.e. 2 people/region, from the regional structures of MARD.

The selected staff shall demonstrate relevant abilities in terms of:

1. Animation abilities;
2. Very good knowledge of the rural development policy related matters;
3. Knowledge and work experience with stakeholders;
4. Knowledge related to communication tools and dissemination activities (editorial abilities, good knowledge of the various communication tools, internet and social media management tools, presentation abilities).
5. Experience and abilities to organise events and workshops.
6. Linguistic competences for working at international level, with the European Network for Rural Development and other rural networks, and for helping rural actors to facilitate transnational cooperation.

18. EX-ANTE ASSESSMENT OF VERIFIABILITY, CONTROLLABILITY AND ERROR RISK

18.1. Statement by the Managing Authority and the Paying Agency on the verifiability and controllability of the measures supported under the Rural Development Programme

Legal Basis

Regulation (EU) No. 1305/2013, Regulation (EU) No. 1303/2013, Regulation (EU) No. 1306/2013

According to Article 62 of Regulation (EU) no. 1305/2013, **the Managing Authority and the Agency for Rural Investments Financing (ARIF), as paying agency for NRDP, have jointly carried-out an analysis of each measure in the Programme, in order to establish the possibility to verify and control the measures to be included in NRDP 2014-2020.**

Following this analysis, **the Managing Authority and the Paying Agency have made sure on the verifiability of actions that can be financed, based on the eligibility and selection conditions introduced in the Programme, and, where potential implementation risks were identified, joint remedy actions have been adopted.** For this action, the two entities have used their prior experience, namely the action plan established for the period 2007-2013 on the identification of main causes leading to the error rate, as well as the preventive actions and the corrective measures taken to reduce or remove these causes.

Consequently, MA and ARIF have defined the eligibility conditions, namely the eligibility criteria, the eligible applicants, the commitments and the other obligations, so that these are measurable and verifiable. In order to ensure transparency and uniform interpretation in the measure implementation process, the MA and ARIF ensured that exact definitions were established for specific terms, so as to avoid their individual interpretation. The fulfilment of eligibility conditions by an applicant shall be proven both upon submission of the aid application, and upon submission of the payment request.

For this purpose, it was agreed that a reference price database be used in case of **private investments** under NRDP 2014 - 2020. In case of **public investments**, the procurement procedures shall be conducted in accordance with the national legislation. The public procurement rules and procedures will be reflected in the Applicant Guides and in the procedure manuals. Their observance by the applicants and, consequently, their verification by ARIF, will ensure the enforcement of the economy, efficiency, effectiveness, and transparency principles. The selection of bodies providing training and advisory services to the final beneficiaries is also subject to the public procurement rules, and the Managing Authority will ensure that appropriate procedures are in place with provisions ensuring the compliance with this requirement.

The management of payment applications will be carried-out so as to provide for the prevention and identification of any potential irregularities or errors. Use shall be made of the IT system to be developed within ARIF.

In regard to **compensatory payments measures**, the basis to reduce the risk of error occurrence in the implementation of measures is provided through the identification of agricultural parcels by electronic means, as well as through the annual promotion of comprehensive information campaigns intended for the beneficiaries, for the dissemination of information related to the correct implementation of commitments.

The control system set-up for the verification of these measures implies both administrative controls carried-out for all ongoing commitments as well as on-spot controls carried-out by sampling, for beneficiaries and

commitments presenting an increased risk. As well, the developed sanctioning system is of progressive-type in the sense that the level of sanctions applied onto farmers is correlated with the impact generated by the non-compliance with different categories of measure-specific conditions.

By means of the assessment carried-out by the MA and the Paying Agency, based on the 2007-2013 experience, the two entities have secured the verifiability and controllability of measures included in the Programme.

18.2. Statement by the functionally independent body referred to in Article 62(2) of Regulation (EU) No 1305/2013 confirming the adequacy and accuracy of the calculations of standard costs, additional costs and income forgone

According to the provisions of art. 62 in Regulation (EU) no.1305/2013, the technical fiches for sub-measures 8.1, 10.1, 10.2, 11.1, 11.2, 13.1, 13.2, 13.3 and the technical fiche of Measure 15 comprise the *certification of calculations* by a functionally independent body. These statements confirm *the adequate nature of the methodology and the accuracy of calculations done, as well as the reasonability of assumptions, of used income values as well as of the indicators used within the methodologies applies for the calculation of compensatory payments to be provided following the uptake of voluntary commitments.*

In case of standard costs applied for sM 4.1 under the orchards sub-programme, the value of the standard costs will be calculated by the Institute for Research-Development in the Orchards Sector Pitești - Mărăcineni, Argeș. This body is functionally independent from the NRDP 2014-2020 Managing Authority and possesses the appropriate expertise to perform the standard costs calculations. A statement by the Institute for Research-Development in the Orchards Sector Pitești - Mărăcineni, Argeș, confirming the accuracy of used data, will be provided once the calculations are finished.

19. TRANSITIONAL ARRANGEMENTS

19.1. Description of the transitional conditions by measure

Legal basis: NRDP 2007 – 2013, R1698/2005, R1974/2006, R335/2013, R1305/2013, R1310/2013

According to Article 71(1) of R1698/2005, expenditure is eligible from the 2007-2013 NRDP budget if paid by the paying agency no later than 31 December 2015. According to Article 3 of R1310/2013, as of 1 January 2014 the payments from the 2014-2020 NRDP budget for commitments under 2007-2013 NRDP can be made if the 2007-2013 NRDP budget is spent or after 31 December 2015, whichever comes first.

According to Regulation (EC) No. 1698/2005, the Community's EAFRD financial assistance intended for 2007-2013 NRDP measures was implemented.

For transitory operations, Romania shall ensure the provisions under Article 1 (2) (c) of Regulation No. 1310/2013, according to which these are clearly identified in the management and control system, are met.

Measure 112 – Setting up of young farmers

2013 NRDP stipulates: The verification of the requirements for granting the second tranche shall not exceed 36 months from the adoption of the decision to grant the support by the Paying Agency for Rural Development and Fisheries (PARDF).

The commitments signed after September 2012, plus maximum 36 months, can be paid from the 2014-2020 NRDP allocation.

After 30 September 2012, contracts for 3,827 beneficiaries have been concluded, amounting to EUR 126,374,000. From this amount, EUR 75,824,400 (the first tranche of 60%) shall be paid from 2007-2013 NRDP and EUR 50,549,600 (the second tranche of 40%) shall be paid from 2014-2020 NRDP.

The last contracts for June – July 2012 session have been signed in December 2013, the maximum deadline for paying the second tranche being the end of 2016. Measure 121 – Modernization of agricultural holdings – session launched during the period 20 May– 18 July 2014 under the transitional rules ensuring the transition to the 2014-2020 programme (*provisions of Regulation No. 1310/2013, Article 1, i.e. old rules – new money*) – maximum EUR 150,000,000.

Measure 142 – Establishing producer groups

2007-2013 NRDP stipulates: Annual instalments for the first 5 years following the date of recognition of the producer group.

The value of the payments related to the contracts under 2007-2013 NRDP to be made as of 2015 is EUR 3,626,880 for approximately 30 producer groups which currently have no payment tranche paid.

The estimated deadline for paying the last tranche of payment is end of 2017.

Measure 214 – Agri-environment payments

2013 NRDP stipulates: The agri-environment payment is made as a fixed payment per hectare and represents a compensation for the income losses and additional costs borne by the farmers. The payment

shall be made entirely to the farmer. The payment is made annually.

As the 2007-2013 NRDP budget can only cover payments made for payment applications submitted by 2014 (included), the budget necessary to make the payments for the 2015 campaign shall be provided from the allocation of Measure 10 – Agri-environment and climate payments – of 2014-2020 NRDP (for packages 1-4, 6 and 7), and from the allocation of Measure 11 – Organic farming (package 5). The payments related to this campaign shall consist of the commitments concluded in 2011. In addition, during the period 2016-2017 the financial resources needed to make the payments related to the commitments concluded during 2012-2013 shall be provided. In 2014, by applying the provisions under Article 41^b of Regulation (EC) No. 1974/2006, no new agri-environment commitments have been concluded through Measure 214; therefore no commitments concluded during the 2007-2013 programming period will be underway after 2017.

IACS data show the volume of the financial resources represented by public costs needed to finance the commitments concluded under the old legal framework, which shall be provided from the allocation of Measure 10 – Agri-environment and climate payments – of 2014-2020 NRDP. Thus, the amount of EUR 468,130,817 represented by public costs from the budget of Measure 10 – Agri-environment and climate payments – of 2014-2020 NRDP is intended for making payments for old commitments. Annex 19.1

IACS data also show the volume of the financial resources represented by public costs needed to finance the commitments concluded under the old legal framework, which shall be provided from the allocation of Measure 11 – Organic farming – of 2014-2020 NRDP. Thus, the amount of EUR 22,876,048 represented by public costs from the budget of Measure 11 – Organic farming – of 2014-2020 NRDP is intended for making payments for old commitments. Annex 19.2

The estimated deadline for making the last payments is end of 2017.

Measure 215 – Payments for animal welfare

2013 NRDP stipulates: The support for animal welfare is granted in the form of a fixed annual payment per livestock unit (LU) and represents a compensation for the income losses and additional costs borne by the farmers. The payment shall be made entirely to the farmer.

The payment applications submitted by 2015 (included) under the commitments concluded under the legal framework of 2007-2013 NRDP shall be paid from the 2007-2013 NRDP budget. At the same time, payment applications submitted under the commitments concluded as of 2014 under the provisions of Regulation (EU) No. 1310/2013 shall be paid from the 2014-2020 NRDP budget (swine session 3, poultry session 2). In this context, it will not be necessary to cover the payments related to the old commitments from the 2014-2020 NRDP allocation, as shown in the table in Annex 19.3. The estimated deadline for making the last payments is the end of 2019.

Measure 221 – First afforestation of agricultural land

2007-2013 NRDP stipulates as eligible:

- Costs related to the period after establishing the forest plantation, for the maintenance of plantations (annual grant per ha for 5 years, starting with the year of planting);
- Compensation of the agricultural income loss as a result of afforestation (annual grant per ha for 15 years, starting with the year of setting up the forest plantation).

From the budget allocated to Measure 8 – Afforestation and creation of woodland – of 2014-2020 NRDP, payments for the commitments concluded during 2007-2013 for Measure 221 – First afforestation of agricultural land – shall be made as of 2016. The budget estimated for the payments of these commitments exceeding the implementation period of 2007-2013 NRDP is EUR 1,070,087.

The payments shall be made throughout the duration of programme implementation.

LEADER

For M41 – Implementation of strategies, for Measure 141, statement of the financing decisions approved for Measure 411.141 on 12 February 2014

There are 809 approved financing decisions, of which:

- In 2012, 31 financing decisions, so they shall have one year of payments from 2020 NRDP = $31 \times 1,500 =$ EUR 46,500;

- In 2013, 778 financing decisions, so they shall have 2 years of payments from 2020 NRDP = $778 \times 3,000 =$ EUR 2,334,000.

The estimated deadline for making the last payments is end of 2017.

Technical assistance

According to R1698/2005, new commitments can be concluded in 2014 and 2015 for the ex-ante evaluation of the new programmes, preparation costs (for joint actions), for developing the local development strategies and for expenditure related to other preparatory activities needed to ensure continuity.

Payments from 2014-2020 NRDP are allowed on the grounds of Article 59 of R1303/2013 (CPR).

In 2014 and 2015, the technical assistance within both 2007-2013 NRDP and 2014-2020 NRDP can be carried out in parallel.

M.214	Forecast 2015			Forecast 2016			Forecast 2017		
	No. farmers	Area (ha)	Payments (EUR)	No. farmers	Area (ha)	Payments (EUR)	No. farmers	Area (ha)	Payments (EUR)
P1	165,085	887,439.21	110,042,462.04	149,599	780,865.61	96,827,335.64	130,158	692,768.36	85,903,276.64
P1.2	128,851	689,653.96	39,999,929.68	116,119	602,821.38	34,963,640.04	100,919	532,596.71	30,890,609.18
P3.1	784	10,126.75	2,116,490.75	756	9,705.87	2,028,526.83	414	5,080.41	1,061,805.69
P3.2	438	26,678.06	2,694,484.06	326	16,197.83	1,635,980.83	169	7,051.12	712,163.12
P4	7,455	139,949.43	18,193,425.90	6,421	102,113.18	13,274,713.40	1,617	55,088.68	7,161,528.40
P6	475	3,614.89	867,573.60	475	3,614.89	867,573.60	232	1,565.66	375,758.40
P7	639	51,957.66	8,884,776.96	639	51,957.66	8,884,776.96	107	4,350.79	743,985.09
TOTAL			182,799,142.99			158,482,547.30			126,849,126.52

annex 19_1

M.214	2015			2016			2017		
	No. farmers	Eligible requested area (ha)	Amount requested (EUR)	No. farmers	Eligible requested area (ha)	Amount requested (EUR)	No. farmers	Eligible requested area (ha)	Amount requested (EUR)
P5.1	591	80,157.26	12,985,476.12	334	31,676.08	5,131,524.96	221	16,037.92	2,598,143.04
P5.2	81	418.14	140,076.90	52	192.01	64,323.35	40	142.85	47,854.75
P5.3	102	1,550.82	609,472.26	65	987.64	388,142.52	42	700.31	275,221.83
P5.4	19	570.61	224,249.73	9	279.64	109,898.52	7	249.90	98,210.70
P5.5	26	655.43	176,966.10	11	91.07	24,588.90	6	7.03	1,898.10
TOTAL			14,136,241.11			5,718,478.25			3,021,328.42

annex 19_2

215 - Poultry - Session 1	0.00	April 14	70.00										
		Dec. 14	84.00	Dec. 15	84.00	Dec. 16	84.00	Dec. 17	84.00				
215 - Poultry - Session 2	0.00		0.00	Dec. 15	3.14	Dec. 16	3.14	Dec. 17	3.14	Dec. 18	3.14	Dec. 19	3.14
TOTAL	70.25		238.50		174.84		174.84		174.84		10.84		6.34
2013-2015 payments from 2007-2013 NRDP with a deficit of EUR 147 mil to be covered from the future programme or from reallocation within the present programme, according to the situation of de-commitments						483.59	payments transferred to the future 2016-2019 programme						
							366.86						

1st year of payment	
2nd year of payment	
3rd year of payment	
4th year of payment	
5th year of payment	

372,879,978	allocation NRDP 11
319,501,843	allocation EAFRD
allocation by applying 95%	
336,317,729	336.32
deficit from the current period	147.27
2014-2010 requirement	514.13

annex 19_3

19.2. Indicative carry-over table

Measures	Total Union Contribution planned 2014-2020 (€)
M01 - Knowledge transfer and information actions (art 14)	0,00
M02 - Advisory services, farm management and farm relief services (art 15)	0,00
M04 - Investments in physical assets (art 17)	127.500.000,00
M06 - Farm and business development (art 19)	45.494.640,00
M07 - Basic services and village renewal in rural areas (art 20)	0,00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	1.070.087,00
M09 - Setting-up of producer groups and organisations (art 27)	3.264.192,00

M10 - Agri-environment-climate (art 28)	397.911.194,00
M11 - Organic farming (art 29)	19.444.641,00
M13 - Payments to areas facing natural or other specific constraints (art 31)	0,00
M14 - Animal Welfare (art 33)	437.013.968,00
M15 - Forest environmental and climate services and forest conservation (art 34)	0,00
M16 - Co-operation (art 35)	0,00
M17 - Risk management (art 36-39)	0,00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	2.142.450,00
M20 - Technical assistance Member States (art 51-54)	0,00
Total	1.033.841.172,00

20. THEMATIC SUB-PROGRAMMES

20. THEMATIC SUB-PROGRAMME FOR THE FRUIT-GROWING SECTOR

20.1. SWOT analysis and identification of needs for the fruit-growing sector

20.1.1. SWOT analysis

i. Assessment of the fruit-growing sector

Territory and population

Romania has a significant area under pedo-climatic conditions propitious to growing a high number of fruit species. Fruit-growing areas sum up 100,957 km² {2}[IA 34] and a population around 9,407 million inhabitants {2}[IA 32].

In 2011 more than 84.7% of fruit-growing areas {2}[IA 34] and more than 44.1 % of the population were in the rural area {2}[IA 32], a situation similar to the one existing at national level.

The population in the fruit-growing areas witnesses a demographic decline, it is decreasing and ageing.

During the 2005-2011 period, the population in the fruit-growing areas decreased by 124,450 people {2}[IA 32], this decrease being caused by both the decrease of the total area of fruit-growing areas and the negative natural growth (-5.2 % in 2012 compared to - 4.8 in 2005) {2}[IA 37, 38].

During the 2005-2012 period, the ageing phenomenon of the population in the fruit-growing areas is obvious. Thus, the category 0-14 year old decreased by about 0.74 percentage points (from 15.74% in 2005 to 15.0% in 2012), while the category over 65 year old registered an increase of around 0.5 percentage points (from 14% in 2005 to 14.5% in 2012) {2}[IA 33].

The assessment of the fruit-growing sector

The territory that is the object of the thematic sub-programme for the fruit-growing sector covers a number of 1,341 localities with a total effectively fruit growing area of 158,632.57 ha {3}[IA 1], representing about 1.2% of UAA {4}[CI 1].

In the last 23 years, the fruit-growing sector has been declining, with negative consequences not only on the economic development of the rural area, but also on the life quality of communities in traditional fruit-growing areas and on the contribution of this sector to environment protection.

During the 1990-2013 period the area of orchards decreased by around 50% (from 313,4 thousand ha in 1990 to 158,2 thousand ha in 2013 {3}[IA 1]).

There is still a decreasing trend of the orchard areas; in the last five years the pace of deforestations was more accelerated than afforestations (during the 2008-2012 period, 5722 ha were deforested {3}[IA 7] and only 3007 ha were afforested {3}[IA 8]).

Structure by ages, crop systems, and productivity classes

Most orchards are old, aged more than 25 years old, with reduced productive potential, declining or abandoned, the structure by age groups shows that from the total orchard area, 73.8% (117 thousand ha) are orchards older than 25, 18.7% (29.7 thousand ha) are orchards aged between 10-25 years old and only 7.5% (11,8 thousand ha) are plantations aged between 1-10 year old {3}[IA 3].

According to the productive potential of the existing orchards, about 83 thousand ha are declining orchards (52.4% of the total area), about 67 thousand ha are bearing orchards (42.2% of the total area) and 8.54 thousand ha are young orchards (5.4% of the total area) {3}[IA 4].

According to the crop system, about 108.5 thousand ha orchards (68.4%) are under extensive system, 47.2 thousand ha orchards (29.7%) are cropped in an intensive system and 2.93 thousand ha (1.9%) are super-intensive orchards {3}[IA 5].

The area of organic fruit-growing holdings is still reduced, but increasing, the sector trying to meet the consumers' growing demands for quality products. Thus, the area cropped under an organic system increased from 211 ha in 2006 to 6083 ha in 2012. Out of the 6083 hectares, around 86% are under conversion and only 14% are certified {1} [IA 6].

Moreover, the fruit-growing area in protected areas is reduced and decreasing (from 47,3 ha in 2002 to 43,9 ha in 2010), affecting the capacity of the sector to provide fresh fruits and raw material throughout the year {4}[IA 30].

The physical size of agricultural holdings that have orchards

A main factor leading to the decline of the sector is the excessive fragmentation of lands, mainly in the hill area, favorable to orchards, the average area of fruit-growing areas held by the agricultural holdings was of 0.38 ha in 2010 {4}[IA 13], much smaller than the minimum area necessary for a fruit-growing holding to become viable (according to the crop and the used crop system: minimum 0.3 ha-5 ha).

According to RGA (General Agricultural Census) 2010, the peach and nectarine-trees orchards have the highest average size (0.64 ha) and the pear-tree orchards the lowest average size (0.16 ha) {4}[IA 13].

The agricultural holdings that have orchards represent the largest share. They have a size comprised between 0 and 5 ha, that is 86% of the total fruit-growing holdings and manage approx. 52% of the area. The large farms – more than 50 ha - represent only 0.76% of the total and cover around 24% of the total area {4}[IA 18, 19].

The legal form of organisation of agricultural holdings that have orchards

As regards the legal forms of organisation of agricultural holdings that have orchards, the situation is similar to the one met at the level of the agricultural sector, where 98,92% of them are organized as individual holdings, PFA (self-employed persons) or family businesses and manage over 76% of the fruit-growing area {4}[IA 14, 16]. The large share of holdings without legal personality is reflected in the reduced financial capacity of fruit growers and in the low level of technological upgrade of fruit-growing holdings.

Access to financial resources

The decrease of orchard areas has happened due also to the high costs of investments for the new orchards and the technological process that comprises a significant period from the set-up of the orchard to its bearing period.

The low volume of investments in the orchard sector is also the result of the low income per household in the rural area (503 euro - 2011) {2} [IA 9], due also to the reduced number of jobs available in the rural area (in 2012, 57.9% of the total employed population in the rural area were independent workers and unpaid family workers, aspect that is rather associated to subsistence agriculture and the lack of alternatives than to entrepreneurial spirit {12} [IA 35, 36].

Other factors that determined that low volume of investments are the reduced access to financial resources and the high costs of credit products.

In 2010, the level of credits granted for agriculture was under 3% of the total volume of credits for the non-governmental sector in economy {6} [IA 10].

Associative forms

The weak association and cooperation for production, but especially for joint capitalization of fruit production, is another important factor that negatively influenced the capitalization of the production, the quality of products, the supply with inputs and implicitly the income of fruit growers. In 2013 there were only 14 associative forms – 3 producer organisations and 11

producer groups previously recognized – of which only 8 cover exclusively products of the fruit-growing sector {3} [IA 11].

In 2011, the National Inter-branch Organisation "Prodcom" Vegetables-fruits was recognized according to the legislation in force. It reunites professional associations from the vegetables, fruits and mushrooms sector and from the processing industry. Prodcom is directly involved in conducting promotion projects of the products of its members, is actively involved in providing specialized advisory services to them and, together with the MARD, contribute to the implementation of sectorial policies.

Production and consumption

During the analysed period, the total production of fruits registered a relatively increasing evolution, with a maximum of 1,479.9 thousand tons in 2011 and close minimum in 2007 and 2012, of 1,085.8 thousand tons, respectively 1128.6 thousand tons, caused by the severe climate conditions, such as draught, hail or late spring frost {5} [IA 2].

Although the pedo-climate conditions enable growing of a significant number of species, according to statistical data, the main fruit species are the apple and the plum trees that, in 2013, summed up about 83% of the tree area {3} [IA 1], and in 2012 they represented 77% of the fruit production {5} [IA 2]. The weak diversification of the variety range leads to a deficit of fruits, local products, dedicated to both fresh and processed consumption.

In the case of most fruit species, the average production per hectare is in Romania much smaller than the one registered in EU27 (e.g.: in 2011, the average production in Romania for the apple crop represented only 54% of the average production recorded in EU27 (without Ireland) and in 2012 around 46% (EU27 without Italy and Ireland) {1} [IA 20].

The low yield of fruit-growing holdings in Romania is also the result of old technical endowment and low adaptation to the climate changes effects. They have insufficient and inefficient irrigation systems in terms of energy and water consumption, the lack of warning systems and protection systems against hail, floods etc.

According to data provided by NIS, at national level the average fruit consumption per capita is increasing (from 62.3 kg in 2009 to 66.9 kg in 2012); this shows an increase of the internal need of fruits for consumption of the population {7} [IA 21].

The Programme for fostering fresh fruits consumption in schools - that was implemented starting with 2009 - had an important contribution to the increase of average consumption of fruits per capita. Even if now only apples - 80% local - are free of charge, the programme provides the possibility to diversify the offer of fruits distributed.

Processing industry

At the level of fruit-growing holdings there are old and obsolete technological endowments, without integrated systems for production capitalization (collection, sorting, grading, conditioning, storage, packaging, marketing), which reflects negatively in the productivity, profitability and competitiveness of these holdings.

Thus, in 2011 the storage areas do not cover the existing need to this regard, the total capacity of fruit stores was only 132,735 tons (whereas the total production of fruits was of 1,479.9 thousand tons) {3} [22].

Furthermore, of the total warehouses, 12.35% (with a capacity of 16,400 tons) are non-operational, without endowments and 1.34% (1,780 tons) are under construction {3} [22].

Fruits and fruit products trade

Due to climate specificity, reduced orchard areas in protected areas and insufficient storage and conditioning capacities (in terms of quantity and quality), the fruit production of Romania can cover only the internal need for the quarters III and IV, in the first two quarters this internal need is mainly covered from imports.

Analyzing the current situation of international fruits and fruit products trade, by fruit species, it is emphasized an important deficit in the case of peaches and nectarines, where, in 2012, the import was over three times higher than the internal production, and the quantity exported was under 4% of the quantity imported {7} [23].

Moreover, an important commercial deficit is registered in the case of international apple trade; in 2012 imports exceeded exports over 31 thousand tons and were over 22% in the domestic production {7} [24].

Education and vocational training

The low attractiveness of the sector, as well as the decreased number of the graduates of agricultural schools (professional, high-school and post-secondary education) are factors that contributed to the decrease of the training level of managers of fruit-growing holdings.

During the 2005-2012 period, the number of vocational education graduates, high-schools and post-secondary education units, with agricultural profile, decreased from 16.937 in 2005 to 4.511 in 2012 {8} [25].

Another factor that contributed to the decrease of the training level of the managers of fruit-

growing holdings was also the decrease of the number of high-schools with agricultural profile from 124 in 1997 to only 44 in 2011 **{10}** **[29]**.

This situation was determined also by the poor technical endowment of the agricultural education units and the decrease of areas held by demonstration farms.

Advisory services

Advisory services support fruit growers in improving the economic performances of their holdings and in identifying the adaptations needed as regards the regulatory requirements in terms of management, good agricultural practices, health and food safety standards, as well as certain elements related to the mitigation of climate changes and the adaptation to them, biodiversity, water protection and innovation.

In addition to improving productivity of fruit-growing holdings, advisory services may also have other functions such as facilitating access of farmers to local market, their adaptation to market requirements and the promotion of environment-friendly production techniques.

In 2012, the total number of employees in the public advisory services network was of 850, out of which 500 in the local agricultural advisory centres and 350 in the county agricultural chambers **{3}** **[IA26]**. They cover only 25% of the administrative units (the best balance was 1 adviser/administrative unit). Thus, in the previous programming period, the agricultural advisory system was insufficiently adapted in terms of Common Agricultural Policy requirements and quality and farmers' access to agricultural advisory services.

Fruit-growing research

The decline of the fruit-growing sector had consequences also on the research in the field, so in the last 23 years the number of institutes and fruit-growing research stations (public) decreased from 26 units before 1990 to only 8 in 2013 **{9}** **[28]**.

At the same time, between the two censuses (2002-2010), the area of tree nurseries (public and private) decreased by 330 ha, from 859 ha in 2002 to 529 ha in 2010 **{4}** **[27]**. The decrease of areas held by orchard research units is a consequence both of the decline of the fruit-growing sector and the retrocession of lands.

Also, because of the limited financial resources, the quality of the seedlings and the capacity of orchard research institutes and stations to produce certified quality seedlings were also affected.

Living quality in fruit-growing areas

More than 84.7% of the fruit-growing areas are in the rural area and therefore are affected by the lack of or poor infrastructure, which has a negative impact on the economic development of rural areas and on the development of the fruit-growing sector {2}[CI 3].

The basic services do not cover the needs of the population in the fruit-growing areas and the lack of conditions for the development of the rural area from social perspective shall be reflected in the economic development of Romanian rural areas.

Also, the education, sanitary and cultural infrastructure does not have the capacity to support a decent living level.

The fruit-growing sector in the programming period 2007-2013

EAFRD

Under measure 121 – *Modernization of agricultural holdings* under the National Rural Development Programme 2007-2013, through the selection scoring the projects from nurseries and orchards and fruit bushes, strawberries sector were prioritized. Thus, during the 11 calls for application, a number of 79 projects was contracted with a total eligible value of EUR 48.96 million.

Under measure 123 – *Adding value to agricultural and forestry products*, through the selection scoring the projects from vegetables, fruits and potatoes sector were prioritized and along the 12 calls for application, 41 projects that targeted the processing were contracted, with a total eligible value of EUR 45.52 million {3}.

EAGF

Under the CMO – the vegetables-fruits sector, there are now 14 associative forms – 3 producer organisations and 11 producer groups previously recognized – out of which only 8 cover exclusively products from the fruit-growing sector. In 2012, according to the last notification sent to the EC, the orchard area held by these associative forms summed up 2,590.67 ha, representing 1.65% of the total orchard area in 2013. The average area at member level in the 8 groups belonging exclusively to the orchard sector is of 25.5 ha {3}[11]. In the plans for group recognition, storage capacities up to 13,600 tons, amounting to EUR 12.08 million, were included {3}.

Environment assessment

The ongoing depopulation of rural communities in fruit-growing areas, caused by the reduction of economic activities related to fruit growing can determine, on long and medium terms, the abandon of the existing orchards and the decrease of specialized human resource in the fruit-growing activity.

The decrease of number of trees diminishes significantly the contribution they have to soil stabilization, even more so as the traditional tree basins are situated in the hilly area of Romania, with slopes, clayey soils where the risk of landslides is very high.

At the same time, the old irrigations systems generate a high water and energy consumption, having a negative impact on the water reserves of Romania, a country that falls under the category of countries with reduced water reserves (the average water quantity available per inhabitant is of 2,660 m³ water/place/year, including the Danube, a little more than half of the European average of 4,230 m³ water/place/year) {11}[31].

Also, following the distribution of fruit-growing areas with accessibility to water resources from the Danube, only a very small part of the fruit-growing areas can benefit from this water resource.

Although the quantity of GHG resulted from agriculture decreased significantly in comparison to the reference year (1989), this fact was caused to a small extent by the environment policy. It was more caused by the significant reduction of production in this sector. In the fruit-growing sector, the most important GHG sources are the old storage and conditioning facilities (due to high energy consumption), the machineries and obsolete facilities, with a high energy consumption and nitrogen-based fertilizers.

The extensive orchards are approx. 68% of the total area of fruit-growing holdings and are one of the most valuable and preserved traditional habitats in the Carpathian area, Transylvania and the pericarpatic area. Moreover, these orchards preserve in most cases, old local varieties of fruit trees, that are an ancestral cultural gene pool, endangered, that must not be lost {3} [5].

In the case of extensive orchards, the lack of mechanization with heavy machinery and the reduced use of chemical inputs, in addition to the application of traditional agricultural techniques (non-intensive grazing and mowing) favors the integral maintenance of those habitats, of the traditional cultural fund, biodiversity, and edaphic coating. At the same time, due to a long period of exploitability of extensive orchards and reduced quantity of inputs used, they have a net contribution to carbon sequestration, both in soil and in wood mass.

Furthermore, orchards are an important biomass source that can be used to obtain energy within fruit-growing holdings, thus contributing to the decrease of use of fossil fuels and implicitly the reduction of GHG emissions.

ii. Strengths

Social-economic situation

- High share of rural areas in the fruit-growing areas.

Sectoral level

- Significant area under pedo-climatic conditions favorable to growing a high number of fruit species.
- Tradition in the field of fruit growing in Romania and the existence of dedicated fruit basins.
- Tradition in the research-development activity in the field of fruit growing.
- High number of local varieties and parent stock adapted to the pedo-climatic conditions from Romania.
- The existence of a recognized inter-professional structure conducting different programmes and projects to the benefit of its members.

Environment and climate

- Large share of orchards under extensive crop system.
- Low consumption of chemical inputs with reduced impact on water and soil quality.
- Great biological diversity associated to orchards.
- Use of fruit species with a large period of exploitability that contributes to carbon sequestration.

iii. Weaknesses

Social-economic situation

- Negative demographic trend and ageing population.
- Low level of income per household and reduced number of jobs.
- Basic rural infrastructure underdeveloped or incomplete and basic services not adapted to population needs.

Sectoral level

- Low level of education and vocational training in the fruit growing field, also caused by the decrease of the number of school units with agricultural profile (high-schools) and of the number of graduates (vocational, high-school and post-secondary education).
- High cost of investments, reduced access to financial resources and high costs of credit products.
- Reduced average size of holdings and a high level of fragmentation of fruit-growing areas.
- High number of small-sized fruit-growing holdings.
- High number of holdings without legal personality.
- Reduced fruit area in protected areas.
- High percentage of old declining orchards.
- Low rate of replacement of declining orchards.
- Technical endowments with a high level of wear and tear and insufficient within the fruit-growing holdings.
- Reduced capacity of collection and storage systems to cover sector needs.
- Difficulties in the capitalization of fruits on the market, because of the reduced cooperation and association of fruit producers.
- Production oriented towards self-consumption and not marketing.
- Low production per area unit (ha).
- Public advisory services system in transition, overall advisory capacities inappropriate to market requirements and underdeveloped structures and systems for knowledge transfer and innovation.
- Existence of two main fruit species (apple, plum), followed at a large distance by other species.
- Low financial support of research institutions with fruit growing profile, decrease of the number and areas held by them.
- Reduced capacity of fruit-growing research institutes and stations to produce certified quality seedlings.
- Small number of integrated systems for the capitalization of the production (collection, sorting, grading, conditioning, storage, packaging, marketing).
- Reduced level of exports along with the high level of imports.
- Fluctuation of fruit production, due especially to extreme climate effects.
- Incapacity of local producers to cover the need in terms of quantity, quality and continuity.
- Farmers' reduced capacity to purchase and use innovative technologies and techniques.

Environment and climate

- Insufficient correlation of research in the fruit growing field (including the research relevant for specific challenges related to the decrease of climate changes effects and the adaptation to them) with the agricultural practice.
- Technical endowment and processing units with a high level of wear and tear generating a high resource consumption.
- Inadequate risk management systems reducing/preventing the effects produced by potential risks (ex.: hail nets, irrigation systems, warning systems in real time).
- Use of old irrigation systems generating high energy and water consumption.

- Decrease of fruit growing areas, with direct impact on environment and climate conditions.

iv. Opportunities

Social-economic situation

- Growing interest in the development of infrastructure in rural areas.
- Increased access of population from rural areas to training and formation programmes.
- Increased access of entrepreneurs from fruit-growing areas to financial instruments.

Sectoral level

- Ascended trend of fruit consumption per inhabitant.
- Continuation of the programme for fostering consumption of fresh fruits in schools.
- Growing interest in the creation/extension of fruit-growing nurseries.
- Renewal of farmers' generations.
- The access of farmers from fruit-growing areas to risk management instruments (mutual fund).
- Partnerships that promote knowledge transfer and innovation and facilitate the setting-up of short supply chains.

Environment and climate

- The biomass obtained from activities specific to fruit-growing sector.
- The increase of consumers' interest in products from areas with a low level of pollution and obtained by using extensive/organic crop systems.

v. Threats

Social-economic situation of the rural area

- Continuation of depopulation of villages and ageing population.
- Difficulties in establishing strong local partnerships and farmers' reluctance to create associative forms.

Sectoral level

- Use of seeding material, inadequate for the pedo-climatic conditions specific to fruit growing areas.
- Creation of orchards in areas with reduced fruit growing potential.
- Decrease of areas covered with fruit-trees and increase of areas covered with old, less productive orchards.

- Increased consumption of imported fruits and decreasing of exports.
- Ongoing decrease of the number of research institutions with fruit growing profile and decrease/slow-down of research-development activity, specific to the sector.
- Maintaining a high level of fragmentation of orchards.
- Abandonment of orchards.

Environment and climate

- Intensification of soil degradation, water pollution, affecting biodiversity and increase of GHG emissions.
- Intensification of extreme climate phenomena (drought, prolonged heat waves, floods, hail).
- Decrease of available fresh water quantity.

Context indicators

Indicator name	Measurement unit	Indicator value	Year	Comment
Context indicators				
1. Used agricultural area	Ha	13,306,130	2010	EUROSTAT

Additional indicators

Indicator name	Measurement unit	Indicator value	Year	Comment
1. Fruit-growing area	Ha	158,632.57	2013	Administrative data MARD
2. Total fruit production	thousand tons	1,128.6	2012	NIS – Statistical yearbook
3. Orchard age structure			2013	Administrative data MARD
1-10 year old	%	7.5		
10-25 year old	%	18.7		

> 25 year old	%	73.8		
4. Structure of orchards by productivity classes			2013	Administrative data MARD
- young	%	5.4		
- bearing	%	42.2		
- declining	%	52.4		
5. Structure of orchards by crop systems			2013	Administrative data MARD
- extensive	%	68.4		
- intensive	%	29.7		
- super-intensive	%	1.9		
6. Fruit-growing area under organic system	Ha	6,083	2012	Eurostat
- % of total UAA	%	0.046		
7. Deforested fruit-growing area	Ha/year	1,098	2012	Administrative data MARD
8. Set-up fruit-growing area	Ha/year	708	2012	Administrative data MARD
9. Income per household in the rural area	Euro	503	2011	Administrative sources NIS
10. Level of credits for agriculture in total credits volume	%	3	2010	National Strategic Rural Framework – Presidential Commission for public policies for
- non-governmental				

sector				agriculture development Bucharest 2013
11. Associative forms in the fruit-growing sector -producer organisations -producer groups preliminarily recognized	No	3 11	2012	Administrative data MARD
12. Holdings with orchards	No	379,550	2010	NIS – RGA 2010
13. Average size of fruit-growing areas owned by agricultural holdings	Ha	0.38	2010	NIS – RGA 2010
14. Agricultural holdings with orchards, without legal personality	No	375,437	2010	NIS– RGA 2010
15. Agricultural holdings with orchards, with legal personality	No	4,113	2010	NIS – RGA 2010
16. Fruit growing area held by holdings without legal personality	Ha	109,839.8	2010	NIS – RGA 2010
17. Fruit growing area held by holdings with legal personality	Ha	33,573	2010	NIS – RGA 2010
18. Structure by size classes of agricultural holdings with fruit-growing holdings 0-5 ha	No		2010	NIS – RGA 2010

>50 ha		326,374 2,895		
19. Owned fruit-growing area, by size classes of agricultural holdings 0-5 ha >50 ha	Ha	74,176.79 34,266.18	2010	NIS – RGA 2010
20. Average apple production EU27 (without Italy and Ireland) Romania	100 kg/ha	178.3 82	2012	EUROSTAT
21. Average fruit consumption	kg/inhabitant	66.9	2012	NIS – food balance sheet
22. Fruit storage capacity	Tons	132,735	2011	Administrative data MARD
23. International trade with peaches and nectarines (fresh or processed) -domestic production - import - export	Tons equivalent of fresh fruits	17,428 56,634 2,113	2012	NIS – food balance sheet
24. International trade with apples (fresh or processed) -domestic production - import - export	Tons equivalent of fresh fruits	462,935 103,230	2012	NIS – food balance sheet

		71,888		
25. Graduates of vocational, high school and post-secondary education units, with agricultural profile	No	4,511	2012	NIS - education statistics
26. Advisers in the public advisory services system	No	850	2012	Administrative data MARD
27. Fruit-growing nurseries area	Ha	529	2010	NIS RGA - 2010
28. Public fruit-growing research units	No	8	2013	ICDP - Mărăcineni
29. High-schools with agricultural profile	No	44	2011	NIS- Tempo Online
30. Crops in protected areas	Ha	43.92	2010	RGA - 2010
31. Quantity of available water, including the Danube	m ³ water/inhabitant/year	2,660	2012	Ministry of Environment and Climate – National Report on the state of environment.
32. Population of fruit growing areas	No. of inhabitants	9,407,636	2011	Administrative sources NIS
32.1 Population of fruit-growing areas – rural area	No. of inhabitants	4,154,638	2011	Administrative sources NIS
33. Population by age groups: - under 15 years old - between 15 and 64 years old	% %	15 70.5	2011	Administrative sources NIS

- over 65 years old	%	14.5		
34. Territory of the fruit growing sub-programme	km ²	100,957	2011	Administrative sources NIS
34.1. Territory of the fruit growing sub-programme - rural area	km ²	85,530	2011	Administrative sources NIS
35. Self-employed workers in the rural area	%	31.5	2012	Study CNPS
36. Unpaid family workers	%	26.4	2012	Study CNPS
37. Natality rate in fruit-growing areas	‰	9.1	2012	Administrative sources NIS
38. Mortality rate in fruit-growing areas	‰	14.3	2012	Administrative sources NIS

20.1.2 Needs assessment based on the SWOT analysis

	Needs approached by thematic sub-programme for fruit-growing sector																					
	Need title	Priority 1			Priority 2		Priority 3		Priority 4			Priority 5					Priority 6			Cross-cutting objectives		
	Focus Areas	1 a	1 b	1 c	2a	2b	3a	3b	4a	4 b	4 c	5 a	5 b	5 c	5 d	5e	6a	6b	6c	Environment	Climate	Innovation
1	Increasing orchard and nurseries areas				√															√	√	√
2	Competitive fruit-growing farms				√		√													√	√	√
3	High added value products and jobs in fruit-growing areas						√										√			√	√	√
4	Producer groups and cooperation of farmers and stakeholders in the fruit-growing sector	√	√				√													√	√	√
5	Research-development-innovation activities adapted to the sector's needs and a fruit-growing sector adapted to climate changes	√	√		√		√													√	√	√
6	Easy access to adequate financial instruments for farmers, micro-enterprises and small enterprises from fruit-growing				√		√										√					√

	Needs approached by thematic sub-programme for fruit-growing sector																					
	Need title	Priority 1			Priority 2		Priority 3		Priority 4			Priority 5					Priority 6			Cross-cutting objectives		
	Focus Areas	1 a	1 b	1 c	2a	2b	3a	3b	4a	4 b	4 c	5 a	5 b	5 c	5 d	5e	6a	6b	6c	Environment	Climate	Innovation
	areas																					

	Needs approached by NRDP 2014-2020																					
	Need title	Priority 1			Priority 2		Priority 3		Priority 4			Priority 5					Priority 6			Cross-cutting objectives		
	Focus Areas	1 a	1 b	1 c	2a	2b	3 a	3b	4a	4 b	4 c	5 a	5 b	5 c	5 d	5 e	6 a	6 b	6c	Environ ment	Climate Change	Innovation
7	Renewal of the generations in the fruit-growing holdings					√																√
8	Adequate knowledge in the fruit-growing sector	√		√	√	√	√	√	√	√	√									√	√	√
9	Advisory services adapted to market’s real demands	√			√	√	√										√			√	√	√
10	Restructuring small fruit-growing farms into market-oriented farms				√															√	√	√
11	Risk management in agriculture							√												√	√	
12	Adequate basic infrastructure and services in rural municipalities from fruit-growing basins																	√		√	√	√

1. Increasing orchard and nurseries areas

Priorities/Focus areas covered:

Priority 2

Focus area 2a

Cross-cutting objectives covered:

Innovation

Environment

Climate

Description of the need:

Currently, most of the orchards and shrubs are abandoned, old, with a low yield and dominated by only two species. Old orchards, with low yields and reduced range of varieties, have a negative impact on the quality and the quantity of the offer of fresh fruits on the domestic markets, thus favoring the appearance of import products and leading to the decrease of exports.

Thus, it is necessary to set-up orchards, including the protected areas and rejuvenation of existing orchards.

Furthermore, in order to provide sufficient quality seeding material, adapted to the climatic conditions from Romania, it is necessary to increase the area occupied by nurseries.

The expansion of areas used by orchards and nurseries and the diversification of products range would have a positive effect on the supply of fresh fruits for domestic and foreign markets, would increase the degree of processing raw materials domestically produced and would have a positive effect on the development of the fruit-growing sector in general.

At the same time, these actions would have a secondary contribution in protecting the soil against erosion, preventing landslides, as well as increasing the amount of sequestered carbon.

2. *Competitive fruit-growing farms*

Priorities/Focus areas covered:

Priority 2

Focus area 2a

Priority 3

Focus Area 3a

Cross-cutting objectives covered:

Innovation

Environment

Climate

Description of the need:

At the level of fruit-growing holdings, there are old and obsolete technological endowments, which is negatively reflected in the productivity, profitability and competitiveness of these holdings and on the environment and climate.

In order to capitalize the potential of these holdings, modernization investments, such as constructions, equipment, machineries, energy efficiency etc. are necessary.

Furthermore, fruit-growing holdings need support for investments that would improve their sustainability, adaptation to climate changes and help them orient themselves towards a more efficient consumption of energy and production and use of renewable energy.

A better access to modern agricultural machinery and equipment would enable fruit-growing holdings to increase the volume, the quality and the variety of products, would provide continuity for fruits supply and would facilitate the integration of producers into the market, with clear effects on the increase of the fruit-growing sector's overall economic performance.

Also, modern innovative technologies would have a positive impact on the process of adaptation of farms to climate changes and on the overall competitiveness of holdings.

3. High added value products and jobs in fruit-growing areas

Priorities/Focus areas covered:

Priority 3

Focus area 3a

Priority 6

Focus area 6a

Cross-cutting objectives covered:

Innovation

Environment

Climate

Description of the need:

Currently, fruit processing industry, especially the collection, storage and conditioning systems, are not adequate in terms of quantity and quality, compared to the needs of the sector.

This industry needs investments in upgrading or building processing units, collection, sorting, grading, storage, conditioning and packaging systems, procurement of modern equipment, facilities and machinery, including investments in systems for a more efficient water and energy use, production of renewable energy or waste removal technologies.

Also, for the development of new products and local brands, this industry needs support to improve the marketing of agricultural products.

At the same time, fruit trees are mainly located in rural areas, where the economic functions depend almost entirely on the existence of agricultural activities and thus, it is necessary to facilitate the access of population to additional income sources.

A sustainable development of fruit processing industry would lead to increasing the share of high added value processed products and would contribute to achieving the environmental and climate objectives.

Supporting these investments would facilitate alternative job creation in fruit-growing areas and would provide the access of population to additional income sources.

4. Producer groups and cooperation of farmers and stakeholders in fruit-growing sector

Priorities/Focus areas covered:

Priority 1

Focus areas 1a, 1b

Priority 3

Focus area 3a

Cross-cutting objectives covered:

Innovation

Description of the need:

The number of producer groups in the fruit-growing sector and the cooperation actions between relevant stakeholders in the sector is low.

Thus, in order to become strong and competitive, the fruit-growing sector needs functional producer groups and cooperation actions between farmers and other stakeholders from the fruit-growing sector.

A better organization of primary producers from the fruit-growing sector would allow them to jointly capitalize the obtained products, to adjust their production to market demands, to have better access to inputs, equipment, credit and market, to optimize production costs and to deal easier with different market challenges.

Also, the cooperation of farmers through organized structures, would lead to a greater stability in the volume of raw materials required for fruit processing industry, would facilitate the creation of short chains and would lead to a sustainable development of the sector.

In addition, producer groups may facilitate their members the access to knowledge, innovation and good practices.

5. Research-development-innovation activities adapted to the sector's needs and a fruit-growing sector adapted to climate changes

Priorities/Focus areas covered:

Priority 1

Focus areas 1a, 1b

Priority 2

Focus area 2a

Priority 3

Focus area 3a

Cross-cutting objectives covered:

Innovation

Environment

Climate

Description of the need:

Orchards in Romania are very vulnerable to the extreme climate effects (drought, hail, frost, etc.), only a small share of holdings having adequate systems to mitigate the negative effects produced by these (irrigation systems, hail protection nets, warning systems, etc.). In addition, the number and quality of research-development-innovation activities and dissemination of their results do not address the needs of this sector.

The fruit growing sector needs support to develop efficient irrigation systems in terms of energy and water consumption, protection/warning systems against hail, rain and frost.

Furthermore, the fruit-growing sector needs research-development-innovation activities to provide solutions adapted to the needs of the sector, including for adaptation of fruit-growing to climate changes, such as drought-resistant varieties, seeding material adapted to the pedo-climatic conditions, cropping techniques and systems that increase productivity, limit the number of interventions on soils, etc. and actions to disseminate relevant information resulting from research, development and innovation.

Improving the capacity of fruit-growing farms to cope with climate changes and the use of research, development and innovation results, would help increase the overall competitiveness of the fruit-

growing sector.

Also, improved information dissemination activities relevant to the sector would allow primary producers to adopt faster and more efficient modern methods and practices, with visible effect on the sustainability of fruit-growing farms.

6. Easy access to adequate financial instruments for farmers, micro-enterprises and small enterprises from fruit-growing areas

Priorities/Focus areas covered:

Priority 2

Focus areas 2a

Priority 3

Focus area 3a

Priority 6

Focus area 6a

Cross-cutting objectives covered:

Innovation

Description of the need:

Access to finance is an important aspect of any agricultural business. In Romania, the low level of investment in fruit-growing farms was strongly influenced by the low financial capacity of primary producers, by the high costs of loans and investments and the lack of guarantees. The high costs of setting up and maintaining of orchards have limited investors' interest in this field.

Thus, in the fruit-growing sector, farmers need better access to loans and favorable interest rates in order to modernize their farms, improve food safety and traceability, to introduce modern technologies and to diversify their income sources.

Increased access to capital would enable fruit-growers to purchase quality inputs at competitive prices, would lead to a better orientation of the farms towards the market, including in the context of short food chains, to diversification of products and improvement of the overall viability of farms.

Needs approached under NRDP 2014-2020

7. Renewal of the generations in the fruit-growing holdings

Priorities/Focus areas covered:

Priority 2

Focus areas 2b

Cross-cutting objectives covered:

Innovation

Description of the need:

Insufficient number of young farmers and the rapid aging of farm holders have had a considerable impact on the development of the fruit-growing sector in Romania. Similar to other sectors, fruit-growing needs young and skilled labor force to be competitive and market-oriented.

The new generations have the ability to introduce new ideas, practices and innovative marketing methods, as well as the ability to improve farm productivity and diversify their activities on farms. Young farmers are also more likely to develop new market channels, develop local products and fulfil the requirements of food safety and hygiene, etc. Moreover, young farmers are usually better qualified and prepared to face new challenges.

Renewal of the generations will lead to avoidance of land abandonment, increase productivity of the sector and improve the social life and attractiveness of rural areas. The transfer of assets from farmers that are getting out of agriculture to young people will contribute to long-term global economic growth of rural areas and to the development of a more sustainable and viable fruit-growing sector.

8. Adequate knowledge in the fruit-growing sector

Priorities/Focus areas covered:

Priority 1

Focus area 1a, 1c

Priority 2

Focus area 2a, 2b

Priority 3

Focus area 3a, 3b

Priority 4

Focus area 4a, 4b, 4c

Cross-cutting objectives covered:

Environment

Climate

Innovation

Description of the need:

Sector-specific training, information and knowledge transfer are key elements for improving the management of fruit-growing farms and the adoption of new technologies and innovative solutions that fulfil the specific needs of the sector.

Therefore, fruit-growers need an adequate level of technical and economic training, including expertise in new information technologies. They also need information on sustainable management of soil and water resources, environment protection, the implementation of environmental-friendly technologies and practices and the production and use of renewable energy in the fruit-growing farms.

Increasing the knowledge of farmers that are active in the fruit-growing production would lead to increased economic and environmental performance of farms, to a better adaptation to climate changes and a better capitalization of fruit productions on the markets, thus improving the overall competitiveness and viability of fruit-growing farms.

9. Advisory and guidance services adapted to market's real demands

Priorities/Focus areas covered:

Priority 1

Focus area 1a

Priority 2

Focus area 2a, 2b

Priority 3

Focus area 3a

Priority 6

Focus area 6a

Cross-cutting objectives covered:

Environment
Climate
Innovation

Description of the need:

Primary producers' access to quality assistance and technical services is limited. Advisory services are not sufficiently linked with research-innovation and modern technologies and dissemination and information activities are ineffective.

Fruit-growers in Romania, especially small and young farmers, need affordable and dedicated advisory services regarding modernization of farms, management standards, diversification, agricultural practices, health and food safety standards and environmental and climate-related elements.

Advisory services will contribute to an increased economic and environmental performance of fruit-growing holdings, to facilitation of farmers' access to the local market, to adaptation of production to market's demands and to promotion of environmental-friendly production techniques.

10. Restructuring small fruit-growing farms into market-oriented farms

Priorities/Focus areas covered:

Priority 2

Focus areas 2a

Cross-cutting objectives covered:

Environment
Climate
Innovation

Description of the need:

The orchard sector is characterized by a high number of very small farms, with a high level of fragmentation of lands and a reduced capacity to fulfil market's demands.

These farms have insufficient technical endowment, non-adapted to modern production techniques and to the effects of climate changes. Moreover, the physical capital is characterized by a high level of use.

In order to capitalize the potential of these farms, modernization investments, such as constructions, equipment, machineries, etc. are necessary. Also, small farms need support for consolidation in order to become market-oriented.

Restructuring the small-sized fruit-growing farms would lead to a better adaptation of production to market's demands, to the increase of viability of farms and to the increase of farmers' incomes.

11. Risk management in agriculture

Priorities/Focus areas covered:

Priority 3

Focus areas 3b

Cross-cutting objectives covered:

Environment

Climate

Description of the need:

It is foreseen that climate changes will have a significant impact on the overall performance of fruit-growing farms in Romania, since there are inadequate risk management systems.

The fruit-growers need instruments that can partially or fully recover the income loss caused by hail, late frosts, drought etc.

Participation of farmers to risk management instruments would play an important role in compensating any possible income loss as a result of some adverse climatic events, with a favorable effect on their income and on the viability of fruit-growing farms.

12. Adequate basic infrastructure and services in rural municipalities from fruit-growing basins

Priorities/Focus areas covered:

Priority 6

Focus area 6b

Cross-cutting objectives covered:

Environment

Climate

Innovation

Description of the need:

The lack of adequate infrastructure in rural areas is a major impediment for the development of the rural economy as a whole and implicitly on the development of the fruit-growing sector.

Thus, farmers in the fruit-growing sector need modern infrastructure that would facilitate the collection, transportation, storage, distribution, processing and other related activities associated with the production, processing and marketing of fruits and fruit products, as well as a modern agricultural education that can provide labor force with skills in the sector.

A modern basic infrastructure and adequate services in the fruit-growing areas will play an important role in improving the competitiveness of fruit-growing farms, as well as in increasing the quality of life in fruit-growing areas.

20.2. DESCRIPTION OF THE STRATEGY

A justification of the needs selected to be addressed by the thematic sub-programme for fruit-growing sector and the choice of objectives, priorities and focus areas based on evidence from the SWOT and needs assessment

The Romanian orchard sector faces serious structural problems. The advanced age of more than half of the orchards corroborated with the slow pace of rejuvenation and the inadequate crop system of commercial production have direct effects on the productivity and the competitiveness of this sector.

From the SWOT analysis, it comes out that this sector needs restructuring, starting from the creation and the reconversion of orchards in order to rejuvenate them, modernization of farms and processing industry in view of increasing their competitiveness at the same time with the creation of associative forms for the joint marketing/capitalization of members' production and the creation of operational groups in order to develop pilot projects, products, techniques and practices that contribute to solving the specific problems and partnerships that would facilitate the marketing of products through short chains.

The thematic fruit-growing sub-programme addresses the main needs of this sector, by solving the weaknesses that characterize Romanian fruit growing, targeting at the same time its sustainable development.

Additionally, NRDP will ensure improving access to information actions and the dissemination of results, access to advisory services, generational renewal, restructuring of small farms, preservation of traditional habitats and the establishment and development of non-agricultural activities.

Through the fruit-growing sub-programme the following general objectives will be addressed:

- i) Restructuring fruit-growing sector and improving its competitiveness;***
- ii) Ensuring the sustainable management of natural resources and the adaptation to the effects of climate changes;***
- iii) Achieving a balanced territorial development of rural communities from fruit-growing areas***

i) Restructuring fruit-growing sector and improving its competitiveness;

As the SWOT analysis shows, the orchard sector corresponds to the main features of the overall agricultural sector, especially as regards the high level of fragmentation of areas, the reduced average size, as well as old and obsolete technical endowments.

In particular, the defining elements of this sector reside in the significant areas with old and declining orchards, the slow pace of rejuvenation of orchards, the reduced capacity of the existing systems of

collection and storage in order to cover the need, a difficulty in the capitalization of products due to the lack of cooperation between producers and the low level of their association.

Also, the sector is characterized by a reduced number of integrated systems of capitalization, reduced level of innovation generated by the poor adaptation of research activity to the real needs of the sector, aging of population from fruit-growing areas, advisory systems and knowledge transfer undersized and reduced level of specific vocational training.

The main needs of the orchard sector refer to its restructuring and the increase of competitiveness.

Restructuring this sector implies the reconversion of fruit-trees species and the creation of new orchards, in order to recover the areas and to increase the level of rejuvenation of orchards. In order to increase competitiveness, both modernization of low-tech farms that cannot perform activities necessary for getting a fruit production adapted to market demands and the integration of production, storage and/or processing and marketing activities will be taken into consideration.

The specific objective of the sub-programme

Intensification of restructuring fruit-growing holdings, both at the level of orchards, by the reconversion of species and rejuvenation of orchards, and at the level of technical means, by the modernization of equipment and machinery.

The needs that must be addressed in order to accomplish this objective are:

- 1. Increasing orchard and nurseries areas*
- 2. Competitive fruit-growing farms*
- 3. High added value products and jobs in the fruit-growing areas*
- 4. Producer groups and cooperation of farmers and stakeholders in the fruit-growing sector*
- 5. Research-development-innovation activities adapted to the sector's needs and a fruit-growing sector adapted to climate changes*
- 6. Easy access to proper financial instruments for farmers, micro-enterprises and small enterprises from fruit-growing areas*

The approach of the first six needs by the fruit-growing sub-programme will lead to the increase of competitiveness in the sector following the increase of quality of the raw material from the sector and of the volume, the diversification of variety range of fruits, energy efficiency, increase of storage and conditioning capacities that will enable the continuity of supply with fruits, the adaptation of seedling to local soil and climate conditions, increase of mechanization level, increase of the share of high value added products easier access to credits.

Also, the approach of the needs leads to the increase of competitiveness of the orchard sector but also by a better integration on the market of primary producers, by creating short chains, but also by the intensification of the cooperation along the value chain and the development and use of solutions adapted to sectorial needs.

The measures implemented by the fruit growing sub-programme that include actions leading to the accomplishment of the specific objective are:

4a - Investments in physical assets in the fruit-growing sector– the main actions supported by this measure leading to the accomplishment of the specific objective are the actions contributing to Priority 2 and 3, focus area 2A and 3A and address the first three needs.

By this measure are supported investments that ensure: the recovery of fruit-growing areas by creating new orchards, including fruit-growing nurseries that will provide certified seedling, and by reconversion of existing orchards, the modernization of fruit-growing holdings, their appropriate endowment by the purchase of specific equipment and machineries, the construction and modernization of centres of collection, storage and conditioning in order to ensure the continuity of supply both with fresh fruits and raw material necessary for the processing sector and the construction and modernization of fruit processing units on and off farms, in order to increase the added value of products from the fruit growing sector.

Also, the investments fostering the development of short supply chains are supported, by improvement, construction and endowment of marketing spaces within the holding and the purchase of specialized transportation means.

At the same time it is aimed at action contributing to achieving environmental objectives, such as investments to increase energy efficiency of buildings, the use and production of energy from renewable sources, at the level of farms or processing units and that contribute also to the increase of competitiveness.

9a. Setting-up producer groups in the fruit-growing sector – the actions supported by this measure, leading to the accomplishment of the specific objective, are the actions contributing to Priority 3, focus area 3A and address the needs 2, 3, 4 and 6.

This measure is aimed at creating the missing link of the agri-food chain in this sector, essential for increasing the value added– the marketing of production and the direct relation with the organized marketing or the final consumer, which would lead to a visible increase of viability of fruit-growing holdings.

The support is granted for the set-up and operation of producer groups and investments made by these associative forms will be supported and prioritised by the other measures in the sub-programme.

16a. Cooperation in the fruit-growing sector – the actions supported by this measure, leading to the

accomplishment of the specific objective, are the actions contributing to Priorities 1 and 3, focus areas 1A, 1B and 3A and address the needs 2, 3, 4 and 5.

The support is granted for the set-up and operation of operational groups, in order to facilitate the cooperation between the stakeholders in the fruit-growing sector, including the researchers in this sector, as well as other stakeholders, for the development of pilot projects and new products, techniques and practices that increase the innovation level in the sector and the access of fruit growers to solutions adapted to specific needs.

Also, the mandatory dissemination of the results of projects supported by this measure facilitate the access of actors in the orchard sector to updated information, relevant for the activities carried out by them.

By this measure, the financial support shall be granted also for the cooperation between all the members of the value chain, in order to create short supply chains, focusing on the marketing of quality products.

Additionally, through NRDP 2014-2020 the following needs identified based on the SWOT analysis will be addressed:

- 7. Renewal of the generations in fruit-growing holdings*
- 8. Adequate knowledge in the fruit-growing sector*
- 9. Advisory services adapted to market's real demands*
- 10. Restructuring small fruit-growing farms into market-oriented farms*
- 11. Risk management in agriculture*

Thus, through relevant measures from NRDP 2014-2020 will be supported actions leading to renewal of generations, improvement of access to information actions and dissemination of results, facilitation of farmers' access to advisory services, restructuring of small farms, compensation of income foregone, all leading to the accomplishment of the specific objective identified.

ii) Ensuring the sustainable management of natural resources and adaptation to the effects of climate changes

The orchard sector can contribute to harmonious and sustainable development of the territory, by preserving biodiversity, maintaining the ecosystems in a good state, the well-balanced management of water and soil resources, developing systems of energy efficiency and the production of energy from renewable sources.

Thus, it is necessary to endow the fruit-growing farms with equipment and machineries and to use cropping techniques that would contribute to preventing the potential environmental and climate risks, such as landslides, soil degradation, , drought, hail and so on. All these have to be corroborated with the awareness of farmers regarding the agricultural environment-friendly practices, the increase of the number of research-development-innovation actions and the improvement of knowledge transfer.

The specific objective of the sub-programme identified to cover this general objective is:

The increase of the contribution of fruit-growing sector to maintenance and protection of environment and to the sustainable use of natural resources, by increasing the number of holdings that use environment-friendly cropping practices and have the technical means adapted to the new environment and climate coordinates and by modernizing the processing sector.

The needs that will be addressed by the fruit-growing sub-programme, in order to accomplish this specific objective, are:

- 1. Increasing orchard and nurseries areas*
- 2. Competitive fruit-growing farms*
- 3. High added value products and jobs in the fruit-growing areas*
- 4. Producer groups and cooperation of farmers and stakeholders in fruit-growing sector*
- 5. Research-development-innovation activities adapted to the sector's needs and a fruit-growing sector adapted to climate changes*

Approaching the specific objective shall be done through the **secondary effects** generated by the main actions supported through the fruit-growing sub-programme and will lead to the decrease of energy and water consumption, with a direct impact on the GHG emissions and on the water reserves of Romania, as well as to the preservation of soil properties.

The measures implemented by the fruit growing sub-programme that include actions leading to the accomplishment of the specific objective, are:

4a. Investments in physical assets in the fruit-growing sector – the actions supported by this measure, leading to addressing the objective through the **secondary effects**, are the ones contributing to priorities 2 and 3, focus areas 2A and 3A and address the needs 1, 2 and 3.

Thus, this objective will be addressed through the **secondary effects** arising from the creation, conversion and modernization of orchards, modernization of collection and storage systems, processing units and technological park.

The specific actions within the projects that will lead to addressing this objective will be the increase of energy efficiency and the stimulation of the production of energy from renewable sources in fruit-growing holdings and processing units, the installation of anti-hail nets and modern irrigation systems.

Also, the conversion and creation of orchards secondarily contribute to soil protection against desertification and landslides, as well as to carbon storage, both in soil and wood mass.

16a. Cooperation in the fruit-growing sector- the actions supported by this measure, leading to the accomplishment of the objective, are the ones contributing to priorities 1 and 3, focus areas 1A, 1B and 3A.

Support will be provided for pilot projects, for creating short chains, for the development of innovative techniques and technologies which have a positive impact on the environment and climate and facilitate adaptation the fruit growing sector to climate change by reducing fuel consumption, conservation and improvement of soil characteristics, decrease erosion risk, growth / preservation soil water reserve, the use of drought-resistant varieties, etc..

9a - Setting up of producer groups in the fruit growing sector - the actions supported by this measure, leading to approach of the objective, are those that contribute to priority 3, FA 3A .

Producer groups can make an important contribution to mitigation of and adaptation to climate changes, through practical actions to achieve agreed targets, such as modernization of collection, storage, conditioning systems and processing units and the promotion of innovation and environmental-friendly practices within the group.

In a complementary manner, the following needs identified in the SWOT analysis will be addressed by NRDP 2014-2020:

8. Adequate knowledge in the fruit-growing sector

9. Advisory services adapted to market's real demands

10. Restructuring small fruit-growing farms into market-oriented farms

Also, through NRDP 2014-2020, the fruit-growing holdings that have surfaces organically grown or in a traditional system will be also supported, which will have a positive impact on the environment and climate.

iii) Achieving a balanced territorial development of rural communities from fruit-growing areas

The SWOT analysis shows that fruit-growing areas are predominantly in rural areas, where the majority of the population is engaged in subsistence agriculture and basic infrastructure and services are poorly developed, all of them affecting the population's income, living standards and development of fruit-growing sector.

Thus, it is necessary to increase the attractiveness of fruit-growing areas and the number of jobs, through the development of infrastructure and services, namely through the establishment of fruit processing units.

The specific objective of the sub-programme, identified to meet this general objective, is:

Achieving a balanced territorial development of rural economies and communities from the fruit-growing areas, including the creation of jobs

In order to achieve this specific objective, the need to be addressed by the fruit-growing sub-programme, is:

3. High added value products and jobs in the fruit-growing areas

This objective will be addressed through actions corresponding to priority 6, focus area 6A of measure 4a - **Investments in physical assets in the fruit-growing sector**, namely the establishment of fruit processing units and, alternatively, by achieving the specific objectives previously defined in the sub-thematic programme.

Complementarily, the NRDP 2014-2020 will address the following needs identified in the SWOT analysis:

10. Restructuring small fruit-growing farms into market-oriented farms

12. Adequate basic infrastructure and services in rural municipalities from fruit-growing basins

Also, the NRDP 2014-2020 will facilitate the establishment and development of non-agricultural activities in fruit-growing areas, thus ensuring people's access to sources of additional income.

5.2 The choice, combination and justification of fruit-growing thematic sub-programme measures

Priority 1 Fostering transfer of knowledge and innovation in agriculture, forestry and rural areas

Focus area 1A

Fostering innovation, cooperation and the development of a knowledge base in rural areas

Selected measures:

Measure 16a Cooperation in the fruit-growing sector
--

Combination and justification of rural development measures

The structural problems of fruit growing (small-size and fragmentation of holdings, high number of small-sized holdings etc.), the effects of climate changes but also the reduced level of adaptation to market demands need the implementation of innovative solutions that support sector-specific needs.

Thus, by measure 16a, **Cooperation in the fruit-growing sector**, support is granted for the set-up of operational groups, in order to promote innovation and cooperation in fruit-growing areas and also for facilitating the cooperation of stakeholders in the sector, in order to sell the products within short chains.

Also, the mandatory dissemination of the results of projects supported by this measure (EIP) facilitates the access of stakeholders in the fruit-growing sector to updated information, relevant for the activities carried out by them and contributes to the creation of a knowledge base in the fruit-growing areas.

This measure aims at the development of pilot projects, new products, practices, processes and technologies in the fruit-growing sector and also at the creation of short chains.

Additionally, by the relevant measures in NRDP, actions of training, information and advisory services in fruit-growing areas, are also supported.

Focus area 1B

Strengthening the links between agriculture, food production and forestry on one hand and research and innovation on the other, including for the purpose of a better environmental management and performance.

Measures selected

Measure 16a Cooperation in the fruit-growing sector
--

Combination and justification of rural development measures

A higher importance has to acquire the increase of productivity, by research and by promotion of cooperation and innovation (including by European Innovation Partnership).

The cooperation between farmers, researchers and other stakeholders through the operational groups, based on an adaptation of the research offer, is essential in order to address the solutions specific to the fruit-growing sector.

In this context, by measure 16a **Cooperation in the fruit-growing sector**, support shall be granted in order to facilitate the cooperation between farmers, research bodies, universities, advisors and other relevant stakeholders from the fruit-growing sector, in order to increase the innovation degree in the sector and adapt the research results to sector's needs.

Priority 2 - Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests

Focus area 2A

Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increase market participation and orientation, as well as agricultural diversification

Choice of sub-programme's measures

Measure 4a. Investments in physical assets in the fruit-growing sector

Combination and justification of sub-programme's measures

At the level of fruit-growing holdings there are old and obsolete technological endowments which is reflected negatively in the productivity, profitability and competitiveness of these holdings.

Also, the orchards are old, declining and the total orchard area is continuously decreasing.

Thus the support granted by sub-measure **4a Investments in physical assets in fruit-growing sector** aims to increase the potential of these holdings, both by investments such as equipment, machineries, farm irrigation systems and processing on the farm and investments leading to the increase of the orchard area and/or conversion of existing orchards.

Additionally, through the relevant measures from the NRDP actions that lead to the increase of sector's competitiveness are supported, such as advisory and information services, support for small farms and setting the young farmers.

Priority 3 Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

Focus area 3A

Improving competitiveness of primary producers, by better integrating them into the agri-food chain through quality schemes, increase of value added for agricultural products, promotion on local markets and short supply circuits, producer groups and organisations and inter-branch organisations

Choice of sub-programme's measures

Measure no. 4a. Investments in physical assets in the fruit-growing sector

Measure no. 9a. Setting-up producer groups in the fruit-growing sector

Measure no. 16a. Cooperation in the fruit-growing sector

Combination and justification of sub-programme's measures

In the context of structural problems of the fruit-growing sector and the reduced degree of adaptation to market demands, association and cooperation between producers are essential as regards strengthening the negotiation power, the supply of agricultural machineries and technologies, the increase of level of access to credits, the introduction of innovations and new management ideas.

Farmers need to cooperate in organized structures meant to ensure their relation with the market, in order to improve and adapt the production to market demands.

The support granted by **measure 9a, Setting-up producer groups in the fruit-growing sector**, facilitates the association of producers and represents an important measure for strengthening their role in relation to processors and trades, in order to have an efficient capitalization of production and can contribute to the increase of production quality and to a better supply with inputs.

Also, the support granted by **measure 16a, Cooperation in the fruit-growing sector**, facilitates the cooperation between the relevant stakeholders from the fruit-growing sector, in order to promote the marketing of production, through short chains, and the cooperation between farmers and other stakeholders, in order to develop new products, pilot projects that can lead to the increase of the value added of products from the fruit-growing sector and their marketing through short chains.

At the same time, the actions supported through measure 4a, such as modernization and expansion of collection-conditioning systems and processing units, corroborated with marketing activities and the increase of products quality, contribute to the stimulation of creation of short supply chains.

Additionally, by measures in NRDP, actions of information, knowledge transfer and advice shall be supported, which will contribute to the creation of short chains and quality products.

Priority 6 Promoting social inclusion, poverty reduction and economic development in rural areas

Focus area 6A

Facilitating diversification, creation and development of small enterprises, as well as job creation

Measures selected

Measure 4a Investments in physical assets in the fruit-growing sector
--

Combination and justification of rural development measures

Given that 85% of the area of fruit-growing areas and around 45% of the population is in the rural area, and economic functions of rural areas depend almost entirely on carrying out agricultural activities, the creation of alternative jobs in fruit growing areas is necessary in order to ensure the access of farmers in these areas to additional income sources.

Thus, by sub-measure 4a are supported investments in the sector of fruits processing, in order to establish processing units at local level, which will have a contribution to increasing the number of jobs available in fruit-growing areas.

Additionally, by the relevant measures in NRDP, actions such as the creation and development of non-agricultural activities in fruit-growing areas will be supported.

A description of how the cross-cutting themes will be addressed

Innovation, together with environment and climate, are the three cross-cutting objectives for the accomplishment of the objectives of the European Union in the rural development field.

In the effort to have a smart, sustainable and favourable to inclusion increase, innovative actions, observing environment and mitigating climate changes are important elements. The directions outlined by the EU in

terms of rural development for the period 2014-2020 favour and highlight the role of these three essential elements in accomplishing the six rural development priorities.

Within the fruit-growing thematic sub-programme the cross-cutting objectives shall be addressed as follows:

Innovation

The innovation has an extremely important role within the National Rural Development Programme for the period 2014-2020 because it facilitates the development, the use and the transfer of new ideas, products or technologies.

Thus, the promotion of innovative technologies and ideas in order to increase competitiveness of fruit-growing sector, to adapt to the effects of climate changes and to maintain the biodiversity on the orchard lands, shall be done through the following measures, as follows:

a) Measure 4a - Investments in physical assets in the fruit-growing sector

Investments made through this measure contribute to the promotion of innovation in the fruit-growing sector, by the renewal of motor vehicle fleet and machineries and the establishment and modernization of processing units.

The use of innovative technologies and ideas in the orchard sector also reflect in the socio-economic effects such as: production increase, reduction of fuels consumption, improvement of labour conditions of farmers, development of new varieties of trees and shrubs and new products in food industry.

b) Measures 16a - Cooperation in the fruit-growing sector and 9a – Setting-up producer groups in the fruit-growing sector

Through measure 16a support shall be granted for the establishment of operational groups, the development of pilot projects, new products, practices, processes and technologies in the fruit-growing sector and for the cooperation throughout the value chain.

These actions address structural problems of fruit growing, but also the reduced level of adaptation of fruit-growing holdings to market requirements and to climate changes effects, by the implementation of innovative solutions that support the sector specific needs (ex.: decrease climate changes effects and adapt to them, develop varieties with low water consumption, resilient to draught, propagating material adapted to local soil and climatic conditions etc.).

Also, this measure facilitates the access of the stakeholder's from the fruit-growing sector to updated information, relevant for the activities carried out by them and contributes to the increase of sector competitiveness.

At the same time, the support for the creation of short supply chains through cooperation actions supported by this measure and also through the establishment of producer groups (9a), is necessary in terms of opening to market opportunities for the farmers from the fruit-growing sector, by promoting and selling the products close to the source of production, either individually or jointly.

Complementarily, by the relevant measures from NRDP, the provision of advisory and information services is supported.

Environment and climate

Climate changes effects are already obvious, and the probability of their intensification is high. Thus, a coherent approach is necessary in order to adapt agriculture to effects produced by climate changes.

In the fruit-growing sector the most important GHG sources are the old storage and conditioning facilities (because of high energy consumption), old and obsolete equipment and the machineries, with a high energy consumption and nitrogen-based fertilizers.

At the same time, the ongoing depopulation of rural communities in areas of fruit growing, caused by the reduction of economic activities related to the fruit-growing, shall determine, on medium and long terms, the abandon of existing orchards, with negative impact on the habitats, the cultural traditional fund, the biodiversity as well as the edaphic coating.

Given that the main objectives of the thematic fruit-growing sub-programme are restructuring the sector and the increase of competitiveness, **the environmental and climate objectives are addressed through the secondary effects** generated by the main activities supported by the sub-programme's measures:

a) Measure 4a - Investments in physical assets in the fruit-growing sector

This measure supports the modernization of motor vehicle fleets and agricultural machineries, processing units, increase of energy-efficient buildings in fruit-growing holdings, fostering the production of energy from renewable sources in fruit-growing holdings and processing units and the use of irrigation systems with a low water system, which will contribute to the reduction of energy and water consumption and implicitly to the reduction of GHG emissions, respectively the decrease of pressure on the hydrographical basins.

The support granted for the creation of orchards has an important contribution in protecting soil against desertification, in preventing landslides, but also in carbon sequestration, both in soil and wood mass.

b) Measure 16a - Cooperation in the fruit-growing sector

Innovation in the fruit growing field must become an important support pillar for the adaptation of fruit growing to climate changes, being able to provide efficient, innovative solutions such as varieties resilient to draught, growing techniques and systems limiting the number of interventions on the soil, thus reducing water loss in the soil, the preservation and the promotion of the generic autochthonous potential.

Thus, the support granted by this measure shall facilitate the cooperation between farmers, researchers and other stakeholders, by establishing Operational Groups, in order to develop pilot projects, new products, practices, processes and innovative technologies in the fruit-growing sector that can make a contribution to achieving the environmental and climate objectives in fruit-growing areas.

Development of new cropping processes and techniques, by the support granted by this measure, can lead to the decrease of water and energy consumption and chemical inputs, to the significant decrease of erosion risk and the preservation of biodiversity.

Also, the support for the creation of short food chains through this measure, is an innovative method by which, due to the local feature of short chains, the consumption of energy and implicitly GHG emissions decrease, which has a positive impact on the environment and climate.

Additionally, through the relevant measures in NRDP are supported the actions contributing to these cross-cutting objectives, such as support for the holdings that have fruit growing areas under organic or traditional system, provision of advisory services and information of the farmers in fruit-growing areas.

c) 9a- Setting up producer groups in the fruit-growing sector

Producer groups can make an important contribution to the mitigation and adaptation to climate changes, through practical actions to achieve agreed targets, such as modernization of collection, storage and conditioning systems and of processing units and the promotion of innovation and environmental-friendly practices within the group.

A summary table of the intervention logic showing the priorities and focus areas selected for the thematic fruit growing sub-programme, the quantified targets, as well as the combination of measures to be used to achieve them.

Priority 1			
Focus area	Target indicator name	Target value 2023	Combination of measures
1A	T1 % of expenditure for the 3 measures: "Knowledge transfer & information action" + "advisory services" + "cooperation" in relation to the total expenditure for the RDP (1A)	0.18	M16
1B	T2 Total number of co-operation operations supported under the cooperation measure (groups, networks/clusters, pilot project...) (1B)	118	M16
Priority 2			
Focus area	Target indicator name	Target value 2023	Combination of measures
2A	T4 % of agriculture holdings with RDP support for investments in restructuring or modernisation (P2A)	0.69	M04
Priority 3			
Focus area	Target indicator name	Target value 2023	Combination of measures
3A	T6 % of agricultural holdings supported under quality schemes, local markets and short supply circuits, and producer groups/organisations (P3A)	0.65	M04
			M09
			M16
Priority 6			
Focus area	Target indicator name	Target value 2023	Combination of measures
6A	T20 Jobs created in supported projects (P6A)	1419	M04

INDICATOR PLAN

P1: FOSTERING KNOWLEDGE TRANSFER AND INNOVATION IN AGRICULTURE, FORESTRY AND RURAL AREAS

1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T1 % of expenditure for the 3 measures: "Knowledge transfer & information action" + "advisory services" + "cooperation" in relation to the total expenditure for the RDP (1A)	0,18
Total RDP planned public expenditures	9,363,187,655.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	16.666.667,00

1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T2 Total number of co-operation operations supported under the cooperation measure (groups, networks/clusters, pilot project...) 1B	118

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M16 - Co-operation (art 35)	Nr of EIP operational groups to be supported (establishment and operation) (16.1)	12
M16 - Co-operation (art 35)	Nr of other cooperation operations (groups, networks/clusters, pilot projects...) (16.2 to 16.9)	106

P2: ENHANCING FARM VIABILITY AND COMPETITIVENESS OF ALL TYPES OF AGRICULTURE IN ALL REGIONS AND PROMOTING INNOVATIVE FARM TECHNOLOGIES AND THE SUSTAINABLE MANAGEMENT OF FORESTS

2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T4 % of agriculture holdings with RDP support for investments in restructuring or modernisation (P2A)	0.69
Nr of agriculture holdings with RDP support for investments in restructuring or modernisation (P2A)	874

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	127107

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M04 - Investments in physical assets (art 17)	Nr of holdings supported for investment in agricultural holdings (4.1)	874
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	437.266.107,14
M04 - Investments in physical assets (art 17)	Total public expenditure € (4.1)	306.086.275,00

P3:PROMOTING FOOD CHAIN ORGANISATION, INCLUDING PROCESSING AND MARKETING OF AGRICULTURAL PRODUCTS, ANIMAL WELFARE AND RISK MANAGEMENT IN AGRICULTURE

3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T6 % of agricultural holdings supported under quality schemes, local markets and short supply circuits, and producer groups/organisations (P3A)	0.65
Nr of agricultural holdings supported under quality schemes, local markets and short supply circuits, and producer groups/organisations (P3A)	824

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	127,107.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M04 - Investments in physical assets (art 17)	Nr of operations supported for investment (e.g. in agricultural holdings, in processing and marketing of ag. products) (4.2)	24
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	37.847.844,00
M04 - Investments in physical assets (art 17)	Total public expenditure €	18.923.922,00
M09 - Setting-up of producer groups and organisations (art 27)	Nr of operations supported (producer groups set up)	40
M09 - Setting-up of producer groups and organisations (art 27)	Nr of holdings participating in producer groups supported	400
M09 - Setting-up of producer groups and organisations (art 27)	Total public expenditure (€)	8,922,222.00
M16 - Co-operation (art 35)	Nr of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)	424
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	16.666.667,00

**P6:PROMOTING SOCIAL INCLUSION, POVERTY REDUCTION AND ECONOMIC DEVELOPMENT
IN RURAL AREAS**

6A) Facilitating diversification, creation and development of small enterprises, as well as job creation

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T20 Jobs created in supported projects (P6A)	1419

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M04 - Investments in physical assets (art 17)	Nr of beneficiaries of support for investment (in processing and marketing of ag. products) (4.2)	35
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	56.771.764,00
M04 - Investments in physical assets (art 17)	Total public expenditure €	28.385.882,00

Secondary effects: identification of potential contributions of Rural Development measures/sub-measures programmed under a given focus area to other focus areas / targets

FA from IP	Measure	P1			P2		P3		P4			P5					P6		
		1A	1B	1C	2A	2B	3A	3B	4A	4B	4C	5A	5B	5C	5D	5E	6A	6B	6C
2A	M04 - Investments in physical assets (art 17)				P		X				X	X	X	X	X	X			
3A	M04 - Investments in physical assets (art 17)				X		P						X	X	X				
	M09 - Setting-up of producer groups and organisations (art 27)	X	X		X		P												
	M16 - Co-operation (art 35)	X	X		X		P			X	X	X	X	X	X	X			
6A	M04 - Investments in physical assets (art 17)				X		X						X	X			P		

ANNEX I

<u>Species</u>	<u>Area (ha)</u>
<u>Plum-tree</u>	<u>71.479,86</u>
<u>Apple-tree</u>	<u>60.731,34</u>
<u>Sweet and sour cherry-tree</u>	<u>7.760,55</u>
<u>Pear-tree</u>	<u>4.824,49</u>
<u>Apricot-tree</u>	<u>2.877,02</u>
<u>Peach-tree and Nectarine-tree</u>	<u>2.689,68</u>
<u>Nut-tree, hazelnut-tree and almond-tree</u>	<u>2.253,53</u>
<u>Strawberry</u>	<u>2.082,10</u>
<u>Fruit bushes</u>	<u>1.431,28</u>
<u>Other species¹</u>	<u>2.477,33</u>
<u>Total</u>	<u>158.607,18</u>

* the situation per species does not include 25.39 ha nurseries in the counties of Cluj and Ialomița.

Fig.1 Localities of the area of the fruit growing sub-programme, by species and area (reference year 2013)

Source: {3}

	Total production – including family gardens (thousands of tons)					
	2007	2008	2009	2010	2011	2012
Fruits total, of which:	1085,8	1179,2	1323	1419,6	1479,9	1128,6
Plums	372,6	475,3	533,7	624,9	573,6	420,8
Apples	475,4	459	517,5	552,9	620,4	452,1
Pears	62,8	52,6	66,1	60,4	66,9	54,2
Peaches and nectarines	17,0	16,4	17,1	11,2	22,5	16,6

¹Other species: buckthorn, aronia, rosejam, elderberry, Lonicera, Rowan, horn

Sweet and sour cherry	65,2	67,7	67,9	70,3	81,8	69,8
Apricots and ungrafted apricot-tree	27,6	32,1	32,5	23,8	33,7	28,8
Nuts	25,5	32,3	38,3	34,3	35,1	30,4
Strawberries	16,5	21,2	22,0	21,4	18,9	15,8
Other fruits	23,2	22,6	27,9	20,4	27,0	23,9

Fig. 2 Evolution of the fruit production

Source {5}

Year	New plantations	Deforestations
2008	471	1502
2009	378	1609
2010	774	737
2011	676	776
2012	708	1098

Fig. 3 Evolution of fruit-growing areas created and deforested

Source {3}

CENTRALIZED SITUATION OF ORCHARDS

Tabel no 2

Species	Area (ha)	Aged between						Category						Crop system					
		>25 year old		10-25 year old		1-10 year old		declining		bearing		young		Extensive		Intensive		Superintensive	
		ha	%	ha	%	ha	%	ha	%	ha	%	ha	%	ha	%	ha	%	ha	%
APPLE	60.731,34	46.221,77	76	10.784,62	18	3.724,95	6	34.716,29	57	22.666,29	37	3.348,76	6	37.228,61	61	22.680,83	37	821,90	2
PEAR	4.824,49	3.512,67	73	975,64	20	336,18	7	2.614,72	54	1.968,47	41	241,30	5	3.934,09	82	814,81	17	75,59	1
SWEET+ SOUR CHERRY	7.760,55	4.525,30	58	2.012,30	26	1.222,95	16	3.418,04	44	3.839,79	49	502,72	7	5.073,15	65	2.544,78	33	142,62	2
PLUM	71.479,86	56.113,06	78	13.272,45	19	2.094,35	3	37.136,58	52	31.979,32	45	2.363,96	3	56.381,98	79	14.993,07	21	104,80	0
APRICOT	2.877,02	1.986,60	69	591,55	21	298,87	10	1.374,26	48	1.317,15	46	185,61	6	1.400,97	49	1.427,25	50	48,80	1
NUT-TREE	2.253,53	1.305,80	58	367,38	16	580,35	26	704,70	31	981,90	44	566,93	25	1.784,00	80	461,53	20	8,00	0
BUSHES	1.431,28	11,00	1	829,40	58	590,88	41	13,00	1	1.042,04	73	376,24	26	116,30	8	1.078,27	75	236,71	17
PEACH	2689,68	1535,5	57	698,32	26	455,86	17	1310,5	49	1113,78	41	265,4	10	1362,69	51	1296,39	48	30,6	1
STRAWBERRY	2.082,10	26,00	1	68,00	3	1.988,10	96	26,00	1	1.844,10	89	212,00	10	191,60	9	451,50	22	1.439,00	69
OTHER	2.477,33	1.852,73	75	108,99	4	515,61	21	1.744,73	70	252,67	10	479,93	20	1.023,39	41	1.434,23	58	19,72	1
TOTAL	158.607	117.090	74	29.709	19	11.808	7	83.059	52	67.006	42	8.543	5	108.497	68	47.183	30	2.928	2

*the situation per species does not comprise 25.39 ha nurseries of the counties of Cluj and Ialomița

Fig. 4 *Structure by ages, crop systems and productivity classes (2013)*

Source:

{3}

Species	No holdings	Surface (ha)	Surface average ha/exploataie
Apple	107827	54797,96	0,51
Pear	22092	3449,14	0,16
Plum	198538	66333,6	0,33
Apricots and ungrafted apricot- tree	6483	2997,03	0,46
Peach and nectarine	3039	1934,03	0,64
Cherry and sour tree	14878	5644,85	0,38
Quince	1566	281,77	0,18
Chestnut tree	98	31,97	0,33
Nut and hazelnut trees	3343	1899,9	0,57
Other species of nuts	85	17,94	0,21
Fruit bushes	1384	717,45	0,52
Strawberries	5167	1334,16	0,26
Other fruit trees	13201	2810,45	0,21
Other species	927	632,78	0,68
Nurseries	922	529.02	0.57
TOTAL	379550	143412.8	0,38

Fig. 5 *Number of holdings and medium size orchards and average size of owned orchards*

Source: {4}

	Holdings 0-5 Ha	Holdings>50 Ha
Number	326374,00	2895,00
Area	74176,79	34266,18

Fig. 6 *Number and fruit-growing area held by holdings up to 5 ha and over 50ha*

Source: {4}

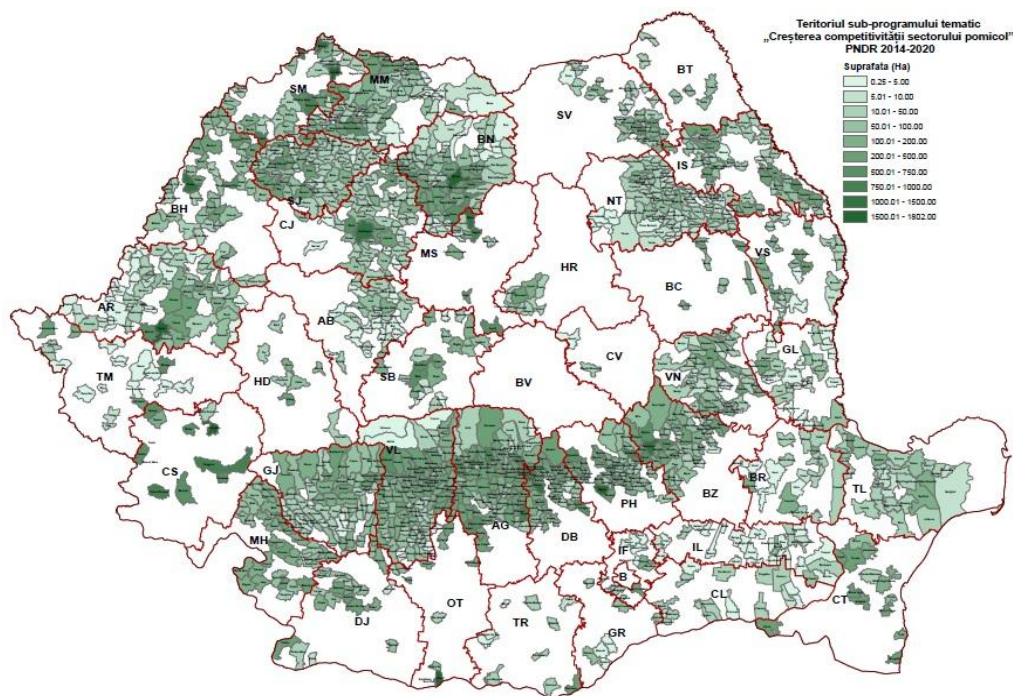


Fig. 7 Territory of the thematic sub-programme 'Increasing competitiveness of fruit-growing sector'

Source: {3}

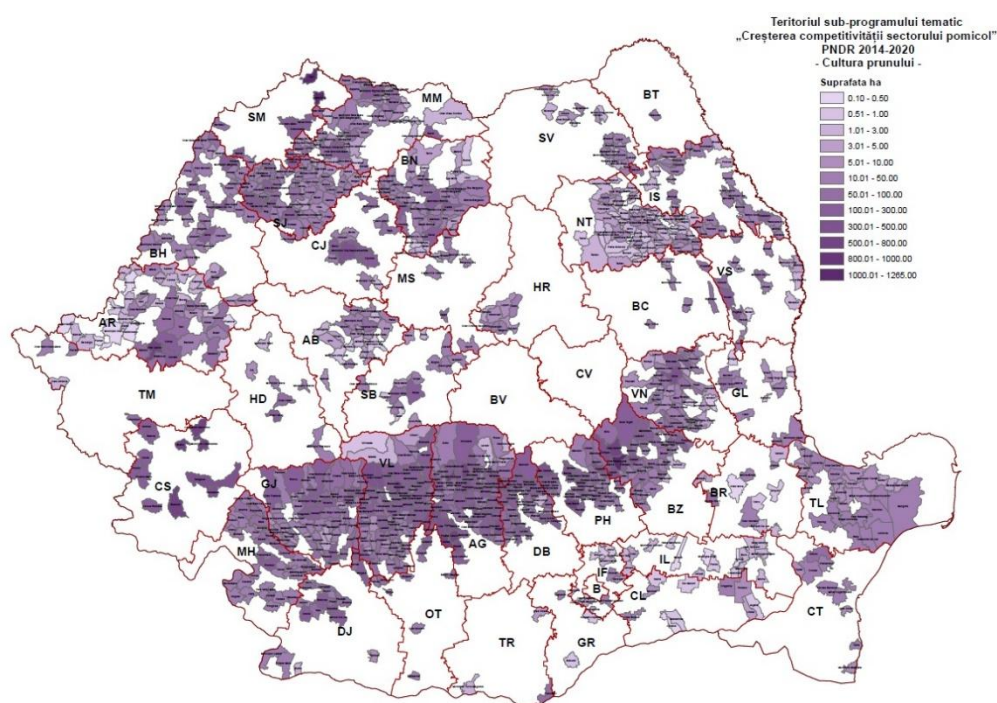


Fig. 8 Territory of the thematic sub-programme 'Increasing competitiveness of fruit-growing sector' – plum-tree crop

Source: {3}

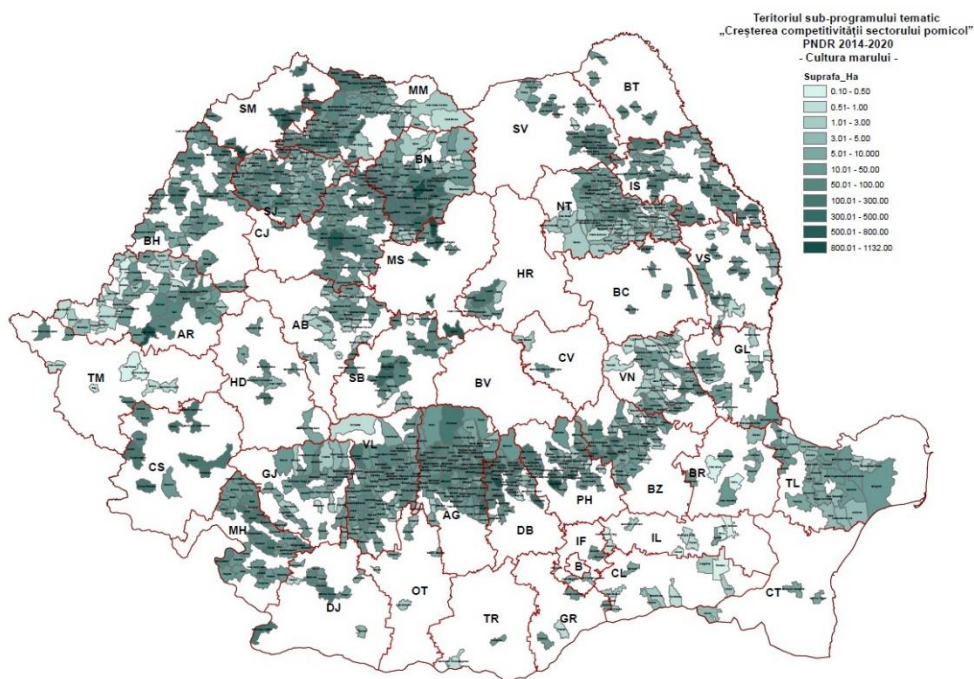


Fig. 9 Territory of the thematic sub-programme ‘Increasing competitiveness of fruit-growing sector’– apple-tree crop

Source: {3}

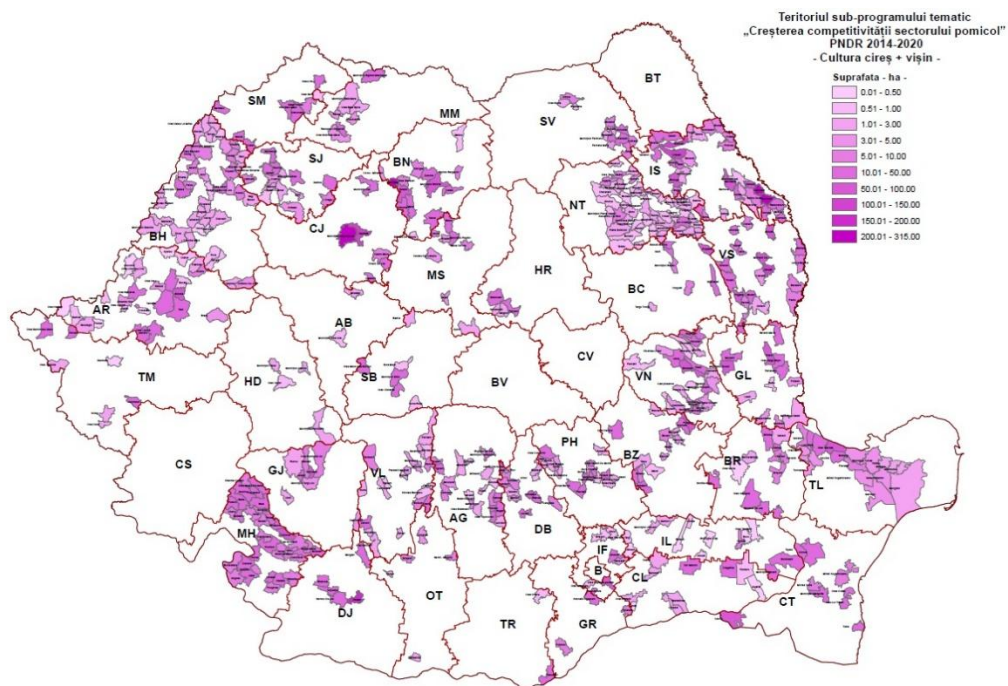


Fig. 10 Territory of the thematic sub-programme ‘Increasing competitiveness of fruit-growing sector’ – sweet and sour cherry-trees

Source: {3}

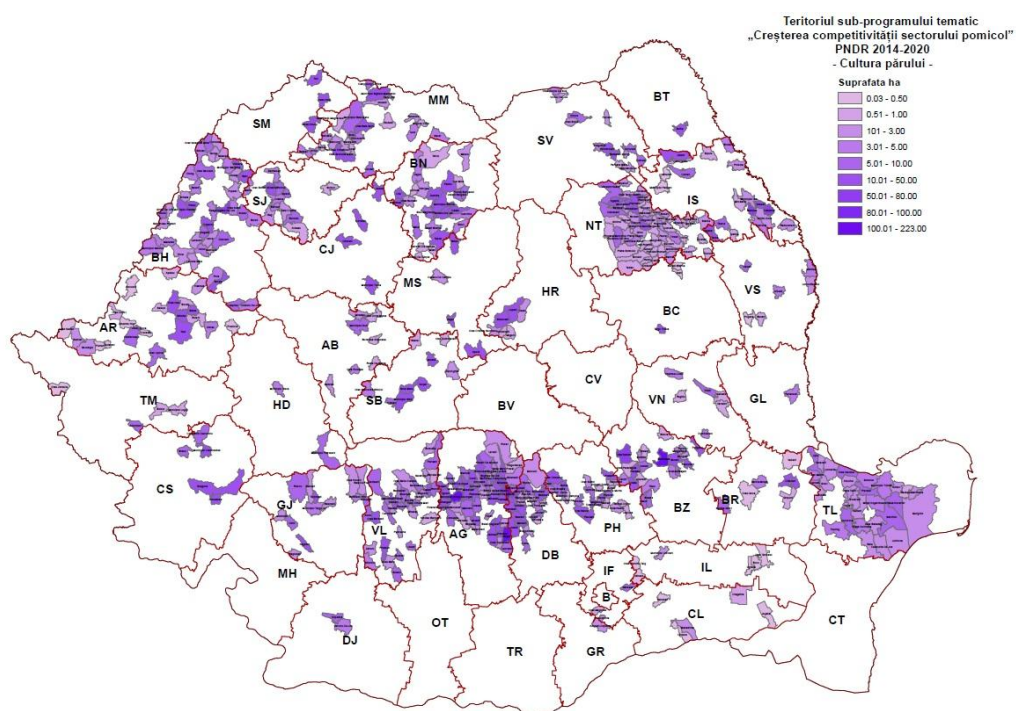


Fig. 11 Territory of the thematic sub-programme ‘Increasing competitiveness of fruit-growing sector’ – pear-tree crop

Source: {3}

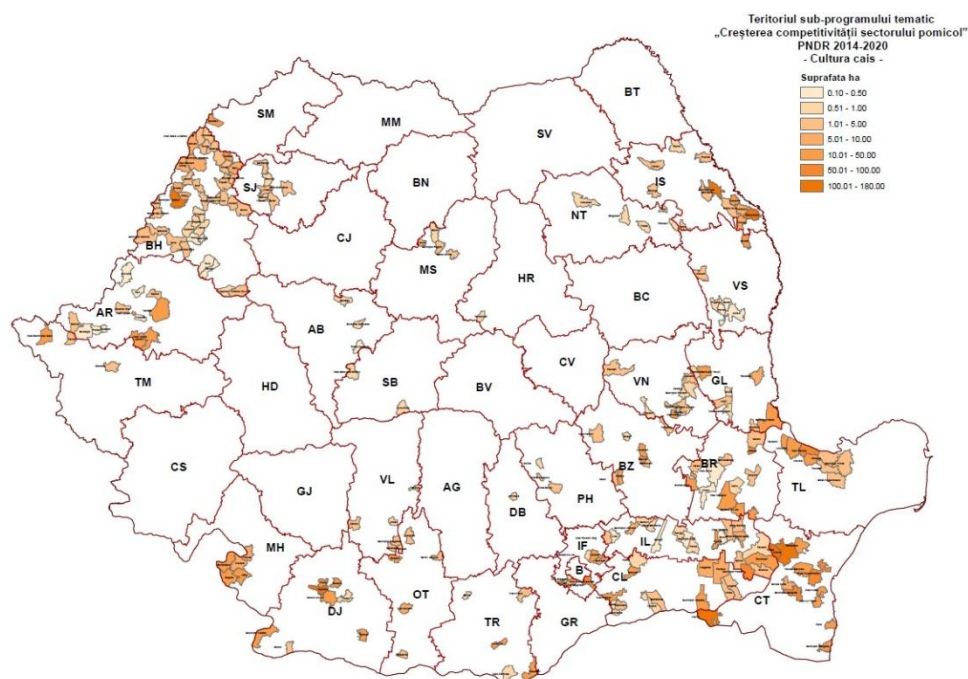


Fig. 12 Territory of the thematic sub-programme ‘Increasing competitiveness of fruit-growing sector’ – apricot crop

Source: {3}

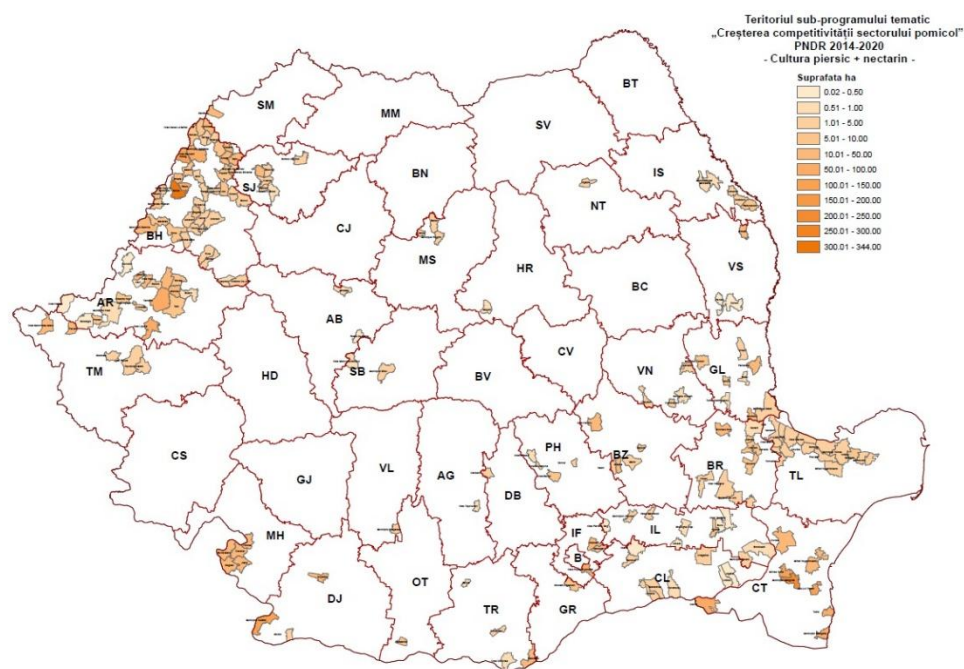


Fig. 13 Territory of the thematic sub-programme ‘Increasing competitiveness of fruit-growing sector’ – peach-tree and nectarine-tree crops

Source: {3}

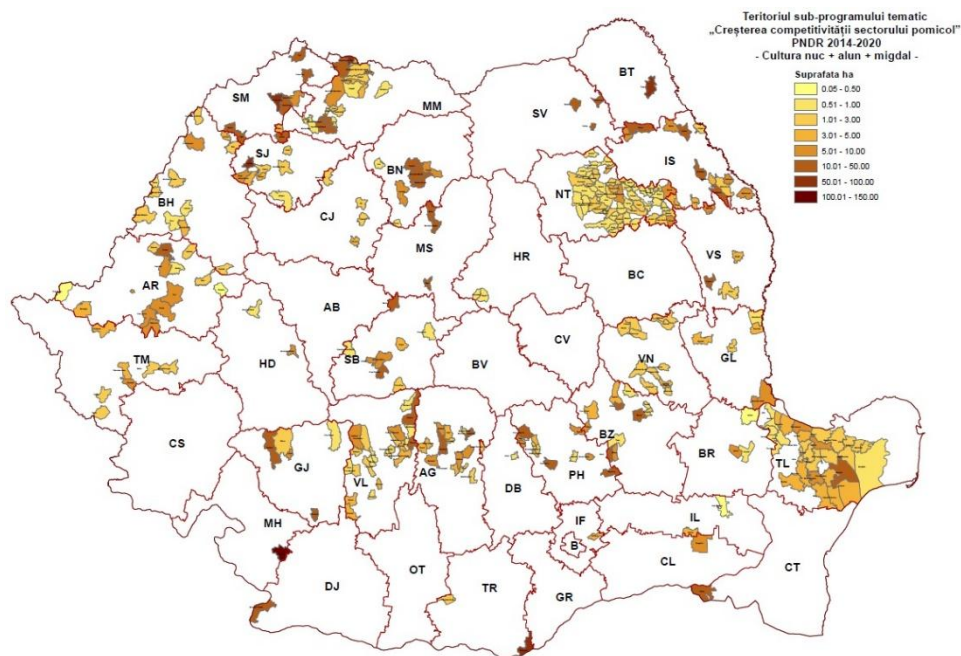


Fig. 14 Territory of the thematic sub-programme ‘Increasing competitiveness of fruit-growing sector’ – nut-tree, hazelnut-tree, almond-tree crops

Source: {3}

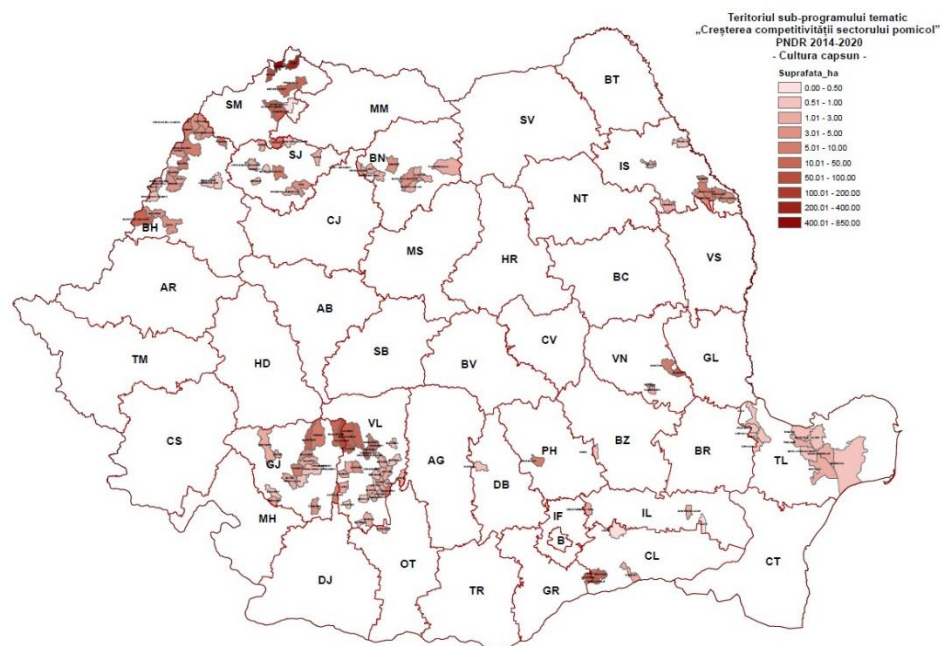


Fig. 15 Territory of the thematic sub-programme 'Increasing competitiveness of fruit-growing sector' – strawberry plant crop

Source: {3}

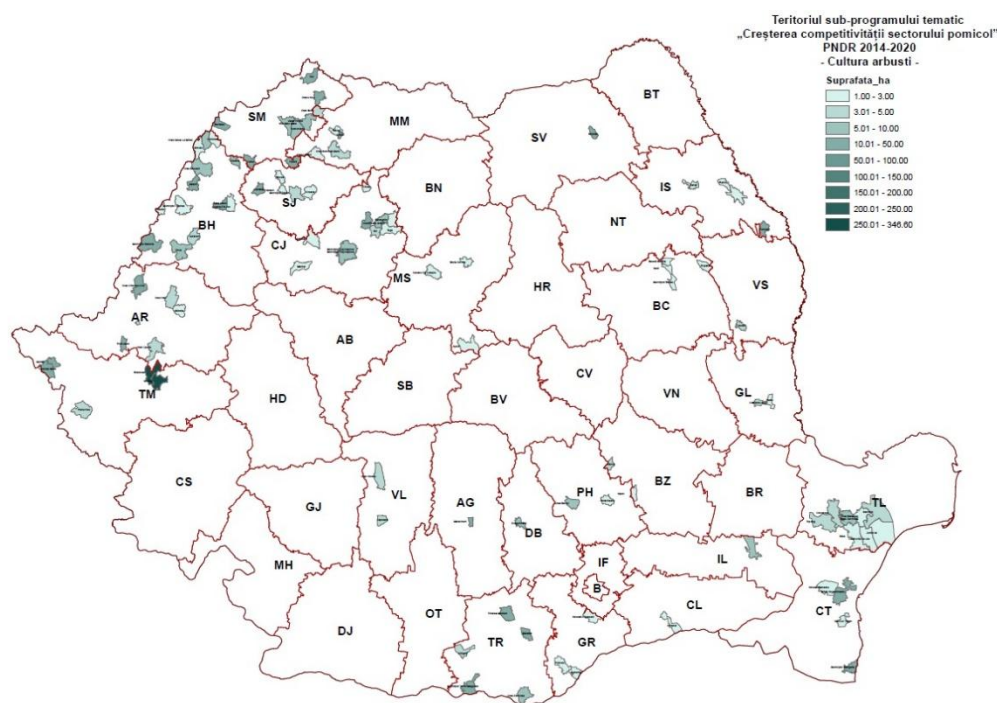


Fig. 16 Territory of the thematic sub-programme 'Increasing competitiveness of fruit-growing sector' – fruit bushes crop

Source: {3}

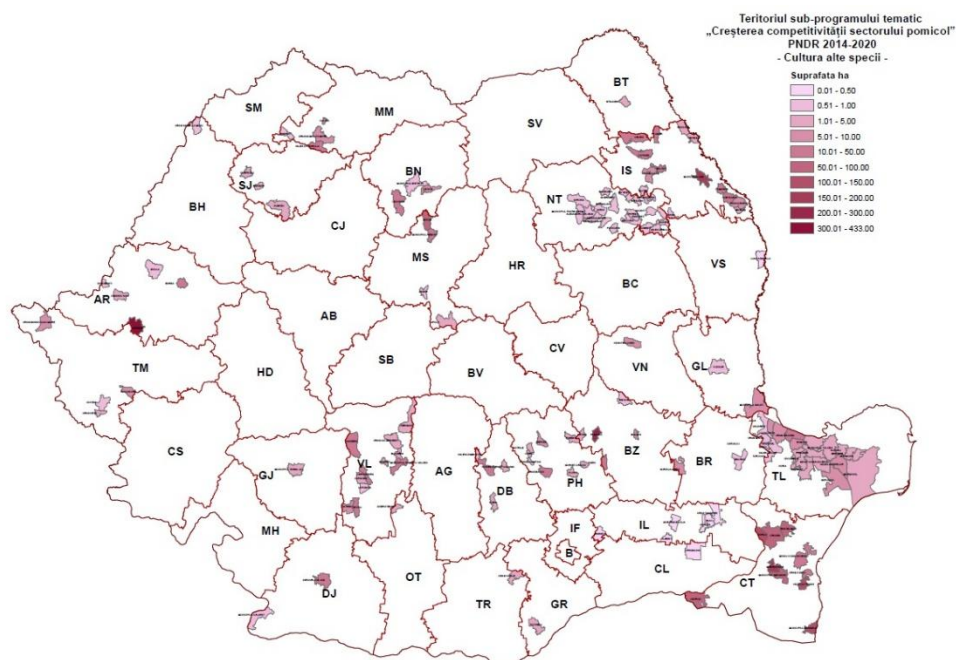


Fig. 17 Territory of the thematic sub-programme ‘Increasing competitiveness of fruit-growing sector’ – other species crops

Source: {3}

Acronyms

NIS – National Institute of Statistics

ICDP – Mărăcineni - Institute of Research-Development for fruit-growing Pitești- Mărăcineni

RGA – General Agricultural Census

CNPS – National Statistical Training Centre

CMO – Common Organisation of Agricultural Markets

EAGF – European Agricultural Guarantee Fund

EAFRD – European Agricultural Fund for Rural Development

NRDP – National Rural Development Programme

EU – 27 – 27 Member States of the EU after accession in 2007

MARD – Ministry of Agriculture and Rural Development

CNPS – National Statistical Training Centre

References:

- {1} – Eurostat;**
- {2} – NIS – administrative sources;**
- {3} – MARD – Administrative data;**
- {4} – INS – RGA 2002-2010;**
- {5} – INS – statistical yearbook**
- {6} – National Strategic Rural Framework. Presidential Commission for public policies for agriculture development Bucharest 2013;**
- {7} – NIS – food balances sheets 2009-2012**
- {8} – NIS– education statistics**
- {9} – ICDP – Mărăcineni**
- {10} – NIS – Tempo Online**
- {11} – Ministry of Environment and Climate – National Report on the state of environment – 2012.**
- {12} – CNPS study**

21. DOCUMENTS

Document title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent By
4.1.1 - Referinte bibliografice	4 SWOT and identification of needs - annex	19-06-2014			Anexa 4.1.1 - Referinte bibliografice		
Anexa 8.2.M.10.2 - informatii specifice rase locale	8.2 M10 - Agri-environment-climate (art 28) - annex	27-06-2014			Anexa 8.2.M.10.2 - informatii specifice rase locale		
Declaratie ajutor de stat	13 Elements needed for state aid assessment - annex	27-06-2014			Declaratie ajutor de stat		
Anexa Cap. 16 - Parteneri consultati	16 Actions taken to involve partners - annex	30-06-2014			Anexa Cap. 16 - Parteneri consultati		
Document explicativ IP	11 Indicator Plan - annex	30-06-2014			Document explicativ IP		
Sub-programul tematic pomicol	20 Thematic sub-programmes - annex	01-07-2014			Sub-programul tematic pomicol		
Anexa 8.2.M8 – Metodologia de calcul a costurilor standard și a pierderilor de venit	8.2 M08 - Investments in forest area development and improvement of the viability of forests (art 21-26) - annex	01-07-2014			Anexa 8.2.M08 – Metodologia de calcul a costurilor standard și a pierderilor de venit		
Anexa 8.2.M.10-M.13 - zone eligibile	8.2 M10 - Agri-environment-climate (art 28) - annex	01-07-2014			Anexa 8.2.M.10-M.13 - zone		

					eligibile		
Anexa 8.2.M.13 - desemnare	8.2 M13 - Payments to areas facing natural or other specific constraints (art 31) - annex	01-07-2014			Anexa 8.2.M.13 - desemnare		
4.1.7 Indicatori specifici de context	4 SWOT and identification of needs - annex	01-07-2014			4.1.7 Indicatori specifici de context		
Raport preliminar privind evaluarea ex-ante	3 Ex-ante evaluation report - annex	01-07-2014			Raport preliminar privind evaluarea ex-ante		
Raport SEA preliminar	3 Ex-ante evaluation report - annex	01-07-2014			Raport SEA preliminar		